be turned over to the Commonwealth for the care and treatment of convalescent veterans; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BALDWIN of New York:

H. R. 6208. A bill for the relief of Louis Jonckers and Mrs. Philomene Vermeulen; to the Committee on Claims.

By Mr. CASE of New Jersey:

H. R. 6209. A bill for the relief of Amelia Zboyan; to the Committee on Claims.

By Mr. CELLER:

H. R. 6210. A bill for the relief of George Haagen; to the Committee on Claims.

By Mr. GRANT of Alabama:

H. R. 6211. A bill for the relief of Elbert Spivey; to the Committee on Claims.

By Mr. KUNKEL:

H. R. 6212. A bill for the relief of the estate of Lucy T. Campion, deceased, to the Committee on Claims.

By Mr. McGEHEE:

H. R. 6213. A bill for the relief of Bvt. First Lt. Margaret Utinsky; to the Committee on Claims.

By Mr. MONRONEY:

H. R. 6214. A bill for the relief of Claude T. Thomas, legal guardian of Elizabeth Ann Mervine, a minor, and the estates of Mary L. Poole, deceased, and Hazel S. Thomas, deceased; to the Committee on Claims.

H. R. 6215. A bill for the relief of the Yellow Cab Transit Co., of Oklahoma City; to the Committee on Claims.

By Mr. RIVERS:

H. R. 6216. A bill for the relief of Willie Weekley; to the Committee on Claims.

By Mr. SAVAGE:

H. R. 6217. A bill for the relief of Mabel Gladys Viducich; to the Committee on Immigration and Naturalization.

By Mr. LYNCH:

H. R. 6218. A bill for the relief of Esther Ringel; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

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

1802. By Mr. ADAMS: Petition of the City Council of the City of Portsmouth, N. H., relating to the Portsmouth naval base; to the Committee on Naval Affairs.

1821. Also, petition of Ralph W. Sleeper and other citizens, residing in Grafton County, N. H., relating to the control of atomic energy; to the Committee on Foreign Affairs.

1822. By Mr. FORAND: Petition of the Holy Name Society of St. Augustine's Roman Catholic Church of the city of Providence and the State of Rhode Island, memorializing the Congress of the United States to adopt a policy of noninterference with Spain and the continuance of friendly relations with the Spanish Government; to the Committee on Foreign Affairs.

1823. By Mr. GAVIN: Petition of Earl Shay, Knox, Pa., and other residents of Knox, Pa., opposing passage of Wagner-Murray-Dingell bill, House bill 4730, and Senate bill 1606; to the Committee on Interstate and Foreign Commerce.

1824. Also, petition of Clyde R. McCamant, Knox, Pa., and other residents of Clarion County, Pa., opposing passage of Wagner-Murray-Dingell bill, House bill 4730 and Senate bill 1606; to the Committee on Interstate and Foreign Commerce.

1825. By Mr. HOLMES of Massachusetts: Memorial of the General Court of Massachusetts, urging the President of the United States to take action relative to limiting the importation of Swiss watches into the United States; to the Committee on Ways and Means.

1826. By Mr. LYNCH: Memorial of Assembly of the State of New York, urging rejection of the Gossett bill, House bill 3663, to amend the Immigration Act of 1924, as amended, by cutting in half all existing immigration quotas; to the Committee on Immigration and Naturalization.

1827. Also, petition of Captain Jacob Joseph Post, No. 267, Jewish Veterans of the United States, urging adoption of the Patman housing bill as originally proposed; to the Committee on Banking and Currency.

1828. By Mrs. ROGERS of Massachusetts: Petition of Charles R. Voigt, of Concord, Mass., and 167 other Concord people, in opposition to the Wagner-Murray-Dingell medical bill, Senate bill 1606; to the Committee on Interstate and Foreign Commerce.

1829. Also, memorial of the General Court of Massachusetts, to take action to limiting the importation of Swiss watches into the United States; to the Committee on Ways and Means.

1830. Also, memorial of the General Court of Massachusetts, to adopt adequate anti-poll-tax bill; to the Committee on the Judiciary.

1831. Also, memorial of the General Court of Massachusetts, to provide for the maintenance by the Federal Government of Camp Edwards in this Commonwealth for the hospitalization of war veterans and as a place for their convalescence and recreation; to the Committee on Military Affairs.

1832. Also, memorial of the General Court of Massachusetts, to retain Camp Edwards as a hospital for the care and treatment of convalescent veterans, and in lieu thereof recommend to Congress that said camp be turned over to the Commonwealth for the care and treatment of convalescent veterans; to the Committee on Military Affairs.

1833. Also, memorial of the General Court of Massachusetts, for the adoption of a complete system of national pensions covering all adult citizens of the United States; to the Committee on Ways and Means.

1834. Also, memorial of the General Court of Massachusetts, in favor of extending the benefits of the GI bill of rights, so-called, to persons who served in the merchant marine of the United States during World War II; to the Committee on Military Affairs.

1835. By Mr. VOORHIS of California: Petition of William H. H. Kelley and 247 others, urging that the Congress pass House Joint Resolution 325 which would authorize the President and Secretary of Agriculture to issue directives preventing the use of grains for beverage purposes so long as the critical shortage of food in the world exists; to the Committee on Agriculture.

1836. By the SPEAKER: Petition of various members of the Allen Christian Church, Allen, Tex., petitioning consideration of their resolution with reference to the cancellation of the atomic bomb explosions; to the Committee on Naval Affairs.

SENATE

FRIDAY, APRIL 19, 1946

(Legislative day of Tuesday, March 5, 1946)

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

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

Almighty God, whose amazing love we cannot fathom, we rejoice that when there was no eye to pity and no arm to save, then in the fullness of time Thou didst give Thine only begotten Son to be the Saviour of the world.

Grant that on this day of solemn and sacred memory we may be filled with penitence and humility as we turn toward the cross to meditate upon the sufferings and sacrifice of the great Captain of our salvation. May our hearts be sensitive and responsive as He speaks to us:

"This I have done for thee; what wilt thou do for Me?"

We pray that we may appropriate by faith that blessed redemption whereof Thou hast given assurance by raising Him from the dead. Hasten the day when the spirit of man shall be too strong for chains and too large for imprisonment and men everywhere shall walk with the risen Christ in the glorious liberty of the sons of God.

Hear us in the name of the Saviour. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, April 18, 1946, was dispensed with, and the Journal was approved.

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 amendments of the Senate to the bill (H. R. 4896) to provide for the payment of travel allowances and transportation and for transportation of dependents of members of the naval forces, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 341) relating to the status of Keetoowah Indians of the Cherokee Nation in Oklahoma, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JACKSON, Mr. MURDOCK, Mr. STIGLER, Mr. MUNDT, and Mr. ROCKWELL were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 842) for the relief of the Elmira Area Soaring Corp.

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. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 1 and 4 to the bill and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 5 and 7 and concurred therein, each with an amendment in which it requested the concurrence of the Senate.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

and joint resolution, in which it requested the concurrence of the Senate:

H. R. 5433. An act to amend section 540 of title 10 and section 441 (a) of title 34 of the United States Code providing for the detail of United States military and naval missions to foreign governments;

H. R. 5626. An act to authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes; and

H. J. Res. 331. Joint resolution to authorize suitable participation by the United States in the observance of the two-hundredth anniversary of the founding of Princeton University.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following bill and joint resolution, and they were signed by the President pro tempore:

H. R. 4896. An act to provide for payment of travel allowances and transportation and for transportation of dependents of members of the military and naval forces, and for other purposes; and

H. J. Res. 342. Joint resolution making additional appropriations for the fiscal year 1946 to pay increased compensation authorized by law to officers and employees of sundry Federal and other agencies.

LEAVE OF ABSENCE

Mr. OVERTON. I ask unanimous consent that I may absent myself from the Senate for a number of days in order to make a tour of inspection in connection with rivers and harbors and flood control.

The PRESIDENT pro tempore. Without objection, the request is granted.

NOTICE OF HEARING ON NOMINATION OF SAMUEL B. KEMP TO BE CHIEF JUSTICE, SUPREME COURT, TERRITORY OF HAWAII

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, April 26, 1946, at 10:30 a. m., in the Senate Judiciary Committee room, upon the nomination of Hon. Samuel B. Kemp, of Hawaii, to be chief justice of the Supreme Court, Territory of Hawaii—reappointment. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman; the Senator from Utah [Mr. MURDOCK]; and the Senator from Nebraska [Mr. WHERRY].

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on April 18, 1946, he presented to the President of the United States the following enrolled bills:

S. 75. An act for the relief of Thomas C. Locke;

S 486. An act for the acquisition of Indian lands required in connection with the construction, operation, and maintenance of electric transmission lines and other works, Fort Peck project, Montana;

S. 718. An act to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands;

S. 1190. An act for the relief of Mrs. Henry H. Hay;

S. 1310. An act for the relief of Saunders Wholesale, Inc.;

S. 1363. An act to reimburse certain Navy and Marine Corps personnel and former Navy and Marine Corps personnel for personal property lost or destroyed as the result of water damage occurring at certain naval and Marine Corps shore activities;

S. 1492. An act to reimburse Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire in building No. 141 at the United States naval repair base, San Diego, Calif., on May 1, 1945;

S. 1601. An act to revive and reenact the act entitled "An act granting the consent of Congress to the counties of Valley and McCone, Mont., to construct, maintain, and operate a free highway bridge across the Missouri River at or near Frazer, Mont.," approved August 5, 1939; and

S. 1638. An act for the relief of Salvatore Carbone.

EXECUTIVE COMMUNICATIONS, ETC.

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

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF AGRICULTURE (S. DOC. NO. 172)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Department of Agriculture, amounting to $195,000, fiscal year 1947 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

CLAIMS OF CERTAIN CIVILIAN EMPLOYEES OF THE GOVERNMENT ON MILITARY STATUS

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to provide for the payment of members of the military and naval forces of the United States who enter or reenter civilian employment of the United States, its territories or possessions, or of the District of Columbia while in military pay status prior to assignment to active duty (with accompanying papers); to the Committee on Claims.

PETITION

Mr. SALTONSTALL (for himself and Mr. WALSH) presented resolutions of the General Court of the Commonwealth of Massachusetts, which were referred to the Committee on Military Affairs, as follows:

Resolution memorializing the President of the United States to issue such orders as will prevent the closing of Fort Devens and the Lovell General Hospital

Whereas the Secretary of War has announced the closing of Fort Devens and the Lovell General Hospital on or before June 30; and

Whereas Fort Devens is the only major military establishment, other than Air Force and Navy establishments, in the northeastern sector of the United States; and

Whereas thousands of citizens of surrounding cities and towns are employed at Fort Devens and the Lovell General Hospital, and such closing would cause widespread unemployment to the great detriment of said communities; and

Whereas the Lovell General Hospital is the only hospital with facilities reasonably adequate to care for patients in this part of the country; and

Whereas many patients at Lovell General Hospital have families in the immediate vicinity and the removal of such patients to distant hospitals outside of New England would cause great hardship on said patients and their relatives: Therefore be it

Resolved, That the General Court of Massachusetts request the President of the United States to issue such orders to the Secretary of War as will prevent the closing of said Fort Devens and the Lovell General Hospital; and be it further

Resolved, That copies of these resolutions be sent to the President of the United States, to the Secretary of War, and to the Members of the Congress from Massachusetts.

(The PRESIDENT pro tempore laid before the Senate resolutions identical with the foregoing, which were referred to the Committee on Military Affairs.)

LEGAL RIGHTS OF AMERICAN INDIANS

Mr. ROBERTSON. Mr. President, I have received an important communication relative to the American Indian. This communication comes from the chairman of the Crow Indian Council, Henry Pretty On Top, and includes a resolution passed by the Crow Indian Council in session on the 16th day of February.

The resolution deals with many matters concerning the American Indian. It is signed by the chairman, and also by Harry Whiteman, secretary.

I ask unanimous consent to present the resolution and that it be printed in the RECORD and appropriately referred.

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

Whereas our Government has always championed the rights of all suppressed peoples and minority groups the world over to enjoy, employ, and exercise their natural and human rights in matters of self-determination and to live under a representative form of government so that they, too, might enjoy the blessings of liberty and freedom from want and fear; and

Whereas to implement and to make real this plan of human freedom, a great war of liberation from the machinations and designs of those who would enslave us was fought and won; and in furtherance of that ideal, a new magna carta—the Atlantic Charter—was brought forth by President Roosevelt and Winston Churchill and proclaimed to all the world as the basis of human hopes and aspirations for freedom and liberty; and

Whereas for over 100 years the American Indians have lived under the absolute control of the military and civil authorities of our Government as to their lives, property, and freedom, and without any right or privilege of review or redress of the Government's administrative acts in the courts; and

Whereas the American Indians constitute the only people under the American flag denied the legal right, under our Constitution as interpreted by the Supreme Court, of their day in court for a redress of grievances against the Government when that right is extended to all foreigners who set foot upon American soil whether they be citizens of the United States or not, and, at the moment, Japanese generals in the Philippines, far removed from the United States, enjoy court privileges denied the Indians; and

Whereas it appears most opportune and proper at the moment to remind the Congress and the American people that:

1. The American Indians cannot present a claim of any sort in the Court of Claims.

2. The Indian has no right at all to go into the Court of Claims unless the Congress by special act permits him so to do and said special acts are next to impossible to secure.

3. The constitutional guaranties that every person under the American flag can assert in the highest court of the land his

protest against rights violated or denied him is refused the Indian tribes of the United States.

4. "Equal justice for all" emblazoned on the Justice Department Building is meaningless to the Indians.

5. The Indian is the only man in America without a court.

6. The Indian has no forum in this land where he can vindicate his constitutional rights.

7. The constitutional provision that "No person shall be deprived of his property without due process of law" excepts the Indians. (*Lone Wolf* v. *Hitchcock* (187 U. S. 216; 47 L. Ed. 99).)

8. Japanese, Negroes, Mexicans, and any foreigners not citizens have access to the Court of Claims to assert rights denied or violated. Everybody can go into the Court of Claims except the Indians.

9. Under existing law there is no way for them to assert their constitutional rights unless the Congress by special act (a bill) permits them that privilege.

10. By the act of June 2, 1924 (43 Stat. L. 253), all native-born noncitizen Indians were automatically made citizens of the United States.

11. Indians henceforth shall be governed by acts of Congress instead of treaties. Act of March 3, 1871 (R. S. sec. 2079).

12. "The power existing in Congress to administer upon and guard the tribal property, and the power being political and administrative in its nature, the manner of its exercise is a question within the province of the legislative branch to determine, and is not one for the courts." (*Hitchcock* v. *Cherokee Nation.*)

13. "Plenary authority over the tribal relations of the Indians has been exercised by Congress from the beginning and the power has always been deemed a political one, and subject to be controlled by the judicial department of the Government." (*Lone Wolf* v. *Hitchcock* (187 U. S. 216).)

14. "The power exists to abrogate the provisions of an Indian treaty." (*Lone Wolf* v. *Hitchcock.*)

15. The courts have held that the courts of this country are not open to the Indians and our civil liberties have never been given to them. (*Taeger Case* (27 C. Cls. Rept.)); and

Whereas, and in spite of the foregoing embarrassing facts permitted by the most powerful nation on earth which boasts Christian standards and the Golden Rule as its guide in its treatment and dealings with weak and defenseless peoples, and yet, again, and regardless of the loyalty and the brilliant war record and services of over 30,000 American Indians in the national peril from which we have just emerged, American Indians, on Indian reservations throughout our country, still live under conditions of near serfdom comparable to those of the Medieval Age and are still living under an autocratic absolutism devised and perfected by Secretary Ickes and Collier under rules and regulations having the effect of law and based upon the Act of March 3, 1871 (R. S., sec. 2097), which overlooks the fact that education and economic rehabilitation are the first steps in the restoration of a fallen people. Such absolutism in its natural operation hedges about and surrounds the Indians with restrictions in the minutest detail and which in turn makes it necessary that they run to the superintendent for his permission for the slightest move. This we respectfully submit is not democracy and is violative of the spirit of the Atlantic Charter and the American Constitution; and

Whereas the Congress should, in the light of these revelations, boldly take up Indian legislation, repealing all existing Indian laws of a discriminatory nature and also those that are violative of the rights of the Indians as humans and as citizens under our Constitution; and

Whereas it now appears proper and appropriate to remind our great and magnanimous Government that, as a matter of simple justice to the Indians, legislation should be enacted forthwith giving to them home rule, local autonomy, and any other privilege, right, and protection of civil liberties that American citizens claim unto themselves and enjoy under our Federal Constitution: Now, therefore, be it

Resolved by the Crow Tribal Council, assembled this 16th day of February 1946, That it appeals to and memorializes the Congress to enact legislation that will change Indian administration to make the following possible, to wit:

(1) That as long as reservation agencies are maintained, agency agents or superintendents shall be selected by the Indians affected. This, we respectfully submit, is representative government.

(2) That the rule whereby the Secretary of the Interior and the outgoing Indian Commissioner, for the President and the confirmation of the Senate, nominate and select the new Commissioner of Indian Affairs be changed in the law so that all of the Indians of the United States through their tribal councils will nominate and select for Senate confirmation the Commissioner of Indian Affairs.

(3) That the tribal councils of each tribe shall select the law officers of each reservation.

(4) That the leasing of their allotted and inherited lands, where practicable, be placed in the hands of the owners thereof.

(5) That any moneys found to be due Indians anywhere, from any source, shall be paid to them direct and with no restrictions or limitations of any nature whatsoever.

The above, we respectfully submit, constitutes government by the consent of the governed, the cardinal principle behind the Declaration of Independence, the American Constitution, and the principles that impelled the Indian soldiers to go to war against the Axis Powers in defense thereof. To lose them now to bureaucrats of the Interior Department and the Indian Bureau means only one thing: that our dead shall have died in vain and the untold hardships of those who returned alive will have been for naught.

Resolved further, That copies of this resolution be sent to the presiding officers of each House of Congress and to the chairman of the Indian Affairs Committee of each House of Congress and to Members of the Senate and House of Representatives, with a request that it be spread upon the Journals of each House for the information of the American people.

Done in regular council this 16th day of February 1946 at Crow Agency, Mont.

HENRY PRETTY ON TOP,
Chairman.

HARRY WHITEMAN,
Secretary.

PRICE CONTROLS ON REFINED PETROLEUM PRODUCTS

Mr. CAPPER. Mr. President, I have received from J. T. Klepper, president of the Kansas Oil Men's Association, a resolution adopted by the thirty-first annual convention of that organization, attended by more than 500 prominent Kansas oil producers, setting forth practical suggestions for the good of the oil industry. I ask unanimous consent to present the resolution for appropriate reference and printing in the RECORD.

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

Whereas there is an excess supply of refined petroleum products in relationship to the existing demand; and

Whereas the officials of the Office of Price Administration have indicated that it is their desire to remove price restrictions, just as soon as there is an adequate supply of any product to supply the existing demand: Therefore be it

Resolved, That the Kansas Oil Men's Association at their thirty-first annual convention, held at Wichita, Kans., March 11-12, 1946, go on record and respectfully request of the Office of Price Administration that price controls be immediately removed from refined petroleum products.

DEVELOPMENT AND CONTROL OF ATOMIC ENERGY

Mr. CAPPER. Mr. President, I have received from L. L. Waters, of the School of Business, University of Kansas, an interesting report of the series of conferences held by that organization over the State of Kansas regarding the social, political, and economic implications of atomic energy. These important conferences were held in eight cities and approximately 275 were invited in each city. I ask unanimous consent to have Mr. Waters' report to me as to this series of conferences printed in the RECORD.

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

UNIVERSITY OF KANSAS,
SCHOOL OF BUSINESS,
Lawrence, April 16, 1946.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: During the past 2 or 3 weeks the University of Kansas has cooperated with the Federation of Atomic Scientists to hold a series of conferences over the State of Kansas regarding the social, political, and economic implications of atomic energy. Conferences were held in eight cities; attendance was by invitation. Approximately 275 were invited in each city. These people were the leaders of business, education, government, and various organizations, such as chambers of commerce and leagues of women voters. It would be accurate to say that those who received invitations represented the first level of leadership in the State below you.

Approximately 9 hours were devoted to hearing the message of the scientists and various social scientists from the university. Ample opuportunity for discussion was given at each meeting. At the close of the day a local committee consisting as a rule of a minister, two businessmen, and an educator drew up a set of resolutions consistent with the conferences. These recommendations were presented to the conference and in all cases were either unanimously adopted or they passed with no more than two dissenting votes.

All of those in attendance approached the conference and its problems with an open mind and were sobered by the enormous consequences of this new and terrible weapon for military destruction. The resolutions adopted represent what thinking Kansans believe should be done if World War III and possibly national suicide is to be avoided. You should know the conclusions. They are, first of all, the passage of the McMahon bill

which, as you know, calls for control of fissionable materials by a civilian board rather than a military board. Elimination of or modification of the original Vandenberg amendment (this amendment has already been satisfactorily altered). Eventual passing of the control of fissionable materials to an atomic authority under UNO, as recommended in the Acheson report of the State Department. This move would not be outright but made gradually and as circumstances warrant. Members of the conference felt that a positive program should be adopted to implement the establishment of the ADA rather than a passive or do-nothing policy.

Fourth, the ADA should have complete sovereignty over fissionable materials with the right to police production in any country in the world. Fifth, other steps should be taken to strengthen the UNO so that causes of war as well as the control over the weapon of war should be given proper attention. Obviously, a reduction in trade barriers, support for Bretton Woods, and in general international good will are the only means by which the causes of war may be lessened.

I believe that I have given you an accurate report, not only of my own feelings, but also those of 2,000 leaders among your constituents. I hope that your efforts will be devoted toward carrying out these objectives which we no doubt have in common.

Very truly yours,

L. L. WATERS.

SELECTIVE SERVICE AND THE DRAFT

Mr. REED. Mr. President, all Senators receive letters about the draft and the selective service which are usually filled with more heat, perhaps, than light. I have received a very exceptional communication from a boy who is a resident of my home town, who is now serving in the Pacific theater of war, or at least what was a theater of war. The letter is as follows:

DEAR SENATOR REED: I want to present my viewpoint on the impending draft-bill extension for another year.

At present, I am serving my country aboard this heavy cruiser in Chinese waters near Shanghai. I also served 2 months in Japan, plus 17 months in the United States. Hence, I feel qualified to venture the following statements:

The draft law should be continued for another year for the following reasons:

1. There are, as yet, two hot spots in the foreign world—Iran and Manchuria.

2. Sufficient personnel must be obtained to man our Army and Navy. I personally feel that the United States forces are in for long occupational duties.

3. This is important. A year's training gives a young man a sense of responsibility to his country. Simply stated, I mean patriotism. Here's hoping I'm soon in the States with my honorable discharge.

I have said, Mr. President, this boy is a resident of my home town. This is as straightforward and sensible a letter as I have ever received dealing with the subject he discusses.

PROPOSED LOAN TO GREAT BRITAIN

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks in support of my position on the British loan a statement adopted by the executive council of the American Bankers' Association at French Lick, Ind., April 15, 1946.

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

STATEMENT ON THE PROPOSED BRITISH LOAN AGREEMENT ADOPTED BY THE EXECUTIVE COUNCIL OF THE AMERICAN BANKERS' ASSOCIATION, AT FRENCH LICK, IND., APRIL 15, 1946

The adoption by the Congress of the joint resolution ratifying the financial agreements with Great Britain of December 6, 1945, is in the interests of the United States.

The postwar world we anticipated through the long years of the conflict is here. A search for the solution of the problem of world economic reconstruction leads to the conclusion that production and exchange of goods and services in the greatest quantity possible provide the only answer to the wants and needs of millions, to staving off the worst evils of inflation and, on the other hand, preventing a deflationary collapse.

We are of the opinion that the agreement will provide at a critical and unique point working capital essential to the world's economic well-being, that it will assist in the removal of international trade barriers, and that in so doing it will promote world economic recovery and contribute materially to future world peace. In part by that means, nations can attain a degree of prosperity that will bring contentment at home and peace abroad, and to the United States this means that we shall be aided in servicing and reducing our national debt and maintaining the integrity of the dollar.

The making of this loan should not preclude a program of economy, reduced Government expenditures, and balanced budgets, because there are other avenues of economy open to the Federal Government which are far less vital to the restoration of prosperity and peace than the proposed Anglo-American credit agreement.

There are those who are alarmed by the trend toward socialization of some of the basic industries of the United Kingdom, as incompatible with the broad philosophy of the loan agreement. Certainly the permanent closing of the Liverpool cotton market and its replacement by state trading in cotton is not reassuring to those who seek the revival of private enterprise in trade between nations so necessary if the standard of living of the world is to be raised.

If the present world were one of balanced economies such as prevailed prior to 1914, objections of this sort might outweigh the advantages of the proposed credit agreement, but in the war-torn world of today, actions must be directed toward what seems the best way out of unprecedentedly difficult conditions.

In the efforts this country is making to establish international peace and well-being, we need partners on whom we can rely, who share our objectives. Britain has proved herself a stanch and loyal partner. Today Britain needs our help to rebuild her strength—to make her a more effective partner. The ratification of this agreement will help supply that need and will also hearten her spirits at a critical time. It is in our interest so to strengthen Britain.

CONTINUATION OF OFFICE OF PRICE ADMINISTRATION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the stockholders of the Cooperative Store Association, of Maddock, N. Dak., signed by three distinguished residents, dealing with the matter of continuation of the Office of Price Administration.

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

Whereas the Office of Price Administration has served the people of this Nation faithfully during the war; and

Whereas we believe the need of price control is even greater;

Now, therefore, we the stockholders of the Cooperative Store Association, of Maddock, N. Dak., representing 546 patrons and their families, in annual stockholders' meeting assembled this 6th day of April A. D. 1946, resolve to go on record as favoring the continuation of the Office of Price Administration at least 1 year beyond June 30, 1946.

Copies of this resolution to be sent to Paul A. Porter, Administrator of Office of Price Administration, to our Senators and Representatives in Congress, and to our State and local papers.

MRS. E. F. SCHUMAN,
WALTER RANDURST,
A. O. JOHNSON,
Resolutions Committee.

Mr. LANGER. Mr. President, I also ask unanimous consent to have printed in the RECORD a resolution adopted by the members of the Farmers Union, Local No. 1150, North Dakota Agricultural College, at Fargo, N. Dak., dealing with the matter of price control. I may add that the union is composed of a group of students at the North Dakota Agricultural College.

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

FARMERS UNION, LOCAL NO. 1150,
NORTH DAKOTA AGRICULTURAL COLLEGE,
Fargo, N. Dak., March 4, 1946.

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR SENATOR: Whereas price control is essential to the maintenance of our economic stability;

Whereas people's savings and war bonds would disappear during an inflationary spree;

Whereas inflation would seriously reduce the buying power of the ex-serviceman's subsistence allowance, thus working greater hardship on the ex-GI: Therefore be it

Resolved, That we, the members of the North Dakota Agriculture College Farmers Union College Local No. 1150, do hereby urge Congressmen LEMKE and ROBERTSON, Senators LANGER and YOUNG to support the extension of the National Price Control Act.

Respectfully yours,

JOHN F. MAHER,
President, Farmers Union Local No. 1150.

LIVESTOCK INDUSTRY PRICE CONTROLS AND SUBSIDIES

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter embodying a resolution adopted by the Wyndmere Cooperative Shipping Association, a group of livestock producers in and around Wyndmere, N. Dak. The letter has been sent to me by two distinguished citizens of North Dakota, Mr. Goerger and Mr. Haugen.

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

Hon. WILLIAM H. LANGER,
Senator, United States Senate,
Washington, D. C.

DEAR SENATOR LANGER: The Wyndmere Cooperative Shipping Association, a group of livestock producers in and around Wyndmere, N. Dak., with a membership of approximately 200 producers, at their annual meet-

ing held in Wyndmere, N. Dak., on March 16, voted as being in favor of the following resolution:

"The livestock industry, as represented by the joint livestock committee which is composed of representatives of producers and feeders of cattle, hogs, and sheep and all marketing agencies and stockyards, in meeting at Chicago this 1st day of March 1946, is unanimously of the opinion that the Government's program of price controls and subsidies, as affecting the livestock industry, has been proved to be unworkable, unenforceable, has retarded, and is now retarding, production of food and thereby interferes with the reconversion and readjustment program and has not been, and is not now, beneficial to this country.

"We, therefore, respectfully urge and recommend that the Congress not extend this program beyond June 30, 1946."

Respectfully yours,

WYNDMERE COOPERATIVE SHIPPING ASSOCIATION,
EDD GOERGER, *President*.
OLE I. HAUGEN, *Secretary*.

ELIMINATION OF DUAL WAGE SCALE

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted at the Thirty-seventh Annual Convention of the Vegetable Growers' Association of America. The resolutions have been sent to me attached to a letter signed by H. D. Brown, secretary. In part, they deal with the matter of eliminating the dual wage scale in America. Complaint is made that that system has made it impossible for American farmers to hire farm help.

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

Resolution 2

We reaffirm our position of previous years that present price ceilings for perishable vegetables are unsound in principle, have proved impossible of administration, and have maintained higher prices to consumers because of higher distribution expense than would have prevailed if normal price relationships had existed based on supply and demand. We protest most strongly against the unnecessary losses caused to growers by the long and uncalled-for delays which have occurred in the establishment of price adjustments required by Congress under the crop disaster amendment. In some instances the entire damaged crop has been harvested before the price adjustment has been completed.

Resolution 5

In that there is a certain labor practice in force, namely, in certain terminal markets and warehouses farmers are forced to pay an unloading charge to unions, though no labor is furnished by said unions, and said unloading charge is extortion and sheer "feather bedding": Be it

Resolved, That the secretary of the V. G. A. of A. be instructed to place a copy of this resolution in the hands of all United States Representatives and Senators and request legislation to remedy said labor extortion.

In that there is a certain labor practice in force, namely, in certain cities drivers of farmers' trucks are forcibly forbidden from delivering their produce to terminal markets and warehouses unless extortion is paid to local teamsters' unions: Be it

Resolved, That the secretary of the V. G. A. of A. be instructed to place a copy of this resolution in the hands of all United States Representatives and Senators and request legislation to remedy said labor extortion; therefore be it

Resolved, That we urge the Senate and Legislature to vote for the Hobbs bill, H. R. 32.

Resolution 6

We are opposed to passage of the so-called Fair Employment Practice Control Act because we believe in the American practice that an employer should be allowed to hire any employee he wishes, regardless of race or creed.

RESUMPTION OF LOCAL LAND-USE PLANNING

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by farmer members of the North Dakota Agricultural Advisory Council, relating to the resumption of local land-use planning.

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

We, the farmer members of the North Dakota Agricultural Advisory Council, urge that provisions be made to resume local land-use planning with facilities and personnel to afford desirable and appropriate technical guidance and research to make possible greatest service and aid to the needs of the community and Nation with such coordinating mechanisms as will make these plans available for consideration and action on community, county, State, and national levels. We recommend also that these groups be elected by farmers at the same time as regular Production and Marketing Administration elections.

Obed A. Wyum, Rutland, N. Dak., Chairman, Farmers Committee, North Dakota Agricultural Advisory Council; Oscar Blessum, Rugby N. Dak.; Harry Haroldson, Coteau, N. Dak.; John Kennedy, Voss, N. Dak.; H. W. McInnes, Kelso, N. Dak.; James Maher, Morristown, S. Dak.; Thore Naaden, Braddock, N. Dak.; John D. O'Keeffe, Lansford, N. Dak.; Ray Schnell, Dickinson, N. Dak.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. HUFFMAN, from the Committee on Claims:

H. R. 4174. A bill for the relief of Mayer G. Hansen; without amendment (Rept. No. 1212).

By Mr. WHERRY, from the Committee on Claims:

H. R. 2973. A bill for the relief of Ben Thomas Haynes, a minor; without amendment (Rept. No. 1213);

H. R. 3018. A bill for the relief of R. Fred Baker and Crystal R. Stribling; with amendments (Rept. No. 1216);

H. R. 3454. A bill for the relief of William Clyde McKinney; with an amendment (Rept. No. 1215); and

H. R. 4669. A bill for the relief of Jerome Dove; without amendment (Rept. No. 1214).

By Mr. WILEY, from the Committee on Claims:

H. R. 3618. A bill for the relief of Mrs. Vannas H. Hicks; without amendment (Rept. No. 1217); and

H. R. 4074. A bill for the relief of Mrs. Jennie Burnison; without amendment (Rept. No. 1218).

By Mr. ELLENDER, from the Committee on Claims:

S. 1061. A bill for the relief of Violet Ludokiewich; with amendments (Rept. No. 1226);

S. 1569. A bill for the relief of Gwynn C. Triplett, and for other purposes; without amendment (Rept. No. 1219);

H. R. 2188. A bill for the relief of George W. Bailey; without amendment (Rept. No. 1220);

H. R. 3100. A bill for the relief of the legal guardian of Rolland Lee Frank, a minor; with amendments (Rept. No. 1227);

H. R. 3623. A bill for the relief of Gertrude McGill; without amendment (Rept. No. 1221);

H. R. 4115. A bill for the relief of the estate of Eleanor Doris Barrett; without amendment (Rept. No. 1222);

H. R. 4210. A bill for the relief of the estate of Bob Clark and the estate of George D. Croft; without amendment (Rept. No. 1223);

H. R. 4270. A bill for the relief of Southern California Edison Co., Ltd.; without amendment (Rept. No. 1224);

H. R. 4400. A bill for the relief of Nolan V. Curry, individually, and as guardian for his minor son, Hershel Dean Curry; with amendments (Rept. No. 1228); and

H. R. 4537. A bill for the relief of Lillian Jacobs; without amendment (Rept. No. 1225).

DEVELOPMENT AND CONTROL OF ATOMIC ENERGY—REPORT OF SPECIAL COMMITTEE ON ATOMIC ENERGY

Mr. McMAHON. Mr. President, from the Special Committee on Atomic Energy, I ask unanimous consent to report favorably with an amendment the bill (S. 1717) for the development and control of atomic energy, and I submit a report (No. 1211) thereon.

I wish to state to the Senate that the report I am submitting in connection with the bill is quite comprehensive. In addition to the regular report, it contains a clarifying article on the development and application of atomic energy by Dr. E. U. Condon, scientific adviser to the committee; reprints of various historical documents relating to the atomic bomb, a chronology of developments in nuclear physics and the atomic-bomb project, a glossary of scientific terms relating to atomic energy, and a bibliography of books and articles on scientific and political aspects of atomic energy.

Because of the extreme importance of the subject matter I believe Senators will find it helpful to study the report as well as the provisions of the bill.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

BILLS INTRODUCED

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

By Mr. KILGORE:

S. 2082. A bill for the relief of Mary Lomas; to the Committee on Immigration.

By Mr. DOWNEY:

S. 2083. A bill to amend section 6 of the Classification Act of 1923, as amended; to the Committee on Civil Service.

S. 2084. A bill for the relief of H. T. Duffy; to the Committee on Claims.

By Mr. MEAD:

S. 2085. A bill to amend title V of the act entitled "An act to expedite the provision of housing in connection with the national defense, and for other purposes," approved October 14, 1940, as amended, to authorize the Federal Works Administrator to provide needed educational facilities, other than

housing, to educational institutions furnishing courses of training or education to persons under title II of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Education and Labor.

By Mr. THOMAS of Oklahoma:

S. 2086. A bill to improve the administration of the Production and Marketing Administration, United States Department of Agriculture; and

S. 2087. A bill to amend section 17 (a) of the Soil Conservation and Domestic Allotment Act (49 Stat. 1151); to the Committee on Agriculture and Forestry.

By Mr. WHEELER:

S. 2088. A bill to establish a Federal Traffic Bureau, and for other purposes; to the Committee on Interstate Commerce.

By Mr. GOSSETT:

S. 2089. A bill to provide for assistance by the Federal Government in the control and eradication of noxious weeds; to the Committee on Agriculture and Forestry.

By Mr. McFARLAND:

S. 2090. A bill for the relief of the estate of Robert Clyde Johnson; to the Committee on Claims.

By Mr. McFARLAND (for himself, Mr. JOHNSON of Colorado, Mr. MAYBANK, Mr. CHAVEZ):

S. 2091. A bill to provide certain benefits with respect to accumulated leave in the case of persons who served as enlisted members of the armed forces during the war; to the Committee on Military Affairs.

By Mr. KNOWLAND:

S. 2092. A bill authorizing the Secretary of the Interior to prepare a roll of the Indians of California; to the Committee on Indian Affairs.

HOUSE BILLS REFERRED OR PLACED ON THE CALENDAR

The following bills were each read twice by their titles and referred or ordered to be placed on the calendar, as indicated:

H. R. 5433. An act to amend section 540 of title 10 and section 441 (a) of title 34 of the United States Code providing for the detail of United States military and naval missions to foreign governments; ordered to be placed on the calendar.

H. R. 5626. An act to authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes; to the Committee on Military Affairs.

EXTENSION OF SELECTIVE TRAINING AND SERVICE ACT—AMENDMENT

Mr. GURNEY submitted an amendment intended to be proposed by him to the bill (S. 2057) to extend the Selective Training and Service Act of 1940, as amended, until May 15, 1947, and for other purposes, which was ordered to lie on the table and to be printed.

PROPOSED LOAN TO GREAT BRITAIN—AMENDMENTS

Mr. CAPEHART submitted amendments intended to be proposed by him to the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes, which were ordered to lie on the table and to be printed.

HOUSING FOR PERSONS ATTENDING EDUCATIONAL INSTITUTIONS—AMENDMENTS

Mr. MEAD submitted amendments intended to be proposed by him to the bill (S. 1770) to amend the act entitled "An act to expedite the provision of housing in connection with the national defense, and for other purposes," approved October 14, 1940, as amended, to aid in providing housing for persons attending educational institutions in the pursuit of courses of training or education under title II of the Servicemen's Readjustment Act of 1944, which were referred to the Committee on Education and Labor and ordered to be printed.

AMENDMENT OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942—AMENDMENT

Mr. McFARLAND (for himself, Mr. MURRAY, Mr. HAYDEN, Mr. JOHNSON of Colorado, Mr. THOMAS of Utah, Mr. MURDOCK, Mr. TAYLOR, Mr. HATCH, Mr. CHAVEZ, and Mr. WHEELER) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2028) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

INVESTIGATION WITH RESPECT TO PETROLEUM RESOURCES IN RELATION TO THE NATIONAL WELFARE—LIMIT OF EXPENDITURES

Mr. O'MAHONEY submitted the following resolution (S. Res. 261), which was referred to the Committee To Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures under Senate Resolution 253, Seventy-eighth Congress, second session, agreed to March 13, 1944, and Senate Resolution 36, Seventy-ninth Congress, first session, agreed to January 29, 1945 (relating to an investigation with respect to petroleum resources in relation to the national welfare) is hereby increased by $10,000.

FLOSSIE I. FLETCHER

Mr. BARKLEY (for Mr. GLASS) submitted the following resolution (S. Res. 262), which was referred to the Committee To Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Flossie I. Fletcher, widow of Lewis H. Fletcher, late an employee of the Senate, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

EASTER IN THE ATOMIC AGE—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "Easter in the Atomic Age," delivered by him over Wisconsin radio stations, which appears in the Appendix.]

MR. CHURCHILL GREETS ARMY AND NAVY OFFICERS

[Mr. GREEN asked and obtained leave to have printed in the RECORD several addresses made at an informal meeting between Mr. Winston Churchill and various Army and Navy officers in the office of the Secretary of War on March 9, 1946, which appear in the Appendix.]

ONE HUNDREDTH ANNIVERSARY OF GREEK INDEPENDENCE—ADDRESS BY P. ECONOMOU GOURAS

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD an address delivered by P. Economou Gouras, counselor of the Greek Embassy in Washington, D. C., on the occasion of the celebration of the one hundredth anniversary of Greek independence, on March 23, 1946, which appears in the Appendix.]

TREATMENT OF VETERANS—ARTICLE BY FRANCES LANGFORD

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD an article entitled "Vets' Bolstered Morale Shattered by New Blow," by Frances Langford, which appears in the Appendix.]

ADDRESS BY HON. JAMES P. McGRANERY BEFORE CATHOLIC PARENT-TEACHERS ASSOCIATION OF DENVER

[Mr. McCARRAN asked and obtained leave to have printed in the RECORD an address delivered by Hon. James P. McGranery, assistant to the Attorney General, before the Catholic Parent-Teachers Association of Denver, Colo., on March 21, 1946, which appears in the Appendix.]

ADDRESS BY HON. JAMES P. McGRANERY AT GRADUATING EXERCISES OF THE FBI NATIONAL ACADEMY

[Mr. McCARRAN asked and obtained leave to have printed in the RECORD an address delivered by the Honorable James P. McGranery, assistant to the Attorney General, at the graduating exercises of the thirty-first session of the FBI National Academy, on March 29, 1946, which appears in the Appendix.]

ARBITRATION IN CASES AFFECTING RAILWAY EMPLOYEES

[Mr. MEAD asked and obtained leave to have printed in the RECORD an editorial entitled "Arbitration Fumbles," from the Machinist of April 11, 1946; a case filed in the United States District Court, Northern District of Illinois, Eastern Division, Docket No. A-2215, Arbitration 61; a case filed with the National Mediation Board, Docket No. A-2215, Arbitration No. 62; and a statement of Carl J. Goff, assistant president, Brotherhood of Locomotive Firemen and Enginemen, which appear in the Appendix.]

THE ST. LAWRENCE SEAWAY—EDITORIAL FROM THE DETROIT NEWS

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial relating to the St. Lawrence seaway, published in the Detroit News of April 16, 1946, which appears in the Appendix.]

TWO HUNDREDTH ANNIVERSARY OF THE FOUNDING OF PRINCETON UNIVERSITY

Mr. SMITH. Mr. President, yesterday the Senate passed Senate Joint Resolution 148, to authorize suitable participation by the United States in the observance of the two hundredth anniversary of the founding of Princeton University. Later I learned that the House and passed House Joint Resolution 331, which is an identical measure. The House sent its joint resolution over here and then recessed.

I ask unanimous consent that the vote by which Senate Joint Resolution 148 was passed be reconsidered, and that House Joint Resolution 331 be presently considered.

The PRESIDENT pro tempore. Without objection, the vote by which Senate

Joint Resolution 148 was passed is reconsidered.

Is there objection to the present consideration of House Joint Resolution 331?

There being no objection, the joint resolution (H. J. Res. 331) to authorize suitable participation by the United States in the observance of the two hundredth anniversary of the founding of Princeton University was read twice by its title, considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

The PRESIDENT pro tempore. Without objection, Senate Joint Resolution 148 is indefinitely postponed.

AIRPORT DEVELOPMENT — CONSIDERATION OF CONFERENCE REPORT

Mr. McCARRAN. Mr. President, there was an order made yesterday that the conference report on S. 2 should be taken up today at 12 o'clock. Many Senators who are interested in this matter are absent. So I ask unanimous consent that the conference report may go over, and that it be taken up some day next week.

The PRESIDENT pro tempore. Is there objection?

Mr. WHITE. Mr. President, reserving the right to object, let me say this is a matter in which my colleague [Mr. BREWSTER] is very deeply interested, and I think he had a distinct understanding—I see him approaching, and I now withdraw myself from the floor.

Mr. BREWSTER Mr. President, if whoever has the floor——

The PRESIDENT pro tempore. The Senator from Nevada has the floor.

Mr. McCARRAN. I wish to make the statement again, in the presence of the Senator from Maine, that on yesterday we agreed that today, the Senator from North Dakota [Mr. LANGER] yielding, we would take up the conference report on Senate bill 2, known as the airport bill. We find, as I was afraid yesterday we would find, that many Senators who are interested in this subject on either side of the aisle are absent. It seems to me, in view of the fact that the matter has been held up for a long time, that it should go over, and, therefore, I am asking unanimous consent that the conference report go over until some day next week when a greater number of Senators can be present. The Senator from Maine has said that on certain days next week he could not be present, and certainly I would not attempt to bring up the conference report on those days.

Mr. BREWSTER. Mr. President, the matter has been pending for a long time, in the initial instance, at the request of the Senator from Nevada, which we were very happy to accord him, as he was to be away for some 2 or 3 weeks. Since he returned, it has been a matter of mutual discussion as to convenience, and it was understood that the conference report would be brought up this week and disposed of, since there might be some concern about the delay. We had a tentative understanding yesterday, first to take up the conference report yesterday afternoon, and then to take it up this morning. I think that, so far as a check has shown, there is today as large a representation as there is likely to be, in view of the recess which has been taken by the other body, which does not affect us and yet I think has resulted in the prospective departure during the Easter season of some of our colleagues. I see now before me one of our distinguished colleagues [Mr. OVERTON], who is acting chairman of the Committee on Commerce during the illness of the Senator from North Carolina [Mr. BAILEY]. I know he is leaving, and I think there are other Senators who are leaving the coming week. The Senator from Louisiana has supported the viewpoint of the Senator from Nevada. So he may find that he will lose some votes. I think it would be very much better to dispose of the conference report today and get it out of the way.

Mr. McCARRAN. To be very frank with the Senator from Maine, I should like very much to get it out of the way and dispose of it, but I know there are Senators on both sides of the aisle who have given a great deal of consideration to the subject, and I am loath to bring it up at a time when there are so few present and when I know that between now and 3 o'clock there will be many Senators who will have to absent themselves. Therefore, I am asking for the unanimous-consent agreement.

Mr. BARKLEY. Mr. President, if I may interject here, there were suggestions yesterday in connection with this matter that we should not have a session today, but, in view of the fact that we have important legislation before us, and that other legislation will begin to pile up soon, it seemed to me that we ought to have a session today. Some Senators indicated to me that they would like to be absent today. I do not know how they will vote on this matter. I myself rather urged that we consider and dispose of the conference report. I did not realize yesterday that there would be so many Senators absent today as apparently are absent. I hope there will be no objection to the request of the Senator from Nevada. I shall endeavor to cooperate in the disposition of this important matter as soon as possible, but I do not believe it would be fair to either side to insist on taking it up today. I hope the Senator from Maine will not object.

Mr. BREWSTER. Mr. President, certainly I want to show every consideration so far as we on this side are concerned. Would it possible to dispose of the matter on Monday?

Mr. BARKLEY. That raises this question: Of course the Easter season situation affects the attendance not only today but will affect it on Monday. The Senator from Michigan [Mr. VANDENBERG], who is absent from the Chamber temporarily, must leave on Monday night, I understand, to accompany the Secretary of State to Paris. Unless he is prepared to make a statement today in regard to the pending legislation—not the conference report but the pending legislation—I would feel under obligation to attempt to have a session Monday, if for no other purpose than to allow him to make a statement before he departs, because the pending joint resolution may be voted upon before he returns. If he were prepared to do that today, I should feel disposed not to have a session on Monday, in view of the absence of Senators, because on Monday I think we would be as bad off as we are today, if not worse. A number of Senators have indicated to me that they would not like to be compelled to attend a session on Monday. So what is suggested would not help the situation. Any day next week when the Senator from Maine could be here would be agreeable to the Senator from Nevada, I am sure, and would be to me.

Mr. McCARRAN. What was the suggestion?

Mr. BARKLEY. The Senator heard my comments about the possibility of a session on Monday. I said that any day next week when the Senator from Maine would be present would be agreeable to the Senator from Nevada, I was sure, and would be to me.

Mr. McCARRAN. I suggest Thursday of next week.

Mr. BREWSTER. I would agree to Monday or Tuesday, but could we have the understanding that if we have a session on Monday we will take the matter up on Monday at noon; and if we do not have a session on Monday, take it up Tuesday at noon?

Mr. BARKLEY. I would rather have a definite understanding that we would take it up on Tuesday at noon, rather than make it Monday.

Mr. BREWSTER. Suppose we then have a definite understanding that we will take it up on convening at noon Tuesday.

Mr. BARKLEY. Mr. President, I personally have no objection to that. It appears to me there will never be a day during the remainder of this session, if forever, when all Senators will be in the Chamber on any one day. That is an impossibility.

Mr. McCARRAN. Would the Senator from Maine be content to let the matter go over for an hour or so until we can come to some understanding as to a day certain next week?

Mr. LUCAS. I thought we had made an agreement to take the conference report up today.

Mr. BARKLEY. We had, and that is what we have been discussing. Because so many Senators are absent, it does not seem propitious to take it up now.

Mr. LUCAS. I think that if the Senator will examine the roll calls, he will find that every one shows 15 or 20 or 25 Senators absent.

Mr. BARKLEY. That does not necessarily mean they are all out of the city. The peculiar situation existing now with regard to the proximity of Easter presents a little different condition from what is normal.

The PRESIDENT pro tempore. May the Chair suggest Wednesday as a compromise?

Mr. BREWSTER. I wish to say to the Senator from Illinois that I had hoped, and still hope, that we may dispose of

the matter today, as I think he is entirely correct that there will always be a considerable number of Senators absent, particularly during the week following Easter. I should prefer to see the matter disposed of today, and I do not believe it will make any material difference in the result, so far as any information which I have indicates. On the other hand, in deference to the request of the Senator from Nevada, it would be agreeable to me to have a further continuance to either Monday or Tuesday, perhaps to Tuesday as a day certain.

Mr. McCARRAN. Will the Senator consent to the matter going over until Wednesday or Thursday?

Mr. BREWSTER. No. Unfortunately, I shall be obliged to be away.

Mr. McCARRAN. Mr. President, I ask unanimous consent that the matter go over indefinitely.

The PRESIDENT pro tempore. To what date?

Mr. McCARRAN. Indefinitely.

Mr. BREWSTER. I shall certainly object to that. I think we should dispose of this matter now, either by taking it up today, or fixing a day certain. It would be entirely agreeable to me to go forward with it today, and I believe that is the orderly way to proceed, when we have the time, and when we have a representative attendance of Senators in Washington, so far as I have been able to learn.

Mr. McCARRAN. Will the Senator be here next Friday?

Mr. BREWSTER. No; I will not.

Mr. McCARRAN. We are trying to accommodate everyone as much as we can. That is the trouble.

Mr. BREWSTER. Two of the chief gladiators are here now, in the persons of the Senator from Nevada and myself, who have discussed this matter for some time, and I wish we could dispose of it. I am sure it will work out well.

Mr. McCARRAN. Would the Senator consent to have it go over without date, until the Senator and I can agree on a date today, and then have the order made?

Mr. BREWSTER. If we give up the position which we now enjoy we have no knowledge as to where we shall land, so I think the matter should be disposed of now. We have had this report on the clerk's desk for a considerable time and without any criticism of the reasons for the delay, it has gone over.

Mr. BARKLEY. In that connection, I may say that frequently we postpone matters of importance because of the absence of some key Member of the Senate who desires to be present when it is taken up. This is the first time any tentative date has been set for the consideration of this conference report, and it seems to me not unreasonable to have the matter go over, in view of the situation—for which I am somewhat responsible, I may say, by insisting on having a session today. A good many Senators felt we should not have a session today, but it has never been the practice of the Senate to adjourn from Thursday to Monday on account of Easter, and I did not feel we were justified in doing so at this time.

I shall cooperate with the Senator from Maine and the Senator from Nevada in any way I can to bring about the earliest possible disposition of the conference report, when the Senator from Maine can be present. I realize that Senators who are interested in the report, and who have to be away on any day we take it up, have to accept that responsibility. There is no way of avoiding it.

I wish to comment upon the urgency of the Senate concluding its deliberations. One of the reasons why I have insisted on the Senate meeting today, and not taking a recess on account of Easter, was that we might conclude our business and take what we have not taken for a long time, an adjournment of the Congress. I still hope we may be able to do that in July. I think we can do it if we knuckle down to our business and dispose of the necessary legislation. We cannot have an adjournment in July unless we do that. I hope that all Senators will cooperate to bring that about. I have not heard of a Senator or talked with a Senator who does not desire to have an adjournment in July, by the first of July if it is possible. I am not optimistic enough to think we can take the adjournment by the first of July, but I am sure we can during July.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

Mr. BREWSTER. Mr. President, a continuance to next Tuesday would be entirely agreeable to me, in order to get this matter disposed of, but I do not want to leave it in the air. It has been pending for a long time, and I hope the Senator from Nevada will ask permission to modify his request and fix next Tuesday as a day certain, in accordance with the intimation from the majority leader that that would be agreeable so far as his calendar is concerned.

Mr. McCARRAN. A Member of the Senate who is absent at the moment, though he was here a moment ago, is very much interested in the conference report, and he tells me he cannot be present Tuesday. Otherwise Tuesday would be satisfactory. I refer to the Senator from Illinois [Mr. LUCAS].

Mr. BARKLEY. The Senator from Illinois is on the floor now.

Mr. BREWSTER. The Senator from Illinois is available, and I think many of those, if not all, who have been interested in the matter, are present, and the report could be disposed of in accordance with the unanimous-consent agreement of yesterday. I think it would be better if we could dispose of it today, but I shall be agreeable to a continuance to Tuesday, if the Senator from Nevada will modify his request to that extent.

The PRESIDENT pro tempore. Does the Senator from Nevada modify his request?

Mr. McCARRAN. I dislike intensely to bring the matter up at that time, in view of the statement made to me by the Senator from Illinois that he positively cannot be here Tuesday.

Mr. BREWSTER. He is here now.

Mr. McCARRAN. I know he is here now, but he has made the statement to me which I have repeated, and I think he would make it for the record, so far as that is concerned. I shall consent to have the matter come up Tuesday.

Mr. BREWSTER. Will the Senator make the request?

Mr. McCARRAN. I make the unanimous consent request that the order heretofore made be vacated, and that the conference report be brought up Tuesday at 12 o'clock.

The PRESIDENT pro tempore. Is there objection?

Mr. LANGER. Mr. President, I object.

The PRESIDENT pro tempore. Objection is heard.

Mr. BARKLEY. Mr. President, of course while the unanimous-consent agreement was that the conference report be taken up at 12 o'clock today, there is no unanimous-consent agreement as to when it should be voted upon.

Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. Is it in order to move that the consideration of this conference report to be postponed until 12 o'clock noon on Tuesday next?

The PRESIDENT pro tempore. Such a motion is in order.

Mr. BARKLEY. I make that motion.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Kentucky to postpone consideration of this conference report until next Tuesday at 12 o'clock.

The motion was agreed to.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. What will happen next Tuesday at noon if we should then happen to be in the same situation we are in today?

The PRESIDENT pro tempore. The Chair cannot suggest——

Mr. LUCAS. We agreed to the unanimous-consent request made yesterday to take up the conference report today. Now another unanimous consent has been agreed to, that we take up the conference report on Tuesday next. Will another unanimous-consent agreement be in order on next Tuesday to take up the report at some other time?

The PRESIDENT pro tempore. A motion to postpone would be in order.

VETERANS PREFERENCE UNDER SURPLUS PROPERTY ACT OF 1944

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1757) to amend the Surplus Property Act of 1944, as amended, so as to broaden the scope and raise the rank of the veterans' priority, which were, to strike out all after the enacting clause and insert:

That section 16 of the Surplus Property Act of 1944 is amended to read as follows:

"DISPOSITIONS TO VETERANS

"SEC. 16. (a) The Administrator shall prescribe regulations to effectuate the objectives of this act to aid veterans in the acquisition of surplus property, in appropriate

quantities and types, to enable them to establish and maintain their own small business, professional, or agricultural enterprises. Disposals of surplus property (except real property) to veterans under this subsection shall be given priority over all other disposals of property provided for in this act except transfers to Government agencies under section 12.

"(b) Notwithstanding the provisions of section 12 of this act, the Administrator may cause to be set aside or otherwise to be made available quantities and types of any surplus property, except real property, which he determines to be appropriate for exclusive disposal to veterans for their own personal use, and to enable them to establish and maintain their own small business, professional, or agricultural enterprises. The Administrator shall prescribe regulations designed to achieve the equitable distribution of such surplus property among veterans. In selecting any types or quantities of surplus property for disposal in accordance with the provisions of this subsection, the Administrator shall give due consideration to the availability of adequate facilities for and the costs of the distribution of such property. The Administrator shall from time to time cause to be compiled and widely publicized information as to the types and quantities of such surplus property which has or will become available within a given period of time for exclusive disposal to veterans in accordance with the provisions of this subsection.

"(c) The Administrator shall prescribe a reasonable time of not less than 15 days after public notice during which property offered to veterans under this section shall be held for disposal to them."

SEC. 2. Section 12 (a) of the Surplus Property Act of 1944 is amended to read as follows:

"(a) It shall be the duty of the Administrator to facilitate the transfer of surplus property from one Government agency to other Government agencies for their own use and not for transfer or disposition; and the transfer of surplus property under this section shall be given priority over all other disposals provided for in this act, except disposals to veterans of property reserved exclusively for veterans under subsection (b) of section 16 of this act. The Administrator shall prescribe a reasonable time within which Government agencies shall exercise the priority provided by this subsection, but the time so fixed shall not exceed 20 days from the time public notice is given of the availability of the surplus property for disposal to Government agencies."

SEC. 3. Section 12 (c) of the Surplus Property Act of 1944 is amended to read as follows:

"(c) The disposal agency responsible for any such property shall transfer it to the Government agency acquiring it at the fair value of the property as fixed by the disposal agency, under regulations prescribed by the Administrator, unless transfer without reimbursement or transfer of funds is authorized under subsection (d) of this section."

SEC. 4. Section 12 of the Surplus Property Act of 1944 is amended by adding a new subsection (d) to read as follows:

"(d) Notwithstanding the provisions of section 34 (a) of this Act, no Government agency may transfer any property to any other Government agency without reimbursement or transfer of funds under authority of any law approved prior to June 22, 1944. Any disposal agency may transfer surplus property to a Government agency without reimbursement or transfer of funds whenever a transfer on such terms by the owning agency (by which such property was declared surplus) would be authorized by any law approved subsequent to June 21, 1944, to be made to the Government agency desiring such property."

SEC. 5. Section 13 (f) of the Surplus Property Act of 1944 is amended to read as follows:

"(f) The disposal of surplus property under this section to States and political subdivisions and instrumentalities thereof shall be given priority over all other disposals of property provided for in this act, except transfers to Government agencies under section 12 and disposals to veterans under section 16 and purchases made under subsection (e) of section 18: *Provided*, That the Administrator may prescribe a reasonable time during which such priority shall be exercised."

SEC. 6. The last sentence of subsection (e) of section 18 thereof is hereby amended to read as follows: "The disposal of surplus property under this subsection shall be given priority immediately following transfers to other Government agencies under section 12 and disposals to veterans under section 16. The provisions of subsection (c) of section 12 shall be applicable to purchases made under this subsection."

And to amend the title so as to read: "An act to amend the Surplus Property Act of 1944 with reference to veterans' preference, and for other purposes."

Mr. O'MAHONEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Wyoming?

Mr. LANGER. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I desire to ask for the immediate consideration of the House amendments to the veterans' surplus property bill, and, with the indulgence of the Senator from North Dakota, I wish to make a preliminary statement respecting the bill, so that Members of the Senate may know what the basis of the request is.

In January of this year, the Senator from South Carolina [Mr. MAYBANK], the Senator from New Mexico [Mr. CHAVEZ], and I introduced a bill, the purpose of which was to raise the preference of veterans in the disposal of surplus property. This measure was given extended consideration by the Senate Military Affairs subcommittee, which held hearings, and called before it representatives of all Government agencies involved, including the War Assets Administration.

A bill was passed by the Senate on Friday last effecting this very necessary and desirable reform in veterans' preference. I am happy to say that the House yesterday called the matter up for consideration and amended the Senate bill by adding some provisions which had been worked out by the House Committee on Expenditures in the Executive Departments, headed by Representative MANASCO, of Alabama, and yesterday the bill was passed with those amendments.

My request, therefore, Mr. President, is that the Senate shall proceed now to the consideration of amendments of the House to the Senate bill, and I shall ask that the Senate concur in the House amendments, in order that this very necessary reform may be effected without further delay. In view of the recess on the part of the House and the apparent disposition of some Members of the Senate not to be here during the next week, it is of utmost importance that this measure be enacted into law without going to conference. That is the reason why I have sought this opportunity to have the Senate agree to the House amendments.

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

Mr. O'MAHONEY. I yield.

Mr. WHITE. I want to have an understanding of the parliamentary situation. This is a Senate bill which comes back from the House with House amendments?

Mr. O'MAHONEY. That is correct.

Mr. WHITE. And what the Senator is proposing to do is to ask that the Senate concur in the House amendments?

Mr. O'MAHONEY. Precisely.

Mr. WHITE. Have the House amendments been considered by the appropriate committee of the Senate?

Mr. O'MAHONEY. The House amendments have been discussed with members of the committee which has been in charge of the bill. I have, for example, consulted the Senator from West Virginia [Mr. REVERCOMB] and the Senator from Iowa [Mr. WILSON] this morning. The general subject has been before the committee.

Mr. WHITE. I wondered if the members of the committee are agreeable to the House amendments?

Mr. O'MAHONEY. It is my understanding that they are.

Mr. WHITE. I am particularly concerned to know whether the minority Members are agreeable to the House amendments.

Mr. O'MAHONEY. The Senator from West Virginia has already indicated to me his concurrence in the amendments.

The Senator from South Carolina [Mr. MAYBANK] has likewise agreed.

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

Mr. O'MAHONEY. I yield.

Mr. REVERCOMB. I notice one amendment which has been made with respect to direction to the head of the War Assets Administration who deals with the disposal of surplus property. The bill as passed by the Senate contained the direction that the head of the War Assets Administration "shall" set aside—using the direct and positive word "shall" certain goods for purchase by veterans. The House has changed the word "shall" to "may." I wish the able Senator from Wyoming would explain that for the benefit of the Senate, as he explained it to me, so that we may know that we are not surrendering a position which directs and commands the Administrator to set certain goods aside for veterans.

Mr. O'MAHONEY. I am happy the Senator from West Virginia has raised that question. As a matter of fact, it can be said that the word was actually not changed from "shall" to "may." The word "may" appeared in the bill as it was presented to our committee, and that same paragraph was included in the House bill. We made the change, and unfortunately I did not undertake to notify the House committee of the change that we had made from "may" to "shall." So that what has happened is merely that the House has agreed to

the paragraph as we originally proposed it.

I have consulted the War Assets Administration and have been assured this morning over the telephone, and I understand that a letter to that effect is on the way, which I shall later include in the RECORD, that the War Assets Administration will administer this law as though the word were "shall," and I may also point out that if there should be any doubt upon that point it could easily be corrected by passage of a joint resolution.

Mr. McCLELLAN. Mr. President——

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

Mr. O'MAHONEY. I yield.

Mr. McCLELLAN. I am very glad to have the explanations thus far presented respecting the changes made by the House. I think this is very important legislation, and that we ought to expedite its passage. I am very glad the Senator has brought it up at this time. I rose to seek information as to the changes the House has made. I am very anxious to see the measure passed. I regret the change from "shall" to "may." I think we should leave it "shall"; but if the House situation is now such that it is advisable to pass the legislation as the House amended it, very well, though I much prefer to have the word "shall" remain in the bill.

Mr. O'MAHONEY. As I said to the Senator from West Virginia, I am confident that the bill will be administered as though the word were "shall." I think the legislative intent is clear. The House did not change the word "shall" to "may." It merely acted upon the original language. The Senate changed the word "may" to "shall." The fact that the word "may" appears in the bill as it comes back to us is merely due to the fact that the change of the Senate was not specifically called to the attention of the House.

Mr. McCLELLAN. The Senator has satisfied himself, after the consultations he has had, that the interpretation or administration of the measure by the War Assets Administration will be as if the word were "shall"?

Mr. O'MAHONEY. Yes. I may say to the Senator that the purpose of this section is to direct the War Assets Administration to set aside an inventory of surplus property which shall be for exclusive disposal to veterans. It is the purpose of the War Assets Administration to do that.

Mr. McCLELLAN. I was very much interested that there should be no discretion, but that there should be a legislative directive.

Mr. O'MAHONEY. The War Assets Administration so understands it.

Mr. McCLELLAN. May I inquire of the Senator the effect of any other amendments?

Mr. O'MAHONEY. I shall be very happy to explain them.

The first amendment is to except real property from the provisions of the bill. As the Senate passed it the language read:

> Disposals of surplus property to veterans under this section shall be given priority over all other disposals of property provided for in this act except transfers to Government agencies under section 12.

As amended, it reads:

> Disposals of surplus property except real property—

There never was any intention to deal with real property. That is the first amendment.

The next amendment is the one to which I have just referred, involving the use of the word "may."

In section 16 (b) the exception of real property is again inserted.

The word "quantities" is used in the sentence:

> In selecting any types or quantities of surplus property for disposal in accordance with the provisions of this subsection the Administrator shall give due consideration—

And so forth. That is not a vital change.

Mr. McCLELLAN. The Senator can assure us, then, that such amendments as have been adopted by the House do not strike down the force of the bill as passed by the Senate?

Mr. O'MAHONEY. No. In some instances the amendments of the House are decided improvements. I should like particularly to call attention to subsection (c) of section 16, which is the veterans' preference section which has been added by the House. It reads as follows:

> The Administrator shall prescribe a reasonable time of not less than 15 days after public notice, during which property offered to veterans under this section shall be held for disposal to them.

That is a decided improvement upon the Senate bill, and I am happy that the House inserted it.

Mr. McCLELLAN. If the Senator will further yield, I wish to compliment him and other members of his committee who worked on this legislation. It is important legislation. It is needed. We know that the veterans have not been getting a fair break in the distribution and sale of surplus property. I am most happy that we have made this much progress, and I trust that these amendments will be agreed to.

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

Mr. O'MAHONEY. I yield.

Mr. OVERTON. I wish to add my congratulations to the able Senator from Wyoming and the other members of the committee for the successful manner in which this legislation has been undertaken. I know the difficulties which surround it. I assume that almost all Senators have had complaints from veterans with respect to their inability to obtain surplus property, of which Congress intended that they should have the benefit. I know that the Senator from Wyoming has worked assiduously in connection with this legislation, and that if he had had his way it would have been enacted sometime ago.

Mr. O'MAHONEY. The Senator is very kind.

Mr. President, I now wish to endeavor to secure the agreement of the Senate to concur in the amendments made by the House of Representatives to Senate bill 1757.

The PRESIDING OFFICER. The question is on concurring in the amendments of the House of Representatives.

The amendments were concurred in.

Mr. O'MAHONEY. Mr. President, I now ask unanimous consent to have printed at this point in the RECORD a full and detailed explanation of the various amendments.

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

> The following differences in substance between section 1 of the House amendment and section 1 of S. 1757 as passed by the Senate should be noted:
>
> (a) The House amendment excludes real property from the classes of surplus property covered by the priority provided in section 16 of the Surplus Property Act. No comparable limitation was contained in S. 1757 as passed by the Senate. However, there was no intent to include real property among the classes of surplus property for which veterans should be given a priority.
>
> (b) Under the House amendment the set-asides of surplus property for exclusive disposal to veterans are discretionary with the War Assets Administrator. Under S. 1757 as passed by the Senate such set-asides were mandatory. It should be pointed out, however, that as set forth in the letter of Director Donaldson, of War Assets Administration, dated April 19, 1946, the publication of lists of types and quantities of surplus property for exclusive disposal to veterans is mandatory. The War Assets Administration, therefore may be expected to administer the law as it was intended by the Senate.
>
> (c) The House amendment provides a definite period of not less than 15 days after public notice during which property offered to veterans under section 16 shall be held for disposal to them. S. 1757, as passed by the Senate, merely directed the Administrator to make set-asides "for such period or periods of time as he may determine."
>
> The following differences in substance between section 2 of the House amendment and section 2 of S. 1757 as passed by the Senate should be noted:
>
> (a) S. 1757 as passed by the Senate did not limit Government agencies to the acquisition of surplus property for their own use and did not exclude such acquisition for transfer or disposition.
>
> (b) S. 1757 as passed by the Senate did not provide for a maximum time limit after public notice within which Government agencies must exercise their priority under section 12 (a).
>
> Section 3 of the House amendment amends section 12 (c) of the Surplus Property Act by limiting transfers between Government agencies without reimbursement or transfer of fund to cases authorized by subsection 12 (d), which is added by section 4 of the House amendment. The new subsection 12 (d) does not permit any Government agencies to transfer any property without reimbursement or transfer of funds unless such transfers without reimbursement or transfer of funds are authorized by laws approved subsequent to June 21, 1944. This provision would authorize transfers without reimbursement by the War and Navy Departments of hospitals and hospital equipment and suppiles to the Veterans' Administration as provided in the Servicemen's Readjustment Act of 1944, which was approved on that date.

No provisions comparable to those contained in sections 3 and 4 of the House amendment were contained in S. 1757 as passed by the Senate.

Section 5 of the House amendment is substantially identical with the corresponding provisions of S. 1757 as passed by the Senate, except that the Senate-passed measure did not contain any specific provision with respect to a time limitation to be imposed for the exercise of the priority provided for States and political subdivisions and instrumentalities.

Section 6 of the House amendment is identical with the corresponding provision in S. 1757 as passed by the Senate.

WAR ASSETS ADMINISTRATION,
Washington, D. C., April 19, 1946.

Hon. JOSEPH C. O'MAHONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR O'MAHONEY: In accordance with our telephone conversation this morning on the matter of a list of equipment for set-asides to veterans. I am happy to give you the following information:

We have carefully followed the progress of this legislation changing the rights of veterans to purchase surplus property.

Pursuant to our interpretation of the provision of section 16 (b) of S. 1757 reading "The Administrator shall from time to time cause to be compiled and widely publicized information as to the types and quantities of such surplus property which has or will become available within a given period of time for exclusive disposal to veterans in accordance with the provisions of this subsection," the Administrator shall publish periodically a list of the types and quantities of surplus property most in demand by veterans in order that they, as well as the general public, will know what items are to be set aside for exclusive disposal to veterans.

We expect to have the original list ready for publication at the time the bill becomes a law and this list will be revised from time to time and full publicity given to all such revisions.

Very truly yours,
SCOTT W. DONALDSON,
Director, Veterans' Division.

Mr. LUCAS. Mr. President, I also am tremendously interested in this piece of legislation.

Mr. O'MAHONEY. I know the Senator is.

Mr. LUCAS. I should like to know whether the Senator from Wyoming has any sort of guaranty or understanding with the War Assets Administration that it will administer this act in line with what the Senate and the House of Representatives understand to be the intent of the act.

Mr. O'MAHONEY. That is my understanding. I have communicated with the War Assets Administration, and I may say that on many occasions the committee, through its members and through its staff, have communicated with General Gregory and have found him ready at all times to cooperate.

Mr. LUCAS. I am happy to hear that statement from the distinguished Senator, because if there has been any one matter about which I have received a great deal of complaint, it has been the one concerning adequate distribution of surplus property so far as veterans are concerned. The veterans of the country have been given the run-around, so to speak, by the War Assets Administration.

Mr. O'MAHONEY. Mr. President, I think the Senator is not quite accurate in his statement.

Mr. LUCAS. If not by the War Assets Administration, then by whoever has been handling the matter.

Mr. O'MAHONEY. No; the Congress may not divest itself of some of the responsibility for what has happened. The situation is this: When the Surplus Property Act was enacted, the Congress endeavored to make provision for the distribution of surplus property in a manner which would take care of various matters. It provided, for example, that the Small War Plants Corporation should have the right to purchase surplus property for distribution by itself. The Small War Plants Corporation, having been given such authority, and having conducted such purchases, and subsequently having undertaken to distribute the property to small businesses, frequently refused to grant a veterans' preference. A technical reading of the law would seem to indicate that the Small War Plants Corporation was in the right. The committee has now changed that policy, and there can be no further difficulty of that kind.

Mr. LUCAS. I appreciate what the Senator has said; but I have letters to sustain the position which I am taking. I do not know who is responsible for it, but veterans have been traveling all over the country in an attempt to ascertain the location of various articles on which they might have a right to bid. I know of one veteran who went to Granite City, then to Kansas City, then to Chicago, and finally landed back at Granite City, the point from which he started.

Mr. O'MAHONEY. And that fact was due largely to the provision of the law which I have described, and which is corrected in this bill. There was another provision of the law which gave Government agencies a primary preference.

Mr. LUCAS. I understand that.

Mr. O'MAHONEY. The shifting of surplus property from one agency to another was conducted in such a manner that the agencies themselves sometimes undertook to dispose of the property. Sometimes one agency secured surplus property without making any reimbursement for it. The amendment to the bill would prevent that taking place in the future. In the future such difficulties are not likely to arise. I have no doubt that others will.

Mr. LUCAS. I may say in conclusion to my good friend that I hope he will take a similar interest in my agricultural bill.

Mr. O'MAHONEY. I shall be very glad to do so.

Mr. President, in connection with the disposal of automotive equipment to veterans, I am pleased to be in a position to give an illustration of the readiness of the War Assets Administration to cooperate. General Gregory, the War Assets Administrator, has just advised me that he is completing arrangements to offer 5,300 surplus Army trucks at Port Hueneme, Calif., in the near future. These trucks are similar to the 600 recently offered for sale through a New York department store which led the Senator from North Dakota to request an investigation of veterans' preference in connection with surplus disposal. The staff of the Senate Surplus Property Subcommittee had previously investigated this sale and found that those trucks had been offered to veterans but had not been sold to veterans because they were crated and unassembled.

General Gregory tells me that the trucks he is about to offer for sale at Port Hueneme, Calif., are for the most part new trucks, what the Army called the 6 by 6 or the 6 by 4. As in the earlier cases, many of these trucks had been dismantled and crated for export. However, War Assets Administration has now uncrated and assembled them, and the trucks are ready to roll. It is believed that these trucks will be particularly useful to veterans who are engaged in farming, logging, and lumbering, and similar operations.

Instead of merely criticizing past mistakes, the Surplus Property Subcommittee has striven to match every criticism with a well-considered suggestion for improvement, for it has recognized the great complexity of the task committed to the War Assets Administration. In the case of the sale of the 600 trucks through the New York department store, 3 lessons are to be learned with respect to surplus property disposal.

The first lesson is that the War Assets Administration has not been offering certain types of critical goods to veterans on a sufficiently broad geographical basis before selling to dealers and the trade. This fact was pointed out to War Assets Administration, and War Assets Administration is now remedying that situation. For example, the new offering at Port Hueneme of 5,300 trucks will be made to the entire Pacific coast and to many of the Mountain States. Furthermore, the Port Hueneme sale will be the first of a series of Nation-wide motor-vehicle sales in all War Assets Administration regions.

I should like to point out that in this case a short telephone conversation with General Gregory, after the true facts had been established and called to my attention by the subcommittee staff, accomplished everything that could have been achieved by a formal Senate investigation, which, because of the pressure of urgent legislative business, could not have been held promptly and, therefore, would not have achieved the desired results in time.

Secondly, the sale of the 600 trucks confirms the necessity of raising the veterans' preference for surplus property as provided in this legislation.

It should be noted, I think, that Mr. Howard Bruce, of Baltimore, who recently completed a special study of surplus disposal for the President, heartily endorses the veterans' set-aside scheme. The final passage of this legislation, which has received careful attention for several months, will go far to assure a fair share of surplus property to veterans in all regions of the country.

The third lesson to be learned from the sale of the 600 trucks in New York is that it is unwise to generalize about surplus-property disposal. As Mr. Bruce pointed out in his recent report to the President, there are so many different types of surplus property involving such a multitude of problems and requiring so great an amount of flexibility in their handling that generalization becomes dangerous. For example, the 600 trucks admittedly were offered in too narrow a geographical area. A recent sale of photographic equipment in Baltimore, on the other hand, was offered too widely, with the result that after other priority claimants had finished buying, little merchandise was left to satisfy the veterans who attended the sale from all parts of the country. This situation would have been different if S. 1757 had then been on the books.

Mr. MAGNUSON. Mr. President, I wish to ask the Senator from Wyoming a very simple question. He probably can answer it.

Mr. O'MAHONEY. I believe I can answer the question if it is simple enough. [Laughter.]

Mr. MAGNUSON. Assume, for example, that I am a veteran and wish to purchase surplus property. I reside in Chicago. May I go to the War Assets Administration, under the provisions of this bill, or as they will be set up administratively, and receive a list of surplus property which will be available for purchase throughout the country, examine the list and ascertain what I may wish to purchase?

Mr. O'MAHONEY. That is one of the primary purposes of this legislation. It will provide an inventory of surplus property which veterans shall have the exclusive right to purchase. I may say, also, that we are endeavoring to include in that list not only automotive equipment, but photographic supplies and other articles of that nature which experience teaches us that veterans would like to have.

Mr. MAGNUSON. I understand that under the bill the veteran will also have the same preference rights that the Government agencies will have.

Mr. O'MAHONEY. To the kind of property which I have described, he will have a primary right.

Mr. President, I understand that consent has been granted to me to have printed in the RECORD a detailed description of the amendments.

The PRESIDENT pro tempore. The statement was ordered to be printed at a previous point in the RECORD.

REHABILITATION OF THE PHILIPPINE ISLANDS—CONFERENCE REPORT

Mr. TYDINGS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1610) to provide for the rehabilitation of the Philippine Islands, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 24.

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144; and agree to the same.

And agree that the title be amended to read: "An Act for the rehabilitation of the Philippines."

M. E. TYDINGS,
CARL HAYDEN,
B. K. WHEELER,
A. H. VANDENBERG,
WARREN R. AUSTIN,
Managers on the Part of the Senate.

C. JASPER BELL,
J. W. ROBINSON,
ED GOSSETT,
RICHARD J. WELCH,
W. STERLING COLE,
Managers on the Part of the House.

Mr. WHITE. Mr. President, has this report been signed by the minority members?

Mr. TYDINGS. It has been signed by all members. It is a unanimous report.

The PRESIDENT pro tempore. Is there objection to the present consideration of the report?

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

Mr. TAFT. Mr. President, as I understand, the Senate is only considering the report. It has not yet been agreed to.

The PRESIDENT pro tempore. The Senator is correct.

Mr. TAFT. We are agreeing to one amendment of the House which provides that no payments shall be made for damages to property in the Philippines until the Philippine Government has approved the executive agreement contained in the trade agreement bill.

While I agree that the conferees have perhaps done the best they could do with regard to the amendment, I think that it is a most unfortunate provision. I do not believe that the payment by us for damages resulting from war, in which the Filipinos were engaged on our side, resulting in their receiving substantially as much as, or even less than what would have been received by persons in this country who were similarly involved, should be contingent upon the signing by the Filipinos of an executive agreement dealing with trade, which they may not wish to sign. In its effect, it is a compulsory provision requiring them to sign the trade agreement. I believe that they will sign the trade agreement, but, at the same time I believe that it is a great mistake for us to make this proposal contingent on the signing of the trade agreement. If there were any doubt about their signing the trade agreement I should seriously object to the conference report. Of course, in all probability it will be to their advantage to sign the trade agreement anyway, and I do not wish to hold up the approval of the conference report. However, I believe that the House should not have imposed any such condition. Moreover, I think it is unfortunate that it will stand on the record of history in the form of something to force the Filipinos into signing a trade agreement which they may subsequently say was signed under duress, or under some condition which they did not approve.

Mr. TYDINGS. Mr. President, I share completely the point of view of the Senator from Ohio. There are two things, however, which alleviate to some extent the apparent unfairness of the situation. The first is that all claims of $500 or less may be paid without waiting until the trade agreement has been signed. That will undoubtedly cover the great majority of the smaller claims which will be filled, and no delay will be experienced. Secondly, Mr. McNutt has told me that he has already begun to set up the commission, and that a great deal of preliminary work has been done, but obviously, with respect to the larger claims, there will elapse a couple of months before the machinery will be in such shape as to approve the claims in their final form. While there is an actual compulsion in accordance with what has been incorporated by the other House, even if the amendment had not been incorporated, the Filipinos would have adopted the agreement anyway. I am sorry that it is in the conference report. If the House were not now in recess I would be willing to go back and try to have the amendment removed, but I believe that in view of the critical condition of the natives in the Philippines, and the fact that the trade agreement bill will be approved by the Filipinos any way, I believe that the Senate should agree to the conference report in its present form.

Mr. LA FOLLETTE. Mr. President, I wish to subscribe to every word which has been uttered by the Senator from Ohio [Mr. TAFT.] When I learned of this situation I was very much aroused because it seemed to me, as I stated when the trade agreements bill was before the Senate a few days ago, that it contained many provisions which I considered to be very harsh. I felt then, as I feel now, that because of the time factor involved the Senate has had no real opportunity to exercise its full and free legislative powers in connection with the enactment of the bill. In my judgment, connecting up this relief bill with the trade act has absolutely no justification. We either owe and have an obligation to pay these damage claims or we have not. It seems to me that there is no logical reason or justice in providing that no claim over $500 may be paid unless until the Philippine Government enters into the trade agreement provided for in the Trade Agreements Act.

I consider it to be very unfortunate that such a situation should confront us; but, on the other hand, I recognize that if we were to oppose this report and were successful in our opposition it would delay the payment of claims of those who perhaps may be in most dire straits and need the money more than others who are better situated. I wish, however, emphatically to place in the RECORD my strenuous objection to putting this pistol, so to speak, to the head of the people of the Philippine Islands, when I do not think it is necessary, but is entirely uncalled for, and I want to make my indi-

vidual apologies to them for having found myself in this legislative predicament.

Mr. TYDINGS. Mr. President, I share completely the sentiments of the Senator from Wisconsin. I should like to make the additional point that as I understand, the House would not pass the Philippine rehabilitation bill, which went over there on the 3d of December, until the Senate acted on the trade bill. All the way through I think the House has been overly concerned about the fairness of the Senate's attitude on these matters. If it would not occasion additional delay, we would not be here with this report; but the House is in recess, and I think more good will come from this procedure than if we follow a different course at the expense of the Filipinos who need relief.

Mr. AUSTIN. Mr. President, I did not sign the report until a few minutes ago. I consented to the report with the definite understanding that the pistol was not effective and did not have anything to do with the matter, because the Philippine Government was eager to have the agreement signed and the conference report signed. So the element of coercion was unnecessary, superfluous, and unfortunate. If we were not in the situation that the exigencies of the Philippine government are very great, I would feel that we ought not to accept the conference report with this element of coercion in it, but, under the circumstances, I shall act consistently with my signature of this morning.

Mr. TYDINGS. I move the adoption of the conference report.

The PRESIDING OFFICER (Mr. GOSSETT in the chair). The question is on agreeing to the conference report.

The report was agreed to.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATIONS—CONFERENCE REPORT

Mr. THOMAS of Oklahoma. Mr. President, I send to the desk the conference report on the War Department civil functions bill, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 4½.

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: In lieu of the sum proposed by said amendment insert "$110,125,250"; 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: In lieu of the sum proposed by said amendment insert "$144,065,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$750,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In line 6 of the matter inserted by said amendment, strike out the word "equal" and insert in lieu thereof the word "comparable"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 4, 5, and 7.

ELMER THOMAS,
CARL HAYDEN,
JOHN H. OVERTON,
ELBERT D. THOMAS,
CHAN GURNEY,
C. WAYLAND BROOKS,
CLYDE M. REED,
Managers on the Part of the Senate.

JOHN H. KERR,
GEORGE MAHON,
W. F. NORRELL,
JOE HENDRICKS,
MICHAEL J. KIRWAN,
FRANCIS CASE,
HARVE TIBBOTT,
Managers on the Part of the House.

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

Mr. KNOWLAND. Mr. President, reserving the right to object, I wonder if the Senator from Oklahoma will explain what changes have been made by the conference report.

Mr. THOMAS of Oklahoma. Mr. President, the House bill appropriated approximately $51,000,000 less than the total budget estimates. This bill contains two groups of appropriations, one for rivers and harbors, and the second for flood control. The Senate reinstated the projects which the Senate committee and the Senate thought should be in the bill, and went above the total budget estimates. In the conference committee the House conferees insisted that the Senate recede, eliminate from the bill individual projects, and reduce the amount of the bill to the total Budget estimates. The Senate committee receded and reduced the amount below the total Budget estimates by $5,408,011. So the conference report is in that condition. There are a number of projects earmarked in the report. Only a few projects are named in the bill proper. If there is a particular project the Senator from California is interested in, I shall be very glad to give him the information if I can.

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

Mr. O'MAHONEY. Mr. President, reserving the right to object I desire to ask a question. The Senate adopted an amendment to this bill designed to afford to the members of the Three Affiliated Tribes of Indians in North Dakota consideration in the selection of lands which would be flooded by the proposed Garrison Dam.

There was considerable discussion of this matter. The Indians objected to the language of the bill as it came from the House. The Senate adopted an amendment which was agreeable to the Army engineers, to the Indians, and to the chairman of the Committee on Indian Affairs, who offered the amendment. I ask the Senator from Oklahoma what was done with that amendment.

Mr. THOMAS of Oklahoma. Mr. President, the conferees agreed to the amendment by substituting one word for another; in other words, where the word "equal" appears, the conferees agreed to strike out that word and insert the word "comparable"; otherwise the amendment is the same.

Mr. O'MAHONEY. That was in connection with the character of the land to be substituted.

Mr. THOMAS of Oklahoma. That is correct. It now reads: "land which the Secretary of the Interior approves as comparable in quality and sufficient in area," and so forth.

Mr. O'MAHONEY. In all other respects the Senate amendment has been agreed to.

Mr. THOMAS of Oklahoma. Yes.

Mr. O'MAHONEY. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

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

Mr. FULBRIGHT. Mr. President, may I ask the Senator from Oklahoma a question?

Mr. THOMAS of Oklahoma. Certainly.

Mr. FULBRIGHT. Were any of the projects in Arkansas stricken out

Mr. THOMAS of Oklahoma. Yes; in making reductions it was necessary to cover the whole country and make them at one place or another where we could get an agreement. The senior Senator from Arkansas and a member of the conference committee on behalf of the House got together and agreed on the Arkansas items, and the conference committee agreed to their agreement.

Mr. FULBRIGHT. I thank the Senator.

Mr. THOMAS of Oklahoma. I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. THOMAS of Oklahoma. I ask that the Chair lay before the Senate papers from the House showing the action of the House on certain amendments still in disagreement.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 5400, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.
April 18, 1946.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 1 and 4 to the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 5 to said bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert:

"Flood control, Kings River and Tulare Lake, Calif.: For construction of works for flood control and other purposes on the Kings River and Tulare Lake, Calif., $1,000,000, as authorized in Public Law No. 534, Seventy-eighth Congress, second session, approved December 22, 1944: *Provided*, That none of the appropriation for the Kings River and Tulare Lake project, California, shall be used for the construction of the dam until the Secretary of War has received the reports as to the division of costs between flood control, navigation, and other water uses from the Bureau of Reclamation and local organizations and, with the concurrence of the Secretary of the Interior, shall have made a determination as to what the allocation shall be: *Provided further*, That the reports from these continuing studies shall be made not later than 6 months from the date of the enactment of this act and that the agreement of concurrence shall be made not later than 9 months from the date of the enactment of this act."

That the House recede from its disagreement to the amendment of the Senate numbered 7, to said bill, and concur therein with an amendment as follows: On page 18 of the House engrossed bill, beginning in line 13, after the word "positions", strike out the following: "with the proviso that any positions now filled by persons not citizens of the Republic of Panama or the United States which are vacated for any cause shall be filled in compliance with the terms of this section as adopted for the fiscal year 1946."

Mr. THOMAS of Oklahoma. I move that the Senate agree to the amendments of the House to Senate amendments Nos. 5 and 7.

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

The motion was agreed to.

INTERNATIONAL COMMERCIAL AVIATION (S. DOC. NO. 173)

Mr. OVERTON. Mr. President, from the Committee on Commerce I submit a resolution with respect to the so-called Bermuda agreement between the United States and the United Kingdom regarding international commercial aviation, and the international air transport agreement which was negotiated at Chicago, purporting to grant to any foreign country the right to have an air line or air lines nominated by it to operate to or from United States territory.

In connection with the resolution I am submitting a report to accompany the resolution of the Commerce Committee. I ask unanimous consent that both the resolution and the report accompanying it be printed as a Senate document.

Mr. BREWSTER. Mr. President, will the report be printed in the RECORD, or printed as a separate document?

Mr. OVERTON. I had intended to have it printed as a Senate document, but there is no objection to having it printed in the RECORD.

Mr. BREWSTER. Whichever seems most desirable to the Senator.

Mr. OVERTON. I think it would be best to do both.

Mr. BREWSTER. I think that is a good idea.

Mr. OVERTON. I therefore modify my unanimous-consent request and ask that the resolution and acompanying report be printed in the RECORD, and also printed as a Senate document.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The resolution and the accompanying report are as follows:

INTERNATIONAL COMMERCIAL AVIATION

Resolution of the Committee on Commerce, United States Senate, with an accompanying report, relative to the so-called Bermuda agreement between the United States and the United Kingdom, regarding international commercial aviation

Whereas there has recently been announced and presented by the State Department to the Senate Committee on Commerce the so-called Bermuda agreement between the United States and the United Kingdom, regarding international commercial aviation; and

Whereas the Committee on Commerce has held extended hearings on the subject of commercial air transport agreements between the United States and foreign nations; and

Whereas witnesses and counsel representing major American transportation interests, including organized labor, have testified as to the prejudicial effect of such agreements to the United States and especially to the interests they represent, as well as the illegality of such agreements unless approved as treaties as prescribed by the Constitution; and

Whereas the Congress provided in sections 402 and 801 of the Civil Aeronautics Act of 1938 (1) that no foreign-flag air line be allowed to engage in air transportation to and from United States territory unless such foreign-flag air line has obtained a permit issued by the Civil Aeronautics Board and approved by the President, and (2) that no such permit should be issued unless the Civil Aeronautics Board found, after public hearing, that the foreign-flag air line was fit, willing, and able properly to perform the air transportation sought and that such service would be in the public interest: Now, therefore, be it

Resolved, That the Committee on Commerce advise the Senate that it is the opinion of this committee:

(1) That no agreements of this character should be made except in the form of treaties to be considered and ratified by the Senate; that any Executive agreement which purports to grant to any foreign country the right to have an air line or air lines nominated by it operate to or from United States territory without public hearing in advance and the determination of public interest by the Civil Aeronautics Board called for under section 402 of the Civil Aeronautics Act, is inconsistent not only with the Constitution but with the letter and spirit of said act, and therefore illegal and void; and that any and all proceedings thereunder should be forthwith terminated by appropriate notice to the Governments concerned.

(2) That, notwithstanding the International Air Transport agreement and the bilateral agreements above-mentioned this Government is not bound by such agreements so long as the same have not been ratified as treaties, but the Civil Aeronautics Board and the President continue to have the duty and the obligation of passing, without prejudgment, upon the question whether any proposed operation by a foreign-flag air line is in the public interest, as defined in the Civil Aeronautics Act.

Adopted by the Committee on Commerce, April 15, 1946.

REPORT OF COMMITTEE ON COMMERCE TO ACCOMPANY SENATE COMMERCE COMMITTEE RESOLUTION OF DATE APRIL 15, 1946

(By Mr. OVERTON)

The resolution of the Senate Committee on Commerce adopted on April 15, 1946, by a vote of 17 to 1 attacks upon two grounds the constitutionality and legality of the so-called Bermuda agreement between the United States and the United Kingdom regarding international commercial aviation and the international air transport agreement, negotiated at Chicago, purporting to grant to any foreign country the right to have an air line or air lines nominated by it operate to or from the United States territory.

The first of these grounds is that such arrangements are not properly the subject matter of executive agreements, and that they should be regarded as treaties under the Constitution of the United States, subject to ratification by two-thirds vote of the Senate.

The question whether or not arrangements of the character of the international air transport agreement and the Bermuda agreement are treaties and are to be submitted as such to the United States Senate for ratification will not be discussed in this report. The reason is twofold, viz: That a fair presentation of the committee's views would involve too long a report, and that probably such a report should be made not by this committee but by the Senate Committee on Foreign Relations. The committee, however, refers as expressing its views generally on what should be the subject matter of treaties and what should be the subject matter of executive agreements to the revised edition of the opinion rendered by Mr. Edwin Borchard, of Yale University, an international lawyer of very high standing and repute.

This report, therefore, is confined to the second ground of opposition presented by the resolution, namely, that any executive agreement purporting to grant to a foreign country the right to have an air line nominated by such country operate to or from the United States territory without public hearing in advance and the determination of public interest by the Civil Aeronautics Board is contrary to the Civil Aeronautics Act of 1938 and amendments thereto.

Throughout the past 2 years the Committee on Commerce has been making an exhaustive study of international commercial aviation, and considering the question of the policy of the United States in this highly important field.

During this period there have been negotiated the so-called Chicago agreements in relation to aviation activities beyond the bounds of the United States, and more recently the so-called Bermuda agreement with the United Kingdom has been presented by the State Department to the Committee on Commerce for its information, although accompanied by the contention that the executive department had power to negotiate this agreement under the terms of the Civil Aeronautics Act of 1938, and amendments thereto without reference to the Congress.

The committee has held full and free hearings on the important question involved—whether the Department of State has authority under existing provisions of the Civil Aeronautics Act to conclude air agreements with foreign nations which give rights to air carriers of those nations to operate to and within the United States and thereby prevent the full public hearing and the unbiased determination of public interest by the Civil Aeronautics Board required under the Civil Aeronautics Act of 1938.

The committee has heard testimony on all sides of this question. It has incorporated by reference as a part of this record, hearings held in February and March 1945 by

the Senate Foreign Relations Committee on the Convention on International Civil Aviation, executive A, which came out of the International Air Conference in Chicago. These hearings go to the core of the question involved and our record would be incomplete if we did not make them a part of our study. There is here presented one agreement in the form of a treaty, and three other documents in the form of so-called executive agreements.

Various proposals have been made to prevent the making of executive agreements with foreign governments respecting operating rights in international air transportation, such as those concluded at Chicago late in 1944, and those recently concluded with the Government of Great Britain at Bermuda, and the Government of France at Paris, and to require either that, except where such rights have been conferred by treaty between governments, any foreign air line seeking to engage in air transportation to or from the United States must prove that such operation would be in the public interest as provided in the Civil Aeronautics Act. The committee endorses this objective. However, the committee believes that legislation on this subject is unnecessary, since any executive agreements which purport to oust the Civil Aeronautics Board of its responsibilities and discretion to determine and transmit to the President its findings as to whether operation by a particular foreign-flag air line to the United States would be in the public interest, are patently illegal.

The Civil Aeronautics Act of 1938, as amended, is today our statutory process for the regulation of civil air commerce, both foreign and domestic. Its provisions, which air carriers of other nations are required to follow in order to establish routes to and within our country, are unmistakably plain. The committee is of the opinion that all executive agreements which purport to provide such rights for foreign air carriers in advance of hearings and determination by the Board contravene the existing law governing commercial air commerce by purporting to ignore and waive definite and rigid requirements that must be applied to a foreign air carrier seeking to operate to, from or within the United States, and are therefore illegal and without force. Under our constitutional processes, existing law can only be changed by statute or a treaty ratified by the United States Senate. The committee is therefore of the firm conclusion that these agreements are totally inoperative. No new legislation is required to invalidate action illegal under existing law.

The provisions of the Civil Aeronautics Act of 1938 as to the terms and conditions under which foreign air carriers may engage in commercial air service to, from, or through the United States are as follows:

"PERMITS TO FOREIGN AIR CARRIERS

"PERMIT REQUIRED

"SEC. 402 (49 U. S. C., Sup. V, 482). (a) No foreign air carrier shall engage in foreign air transportation unless there is in force a permit issued by the Authority authorizing such carrier so to engage: *Provided*, That if any foreign air carrier is engaged in such transportation on the date of the enactment of this act, such carrier may continue so to engage between the same terminal and intermediate points for 120 days after said date, and thereafter until such time as the Authority shall pass upon an application for a permit for such transportation if within said 120 days such carrier files such application as provided in this section.

"ISSUANCE OF PERMIT

"(b) The Authority is empowered to issue such a permit if it finds that such carrier is fit, willing, and able properly to perform such air transportation and to conform to the provisions of this act and the rules, regulations, and requirements of the Authority hereunder, and that such transportation will be in the public interest.

"EXISTING PERMITS

"(c) Any such carrier who holds a permit issued by the Secretary of Commerce under section 6 of the Air Commerce Act of 1926, as amended, which was in effect on May 14, 1938, and which authorizes such carrier to operate between any foreign country and the United States, shall be entitled to receive a permit under this section upon proof of that fact only.

"APPLICATION FOR PERMIT

"(d) Application for a permit shall be made in writing to the Authority, shall be so verified, shall be in such form and contain such information, and shall be accompanied by such proof of service upon such interested persons, as the Authority shall by regulation require.

"NOTICE OF APPLICATION

"(e) Upon the filing of an application for a permit the Authority shall give due notice thereof to the public by posting a notice of such application in the office of the secretary of the Authority and to such other persons as the Authority may by regulation determine. Any interested person may file with the Authority a protest or memorandum of opposition to or in support of the issuance of a permit. Such application shall be set for public hearing and the Authority shall dispose of such applications as speedily as possible.

"TERMS AND CONDITIONS OF PERMIT

"(f) The Authority may prescribe the duration of any permit and may attach to such permit such reasonable terms, conditions, or limitations as, in its judgment, the public interest may require.

"AUTHORITY TO MODIFY, SUSPEND, OR REVOKE

"(g) Any permit issued under the provisions of this section may, after notice and hearing, be altered, modified, amended, suspended, canceled, or revoked by the Authority whenever it finds such action to be in the public interest. Any interested person may file with the Authority a protest or memorandum in support of or in opposition to the alteration, modification, amendment, suspension, cancellation, or revocation of a permit.

"TRANSFER OF PERMIT

"(h) No permit may be transferred unless such transfer is approved by the Authority as being in the public interest."

The meaning of the above quoted section (a) is definite and clear. Before a foreign air carrier may engage in foreign air transportation with the United States it must first obtain a permit from the Authority to do so. This section provides that a foreign air carrier that does not have such a permit in force shall not engage in foreign air transportation to the United States. It leaves no other legal basis for foreign air carriers to engage in such transportation—except, of course, pursuant to treaty which would have the same authority as subsequent legislation. The proviso in section (a) is not applicable to the point in question.

Section (b) delegates to the Authority the power to issue the required permit to a foreign carrier to engage in foreign air transportation with the United States. It contains also certain conditions that the Authority must find before the permit is granted. These conditions require that the Authority may exercise its power to issue the permit only after "it finds that such carrier is fit, willing, and able properly to perform such air transportation and to conform to the provisions of this act and the rules, regulations and requirements of the Authority hereunder, and that such transportation will be in the public interest." The term "public interest" is defined in section 2 of the Civil Aeronautics Act. This section states that the Authority shall consider as being in the public interest the encouragement and development of an air transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the postal service, and of the national defense, the regulation of air transportation in such manner as to foster sound economic conditions therein, and various other factors. The term as so defined includes such questions as the effect of any proposed foreign-flag operation upon existing American-flag air carriers within and without the United States, upon all other parts of our transportation system, and upon the labor employed by them. Section (b) calls for the same type of inquiry by the Authority when application for a permit is made by foreign-flag carrier, as when an application for a certificate is made by an American-flag carrier.

Section (c), which extends grandfather rights to foreign-flag carriers holding permits issued by the Secretary of Commerce under previous law, is not relevant.

Section (d) provides that a foreign air carrier desiring a permit shall make verified application in writing to the Authority and shall serve it upon such interested persons as the Authority shall require. The purpose of this provision was to give other interested carriers notice of a proposed operation that might affect their interests.

Section (e) provides that notice of the application shall be posted and that a public hearing shall be held. It also provides that any interested person may oppose the issuance of a permit. This section grants to interested persons such as American-flag carriers the opportunity to show the effect of the proposed foreign operation upon their services.

Section (f) empowers the Authority to prescribe the duration of any permit and to attach to it such reasonable terms, conditions or limitations as in its judgment the public interest may require. These terms, conditions, and limitations are, of course, to be determined in the light of the evidence adduced at the public hearing.

Section (g) provides that after notice and hearing the Authority may modify, suspend or revoke a permit whenever it finds such action to be in the public interest and that any interested person may support or oppose such modification, suspension, or revocation.

Under the International Air Transport agreement concluded at Chicago, air carriers of any nation which has accepted the agreement (including carriers owned by nationals of other countries which have accepted it) are guaranteed rights to operate to or from the United States. Under the recent agreements with Great Britain and France, British and French air carriers, respectively, are granted right to operate certain commercial air transport services to and through the United States. These agreements contemplate that if there is to be any application to and hearing before the Civil Aeronautics Board, the hearing is to be a pure formality, with its outcome predetermined. The position which has been taken before the committee is that where such an agreement has been made the question of public interest has been conclusively determined by the executive branch of the Government.

Such a contention conflicts with the plain language of section 402 of the act. That act requires that the Civil Aeronautics Board pass on applications by a foreign-flag carrier in a judicial manner without interference or prior commitment by the executive branch of the Government.

It has been contended that in spite of the plain language of section 402 the power to give foreign-flag lines the right to operate to, from or through the United States by

executive action only, without regard to factors of public interest which might be brought out at a hearing, is conferred by section 802 and section 1102 of the Civil Aeronautics Act. These sections read as follows:

"THE DEPARTMENT OF STATE

"SEC. 802 (49 U. S. C., Sup. V, 602). The Secretary of State shall advise the Authority of, and consult with the Authority concerning, the negotiation of any agreements with foreign governments for the establishment or development of air navigation, including air routes and services.

"INTERNATIONAL AGREEMENTS

"SEC. 1102 (49 U. S. C., Sup. V. 672). In exercising and performing its powers and duties under this act, the Authority shall do so consistently with any obligation assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign country or foreign countries, shall take into consideration any applicable laws and requirements of foreign countries and shall not, in exercising and performing its powers and duties with respect to certificates and convenience and necessity, restrict compliance by any air carrier with any obligation, duty, or liability imposed by any foreign country: *Provided*, That this section shall not apply to any obligation, duty, or liability arising out of a contract or other agreement, heretofore or hereafter entered into between an air carrier, or any officer or representative thereof, and any foreign country, if such contract or agreement is disapproved by the Authority as being contrary to the public interest."

Section 802 does not confer upon the executive branch of the Government any power to make agreements superseding section 402. It does not confer new power to make agreements of any sort. It directs merely that when agreements are being negotiated, the Secretary of State must consult with the Authority. This does not mean that the Secretary of State can oust the Authority from powers conferred by section 402. Furthermore, the language of section 802 shows that it was concerned with agreements dealing with technical matters such as reciprocal acceptance of airworthiness certificates, pilots' licenses, etc., and rules of aerial navigation, which had formed the subject of all executive agreements with foreign governments negotiated prior to enactment of the Civil Aeronautics Act.

The requirement of section 1102 that in exercising its powers and duties under the act the Authority shall do so consistently with obligations assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign country likewise does not empower the executive branch of the Government to withdraw from the Authority duties and responsibilities specifically conferred upon it by the Congress in section 402.

The committee has noted the exhaustive opinion furnished to the Civil Aeronautics Board on this subject by Hon. L. Welch Pogue, now Chairman of the Board and then its general counsel, under date of October 18, 1939, that where foreign air carriers were seeking to operate to the United States all the requirements of section 402 must be met. This opinion reads as follows:

"OPINION MEMORANDUM

OCTOBER 18, 1939.

"To: The Authority.

"From: The general counsel (Hon. L. Welch Pogue).

"Subject: Relation between sections 402, 1102, and other pertinent provisions of the Civil Aeronautics Act of 1938.

"This opinion memorandum is submitted in response to your request of August 15, 1939, outlining the difficulties introduced into international negotiations by section 402 of the Civil Aeronautics Act of 1938, hereinafter generally referred to as the "act," if it must be held to prevail over all other provisions of the act dealing with problems of foreign air transportation; and pointing out the impossibility (if that section must be so interpreted) of giving a foreign government any specific assurance that one of its air carriers will be admitted to the United States on a particular international route as a consideration for the granting by such foreign government to American air carriers of an appropriate reciprocal right of admission to the country concerned. Acting upon your request, I have reviewed the pertinent provisions of the act and a memorandum on this question, a copy of which is attached, has been prepared for me by Mr. Sarber of my staff.

"I. CONCLUSIONS

"In reply to the specific questions which you submitted to me I submit the following general conclusions:

"1. A self-executing treaty,[1] of the type described below between the United States and any foreign country or countries would, if properly worded, legally supersede any provision of section 402 which might be inconsistent therewith so that, for example, foreign air carriers could enter the United States under the terms set forth in such treaty. The term "self-executing treaty," when used herein, means a treaty complete in itself, and which requires no further acion by Congress to clarify it or render its provisions operative, such as a treaty specifically providing, among other things, that foreign air carriers, certified or otherwise identified by the foreign government, be admitted to the United States, notwithstanding and without regard to the provisions of section 402, which requires notice and hearing and the exercise of the Authority's judgment in the premises, and providing means by which any permits (or other specified authorization) should be issued.

"2. No international agreement, as distinguished from a treaty, can be made between the United States and any foreign country or countries which will have the legal effect of dispensing with the notice and hearing, and the exercise of the Authority's judgment, called for by section 402 of the act; and the provisions of any such agreement designed to accomplish such an end could not be enforced in our courts. Thus, in the absence of any self-executing treaty, section 402 must be observed in the issuance of permit to foreign air carriers and in the alteration, modification, amendment, suspension, cancellation, or revocation thereof.

"II. DISCUSSION

"A brief statement of my reasons for the above-mentioned conclusions follows; and a detailed review of the various authorities on the legal questions involved appeared in Mr. Sarber's above-mentioned memorandum.

"A. SECTION 402

"Section 402 of the act not only requires notice and hearing upon an application before a permit may be issued to a foreign air carrier, but also requires the Authority to exercise its judgment upon the question of whether or not the particular applicant should receive a permit The test on this matter is couched in the following language in clause (b) of section 402:

"'(b) The Authority is empowered to issue such a permit if it finds that such carrier is fit, willing, and able properly to perform such air transportation and to conform to the provisions of this act and the rules, regulations, and requirements of the Authority hereunder, and that such transportation will be in the public interest.'

"It should be noted particularly that section 402 contains an absolute prohibition against any foreign air carrier engaging in foreign air transportation without a permit. The pertinent part of clause (a) of section 402 dealing with this point reads as follows:

"'No foreign air carrier shall engage in foreign air transportation unless there is in force a permit issued by the Authority authorizing such carrier so to engage.'

"It should also be noted that in connection with altering, modifying, amending, suspending, canceling, or revoking any permit, a notice and hearing and the exercise of the Authority's judgment are likewise required by clause (g) of section 402.

"But even though section 402 seems clear in terms, the question arises as to whether or not the control, particularly and specifically granted to the Authority by section 402, has been in whole or in part superseded or modified by any other statutory provision. The first of the other statutory provisions to be considered in this connection is section 1102 of the act.

"B. RELATION OF SECTIONS 402 AND 1102

"Does section 1102 require the issuance of permits pursuant to the terms of any agreement (as distinguished from a treaty) without regard to the provisions of section 402? Section 1102 provides as follows:

"'SEC. 1102. In exercising and performing its powers and duties under this act, the Authority shall do so consistently with any obligation assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign country or foreign countries, shall take into consideration any applicable laws and requirements of foreign countries and shall not, in exercising and performing its powers and duties with respect to certificates of convenience and necessity, restrict compliance by any air carrier with any obligation, duty, or liability imposed by any foreign country: *Provided*, That this section shall not apply to any obligation, duty, or liability arising out of a contract or other agreement heretofore or hereafter entered into between an air carrier, or any officer or representative thereof, and any foreign country, if such contract or agreement is disapproved by the Authority as being contrary to the public interest.'

"Deferring for a moment a consideration of the authority necessary for the creation of a valid treaty, convention, or agreement, let us assume that an international agreement is made on behalf of the United States by the President with a foreign country providing that any person designated by the competent air authorities of the foreign country should be permitted to fly over a designated route into the United States, to a named point, on a stated frequency in exchange, let us say, for certain reciprocal privileges granted to the United States by such foreign country. The question then arises as to whether or not such person would be required to file an application and secure a permit under the provisions of section 402; and if so, whether or not the Authority in passing upon any such application so filed would be required to hold a public hearing, but, because of the provisions of section 1102 (requiring the Authority to exercise its powers and duties consistently with the obligations assumed in such agreement), merely to go through the form of exercising its judgment in a perfunctory manner and without giving effect to the standards established in section 402.

"It will be remembered that certain provisions of clause (a) of section 402 prohibit

[1] The word "treaty" as used herein means a treaty ratified by the Senate of the United States, and includes any convention (i. e., an agreement between the United States and foreign countries) when so ratified. The word "agreement," when used herein, includes all other forms of agreement between the United States and a foreign country or countries.

any foreign air carrier from engaging in foreign air transportation unless there is in force a permit issued by the Authority authorizing such air carrier so to engage. There is not express provision in section 1102 that the Authority shall disregard any other express requirements or prohibitions of the act, or that the Authority shall fail to exercise any of its powers and duties to be performed under any of the other provisions of the act. On the contrary, the provisions of this section clearly assume that such other powers and duties will, in general, be performed. Accordingly, it seems clear that an application would have to be filed and a permit issued under section 402 before the carrier could engage in foreign air transportation.

"As to the question of whether or not the Authority would have to hold a hearing but merely go through the form of exercising its judgment in a perfunctory manner, a difficult question of statutory construction arises. In a situation of this kind where provisions of the same act are apparently inconsistent, it becomes necessary to resort to means other than the use of the plain meaning of the language to ascertain the underlying legislative intent. In this connection, it is important to bear in mind certain fundamental principles of statutory construction. It will not be presumed that Congress has done a vain thing and every effort must be made to give each provision of the statute its intended meaning and effect so that each provision will, insofar as possible, harmonize with other provisions of the statute, thus permitting each provision to be effective. Accordingly, it will not be presumed that Congress has done a vain thing in providing in section 402 for notice and hearing and the exercise of the Authority's judgment, and, therefore, if the operation of the provisions of that section comes in conflict with the operation of the provisions of section 1102, established principles of statutory construction require that the more particular and specific provisions of section 402 must prevail over the broader and more comprehensive provisions of section 1102 and that the latter must be limited to cases not within the language of the particular or specific provisions. As indicated above, section 1102 refers to "powers and duties under this act," i. e., all powers and duties in general, whereas section 402 confers upon the Authority the power and duty to take action for the accomplishment of objectives specifically set forth in that section pursuant to standards therein established.

"Entirely apart from the statutory construction problem with respect to the relationship of sections 402 and 1102, is the question of whether or not there is in the statutory or nonstatutory law a basis for making of a treaty or agreement which could have the legal effect of superseding or modifying some or all of the provisions of section 402. This question will now be considered.

"It is clear that a self-executing treaty made after the enactment of the act, if properly worded, would legally supersede any provisions of section 402 which might be inconsistent therewith. This result follows because by article VI of the Constitution of the United States, the Constitution, the laws of the United States made in pursuance thereof, and all treaties made under the authority of the United States, are the supreme law of the land. Thus, treaties and laws of the United States are placed on the same plane and a treaty would supersede any provisions inconsistent therewith contained in a law of the United States theretofore enacted; and any treaty would in turn be superseded by provisions inconsistent therewith contained in any later law of the United States. It should be noted, however, that no provisions of either a law of the United States or a treaty will be superseded by any later treaty or law, respectively, except pursuant to express language or pursuant to necessary implication such as would exist if a provision of a treaty were inconsistent with a provision of a law of the United States theretofore enacted so that it would be impossible to give effect to both provisions. The vital importance of careful draftsmanship is, therefore, apparent.

"However, as to an agreement made on behalf of the United States by the President (and not ratified by the Senate) as distinguished from a treaty, a different problem is presented.

"The legal status of such agreements deserves notice. In the absence of authorizing legislation, agreements made by the President (and which have never attained the status of a treaty) cannot be regarded as creating law which our courts are called upon to recognize or enforce because that would involve the approval of an improper delegation of the treaty power. However, certain agreements may, in the absence of authorizing legislation, be made by the President, which are legal and enforceable in our courts (to the extent of their power to enforce them). Thus, if the act had not been enacted and if there were no other applicable statute dealing with the matter, the President would have power to make agreements with foreign countries relating to the access to this country of foreign aircraft. His right to do this flows from the general power of the Executive to prohibit physical contact with our territory in a manner prejudicial to the interests of the United States; but the exercise of that power would be subject to subsequent action of Congress. However, it seems to be well established that where Congress has acted with respect to the method or means of permitting or prohibiting physical contact with our territory the President alone has no power to make agreements on the same subject, but must carry out the provisions of the statute. In the case before us, Congress has acted specifically with reference to the way in which foreign air carriers may obtain permission to enter the United States. Accordingly (unless there exists specific statutory authorization for the Executive to make such agreements), no Executive agreement can legally be made based on the Executive's general nonstatutory power, referred to above, which would have the effect of interfering with the operation of the provisions of section 402.

"We next turn to see whether or not there exists specific statutory authorization for the Executive to enter into agreements concerning the entry of foreign air carriers into the United States which is clear enough to authorize the making of agreements which would supersede or modify the provisions of section 402. Section 1102 contains no language specifically authorizing the making of such agreements, but merely states, among other things, that the Authority shall perform its powers and duties consistently with the obligations assumed by the United States in any agreements. No such specific statutory authorization has been found, but the provisions of section 802 should be noted in this connection.

"C. SIGNIFICANCE OF SECTION 802 IN ITS RELATION TO SECTIONS 402 AND 1102

"The provisions of section 802 harmonize with the principles and conclusions heretofore reached with respect to the status of the provisions of section 402. Section 802 provides as follows:

" 'SEC. 802. The Secretary of State shall advise the Authority of, and consult with the Authority concerning, the negotiation of any agreements with foreign governments for the establishment or development of air navigation, including air routes and services.'

"The legislative history of the Civil Aeronautics Act reveals that in a bill considered on the floor of the Senate this section authorized the Secretary of State to negotiate with foreign countries with a view to entering into such agreements and to conclude such agreements 'as may be satisfactory to the Authority and to the President.' This proposal provoked considerable debate in the Senate, the objection being that it was an improper attempt to curtail the power of the President and his agent, the Secretary of State, to conduct foreign negotiations and enter into agreements and treaties. After this debate, the section was changed to its present form, leaving it very difficult to ascertain the exact effect which Congress intended by the change. However, the committee hearings indicate the general understanding to have been that the agreements referred to would be of a nature dealing generally with such matters as the freedom of innocent passage from one country to another, the honoring by each country of pilot certificates issued by the other, and the recognition by each country of certificates of air worthiness for export issued by the other country; and that any specific operation by an individual carrier to a foreign country would be authorized by permit issued to such carrier by the foreign country concerned.

"Whatever may be the exact scope of section 802 in recognizing by implication that agreements may be made with foreign countries for the 'establishment and development of air navigation, including air routes and services,' it is clear that the thrust of section 802 is merely that the Secretary of State shall advise the Authority at some time of, and consult the Authority at some time concerning, the negotiation of agreements of the kind specified. Section 802 contains no affirmative grant of power but, as just indicated, imposes certain responsibilities and obligations upon the Secretary of State in connection with the negotiation of the agreements therein mentioned. In any event, it seems clear that this section with its very general language cannot be deemed to have authorized the President to make agreements inconsistent with the provisions of section 402.

"D. THE PRESIDENT'S SUPREME POWER UNDER SECTION 801 DOES NOT ELIMINATE THE AUTHORITY'S DUTY UNDER SECTION 402

"Finally, it must be observed that the issuance, denial, transfer, amendment, cancellation, suspension, or revocation of, and the terms, conditions, and limitations contained in, any certificate authorizing an air carrier to engage in overseas or foreign air transportation 'shall be subject to the approval of the President' with the result that he is the final and supreme judge of these matters. Section 801 of the act provides as follows:

" 'SEC. 801. The issuance, denial, transfer, amendment, cancellation, suspension, or revocation of, and the terms, conditions, and limitations contained in, any certificate authorizing an air carrier to engage in overseas or foreign air transportation, or air transportation between places in the same Territory or possession, or any permit issuable to any foreign air carrier under section 402, shall be subject to the approval of the President. Copies of all applications in respect of such certificates and permits shall be transmitted to the President by the Authority before hearing thereon, and all decisions thereon by the Authority shall be submitted to the President before publication thereof. This section shall not apply to the issuance or denial of any certificate issuable under section 401 (e) or any permit issuable under section 402 (c) or to the original terms, conditions, or limitations of any such certificate or permit.'

"From this section it appears that it was the intent of Congress to make the President the final and supreme judge of whether affirmative or negative action should be taken with respect to the matters specified, including the question of whether or not a permit should be issued in any given case. As illustrating the power of the President

under this section, let us consider the result where the President disapproves of the issuance by the Authority of an application for a permit filed with it under section 402. Section 1006 (a) specifically exempts orders of the Authority which are subject to the approval of the President from judicial review, and here, again, is indicated the intent of Congress to give the President the power to take final action with respect to the matters specified in section 801. In case the President should disapprove a denial by the Authority of an application for a permit, it is assumed for the purposes of this opinion memorandum that a court, upon petition by the appropriate party, would, by some applicable legal action, compel the Authority to issue a permit in accordance with the decision of the President.

"Under these circumstances, the question arises as to why it is not possible, if the President is the final judge of such matters, for the President to enter into commitments in advance with respect to the disposition ultimately to be made by the President of applications filed under section 402. In the first place, as has already been pointed out, there would be no legal authorization for the making of such an agreement and consequently it might be difficult to persuade a particular foreign government to become a party thereto. In the second place such moral obligation as might be created by such an agreement could not possibly be binding upon any President other than the one making it and this, again, would be a factor presumably making it difficult to persuade a foreign government to become a party to the agreement. Thus it may be assumed that no such agreement can be depended upon to accomplish the desired result because of its lgal invalidity and, as a result of that fact, of the impossibility of giving the foreign country the assurances which it will presumably require.

"Furthermore, no valid implication of an intent on the part of Congress to authorize the President to enter into such agreements is contained in the provisions of section 801. It seems clear that questions of international relations and national defense may well be of overruling importance so that the Executive should have the right to make the ultimate decision as to whether or not a permit should be issued in a particular case. It appears to have been the intent of Congress to require a public hearing for the disclosure of such facts as may be made thereat by the applicant and other interested persons so that the President would have the advantage both of the record and of the Authority's judgment—exercised under the standards established in section 402—before he is called upon in connection with reaching a final decision to superimpose his judgment formed after he has analyzed such additional facts relating to international relations and national defense as he, alone, may have. The disclosure of facts at a public hearing, referred to above, would presumably include facts bearing on questions of public interests, including (a) the carrier's fitness, willingness, and ability properly to perform the air transportation service in question, and to conform to the provisions of the act and the rules, regulations, and requirements of the Authority thereunder (b) relevant information concerning the effect of the proposed operation upon the operations of American air carriers serving the point within the United States proposed to be served by an applicant for a permit, or serving points competitive therewith (c) relevant information concerning foreign air cariers from whatever country desirous of serving the same or competitive points and (d) relevant facts to be used as a basis for attaching to the permit by the Authority of such reasonable terms, conditions, or limitations as the public interest may require involving various questions of safety, competition, and the proper coordination of the air transport system.

"My conclusion, therefore, is that except with respect to self-executing treaties—which, by appropriate language might not only supersede the provisions of section 402 but also those of section 801—no agreements can be made, while the act remains in its present form unamended, which will eliminate the necessity for compliance with the provisions of section 402."

The committee has also taken note that in its annual report to Congress for 1942 the Civil Aeronautics Board proposed that the act be amended so that when Executive agreements had been made the Board could dispense with the hearing and findings called for by section 402. We quote from pages 15–16 of its report:

"International agreements: Under the provisions of section 402 of the act, the Board is authorized to issue permits to foreign-flag air carriers authorizing them to operate air transportation services between the United States and foreign countries. Under the provisions of this section, the Board may issue such permits only after notice and hearing and upon a finding that the air transportation involved is in the public interest, and that the applicant is fit, willing, and able to conduct the transportation properly and to conform to the provisions of the act. Frequently, however, the establishment of international air transportation services is the subject of international negotiation between the United States and foreign countries, which may lead to the making of agreements obligating the respective countries to permit the establishment of services between their respective territories. While section 1102 of the act provides that the Board shall exercise its powers and duties consistently with the obligations of the United States under treaties and agreements with foreign countries, the effect of such agreements upon the powers and duties of the Board under section 402 of the act is not clear. It is apparent, however, in view of the unique considerations which enter into the making of international agreements, that where such agreements impose obligations relative to the establishment of foreign air transportation services the Board should be permitted to give controlling weight to the agreements in reaching its conclusion that certificates should or should not issue. For the same reason, where it finds that the service is in the public interest, the Board should be permitted to dispense entirely with the necessity for finding that a foreign-flag air carrier is fit, willing, and able to perfom the air transportation involved and to conform with the provisions of the act.

"It is recommended, therefore, that section 402 of the act be amended so as to (1) provide that the Board may regard an obligation assumed in an agreement between the United States and a foreign country relative to the establishment of foreign air transportation services as sufficient evidence to support a finding that such service will be in the public interest; and (2) relieve the Board of the necessity of finding in such a case that the applicant for the service is fit, willing, and able to perform the air transportation involved."

Those who favor a policy that the extent of foreign-flag operations to, from, and through the United States should be left for the State Department to determine by secret negotiated executive agreements with foreign countries, should propose changes in the law which would eliminate the jurisdiction and responsibility which the Board now has under section 402 and vest these in the Department of State.

The committee has concluded that both the International Air Transport Agreement executed at Chicago and the bilateral executive agreements granting commercial air-transport rights are not only illegal but in many respects prejudicial to the best interests of American transportation—surface as well as air. So that the Senate may be fully informed of our views, the committee, at its meeting of April 15, 1946, adopted the following resolution by a vote of 17 to 1:

"Whereas there has recently been announced and presented by the State Department to the Senate Committee on Commerce the so-called Bermuda agreement between the United States and the United Kingdom regarding international commercial aviation; and

"Whereas the Committee on Commerce has held extended hearings on the subject of commercial air-transport agreements between the United States and foreign nations; and

"Whereas witnesses and counsel representing major American transportation interests, including organized labor, have testified as to the prejudicial effect of such agreements to the United States and especially to the interests they represent, as well as the illegality of such agreements unless approved as treaties as prescribed by the Constitution; and

"Whereas the Congress provided in section 402 and 801 of the Civil Aeronautics Act of 1938 (1) that no foreign-flag air line be allowed to engage in air transportation to and from the United States territory unless such foreign-flag air line has obtained a permit issued by the Civil Aeronautics Board and approved by the President, and (2) that no such permit should be issued unless the Civil Aeronautics Board found, after public hearing, that the foreign-flag air line was fit, willing, and able properly to perform the air transportation sought and that such service would be in the public interest: Now, therefore, be it

"*Resolved*, That the Committee on Commerce advise the Senate that it is the opinion of this committee:

"(1) That no agreements of this character should be made except in the form of treaties to be considered and ratified by the Senate; that any executive agreement which purports to grant to any foreign country the right to have an air line or air lines nominated by it operate to or from United States territory without public hearing in advance and the determination of public interest by the Civil Aeronautics Board called for under section 402 of the Civil Aeronautics Act, is inconsistent not only with the Constitution but with the letter and spirit of said act, and therefore illegal and void; and that any and all proceedings thereunder should be forthwith terminated by appropriate notice to the government concerned.

"(2) That, notwithstanding the international air transport agreement and the bilateral agreements above mentioned this Government is not bound by such agreements so long as the same have not been ratified as treaties, but the Civil Aeronautics Board and the President continue to have the duty and the obligation of passing, without prejudgment, upon the question whether any proposed operation by a foreign-flag air line is in the public interest, as defined in the Civil Aeronautics Act."

Mr. OVERTON. Let me say in this connection that it is not intended that this resolution should be acted upon by the Senate or by the Congress. It is intended as representing the opinion of the Senate Committee on Commerce with respect to both these agreements. We impugn the validity of both agreements from a constitutional standpoint and from a statutory standpoint.

Mr. BREWSTER. Mr. President, I should like to submit a unanimous-consent request at this point. I ask unanimous consent that there be printed

in the RECORD an article from the New York Herald Tribune of April 17, 1946, with headlines as follows:

TWA accord with Italy voids Anglo-United States pact.

Upsets a secret agreement reached at Bermuda to share in air-line rights.

I also ask unanimous consent that there be printed in the RECORD an article from the Washington News of April 18, under the headline:

British want cut of air contract captured by TWA.

I am asking that these articles be printed in the RECORD, since they seem to have a very important bearing upon the whole question of our development of international aviation.

This morning the committee held an executive session with representatives of the State Department in regard to this matter. At present the testimony which the committee has taken up with the State Department is not a matter for discussion. It is anticipated that both the State Department and the committee may have further and full information in the very near future.

The first article deals with an announcement by the British Foreign Office claiming that there was a secret agreement at Bermuda with the British regarding the dividing up of Italian internal aviation. I might say, in justice to the State Department, that I do not understand that they fully agree with the British view as to whether there was an agreement, or whether it was secret. I say that in justice to them, but that will develop later.

At any rate the British apparently consider that they did have a sacret agreement dividing up the internal aviation interests of Italy. No more glittering illustration of the danger of our adventures overseas in the various fields could be presented than a situation of this kind. Next week our Secretary of State is proceeding to Paris, accompanied by the distinguished chairman of the Committee on Foreign Relations [Mr. CONNALLY] and the distinguished minority member, the Senator from Michigan [Mr. VANDENBERG], to confer primarily upon an Italian agreement as to peace. Meanwhile it seems to be the undoubted fact that an American air line had negotiated an agreement with the Italian Government—whether or not under duress remains to be determined.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Mr. President, has the Chair yet ruled on the unanimous-consent request made by the Senator from Louisiana?

The PRESIDING OFFICER. That was agreed to.

Mr. LUCAS. I did not so understand. I have been trying to submit a question to the able Senator from Louisiana, and all the time I have been thinking that no unanimous-consent request had been entered into.

The PRESIDING OFFICER. Unanimous consent was granted to have the resolution and report printed in the RECORD and printed as a Senate document.

Mr. LUCAS. Mr. President, I should like to have an opportunity to object, at least until I can have an opportunity to find out what this is all about. That is why I have been on my feet.

I understand that this report comes solely from the members of one committee, without having the Senate of the United States pass upon it in one way or another, and that the committee is asking to have the matter printed as a Senate document. I should like to have information as to the appropriate procedure on that point.

I do not see the majority leader in the Chamber at this time. I think this matter is an important one.

Mr. OVERTON. Mr. President, the document is of such importance that I must stand on the unanimous consent which has already been given. With all due respect to the Senator from Illinois, I do not wish to ask that that unanimous consent be canceled.

So far as precedents are concerned, reports from various departments are presented to the Senate and are printed as public documents.

Mr. LUCAS. Mr. President, I should like to know a little of the background of a matter so important as this, because apparently an attempt is made to bind the Senate of the United States in regard to what this committee has done, without having any vote taken in the Senate or having any discussion in the Senate.

Mr. OVERTON. I thought I made it very clear that the Committee on Commerce is not attempting to bind other Senators, and the committee is not attempting to bind either the Senate or the Congress of the United States. This report has been filed by the Committee on Commerce.

Mr. LUCAS. Let me ask the Senator how the committee got hold of this important matter in the beginning.

Mr. OVERTON. I am glad to inform the Senator. After the Bermuda conference agreement was entered into, the State Department submitted it to the Committee on Commerce, and we have been holding hearings on it. We have been conducting hearings both as to its constitutionality and as to its legality. Those hearings are not quite completed, but we have gone sufficiently far with them to be able to express an opinion, and that opinion was expressed practically unanimously by the whole Commerce Committee, by a vote of 17 to 1. We think it is a matter of sufficient importance to call public attention to the views of the committee. I am sorry if the Senator from Illinois objects or is inclined to object.

Mr. LUCAS. I certainly would object if I had the opportunity to do so. That is why I was on my feet. I do not know anything about the precedents, but I do not think any committee should take steps to have a document go out to the country in such a way as to give the impression that it expresses the opinion of the Senate of the United States. This matter is most important. The distribution of the report of the committee as a Senate document would give the people of the country the impression, more or less, that it expressed the opinion of the Senate of the United States upon this important question. I do not say it is claimed to be the opinion of the Senate; but nevertheless request has been made to have the report printed as a Senate document. When unanimous consent for that purpose is requested and when no objection is made, that is tantamount to saying that the Senate of the United States is in favor of what the committee has done. That is what I had wished to object to.

Therefore, Mr. President, I ask unanimous consent that I may have an opportunity to object to the request to print the report as a Senate document.

Mr. OVERTON. I object.

Mr. BARKLEY. Mr. President, I am sorry I was called from the Chamber, because I would object to making the report a Senate document. I would not object to printing it in the CONGRESSIONAL RECORD.

But, as the Senator from Illinois has said, when any matter is made a Senate document or a public document, although legally it does not carry with it the force of being approved by the Senate, nevertheless to the general public which receives it, a Senate document carries the implication of being approved by and issued by the Senate of the United States.

This whole subject is pending before another committee of the Senate.

Mr. LUCAS. That is correct.

Mr. BARKLEY. It is a little unusual for a committee which does not have jurisdiction over a subject to adopt a resolution affecting a matter which is pending before another committee.

Mr. LUCAS. That is my very point.

Mr. BARKLEY. That is an additional reason why the report should not be made a Senate document, and why it should be printed only in the CONGRESSIONAL RECORD. To the latter proposal, I have no objection.

Mr. O'MAHONEY. Mr. President, if the Senator will bear with me, let me say I think I can make a suggestion which will cure the difficulty. I have inquired of the Senator from Louisiana whether he would agree to a unanimous-consent request that there be printed upon the flyleaf of this public document the statement, "This document is printed solely as an expression of the opinion of the Committee on Commerce, and is not to be regarded as the action of the Senate." The Senator from Louisiana is willing to agree to have that done.

Mr. OVERTON. I have no objection to that proposal, and I made that very clear in the RECORD, over and over again.

Mr. BARKLEY. Mr. President, would the Senator agree to include with that statement on the flyleaf an additional phrase, namely, following the statement that it is an expression of the opinion of the Committee on Commerce, the phrase "which does not have jurisdiction over the matter pending before the Senate"?

Mr. OVERTON. O Mr. President, of course not.

Mr. BARKLEY. Well, the Committee on Commerce does not have jurisdiction of the matter.

Mr. BREWSTER. Mr. President, I renew my request for unanimous consent to have inserted in the RECORD a clipping from the New York Herald Tribune of April 17 under the headline "TWA accord with Italy voids Anglo-U. S. pact," and the further headline "Upsets a secret agreement reached at Bermuda to share in air-line rights."

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

TWA ACCORD WITH ITALY VOIDS ANGLO-UNITED STATES PACT—UPSETS A SECRET AGREEMENT REACHED AT BERMUDA TO SHARE IN AIR-LINE RIGHTS

(By Don Cook)

LONDON, April 16.—A contract signed by the Italian Government, giving the American Trans-World Airways exclusive partnership rights in Italy's new civil air line, Linee Aeroe Italiane, has upset a secret agreement under which Great Britain and the United States were to have shared in the operation, the Foreign Office said today.

TWA's contract with Italy was signed and made public in February and it came as a surprise today that Britain and America had previously made other plans for the rebuilding of Italian aviation.

The secret agreement, a spokesman said, was proposed by the American delegation at the Bermuda Anglo-American Air Conference on January 15. Britain accepted the suggestion 3 days later. On January 22 she learned that the TWA contract was pending, and advised Italy through Sir Noel Charles, British Ambassador in Rome, not to sign it. According to the Foreign Office version, similar advice was given to the Government in Rome on January 30 by Alexander Kirk, American Ambassador there. But the agreement was nevertheless signed on February 11, the British said.

MADE "SWAP" PROPOSAL

Another version of the story, current in London, gives a different slant. TWA, according to this version, was nearing completion of its contract with the Italian Government when the British Overseas Airways Corp. got wind of what was going on and came forward with a "swap" proposal. BOAC, holding similar rights in Greece, suggested that TWA share similar rights in both countries. TWA is said to have answered, in effect, that Italy was open to any air line wanting to fly there; that its interest primarily was to get Italian domestic air lines going again, and that questions of dividing up traffic with BOAC on an exclusive basis did not apply.

The mystery in London is what made the Italian Government sign the contract against the advice of the British and American Ambassadors. The British are wondering also what action, if any, the United States Government will take to break the contract in order to let a British company have what is considered to be a guaranteed share under the Bermuda agreement.

The Foreign Office gave no indication of action taken or contemplated in the matter, though its disclosures were clearly a move in themselves.

Mr. BREWSTER. Mr. President, there is another item from the Washington News of yesterday's date purporting to be a statement by our State Department headlined "British want cut of air contract captured by TWA," referring to this very matter. I ask unanimous consent that the article be inserted at this point in the RECORD.

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

BRITISH WANT CUT OF AIR CONTRACT CAPTURED BY TWA

Britain is protesting because Transcontinental and Western Air and Italian interests plan to operate an air line in Italy, a State Department source said today.

He intimated there was some question just when the air line will begin operations because Britain seems to have "scared" the Italians with her protests. Britain's objection is that British Overseas Airways Corp. is excluded.

As matters stand today, TWA, which also refers to itself as the Trans-World Air Line, holds a 40-percent share in the line, the remainder being held by Italian interests. Under the arrangement, TWA holds routes designed to capture the cream of Italy's internal air traffic.

Britain feels that in the war, she won as much right as anyone else to a share in Italian aviation. It was pointed out here that the TWA contract was approved by Allied authorities in Italy. The British military representative could have stymied the deal then and there, it was said.

Mr. BREWSTER. Mr. President, referring to the comment of the Senator from Kentucky [Mr. BARKLEY] as to the question of jurisdiction in the report to the Senate from the Committee on Commerce regarding the nature of the agreements entered into by our State Department concerning aviation rights, it would appear to me that the Senator from Kentucky perhaps had not read the first page of the report of the Committee on Commerce where the report recites the vote of 17 to 1. I may say there are 19 members of the committee; 1 was absent, 17 were for the resolution, and 1 was in opposition. After reciting the action of the committee, which had had this matter under consideration for over 2 years, citing the grounds for opposition, the report states:

The first of these grounds is that such arrangements are not properly the subject matter of executive agreements, and that they should be regarded as treaties under the Constitution of the United States, subject to ratification by two-thirds vote of he Senate.

I continue the quotation.

The question whether or not arrangements of the character of the International Air Transport Agreement—

Referring to the so-called Chicago agreement on international aviation—

and the Bermula agreement are treaties and are to be submitted as such to the United States Senate for ratification will not be discussed in this report. The reason is twofold, viz: that a fair presentation of the committee's views would involve too long a report, and that probably such a report should be made, not by this committee but by the Senate Committee on Foreign Relations.

I call attention to this in the RECORD at this point in view of the question which was suggested by the distinguished majority leader as to whether or not the Committee on Commerce had exceeded the bounds of its jurisdiction in this report.

Without presuming to speak for the other 16 members of the committee who join in the resolution and in the report, including the distinguished chairman of the committee, the Senator from North Carolina [Mr. BAILEY], who I regret is not able to be present today for the discussion, the Committee on Commerce considered this appropriate to their consideration because of the fact that the Civil Aeronautics Act of 1938, under which all proceedings in this matter are carried on, came from the Committee on Commerce, and the further fact that all the authorities concerned in our executive departments who have undertaken to carry out such executive agreements as those represented by the Bermuda pact have alleged that the only ground of their right to proceed was under the Civil Aeronautics Act of 1938. They allege that that act gave to them the power to carry out executive agreements of this character.

The committee, therefore, felt that since the whole question of air policy was a matter within the primary purview of the Committee on Commerce, it was appropriate for them to consider whether or not the Civil Aeronautics Act of 1938 conferred such authority. I may say that it was the practically unanimous conclusion of the committee, after exhaustive consideration of all the legal aspects of this matter over a period of more than 2 years, that the action of the State Department and of the Civil Aeronautics Board in entering into these agreements, in the manner in which they did, was clearly beyond the scope and power intended to be conferred upon the executive department by the act.

It would seem that the Senate Committee on Commerce, the sponsors of the proposed legislation, should have an opinion that would at least be worthy of consideration by the Senate, which is all it purported to do. It presents the initial step in the most interesting and what may prove to be a most profound constitutional discussion as to what action the legisative department of the Government may take in case it should at any time appear that there is Executive encroachment upon the constitutional powers and responsibility of the legislative department. That has been a matter which has been much discussed by authorities. There is an article by Professor Borchard, of Yale, to which the report refers, going into this matter very extensively, with all the wisdom and authority Professor Borchard possesses.

We do not presume to have concluded the discussion by our report, but it would seem, to one member of the committee, at least, and I think to a great number of them, that the Senate Committee on Commerce would be clearly derelict in the discharge of their responsibility to the Senate if they did not call to the attention of the Senate what seems to them a clear case of the executive department exceeding the bounds laid down in the law, which was enacted on the basis of a report received from the Committee on Commerce itself.

I may say that the correctness of our viewpoint is fortified by the fact that the distinguished Chairman of the Civil Aeronautics Board, Mr. L. Welch Pogue, as general counsel of the Civil Aeronautics Board, himself rendered a most conclusive opinion upon this subject, acting as general counsel of the Board, advising

them in an official case pending in 1939. This opinion of the general counsel is included in the report as further fortifying the view of the committee that we are correct in the position which we take.

It was further fortified by the fact that in 1942 the Civil Aeronautics Board, in its annual report to the Congress, recommended that the Congress shoud amend the Civil Aeronautics Act of 1938 and give to them the very power which they now seek to exercise without amendment of the law.

This would seem to be rather conclusive evidence that not only in 1939 had General Counsel L. Welch Pogue, now Chairman of the Civil Aeronautics Board, but the Civil Aeronautics Board as a whole had come to the conclusion that they did not have the power under the act to do the thing they are now doing.

We are further fortified by the fact that in the recent hearing before the committee, when representatives of the State Department came before the committee to present to us the so-called Bermuda pact on civil aviation, and indulged in an extended discussion of its character and its authority, the members of the Civil Aeronautics Board stood up in a public hearing and said, "We think it should be understood by the members of this committee and the Senate that the so-called Chicago agreements, which were similarly sought to be validated under this act, were executed by the State Department without consideration by the Civil Aeronautics Board, and that we never passed upon those agreements as being either in the interest of the United States or within the capacity of the law." That was a fact which, so far as I know, had never come to the attention of any Members of the Senate, either in the hearings before the Committee on Commerce or in the consideration of the so-called Chicago agreements by the Committee on Foreign Relations of the Senate. True, a subcommittee has held hearings on one of those agreements, which was presented to the Senate as a treaty, and has been under consideration by the Committee on Foreign Relations for a considerable period.

I wish to call attention further to an editorial which appeared in the New York Times this very morning, as follows:

WORLD-WIDE AIR TRAVEL

A pattern of air traffic throughout the world, except for Russia and her sphere of influence—

I do not know what is her sphere of influence—

is emerging from the series of bilateral executive agreements negotiated and signed by the State Department, France, Greece, and Australia are the latest to sign or announce the beginning of negotiations leading to agreements along the general lines of those reached with Great Britain at Bermuda on February 11.

In general they follow the doctrine laid down by the late President Roosevelt and Adolf A. Berle at the Chicago Civil Aviation Conference in November 1944. The chief tenet of that doctrine was that the world needs air transportation, and a great deal of it, and that the least possible restriction consistent with order be placed upon this means of communication among nations.

The agreements are all within the framework of the provisional agreement signed at Chicago. Largely because it was provisional, its executive character—

This is what I would like the Senate particularly to note—

Largely because it was provisional, its executive character passed the scrutiny of that stern constitutionalist and forthright opponent of Executive encroachment, Senator JOSIAH W. BAILEY, of North Carolina, a member of the American delegation. Consequently, the present resolution of Senator BAILEY's Senate Commerce Committee, characterizing the Bermuda agreement as a treaty, is all the more surprising.

I should like to interpolate here that I was a colleague of the Senator from North Carolina as a member of the American delegation, so that I think I know his views, and I believe he will be somewhat surprised to read this statement in the New York Times editorial concerning the "resolution," as they characterize it, "of Senator BAILEY's Senate Commerce Committee," particularly as there are repeated evidences respecting his views in the RECORD, and in all discussions with the Senator from North Carolina, and from the actual vote of the Senator from North Carolina for the resolution submitted under the authority of the Commerce Committee by the Senator from Louisiana in full accord with the action of the committee.

The editorial continues:

Details of this kind are too fluid in character to be embalmed successfully in treaty law. The permanent convention adopted by the Chicago conference, admittedly a treaty, has been before the Senate without action for more than a year.

One other serious misconception has been put forward in the Senate Commerce Committee resolution. The Bermuda agreement does not deprive the Civil Aeronautics Board of its statutory duty to issue, or to refuse, permits to foreign air carriers. The agreement outlines the routes on which applications from British carriers will be entertained. But such carriers must still satisfy the Board that they are "fit, willing, and able" before a certificate can be issued to them, after approval by the President.

On the matter of whether the Senator from North Carolina was in accord with the action of the Chicago Conference on Civil Aviation, I quote from the hearings before the Foreign Relations Committee, which were placed in the record of the Commerce Committee hearings as an exhibit. I quote the Senator from North Carolina before the Foreign Relations Committee, who testified on this matter:

But I, being a party to it, laid down my reservations. There was given to me the most solemn assurance, not only by Mr. Berle, but by Mr. Berle in the presence of the other delegates, that the interim agreement would be within the law and not go beyond it, and would be for a brief period. Now, I have got plenty of witnesses to that. There is nobody who would say to the contrary to that; though you had no written record.

The Senator from North Carolina has made it perfectly clear both in his own committee and in the Foreign Relations Committee discussions, that in his judgment these executive agreements clearly violate the law, clearly go beyond the scope of any authority ever intended by the Committee on Commerce to be conferred in the measure it reported to the Senate. While I recognize that the interpretation of an act is primarily the province of a court, I think it is also a recognized principle that if there be doubt regarding the interpretation of an act, then it is considered pertinent to refer to any discussions incident to its enactment, and particularly on the part of those concerned in its development.

Furthermore, in the George Washington University Law Review there is an exhaustive article by Arne C. Wipurd, who until a few months ago was head of the Division of Transportation in the Department of Justice, discussing this entire matter in the greatest detail and giving his considered conclusion, which was issued with the permission, although I do not say with the authority or approval, of the Department of Justice, that this was utterly beyond the scope of any contemplation. So far as we have been able to learn, the legality of the action of the State Department in entering into these executive agreements, has never been considered and approved by anyone outside the State Department, and possibly by the reconverted Civil Aeronautics Board.

I say all this in justice to the report of the committee and in deference to the supremely important issues which are involved, which rest upon nothing less than the future of the air routes of the world, which, in my judgment, may well concern the peace of the world.

For a century we had Pax Britannica, from 1815 to 1914, when there was no Global War. As a result, in large measure, of British sea power and its prudent and proper exercise in that century, civilization made more progress than in any of the 18 centuries theretofore. Now it seems obvious that, while surface navies are not to be discarded, the aerial might of the world is going to become more and more of supreme importance. That is recognized by all the major powers. In that development the commercial air navigation is going to occupy, in all probability, a far more important place as regards military potentials than did the merchant marine in regard to the navy. I think all who are familiar with it realize what an indispensable part of any navy is a merchant marine. The great weakness of America throughout the century lies in the fact that it did not have an adequate merchant marine to supplement its Navy. We were obliged to spend $20,000,000,000 to build our merchant marine to go along with our Navy and take care of our responsibilities in the world. That, I think, is a sufficient indication as to the possible significance of commercial air navigation.

Now what do we find? We have been considering this subject for a long time. We have three companies engaged in overseas aviation. They have various permits which have been issued. They have resources of approximately $75,000,000 of private money dedicated to this task. We have just been asked for appropriation of several million dollars further to develop our air navigation facilities outside the bounds of the

United States in connection with the $2,000,000,000 worth of airports we have built around the world outside our territorial limits, in which we have little, if any, rights of use. And we are being asked now to go into 40 different places and spend money to develop the air navigation facilities under the concept that American foreign aviation is to be an important part of that picture.

As one who has been intensely interested in this subject for some years, it seems to me that we may as well face the facts. While we have in America these three companies that are competing for position around the world with what encouragement Government can give them—and there will be a very interesting story in connection with this Italian agreement respecting an American air line, which the British are now protesting—the British Government within the past 3 months has made available to its monopoly, the British Overseas Airways, an entirely government-owned and controlled corporation, the sum of $600,000,000 for development of overseas aviation. Originally it was contemplated, before the change of Government, that the ship lines and railroad lines of Britain should participate in some measure in this development. Under the new Government that was excluded. And this was made an entirely Government enterprise.

The importance which the British attach to air routes—and I agree as to their importance—is indicated by the fact that with a Government deficit this year of $4,000,000,000 in the British budget, they have deemed it proper to make available $600,000,000 for the establishment and development of overseas aviation, while our Government is discussing whether we will put a few additional million dollars into the air navigation facilities of these various ports around the world, which, if the British are successful—and I think there is grave reason to expect they may—will simply be useful for the purpose of serving the same domination of the air that the British have long enjoyed on the seas. When I say that the British may be successful, it is not a challenge of their enterprise, or a suggestion that they are acting in violation of our rights. They have a perfect right to do all this. But let me call attention to the fact that while we are so proud of our aviation, while we have thought that American aviation was supreme in the world, it has been established—I think beyond peradventure—that at this very time the British have an aviation engine, the so-called Rolls-Royce, which is superior to anything we possess. I read into the RECORD at this time a description of it from the New York Times of April 15:

BRITISH ENGINE DETAILED—ROLLS-ROYCE JET-PROPELLED PLANE DEVELOPS 15,000 HORSEPOWER

LONDON, April 17.—Details of the Rolls-Royce Nene jet-propulsion engine—the world's most powerful aircraft engine—were released tonight. The engine develops a thrust of 5,000 pounds, which at 600 miles an hour is equivalent to 15,000 horsepower.

The engine weighs only 1,550 pounds, so that for each pound of weight it gives a thrust of 3.2 pounds, or, at 600 miles an hour, 9.6 horsepower.

I trust Senators will note the significance of that statement.

The orthodox aero engine gives about 1 horsepower for each pound of weight of engine at best.

The significance of this, as developed by discussions with the aviation authorities in this country, is that Britain is entirely prepared within the next year, with engines now in production, to launch for the North Atlantic transport, which is an extremely important field, airplanes which will utterly eclipse anything America is able to put in the air. Under the Bermuda agreement the British secured nine ports of entry in this country, and routes across the United States from New York to San Francisco, Hawaii, and the Orient; from New York to Habana and South America; and from New York to New Orleans and Mexico City. The British are now in the position, with unlimited frequencies, which are provided for, and with rate control, which is also contemplated, to launch a service which will be utterly superior to anything the United States can possibly afford. This service will be backed by the $600,000,000 in capital resources now being made available. I shall not at this time comment upon the interesting fact that we are perhaps to make available to them $4,000,000,000 for such purposes as they may deem expedient; but I think it is a tribute to the intelligence and energy of the British that they have gone as far as they have gone and been as successful as they have been.

My suggestion is simply that this matter is one which should invite the very intimate attention of the Congress of the United States without delay to review, let us say, the activities of our State Department, of our Civil Aeronautics Authority, Civil Aeronautics Board, and all others concerned in the matter of civil aviation, to make sure that within the next 5 years America shall not present the sorry spectacle in the air that we have presented in the past in connection with our merchant marine. I believe that it is not merely a matter of competition. It is not merely a matter of whether America or Britain does it. In my judgment it is a matter of whether or not the peace of the world is kept.

What is behind the so-called Italian agreement? Let us see its implications. According to the story from the British Foreign Office, an American company went to Rome and negotiated this agreement about 2 months ago. It was an agreement for the American company to have exclusive rights, for a 10-year period, for the development of internal aviation in Italy. The British protest that they had an agreement that they were to be cut in on a share of it. Whether or not they had such an agreement we shall learn from the State Department when the discussions are revealed. Meanwhile, what I think gives a great many people concern is the fact that, as our distinguished representatives depart for Paris to negotiate possibly a peace treaty with Italy, the Russians are very much concerned with what happens in the Mediterranean. They are very much concerned with spheres of influence and other things. From anything that appears in the discussions, either of the British or our State Department—which has simply made the statement that the British are protesting the American company's action—the Russians may find simply another chapter in the history of Anglo-American arrangements, venturing now into a field in which the Russians themselves are to some extent concerned.

I do not think it presents a pretty picture for either the United States or the British to be dividing up the internal aviation of Italy without reference to those responsible for the peace treaty, while Italy is obviously under duress, while an American company, with the sponsorship to some extent—we do not know how much—of our State Department, has secured for 10 years rights of a monopolistic and exclusive character. The only thing the British ask is that they be cut in on a 50-50 basis. I think they had better realize that world opinion is asking, What are these people up to?

What about the Russians? They did not come to Chicago. For whatever reasons they considered best, they stayed away from the Chicago aviation agreement; and up until last month there was nothing to indicate what the Russians were about to do. But within the past 2 weeks the Russians suddenly have moved. They have announced, at a conference in Moscow, that they propose to have a hand in world aviation. They announced that they were instituting a 5-year program to establish 108,000 miles of air routes. They did not indicate whether their program was to be domestic or foreign. They might have vast routes within their country. But they did very definitely indicate that they were interested in aviation in a major way. It is interesting to note that 108,000 miles of routes is the precise mileage which Britain and the United States now claim under the Bermuda agreement.

Three days ago the Russians announced that they were establishing air lines to various capitals in central Europe, which is a matter of very intimate concern to everyone else. It is a question whether we shall have the right to operate to the satellite countries in southern Europe. Up to the present time we have been unable to operate our air lines through central Europe, the Balkans, and Constantinople, because of Russian objection. Russia is going ahead with the establishment of routes to the countries with which she is associated. It is impossible to conceive that Russia will not be seriously concerned over this further example in Italy of the commercial aspects of our approach to our dealings with our defeated enemies.

I trust that in the approach to this question at Paris next week our representatives will bear these considerations very much in mind. If there is to be commercial division of concessions in foreign countries, either late enemy countries or allies, certainly we had better be very careful that no imperialistic pattern shall come to dominate that scene and add further fuel to the flames of Russian suspicion that we are proceeding with primary regard to the com-

mercial interests of our country rather than the peace of the world. With what face can we stand up to the Russians and ask them not to enter into secret agreements, not to put pressure upon other countries which may be subject to such pressure, if we ourselves are at the very time entering into secret agreements under the sponsorship of our State Department, calculated to secure valuable commercial privileges to the exclusion of all other countries within the very nations which are at present subject to our action?

That is why I feel that the Committee on Commerce has rendered a valuable service in exploring this matter. We realize that the Committee on Foreign Relations is the proper tribunal to consider things in the nature of treaties. In our judgment these agreements should be so treated. We trust that in the exercise of the comity which has been characteristic of these two committees, the subject can be properly dealt with. When we had a similar situation with respect to the petroleum agreement, the Special Committee on Petroleum considering the matter went before the Committee on Foreign Relations and presented its views. Our committee—the Committee on Commerce—has given extended consideration to the question of aviation. We have at all times recognized, as the report made today indicates, that if such an agreement is submitted as a treaty, it comes within the purview of the Committee on Foreign Relations. We hope that whatever information and knowledge we have acquired as a result of our extensive investigation may be a matter of interest to the Committee on Foreign Relations and to its distinguished chairman. Meanwhile, the interesting constitutional question as to how Executive encroachment, if such there be, shall be challenged, will recur more and more frequently with the continued elaboration of the Executive powers under the theory of Executive agreements. This is a first tentative step, taken with the full approval of the distinguished chairman of the committee, the Senator from North Carolina [Mr. BAILEY], whose views were so loudly applauded in the editorial from the New York Times—although under a misapprehension as to what his views were—and by the other members of the committee, without regard to party, since the evidence sufficiently indicates how seriously we were concerned.

I have discussed this matter at this length because, as one who is interested and who was privileged to go as a delegate to Chicago, I felt that the Senate, this RECORD and the people of the country should, at any rate, realize that American overseas aviation is not at all in the favored position in which we have viewed it, but that—unless prompt action is taken—it may very well be that the British will utterly eclipse us in that field. That will not be so much a matter of concern to me because of their competition, but because twice the world has been plunged into world-wide wars because the British have not been able to carry out the undertakings they have made. This is no challenge of their actions in either the First World War or the Second World War, but is in connection with my profound conviction that in the case of future difficulties of this character in the world, the United States should not only be fully informed, but should speak with authority at the tables where the fateful decisions are being made, before the world is plunged into war, so that the full might of America may be brought to bear. It is my fear that if British aviation should become supreme, not only would it run into difficulties with the Russians, but it would also be a factor which would further increase the difficulties with which the world is faced, because of developments in connection with what I hope may, instead, in the end be the argosies of peace.

Mr. BARKLEY. Mr. President, following the remarks of the Senator from Maine, let me say I have no disposition to go into all the matters discussed by him. The discussion seems to have been precipitated by a discussion earlier in the day in connection with a unanimous-consent request that a report by the Senate Committee on Commerce be made a public document. I regret that I was temporarily called from the Chamber for a conference with one of the departments, because I would have objected to the request, for I have always felt, and I have expressed that feeling before, that an ex parte document, whether prepared and printed by a committee or by a single Member of the Senate, should not go out under the guise of being, or in such a way as to give the impression that it is, the official action of the Senate itself.

That question arose here last year when the Senator from Nebraska [Mr. BUTLER], after making a tour of South America, returned to the Senate and made a speech about what he saw and about his reactions to what he saw, and he requested that his speech be made a Senate document. I objected to that request. Finally it was agreed that the views on the other side should be printed along with his comments, so that there would be a fair expression, thus presenting both sides of the situation which he described.

The general public does receive a false impression with respect to Senate documents and public documents. A public document carries with it the impression that it is an official document of the Government of the United States. It may create the impression that it is an act of Congress or something which Congress has voted upon. Therefore, I feel that we should be careful in giving to such documents the imprimatur or impression of our approval.

However, the unanimous consent requested today was granted, and therefore that is water over the dam.

I am as much interested in American aviation as is the Senator from Maine or any other Senator, but I do not believe that because of that interest we are justified in taking the position—and I certainly do not take such a position—that the Executive Department cannot enter into executive agreements. The matter of executive agreements is nothing new. It is brought up now as if it were a new device, but actually it has been in existence in our Government for over 100 years; and under all administrations and all political parties the development of the method of entering into understandings through executive agreements, not through treaties, has expanded—there can be no question about that—and properly so, I think.

It may be that in some isolated case a contention could properly be made that a certain executive agreement should have been a treaty requiring a two-thirds vote of the Senate. But, by and large, in the development of our commerce and in connection with the multiplicity of things with which our Nation must deal in conjunction with commerce with other nations—and particularly so today in connection with aviation, which is in its infancy insofar as world transportation is concerned, and even insofar as domestic transportation is concerned—the executive department, through the agencies under it, must have the authority, in my judgment—and does have it—to enter into these agreements, which are not required to be treaties in the sense that they must be approved by a two-thirds vote of the Senate.

It seems to me that it would woefully handicap the ability of our Government to enter into arrangements and to participate in conferences on such matters, if all such agreements and arrangements into which we entered had to come before the Senate as treaties and had to obtain a two-thirds vote of the Senate before they could go into effect.

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

Mr. BARKLEY. I yield.

Mr. BREWSTER. When the Senator from Kentucky has an opportunity to read our report, I think he will find that we quite concur with the Senator's view that the law, as we conceive it, clearly lays down the ways by which foreign air lines may come into our country, and provides for the making of the same arrangements which our domestic air lines must make both for foreign aviation and domestic aviation.

The difficulty is that, very late, this law has suddenly been superseded, so as to permit the entry of foreign air lines without the formality of such a hearing as is contemplated in the Civil Aeronautics Act; and Mr. Pogue testified that executive agreements would supersede the hearings. We feel that is in violation of the law, and it is also a violation of sound practice.

Mr. BARKLEY. That matter was gone into at some length before the Committee on Foreign Relations a year or so ago, when there was before that committee a certain proposition, and incidental to it was the matter of giving to one American air line the exclusive right to engage in foreign aviation. I opposed that, and I would oppose it at any time, just as I would oppose giving to any shipping company a monopoly in the overseas shipping trade.

Mr. BREWSTER. Mr. President, I am sure the distinguished majority leader desires to leave an accurate impression regarding what occurred. Therefore, I say that I do not think the Committee on Foreign Relations ever considered the proposal to authorize one air line to handle all our foreign transportation by air. That matter has always been before the

Committee on Commerce, and no one has ever challenged the jurisdiction of that committee over it.

Mr. BARKLEY. Mr. President, let me say that the matter was before the Committee on Foreign Relations. I was present when it was discussed, and I myself announced with as much vigor as I could command that I would never consent to giving to any one American air line a monopoly of overseas air transportation.

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

The PRESIDING OFFICER (Mr. DOWNEY in the chair). Does the Senator from Kentucky yield to the Senator from Maine?

Mr. BARKLEY. I yield.

Mr. BREWSTER. I recall very well the episode to which the Senator has referred. The question before the Foreign Relations Committee at that time was a treaty which had no relation whatsoever to the question whether we have 1, 2, or 10 air lines serving the United States overseas.

Mr. BARKLEY. It may not have been involved in connection with that agreement, but it was brought up in the committee for discussion.

Mr. BREWSTER. I think that perhaps it would be more proper to say that it was dragged in by the heels.

Mr. BARKLEY. No; it was not dragged in by the heels. It was thrown in from the outside by the seat of its breeches. [Laughter.]

Mr. BREWSTER. Whatever the means of propulsion——

Mr. BARKLEY. At any rate, it got there.

Mr. BREWSTER. I think this is a clear statement of the matter: The proposal for a merger of all our air lines serving overseas interests or transportation has been before the Committee on Commerce for some time, and I do not understand that even now the Senator from Kentucky would challenge the jurisdiction of the Committee on Commerce to study that measure.

Mr. BARKLEY. I am not challenging the jurisdiction of the committee. I think it is extremely unfortunate that there should be any jealously or conflict between committees in regard to their jurisdiction over legislative matters, and for that reason I have long felt that the Senate should adopt some modern rule so as to eliminate questions of the jurisdiction of committees, so that fewer questions of that sort would arise here.

The matter which we are discussing grows out of this report. I have not read the report. A copy of it has not been furnished me. The Senator said that I must not have read the first page of the report. I have not read any page of it. It has not been available to me, or to any one of us, so far as I know. It was inserted in the RECORD this morning and made a public document. That was the first time I had seen it. I saw a short article in a newspaper a few days ago to the effect that it had been adopted by the committee. Moreover, I recall a discussion which took place in the Committee on Foreign Relations in which the contention was made—I have not read the testimony lately, and the occasion to which I refer took place, I believe, about a year ago—that the Civil Aeronautics Board took the position that they had the right, under the act of 1938, to enter into these agreements. I understand that to be their position at the present time. I now believe, and I believed then, that they were on sound ground. However, that is not a unanimous viewpoint. The Chicago agreement, which is in the nature of a treaty, has been submitted to the Committee on Foreign Relations, and hearings have been held on it. It has been before that committee for approximately a year, and opposition has been raised to it on various grounds by interested persons in this country. I have no partiality one way or the other to aviation corporations. I want all of them to succeed. I want not only our share of foreign transportation by air, but I want our domestic aviation to be developed, and both should go along together. I do not know that any devious course was pursued by one American company going to Italy and entering into an agreement with the Italian Government providing for a 10-year privilege in Italy. I do not know that such an agreement would be in violation of any law or treaty. I have not seen the agreement, and I do not know to what extent it may commit or bar other companies. But if it concerns a domestic matter having to do with the development of aviation in Italy, I assume that the Italian Government had as much right to enter into an agreement with an American company as it would have with regard to an Italian company, a British company, or any other company. I assume that the agreement does not involve international transportation, although an American company has entered into an agreement with the Italian Government.

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

Mr. BARKLEY. I yield.

Mr. OVERTON. The agreement to which the Senator has referred is an agreement between the TWA and the Italian Government.

Mr. President, I express a very quick offhand opinion that the agreement is one which is apt to militate very much against the proper development of international aviation. I believe that the agreement provides that TWA shall have the exclusive right to engage in aviation within Italy, Sicily, and Sardinia.

Mr. BARKLEY. All being in Italy.

Mr. OVERTON. All being in Italy.

Mr. BARKLEY. Yes.

Mr. OVERTON. If such an agreement has been entered into between TWA and the Italian Government, and is permitted to stand, I am afraid that companies of other countries will enter into exclusive agreements with this country and with that country, such as with South American nations, nations in Europe, in the Far East and Near East. Not only that, but different nations will be undertaking to obtain exclusive rights in the territory of a particular nation to the exclusion of other nations. A contest will take place to control aviation, instead of an orderly development of international aviation. I am very anxious to have an orderly development of international aviation.

Mr. BARKLEY. I have not read the agreement between TWA and Italy. Unless it violates some treaty, I do not know just what we could do about it. If it is a private agreement between a private American company and the Italian Government, and not in violation of any treaty obligation to which we are a party, I do not know what the Senate could do about it. If it develops world-wide, it might be injurious to our own interests. I suppose that in that kind of a case the State Department would at least take cognizance of the fact that an American company had entered into, or was entering into, such an agreement, and that other American companies, or other companies in different parts of the world might enter into such an agreement. But, unless there has been a violation of some treaty obligation with Italy, or a violation of some law on the part of TWA by entering into the agreement with Italy, the problem is purely one of a domestic nature, and I do not know what we could do about it. I doubt that we could do anything.

Mr. OVERTON. What brings this agreement into disrepute, I believe, is a press statement to the effect that Great Britain is now insisting that its aviation lines be permitted to participate with TWA, and they are about to divide Italy into——

Mr. BARKLEY. But that, also, is a matter between Great Britain and Italy.

Mr. OVERTON. Yes.

Mr. BARKLEY. If Italy has given to an American company some rights in which Britain thinks that she should share, because of some agreement previously entered into between Great Britain and Italy, that would be a matter between Great Britain and Italy. It is not a matter which we can control.

Mr. OVERTON. Would the Senator say that if the United Kingdom should secure an exclusive right in Mexico, for example, we would have no right to raise any objection?

Mr. BARKLEY. I do not know that I can answer that question. Of course, as a nation we would probably be opposed to the exclusive enjoyment of such rights by some other nation, although they might not be in violation of any treaty obligation between the United States and any one of the American Republics. However, the example which the Senator has cited is perhaps an example of a situation somewhat different from the European situation in which we, of course, have an interest, but I believe no jurisdiction by reason of any treaty obligation.

Mr. OVERTON. While I cannot speak for the State Department——

Mr. BARKLEY. Neither can I, and I have never attempted to speak for it.

Mr. OVERTON. It is inconceivable to me that the State Department will approve this arrangement. How far the State Department can go or will go, I do not know.

Mr. BARKLEY. The Senator refers to the agreement between TWA and the Italian Government?

Mr. OVERTON. Yes.

Mr. BARKLEY. I have received no information from the State Department

about the matter. I am aware of the fact that such an agreement has been entered into. To what extent the State Department will take notice of it, or what action the State Department will take, I do not have the slightest information.

Mr. OVERTON. I may say that later in the afternoon I may be in position to make public a statement with respect to the views of the State Department in regard to this subject.

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

Mr. BARKLEY. I yield.

Mr. BREWSTER. With reference to the point which has been raised, I may say that the unfortunate part of it is that Italy is still under a guardianship. The Combined Chiefs of Staff still control entirely the situation there. One of the unfortunate complications lies in the fact that the permission to renew civil aviation in Italy came from the Combined Chiefs of Staff shortly after the agreement was entered into. Whether or not it implied knowledge and approval, as has been argued by certain groups, or whether it was in defiance of the diplomatic agencies of the various governments concerned, is one of the very tangled situations which has been presented. But up until the middle of March there was no power or right on the part of the Italian Government, I believe, to consider an agreement of this chracter. After that date, the right was agreed to. In any event, there is the most unfortunate complication that Russia and all the other countries concerned, outside Great Britain and the United States, had nothing to say about it. As to the nature of the discussions at Bermuda, with reference to which our committee has never been advised, dealing with the Italian situation, we do not know what may have transpired. But in any event there is a dangerous intimation of secret arrangements regarding Italian internal affairs.

Mr. BARKLEY. It is always easy to imply some secret arrangement with implications which might be suspicious. I imagine, and I think it is true, that Italy is anxious to have a treaty with all the nations with which she must enter into a treaty in order that she may settle the problems growing out of the war. It is inconceivable to me that the Italian Government would be warranted in taking the position that an agreement entered into between it and an American company would militate in behalf of a treaty between Italy and other countries in which England, Russia, France, and other nations must join, and for the purpose of which our Secretary of State, the distinguished Senator from Texas [Mr. CONNALLY], and the distinguished Senator from Michigan [Mr. VANDENBERG], are leaving Monday night, in collaboration. So it seems that the evidence would be against anything which Italy might obtain by playing up to an American company when British, Russian, and French interests are involved, and Italy cannot get a treaty without the concurrence of those countries. I think that relieves the matter of any suspicion that this agreement has been entered into for the purpose of currying favor with the United States, or anything of the sort.

Mr. SALTONSTALL. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. SALTONSTALL. I should like to ask the Senator from Louisiana or the Senator from Maine a question. As I understand, Congress is planning to adjourn sine die in July.

Mr. BARKLEY. It is hoping to, and, so far as I can do so, I am planning to bring that about of course barring unforeseen difficulties, which I hope will not arise.

Mr. SALTONSTALL. May I make that as a sentence, that the Congress is planning or hoping to adjourn sine die in July?

Mr. BARKLEY. Yes.

Mr. SALTONSTALL. As I understand, the resolution of the Committee on Commerce casts a doubt on the authority of the CAB to make agreements for American companies to fly abroad. If Congress should adjourn without taking action on this subject, would it prejudice American companies in their interests abroad, over the oceans, before Congress shall meet again?

Mr. BARKLEY. As I understand, there is nothing pending before Congress with respect to the Bermuda agreement upon which it can take action. The agreement was entered into under what the executive department believed its authority under the act of 1938, as an executive agreement, not requiring any action on the part of Congress, and it was not sent to the Committee on Commerce for action, but only for information. It is not officially before the Senate for action.

Mr. SALTONSTALL. My question is, Should legislation be introduced? In other words, are American companies going to suffer if Congress passes no further legislation on this subject before it adjourns?

Mr. BARKLEY. I should not want to be categorically bound to stand by a curbstone opinion I might now express, but I do not believe there would be any substantial injury resulting from the failure of Congress to pass legislation between now and adjournment.

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

Mr. BARKLEY. I yield.

Mr. AIKEN. I think what I had intended to ask has been satisfactorily answered. I was going to say that the Executive is committed to a policy of competition in foreign trade. If an American company makes an agreement with a foreign country, and is given exclusive use of the facilities of that country, are we going to carry out that policy of competition?

Mr. BARKLEY. I have to speak without having seen the agreement, but I understand that the exclusive privilege the TWA enjoys in Italy is for the use of those facilities for domestic travel. It does not exclude their use in international travel, I understand. In other words, Italy has given to this American company the right to develop aviation within Italy, and the use of facilities which are available or which may become available in Italy for travel by us in Italy. As I understand, that does not involve any curbing of the right of any transportation company, by our engaging in international transportation between this country and other countries, to use the facilities available there for international aviation. As a matter of fact, the American company—I have forgotten which one it is; it may be the American, it may be the Pan American, it may be TWA, I have forgotten for the moment—is flying into Rome, Italy, now, and using the facilities there.

Mr. BREWSTER. It is TWA.

Mr. BARKLEY TWA, yes. The companies which now enjoy permission to engage in international transportation by air naturally pursue various routes, because it is to their interest to do so, since they could not all travel the same way and land at the same places. It may be that they have carved out the territory which is to be served in order that each one of them may have its share of the international overseas travel.

Under the law, as I understand it, any permit given an American company to extend its lines overseas may be put down for hearing in a preliminary way by the CAB, but that action must go to the President for his approval. They cannot act finally. I understand there are now applications on the President's desk from all three of these American companies for extension of their lines into South America, and probably into other parts of the world.

Mr. AIKEN. As I understand, if an air-line corporation makes an agreement with a foreign country for use of facilities in that country, the agreement cannot be made effective so that they can use it effectively unless the CAB has approved it and the President has also approved it.

Mr. BARKLEY. That would not apply to this Italian situation at all.

Mr. AIKEN. No; I understand that.

Mr. BARKLEY. If an American company—and I imagine it applies to foreign companies also, although I should have to look at the statute—sought to extend its lines, there would have to be a hearing before the CAB, which would have to investigate, and then report to the President, and he could approve or overrule them; but the final authority to act on these applications is left to him.

Mr. BREWSTER. That is the very point at issue. So far as American companies are concerned, if they desire to go abroad they must go before the Civil Aeronautics Board and have a hearing, then have the approval of the President, but under the new theory which has been evolved the hearing before the Civil Aeronautics Board becomes a mere formality, if, indeed, it is even that, and the Chairman testified a few days ago that they would consider the Executive agreement as controlling on broad matters of policy involved.

Mr. BARKLEY. In my judgment, that does not mean that the CAB is deprived of its preliminary authority. The applications of which I am speaking do not go to the President until acted on by the CAB. They hold a hearing, they make an investigation, and make a recommendation.

Mr. BREWSTER. I appreciate the vast number of matters the Senator from Kentucky has to cover, but if he would look at the detailed record——

Mr. BARKLEY. Some of those matters are covered very thinly, too. [Laughter.]

Mr. BREWSTER. I did not mean to intimate lack of omniscence on the part of the Senator.

Mr. BARKLEY. I am making an admission of what is exceedingly obvious.

Mr. BREWSTER. If the Senator will look at the record of the Committee on Foreign Relations—I have a copy of it here—or the hearing before the Committee on Commerce, he will find that the Civil Aeronautics Board have made it entirely clear that for all practical purposes these executive agreements should receive the action of the Board, that they have to grant this permission without hearing, so that any foreign air lines may come in under the executive-agreement arrangement, while all American lines are still compelled to go through the formalities.

The difficulty with the arrangement is that all the American aviation interests, transportation lines, ship lines, domestic air lines, the railroads, the labor organizations, all came before our committee and pointed out that they were not in a position now to go before the Civil Aeronautics Board and oppose the British or the French or any of the other arrangements, on the ground that they were prejudicial to the interests of our country, because there was no hearing, although that was contemplated in the act. That was what they protested against vigorously, and what our committee felt was a clear superseding of the law.

Mr. BARKLEY. I do not wish to prolong this discussion. The question is open to legitimate debate, and I am one of those who believe that the act of 1938 authorized the Civil Aeronautics Board to do what it has done in regard to these matters.

I now yield again to the Senator from Vermont.

Mr. AIKEN. I was going to ask the Senator from Maine a question. If I understand him correctly, the foreign air lines do not have to go before the CAB to get the right to land at fields and do business in this country?

Mr. BREWSTER. The Chairman of the Board testified that these executive agreements would make it conclusive upon them to grant permits, so that there would be no public hearing, no opportunity for American interests affected to protest.

Mr. AIKEN. Does the law require that they be conclusive?

Mr. BREWSTER. That is the point at issue.

Mr. BARKLEY. So far no executive agreement which has become effective has, as I understand, taken that course.

Mr. BREWSTER. The only agreement we have had was the trans-Canada agreement, in which the Civil Aeronautics Board, following the opinion of the general counsel, Mr. Pogue, insisted upon a full hearing, and said that the executive agreement did not conclude the question. But since then they have evolved the other theory, that the executive agreement is controlling, so that the whole thing becomes illusory.

Mr. AIKEN. But the Canadian air lines still make application when they desire to stop at particular cities in this country.

Mr. BREWSTER. With an executive agreement it would not be necessary for them to do so, except in a most perfunctory way.

Mr. BARKLEY. Mr. President, I am anxious for the Senator from North Dakota to resume and conclude his remarks today, and I know he is anxious to do both, so I yield the floor.

Mr. LANGER. I do not intend to conclude today, in view of the fact that so much of my time has been taken.

Mr. BARKLEY. The Senator advised me earlier in the afternoon that he desired to speak an hour, and I thought he could conclude today.

THE OPA

Mr. WHERRY. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. WHERRY. I appreciate very much the courtesy extended me by the distinguished Senator from North Dakota in yielding at this time.

Mr. President, I desire to place in the RECORD a decision rendered by Federal District Judge Claude McCulloch, of Portland, Oreg., and some comments upon the decision, relative to a violation or alleged violation of one of the OPA price regulations. The decision is, I think, illustrative of what I call the gestapo enforcement procedure of OPA.

Mr. President, I think no one has spoken with more force of some of the methods employed by the enforcement branch of the OPA or criticized them more constructively than has the distinguished senior Senator from Illinois [Mr. LUCAS], who on a recent occasion in the Senate at considerable length discussed some of the methods used by OPA in the State of Illinois.

Mr. President, I recently brought to the attention of the Senate, with respect to enforcement of the sugar regulations by OPA, the fact that unintentional violations were bound to occur, and it was admitted by the OPA that they would occur. There were 318 such cases in my State alone, and I was told by the Enforcement Branch of the OPA that they had concluded the special drive they were making there, and would not continue it. Yet they are continuing it nearly at the rate and nearly on the scale of a month ago.

Mr. FERGUSON. Mr. President——

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

Mr. WHERRY. I yield.

Mr. FERGUSON. Are the OPA officials continuing in the same manner as they did in connection with the 300 cases on which we had testimony presented in the Appropriations Committee?

Mr. WHERRY. Yes; they are continuing in the same manner. I invite the attention of the able Senator from Michigan to the fact that we were told by the enforcement officer of OPA that OPA would not make use of what is called the inventory form, on which the applicant sets out the amount of sugar on hand and uses the inventory when he wants to bail himself out because of waste, and for other reasons. OPA officials, however, are now using that form as a basis for prosecutions.

Mr. President, I shall bring to the attention of the Senate next week a case which arose in Baltimore in connection with which there will be brought here next week, and I will present for the RECORD, a copy of the legal documents and the transcript of the evidence taken, showing that OPA are using the inventory prepared for a bail-out as a basis for a prosecution to enforce the law.

I now wish to read to the Members of the Senate the decision of a court in an OPA case. I never met the judge in question. I know nothing about him, but the judge in that case makes what to me appears to be a very important statement concerning the gestapo methods and the enforcement methods which the judiciary is compelled to uphold in this country with respect to alleged violations brought to the attention of our courts, and presecuted by the enforcement branch of OPA. I have before me a decision which was handed down recently by Federal District Judge Claud McCulloch in Portland, Oreg. It has to do with the granting of an injunction at the request of the OPA against a Portland slaughter and packing house owner, who was accused of violating the OPA ceiling price on live animals.

The slaughterer, under terrific pressure of competition from the black market, is forced to pay the full ceiling price on meat at all times, if he hopes to obtain any animals. He must look at the steer as it stands in the stockyards, alive, and estimate what the grade of meat will be, and how much meat he will have when the animal is killed and dressed. That is not only difficult to do, it is impossible to do 100 percent of the time. If, perchance, on dressing, it develops that the animal is lower grade than he or his buyer estimated, or it fails to produce the amount of dressed meat that he estimated, it means under OPA regulations that he has paid too much for the animal, and has violated the livestock ceiling prices, and is subject to punishment by OPA.

Mr. President, I should like to say that a slaughterer appeared before our committee and testified that because of these impossible regulations he was charged not only with violating the ceiling prices, but that subsidy payments of $552,000 were being withheld from him because his particular company, for that character of violation, was over the line by one-half of 1 percent. I submit to anyone who knows anything about the meat business or to any Senator who has heard testimony on the subject by the slaughterers of our great central markets, that none of them can buy as many head of cattle as they need and pay within the OPA price limit on the theory that they will know how much a steer will dress out when it is finally hung up in the refrigerator warehouse of the meat packer. It is impossible. So one of two

things happens. Either the buyer depresses the market in order to stay within the range, or else if he pays the producer every dime he should, he gets so near the line that if he goes over by just a trifle, not only is his subsidy payment withheld—which in the particular case to which I have just referred, was more than half a million dollars—but he is also prosecuted for violation of OPA regulations.

That is the situation in which the slaughterer finds himself. What is the result? This week at the great central markets the large packing houses such as Armour, Swift, and Wilson & Co., five of them, together with the legitimate independent packers, have only operated up to 20 percent of their capacity, because the order buyers, who ship into the 26,000 new independent markets throughout the country are buying the cattle and shipping to the independent slaughterers who sell the meat through black markets, and by-pass the legitimate channels. Of course, they pay pay more for the meat than the central market packers can pay. Why? Because they do not depend upon the subsidy. They do not sell their meat in a market which requires a subsidy. They sell to black-market operators, and if the black-market operations can be measured by the amount of meat that is being produced in the country today, then I will say that 80 percent of the meat sold today is being sold to black-market operators.

I return to the Portland, Oreg., case to which I have been referring. In Portland, Oreg., a small operator, doing business under the name of the Central Market, was brought into court by the OPA after several alleged violations, and finally, the OPA asked the judge for a permanent injunction to restrain him from any further violations. That may sound interesting enough, on the face of it, but the actual meaning of it was that up to that time the penalties imposed by OPA were penalties in dollars and cents. But after the granting of the injunction, any violation would be a violation of the court order, and the individual would be subject to a jail sentence. So this was the OPA's way of getting the threat of a jail sentence over the head of this little individual.

Federal Judge McCulloch heard the case, and he handed down a decision that is so poignant with frustration, so unbelievable in a Nation that prides itself on justice and democratic processes, that it deserves to be made public for the Nation at large to hear.

This is what has happened to justice, under the staggering powers and the unharnessed and unsupervised authority which the OPA has at its command. This is the decision:

> I accept the contention of defendants as proven that the regulation is unworkable in this area. It has been shown that violations are unavoidable.

And so, in connection with the distribution of sugar, to which I have referred, are violations unavoidable. The Senator from Michigan [Mr. FERGUSON] knows that that was clearly proved in the hearings held by the Appropriations Committee.

> No evidence was offered to the contrary.
>
> But the question remains whether I may deny OPA an injunction in any case where a regulation exists and violation of the regulation is shown. All of my instincts say that should not be enough, that the equities should be open to inquiry in every case.
>
> The regulation itself cannot be assailed in this proceeding. Section 204 (d) of the Price Control Act prohibits that. It compels the courts—

I want the Senate to listen carefully to this:

> It compels the courts to treat a regulation as valid, even though they know it to be invalid.
>
> Assuming therefore, as Congress has commanded, that the regulation is valid, must an equity court issue an injunction, even though it is clear that future violations are bound to occur, regardless of the good faith and earnest efforts of the defendants to avoid violations?
>
> In other times, I would have thought there could be but one answer to this question, but the decisions in this circuit have so completely shorn the district judges of discretion in OPA cases, I must conclude that equity is compelled to act in this field, even though there be not equity—that an injunction must issue, even though it is known at the time of issuance that nonwillful violations are bound to occur.
>
> This is a strange situation, previously unknown to our law, and it could not arise except for the vise that section 204 (d) puts on the courts, coupled with the appellate decisions referred to, which take away the discretionary powers normally allowable to trial courts.

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

Mr. WHERRY. I yield.

Mr. FERGUSON. I think it is very clear, in view of what the Senator has read from the decision of the court, that we have gone far afield from the heretofore held idea of a chancelor doing justice. The idea concerning the equity court and the chancelor was that a judge should do justice and avoid doing anything which would work a hardship.

Mr. WHERRY. That is true.

Mr. FERGUSON. We have reversed that in the proceedings of the OPA, and the judge finds himself not able to do justice, but he is, by reason of the order of the OPA and by permission of the Congress, put in such a position that he must deliberately enforce an unreasonable order and do an injustice, when he knows in his own heart that he is doing an injustice. In other words, we have reversed the idea of an equity court.

Mr. WHERRY. That is correct.

Mr. FERGUSON. There is no longer justice in the equity court; but we are enforcing injustice in a so-called equity court which is merely a mockery.

Mr. WHERRY. I thank the distinguished Senator. His statement is more clear than I could present the point myself, and I thank him for his contribution. It is impossible to deal out equity because of the regulations, and because Congress has enacted this law. The courts know, when they issue injunctions, that violations are inevitable, and that they will happen again. It is impossible to obtain equity.

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

Mr. WHERRY. I yield.

Mr. ROBERTSON. I had a striking illustration of what the able Senator is referring to in connection with the black market in his home town of Omaha. Yesterday I received a call from a cattle man of my State who was in El Paso and who had purchased approximately 15,000 head of cattle. He was unable to move them up into Wyoming because he could not obtain cars. Normally, cars are not difficult to obtain at this time of the year; but because of the shipment from Omaha to the eastern black markets there has been an increase from a normal shipment of 28 cars a week a few years ago to 1,300 cars last week, of livestock being shipped out of Omaha to the eastern black markets, thus causing a car shortage all over the United States.

Mr. WHERRY. I thank the distinguished Senator from Wyoming for his contribution.

I should like to conclude with the last paragraph of the decision. Judge McCulloch said:

> Because I have no choice, I will therefore issue the requested injunctions, expressly reserving, however, the question of their enforceability, for I have yet to be persuaded that an equity court can punish conduct that contains no ingredient of evil.

Think of that. That is one of the most remarkable decisions I have ever read. A judge is compelled to grant a permanent injunction because of the fact that an order cannot be contested. By law it is made final, yet violations are bound to occur. They are occurring in connection with meat, sugar, and practically all other commodities. Every Member of this body knows it. The gestapo agents pick up 318 small independent grocers who have been distributing sugar for 3½ years, and some of whom are short less than 100 pounds, yet they have been handed the injunctions and hauled into Federal court. They have paid the costs. When the injunctions were granted they knew, and the judges knew, that if they continued to distribute sugar they would be short again before another 3½ years. The situation is impossible.

Mr. President, I am trying to present this question to the Senate in a constructive way. There is no ulterior motive on my part. If OPA, with its present enforcement procedures, is continued, equity must be given where equity is due. We shall have to amend the law and provide that in the legitimate channels of trade, in the distribution of sugar, meat, groceries, and other products, when the distributors are doing their very best and there is no willful violation of the law, these gestapo agents shall not be permitted to drag them into court. Many of them are in court for the first time. One man told me that he had done business for 50 years, and that that was the first time he had ever been in court in his life. He did not even know what he was supposed to be guilty of.

I make this appeal to Senators who know something about legal practice and procedure. The time has come to overhaul the OPA system of regulations and

orders. We should consider the question of contestability of the orders, and the legal procedure of enforcement. Today the orders of the OPA are being enforced by a group of gestapo agents throughout the country.

Mr. WILEY. Mr. President, I listened with a great deal of interest to the discussion by the distinguished Senator from Nebraska [Mr. WHERRY]. On a previous occasion I have said that OPA itself could remedy this situation. If instead of instructing its sleuths—or what have been called its gestapo agents—to treat American citizens as criminals, it were to instruct its agents to use the rule of common sense in dealing with people, we would not have this trouble.

When I was a youngster in the practice of law, 30 or more years ago, a distinguished judge spoke to me. I was a district attorney at the time and 24 years of age. Describing the obligation of a district attorney, he said, "It is the most important office in the Commonwealth because you represent not simply the State but the defendant. The reason it is so important is that it calls for the exercise of judgment. You must determine whether or not action should be brought."

What has happened in the minds of these gestapo agents? Those who have become agents of this great Republic, instead of understanding the problem of the businessman, the butcher, and the merchandiser, are out to make a name for themselves. They are after somebody's hide. They have done more to damage the morale of the American people than has any other agency in our Government.

I have talked with men who have told me of the injustices. Some of them were men with families, who had served their communities for decades—good men and true. They were haled into court as though they were horse thieves. I have seen such men literally turn black with the thought that, since they were haled into court, their children, their wives, and their friends would look upon them as criminals.

I fully agree with the distinguished Senator from Nebraska that something must be done. If the law is as indicated by the judge to whom the distinguished Senator referred—and I question it—I believe that the courts of this country still have the constitutional power to determine equity. If I were a judge I would soon find out about it. I would let the Supreme Court of the United States speak on that subject before I made criminals out of good citizens and true.

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods agreements act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

Mr. CAPEHART. Mr. President, I am opposed to the British loan in its present form.

Most of the British newspapers are opposed to the loan, as indicated by several dozen articles which I hold in my hand.

Winston Churchill was opposed to the loan and refused to vote for it, as did some 80 members of his party when the loan was before the British House of Commons.

England still owes us about $4,000,000,000 from World War I. How can we loan approximately $4,000,000,000 to England when our Government is in debt in the amount of nearly $275,000,000,000?

Our grandchildren and our great-grandchildren will be paying through taxes the money we advance on this loan.

We were told when we approved the Bretton Woods agreement, which I supported, requiring our expending about $6,000,000,000, yet to be raised by taxation or borrowing, that this would solve the world's monetary and financial problems.

I reluctantly voted to increase foreign lending of the Export-Import Bank to $3,500,000,000. Yet already the administration is talking about another $1,500,000,000 which will bring the total to $5,000,000,000.

The Bretton Woods agreement and the Export-Import Bank represent expenditures of our Government in the amount of about $10,000,000,000.

I voted for United States participation in the United Nations Organization. I voted for the Reciprocal Trade Agreements Act.

I have consistently supported international cooperation. I cannot, and will not, vote for the British loan in its present form.

I hold in my hand an editorial written by Jesse H. Jones. It is entitled "Subsidizing the British Empire." I agree almost 100 percent with the views expressed in the editorial.

Mr. President, if the editorial has not already been printed in full in the RECORD, I ask unanimous consent to have it printed at this point.

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

[From the Houston Chronicle and Herald of April 16, 1946]

SUBSIDIZING THE BRITISH EMPIRE

(By Jesse H. Jones)

I do not think the proposed British loan of $3,750,000,000 now before Congress should be made and do not believe that any good will come to the American people or, for that matter, to the economy of the world, from making it in its present form.

If we make this loan to Britain and refuse loans on similar terms to other countries, it would be so much in the nature of an alliance with Great Britain as to cause other countries to feel that we are less friendly to them than to Britain.

I

Furthermore, the proposed loan is most unbusinesslike.

1. Five to 55 years, or practically two generations, is much too long a time to lend money to a foreign government without security.

2. No loan of any kind should be made until all considerations incident to it are determined in advance of the loan. Nothing should be left for future negotiations. In the present loan agreement, empire tariff preference and the proposal for the expansion of world trade, in which the United States is so vitally concerned, are left for future consideration. The time for these agreements is before the loan is made.

3. No money should be loaned to Britain for expenditure in other countries without proper security, particularly since the British have substantial profitable investments and operations in the United States which could be used as collateral for a loan.

Prominent among these is insurance from which they make a very substantial profit out of the American people. According to a recent report of the United States Treasury, British-owned assets in this country aggregate more than $3,000,000,000, and include $587,000,000 United States Government securities, more than $40,000,000 in corporate bonds and 623 controlled branches of corporations having a value of $611,000,000. These and other assets are owned by the British in this country, the profits and income on which are going to them. These assets and the profits of British insurance companies from business written in this country should be used by the British Government as security for any loan of dollars to be spent outside the United States, the British Government accounting to her investors in British money or securities.

II

The British are by no means strapped. It has been estimated that their assets in other countries than ours total some $8,000,000,000, their unmined gold reserves have been estimated to be worth at least $15,000,000,000, and their diamond reserves as much as $8,000,000,000. Britain also has several billion dollars in cash.

In July 1941 the RFC authorized a loan of $425,000,000 to the United Kingdom of Great Britain and Northern Ireland under authority granted it by Congress June 10, 1941, to enable RFC to make loans to governments that had defaulted on their loans from us after World War I, provided such loans were secured by investments in this country. The RFC loan is payable over a period of 15 years, with interest at 3 percent. The loan agreement provides that any sales by the British of the collateral and all income after taxes, from all the security would be applied, first, to the interest on the loan, and then on the principal. The security includes the net profits, after taxes, made in this country by 41 British insurance companies operating here, and the capital stock of 40 additional British-owned American insurance companies. The RFC made no requirement that any of the collateral be sold.

Only $390,000,000 of the loan was taken down by the British. Payments from the sale of pledged collateral have been $24,565,000 and from the net income, after taxes, $171,575,000, leaving a balance due as of February 28 of $194,000,000. The current income after taxes from the presently pledged security is about $37,000,000 a year. This is approximately the average over the past 10 or 12 years.

III

In order to be helpful to the British and still protect our own Federal Treasury in substantial part, I suggest that the RFC increase its loan to Britain by an additional $1,000,000,000 on the present security, with no restriction as to where the money is to be spent, and that the interest rate on the balance of the present loan and the $1,000,000,000 additional be 2 percent, with all net earnings to be applied, first, to the interest on the loan and the balance on the principal. If these earnings hold up as they have over the past dozen years, and in all probability they will increase, the loan would be entirely repaid in about 40 years, and the British would still own their profitable investments in this country.

This would give Britain $1,000,000,000 cash immediately, if she wants it, and without any congressional action. A request to the RFC

by the Federal loan administrator approved by the President, is all that is necessary.

I suggest that the RFC make further loans to the United Kingdom on British investments and operations in this country, up to the earning value of the security, upon the same terms and conditions—that is, 2 percent interest, with all additional earnings applied to the loan, and that the proceeds of such loans be available to Britain with no restrictions as to where the money shall be spent. This can also be done without congressional action.

Britain might, in a pinch, put up a few hundred million dollars of her gold now in this country.

IV

The President has recommended to Congress that we buy critical materials for stockpile purposes and put them away for future use. This should be done. The British can sell us many of these and pay for them in sterling. We can pay them in dollars. If necessary, we might consider making Britain an advance payment of, say, $500,000,000 to enable her to get the materials out.

RFC employed this method to help China and Russia before lend-lease was applied to those countries. The loans are being paid according to agreement.

V

I further suggest that Congress consider authorizing the sale of cotton, tobacco, fruits and other farm products, durable goods and manufactured articles to the United Kingdom for the next few years on credit, in amounts equal approximately to her normal imports of such items from us.

In this connection I should like to remind the Congress that lending Britain dollars as is proposed in the present loan agreement does not insure that she will spend those dollars with our farmers, manufacturers and exporters. She will be free to spend them in competition with us in world markets, and will.

Through Sir Stafford Cripps, president of the British Board of Trade, and Lord President of the Council Herbert S. Morrison, the British Government already has announced its intention to discard its 100-year-old free cotton market, and, instead, the Government will buy its cotton wherever it can buy it to its best advantage. The measure was heavily debated in the House of Commons only a few days ago, and carried by a vote of 2 to 1. This means that less and less of Britain's cotton requirements will be purchased in the United States.

The sale of farm commodities could be made through Commodity Credit Corporation or some other Government agency, or by our exporters with provision for cashing their drafts at the Treasury. Manufactured products and durable goods could be handled by a Government agency or by our exporters and their drafts cashed in the same manner. This procedure would not interfere with our regular export trade as it is now carried on.

VI

If these suggestions are followed, Britain would get substantially what she needs from us during the next few years, and, in my opinion, on a basis that would be much more acceptable to the American people than the proposed loan now before Congress.

I do not believe that our failure to give Britain $3,750,000,000 on her terms will cause her to impose or continue trade restrictions or other sanctions that will seriously affect our own economy. That is a two-way street.

I have never been much interested in threats, and for the British to say to us that unless we give or lend her X billions of dollars on her terms, they will be forced to impose trade restrictions, dollar blocs, etc., is not my idea of a "fraternal association" between the United States and Great Britain so eloquently advocated by Mr. Churchill, nor does it square with the kind of friendship that we have shown the British in two world wars, without which friendship the British Empire would have been destroyed.

VII

It has been testified by administration spokesmen that the case of Britain is different from other countries. It certainly is different from other countries that want money from us. Britain is the only country that has asked us to give her money. At least, no other country, to my knowledge, has been brazen enough to ask for a money gift.

It will be recalled that when Lord Keynes and his associates first came over to get the money, they said they were in "no mood" to consider a loan. They were insisting that we give them some $5,000,000,000 or so. True, after long weeks of haggling negotiations they reluctantly agreed to borrow the money on a nebulous promise to pay in 5 to 55 years, at a very low interest rate, and that payable only when Britain's trade balances were favorable.

We seem to have lost sight of the fact that Britain, through Lord Keynes, took a prominent part in promoting the Bretton Woods agreements for a world bank and a world stabilization fund, and agreed that Britain would subscribe $2,600,000,000 to these funds.

The question arises now: Where did Britain expect to get that $2,600,000,000 which she readily agreed to put up? It would look to a suspicious person as if she expected the United States Government to furnish it, since she now states that unless we let her have the money she will not be able to participate in the world bank and stabilization fund.

VIII

Another point worth considering is that our executive departments have already sold Britain the more than $6,000,000,000 of our unused materials now in Britain or on the way there for about 10 cents on the dollar, payable over a period of 5 to 55 years, at an interest rate of a little over 1½ percent, and that payable only where her trade balances justify. The sale of these materials has been severely criticized by the Mead committee (formerly the Truman committee) but nothing can be done about it since it does not require the approval of Congress. These executives have also agreed to cancel for all time any obligation on the part of the British to ever return to us, or in any way compensate us for, any part of the many billions furnished her on lend-lease.

IX

We cannot afford to continue printing and spending money indiscriminately, however admirable the cause. Every time we spend another billion we are reducing the value of our dollars, and if we go on spending and lending and giving and losing, without regard to how we are going to pay back the money that we borrow, it will not be long until the dollar will go as the currency of other countries that overspent.

Britain only owes about $80,000,000,000, while our present debt is approximately $272,000,000,000—or $2,000 for every man, woman, and child in the United States—and figures cited by President Truman in his Budget message revealed that we have already authorized and proposed to invest $17,000,000,000 in foreign loans and international financing. In a more recent message he proposed further increasing the lending authority of the Export-Import Bank.

It is time that we stop and think where we are going, that we take stock of our resources, of our earning capacity, of how we are to service our own present heavy debt before we undertake to play Santa Claus to the rest of the world.

X

The United States, with 5.8 percent of the world's land area and 6.1 percent of the world's population, cannot single-handedly finance and rebuild a war-torn, confused world. The time to recognize this is now.

We should stop issuing Government bonds and pay every dollar we can spare on our debt; now and as fast as we can. We have sold our Government bonds to the American people upon the basis and representation that they constituted the soundest investment that anyone can have. They can only be sound if we make them sound by cutting down on our own expenditures and stop lending money to countries that have no reasonable assurance of being able to repay it.

Another very important point that I do not think has been given proper consideration is that it is entirely too early after the war for anyone to get a clear picture of the future. Britain knows that and hurried over here as soon as the shooting stopped to get hers. She is smart, has always been smart, and, incidentally, very selfish.

XI

To sum up—I have suggested an additional RFC loan to Britain of $1,000,000,000 on the security we already hold; that further RFC loans to Britain be made on British investments and operations in this country, including such gold as she is willing to pledge; that we sell Britain cotton, tobacco, fruit, and other farm commodities and manufactured goods on credit, and that we follow the President's recommendation and buy critical materials for stock-pile purposes.

If the British are unwilling to continue the pledge of the security behind their present loan from the RFC for new money, I would give no further consideration to a loan to them of any kind. We owe it to ourselves, as well as to the rest of the world, to approach this whole matter in a completely realistic manner—which is the only forthright and sound approach.

Approval of the proposed loan now before Congress would start the United States down a financial road that is likely to lead to disaster. Too much spending and lending and losing is a sure road to ruin. The Congress should not ignore the dangers that lie ahead.

Mr. CAPEHART. Mr. President, when are the people of this Nation, and particularly those of this administration, going to realize that we are much worse off today than we were prior to World War I? Do not tell me that our people have billions in savings, and that our banks are loaded with money, because I know that. No one knows the true value of our dollar today with respect to its purchasing power.

Every sane person knows that today we have less commodities, less merchandise, less oil and minerals, less food and clothing, and less of the other things that represent real true values than we had prior to the war. Our food surpluses are fast diminishing, and our automobiles are worn out. We do not have a single additional acre of land. Our highways and streets and our buildings and factories have deteriorated. All of this is a result of the war. Yes; we are poor today in those things that make true wealth—much more so than prior to the war. We have more dollars—yes—but less purchasing power.

Mr. President, have you considered also that we have a responsibility which must be met to some 15,000,000 veterans of World Wars I and II which will cost us, in the future, untold billions of dollars?

We have the most extravagant government, Mr. President, that has ever existed on the face of the globe. We have an administration that knows only two ways to cure an economic problem—whether it be domestic or world-wide. These methods are:

First. Spending, borrowing, or loaning a few billion dollars; and

Second. More power to those running the Government.

In the case of the proposed British loan, those who advocate the loan are trying to solve England's problems and the world's problems by loaning approximately $4,000,000,000. The loan thus proposed might not be so bad if it were the end.

But is there anyone so innocent as to believe that once we loan to England $3,750,000,000, we shall not be called upon to loan Russia, France, China, and many other countries billions of dollars? Mr. President, we have no right to expect that other nations will not ask for similar loans; and unless we wish to play favorites, we have no right to deny them such loans.

Oh, yes, we have those who say, "We shall make loans to other nations from the funds in the Export-Import Bank." Will someone please tell me what the difference is as far as the taxpayers of America are concerned?

Great Britain promises nothing definite in respect to this loan, except that possibly she will some day repay it. The proponents of this loan claim that England is now indulging in some bad international trade practices which should be discontinued. If I read the agreement correctly, England does not definitely promise to discontinue these bad practices, but states that she will do her best to do so. If England is now indulging in bad international trade practices, she should discontinue them at once. We should not have to bribe England, or any other nation, to discontinue bad trade practices.

I am a great admirer of the English. I want to keep their friendship. I want to see our Nation keep their friendship. We need England's friendship and cooperation, and England needs ours. We cannot keep the friendship of men or nations unless we keep their respect. Good will is the greatest asset in the world. But it cannot be purchased with money; it must be earned. Let us discontinue the idea we have as a Nation that we can purchase good will with dollars.

It is not good business for us to make this loan, and it is not good business for Great Britain to accept it.

Mr. President, much has been said about multilateral and bilateral trade agreements. Multilateral trade agreements, in my opinion, can never be successful until all nations participating in the agreements have something to trade, and can uphold their end of their bargain.

Each year we should buy millions of dollars' worth of goods from the United Kingdom, and each year they should buy millions of dollars' worth of goods from us. We should buy from them and they should buy from us, but only if it is good business for both to do so. This rule applies to all nations. Any other scheme or any other plan is impractical and will eventually bring disaster to this Nation or any other nation.

I doubt whether there has ever been a more one-sided business deal than the one by which our Government settled the lend-lease account with England. By it, $22,000,000,000 of the taxpayers' money was wiped out with one scratch of the pen. It was settled for $650,000,000. Possibly $2,000,000,000 of the $22,000,000,000 represented merchandise that could be used today by the American people in their everyday life.

I am grateful for the sacrifices England made in this war. I am willing to help her and I send to the desk a proposed amendment to the pending joint resolution, and ask that it be printed.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and lie on the table.

Mr. CAPEHART. Mr. President, my amendment calls for loaning England, over a 5-year period, not to exceed $1,500,000,000, or the difference each year between what they purchase from us, and what we purchase from them—whichever is the lesser amount. This plan will encourage them to buy from us, and will encourage us to buy from them. The amendment assures direct sales for our farmers, industry, and labor. Under this plan, we are not asked to finance England's deficit in trading with all nations of the world.

Under the Bretton Woods agreement, we agreed to provide approximately $6,000,000,000. Great Britain agreed to contribute $2,600,000,000. Now we are told that Great Britain will not provide her amount unless we make the present loan. This, then, means that we are called upon to provide not only our own contribution, but also England's.

Mr. President, I shall have more to say about this amendment later. I have prepared a statement on the British loan which I should like to have printed in the RECORD at this point as a continuation of my remarks, and I ask unanimous consent for that purpose.

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

THE BRITISH LOAN

Mr. CAPEHART. Mr. President, the matter before the Senate—the proposed financial agreement between the United States and Great Britain—has been referred to heretofore by one or more Members of this body as "a great international game of chance in which the United States is to furnish the money for both participants, and in which the British Labor Party is to furnish the dice."

While I do not regard the situation exactly in that light, yet I do view with concern the philosophies advocated by the party now in power in Great Britain, especially as reflected by the statements of Professor Laski, the chairman of that party.

On the 7th of last December, I expressed to this body what I thought of the professor and his philosophies and practices. Since that date he has not grown in my estimation. I have the same loathing for his practices and the same disbelief in his philosophies of government.

At that time, however, I stated I was in favor of making a loan to Great Britain, if made on a practical basis, provided the British Government repudiated the professor's statements. If such repudiation was ever made—and it is a safe assumption that it was not—it never came to my notice. Thereafter, I concluded that in all fairness, I should support the loan, regardless of the professor, provided it could be demonstrated to be on a sound, practical basis, and for the ultimate best interests of the American people.

I have listened to and read a great many arguments in favor of this loan—arguments of government leaders, so-called experts, international bankers, and purported spokesmen for many associations and organizations. As a matter of fact, practically all the testimony produced before the Banking and Currency Committee has been tendered by the proponents of this financial agreement.

From this great preponderance, at least in quantity, of the testimony made available to us, it would seem that one is taking the unsupported side of the argument, if he opposes the granting of this loan. That may be.

Nevertheless, that is the position I must take. I cannot be faithful to my constituents and to my own convictions and do otherwise.

Part way I am willing to go, as will appear from the amendment which I offered, and which embodies the same proposition I submitted to the Committee on Banking and Currency. I did that not because I am convinced of the wisdom of the financial assistance I advocate but because in this gamble of world finance—and gamble it is admitted to be by all—I am willing for the United States to take certain chances, and no more.

When one is engaged in a poker game, it is well to decide how much can be lost without serious hurt, and govern play accordingly. Furthermore, if the so-called experts are right—and I can concede that they may be—the financial assistance I am willing to accept and advocate should be sufficient, both to alleviate the immediate need of Great Britain and to deflect us from the financial perils which the proponents of this measure say we face.

I readily admit that I am no expert in financial matters, particularly as applied to world trade and world finance. I do not speak as an expert. I do not seek to debate with the experts, or with those who, by reason of exposure to the views and influence of such experts, now feel they are themselves experts.

I speak only as a small businessman of this Nation—one who has some knowledge of agriculture and a little more of business—and I shall discuss only that which I can understand, and challenge only that which appears to me lacking in reason or conclusiveness.

Naturally, I am suspicious of business entanglements which are too complicated to be readily understood. Frankly, many of the arguments advanced in favor of this loan come within that category. In openly admitting my ignorance, I do so without shame. I feel that 99 of every hundred Americans are in the same boat with me. Therefore, I shall lack neither comfort nor company.

It may be that my friends who favor this legislation will say that, having admitted my limitations and my inability to comprehend many of the complex arguments advanced in favor thereof, I should be content to accept the opinions of the experts.

That might be convincing, except for three things: (1) The so-called experts have no conclusive proof of their expertness; (2) the experts in the past three decades have got us into trouble more often than they have got us out; and (3) the overwhelming majority of my fellow Hoosiers, some of whom might also qualify as experts, say this loan should not be granted.

As a matter of fact, I shall be trespassing upon the desires of a majority of the people I represent in this body if and when I go so

far as to advocate an amendment granting any financial aid to the United Kingdom.

At this point, may I say that of the hundreds—yes, thousands—of letters on this matter received by me from my constituents in the past several months, far more than 10 to 1 have been opposed to this loan in its entirety. It may be that, as one prominent man in governmental affairs some years ago is reputed to have said, "The people are just too dumb to understand," but my experience has been otherwise. I have great respect for their judgment. They have remarkable ability in ferreting out the facts.

Moreover, do you wonder that I view with suspicion when British citizens write me like this:

"A loan of this magnitude will help to keep the Socialists in power for if they have funds at their disposal, they can continue with their crazy schemes and send the country to destruction."

Or, like this:

"I think you will lose your money. If you don't lend it, we shall have to stand up to much worse things materially than we have yet endured but, in the end, the hardships may make the population realize that we are a bankrupt nation—that we've got to begin at the foot of the ladder."

Or:

"You have helped this country nobly. It is time it came to its senses and stopped living on benevolence. The root of the whole trouble is the bone laziness of the present-day worker. Whether you lend us money or not—if you work, you will have the trade of the world and we shall lose the trade, loan or no loan, unless the workers work."

And if you doubt that the matter is complicated, and that I have much company in my ignorance, let me point out that Lord Keynes—the man largely instrumental in negotiating the loan, and who is supposedly Britain's greatest financial brain—in his address to the House of Lords last December, stated that the full significance of this agreement "Cannot be obvious except to experts."

This proposed loan must be justified, either as a gift, or as a business transaction on a purely credit basis.

If it is to be a gift, then it must be justified either as compensation to Britain in balancing accounts for sacrifices in war, or as a humanitarian grant for the purpose of rehabilitating the British people and the British Empire.

To those who would say that Britain is entitled to the money because she saved civilization—because she created a stop-gap for the German hordes until we could get ready to fight—I would reply, first, that the stand she made is unexcelled in gallantry, and that it was made under gallant leadership. All history will so record.

But, I would add, also, that the British fought primarily to save their own skins, and not ours. That cannot be successfully refuted. While the leadership that created the spirit which made that gallant stand possible has been since repudiated, and cast aside I cannot but recall that it was Churchill who so eloquently said: "Give us the tools and we'll finish the job."

There is no object in trying to place on us the major responsibility for making possible the late war. While we may not be absolved entirely of guilt, we do remember that it was Britain who refused in 1931 to join with the United States in stopping Japanese aggression in Manchuria. Later, it was Britain who refused to join with France in stopping Hitler in the Rhineland. Again, it was Britain who urged Poland to make her gallant but hopeless stand.

If Britain was close to the powder-keg, and consequently suffered so greatly; it was also Britain who was close to the danger when it was being created, and who should have been aware of the peril and courageous enough to do something about it. The argument that Britain was our only front line has been sadly overworked.

If it is to be a gift for humanitarian purposes—if suffering is to be the criterion for the determination of financial aid—then we must not forget the gallant struggles and the present privation of Poland and Yugoslavia, the present plight of Belgium and Holland, the utter misery of little Greece, the need of a devastated France, the starving millions of China, nor the destroyed cities and towns of Russia. We cannot stop with Britain alone.

But, if I correctly understand the situation, that is not the position taken by those who advocate this loan. While Under Secretary Acheson says that to take the view the loan is "strictly a business arrangement" is wrong, yet Secretary Byrnes says this credit is a large investment undertaken to gain an even larger objective. Therefore, I must conclude that the proponents of this agreement seek to justify the same, for the most part, as a business arrangement, although most friendly as to interest charges and repayment; and that the usual rules for the determination of credit extension are proper to be applied.

Some time ago Merritt Fields, the able executive manager of the Indianapolis Association of Credit Men, made some interesting observations relative to this loan. Among other things, Mr. Fields said:

"We have noticed in our business, which is the credit business, that whenever any credit transaction becomes too complicated to understand, there is something wrong with it. * * * England is a bad credit risk for you as a Federal taxpayer."

I feel constrained to agree with the conclusion thus reached. Like Mr. Fields, I have observed too much the action of so-called liberals who are always so liberal with the taxpayers' money. I feel their credit judgment should be somewhat discounted.

Mr. President, just what do we agree to do under this financial agreement, which is really two agreements?

First, we agree to accept $650,000,000 in full payment for all lend-lease supplies, as well as all surplus property remaining in the United Kingdom.

Secondly, we agree to make an outright loan, to be provided in such installments and as requested between now and 1951, in the total sum of $3,750,000,000.

As to the first—the settlement for lend-lease and surplus materials—let us consider, briefly, just what that covers—just what sort of a bargain has been struck.

We are familiar with the terms and conditions under which lend-lease supplies were provided, but there are some of those conditions which apparently have been forgotten, or at least, they are seldom mentioned.

The Lend-Lease Act, in part, provided as follows:

"The terms and conditions upon which any such foreign government receives any aid authorized * * * shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory."

That constituted the blank note which Congress gave to the President.

However, in his message to Congress relating to lend-lease, President Roosevelt said:

"For what we send abroad we shall be repaid within a reasonable time following the close of hostilities in similar materials or at our option in other goods of many kinds, which they can produce and which we need."

We provided lend-lease supplies to the British Commonwealth in the approximate sum of $30,000,000,000. After deducting reverse lend-lease, which is estimated at around $5,000,000,000, we have a net credit provided of $25,000,000,000. To that must be added approximately $1,350,000,000 as the cost of installations erected by us (the figure was $1,327,000,000 as of June 30, 1945) and in the neighborhood of $300,000,000 by way of loans and other advances made.

During the same period, that is, to June 30, 1945, we expended in the British Commonwealth, not including gold transactions (on which I do not have the figures), the sum of $6,375,000,000, from which must be deducted receipts in the sum of $2,460,000,000, leaving a trade balance in their favor of $3,915,000,000. That amount of business must have provided considerable American dollars and credit for future use.

With reference to the gold situation, I am advised that at the time lend-lease was initiated, British dollar and gold reserves here had sunk to approximately $12,000,000, but, by October, 1945, such reserves had risen to approximately $1,800,000,000.

All in all most certainly lend-lease was not a bad thing for future British rehabilitation and trade expansion.

Of course, the figures I have just given apply to the British Commonwealth, and not the United Kingdom alone, but, in view of the way in which the British Empire is tied and work together it is well to first take a look at the larger picture. We all know that the pattern cut for the one will be used to determine the garments for the others.

Let's bring the view down to the United Kingdom alone. Report No. 110, Part 5, of the Special Committee of the Senate Investigating the National Defense Program, shows that we provided to the United Kingdom in consumed lend-lease a total of $20,500,000,000. Against that is credited as reverse lend-lease the sum of $4,500,000,000, leaving a balance in our favor of $16,000,000,000.

We shall see that the proposed financial agreement wipes the slate clean as to this amount. There is no payment, in whole or in part, either in cash, goods, or promise to pay.

THE SALE

From the same report it appears that there remained in the United Kingdom unconsumed lend-lease materials totaling, after crediting all proper offset of unconsumed reverse lend-lease, the sum of $5,552,144,850. For such unconsumed goods, the United Kingdom is to pay the sum of $472,000,000, or at the rate of 8½ cents on the dollar.

There is also in the United Kingdom, in addition to the above, surplus property costing $498,000,000, for which, under the proposed agreement, we are to be paid $60,000,000, or 12 cents on the dollar.

For other material, which is termed lend-lease pipe-line material, costing approximately $118,000,000, we are to be paid full value.

When we total it all, we find that we are transferring actual unconsumed material costing $6,033,164,850 for a total consideration of $650,000,000, or at the rate of 10.7 cents on the dollar.

However, what we are really doing is conveying all claim and title to goods and materials totaling $22,033,164,850 for the sum of $650,000,000, or at the rate of 2.9 cents on the dollar.

Is it any wonder that Lord Keynes, in addressing the House of Lords, spoke of the matter with satisfaction, saying:

"Under the original lend-lease agreement, the President of the United States has been free to ask for future 'consideration' of an undetermined character. This uncomfortable and uncertain obligation has been finally removed from us. No part of the loan which is applied to this settlement, relates to the cost of lend-lease supplies consumed during the war, but is entirely devoted to supplies received by us through the lend-lease machinery, but available for our consumption or use after the end of the war. It

also covers the American military surplus and is in final discharge of a variety of financial claims, both ways, arising out of the war which fell outside the field of lend-lease and reciprocal aid."

But that is not all. Are we to be paid in cash? Not at all. The payments covering this $650,000,000 are to be made over a period of 50 years, except that we may request, between now and December 31, 1951, a sum not exceeding $50,000,000. Unfortunately, that still is not all of the agreement. If we collect the $50,000,000, we cannot bring the money back here and use it for housing, payments to veterans, or other public construction. No, the agreement provides:

"The Government of the United Kingdom agrees that, when requested by the Government of the United States from time to time prior to December 31, 1951, it will transfer, in cash, pounds sterling, to an aggregate dollar value not in excess of $50,000,000, at the exchange rates prevailing at the times of transfer, to be credited against the dollar payments due to the Government of the United States as principal under this settlement. The Government of the United States will use these pounds sterling exclusively to acquire land or to acquire or construct buildings in the United Kingdom and the colonial dependencies for the use of the Government of the United States, and for carrying out educational programs in accordance with agreements to be concluded between the two Governments."

You will note, therefore, that none of this money paid before 1951 is to be taken out of the United Kingdom or its colonial dependencies. What we propose to build there, costing $50,000,000 in the aggregate I do not know but it is proper to request that information, and now.

As to the educational programs contemplated, who is to be taught—and what—and why? Are we to receive further lessons in international finance, with Lord Keynes as the principal teacher? Or, are we to sit at the feet of Professor Laski and learn of him concerning the mysteries of government wherein the rights of man are fully developed and protected? If so, most certainly we have paid already our tuition in full. However, since we are at a distance, are we to assume that this money will be used to build up a propaganda machine to promote the Socialist government of Great Britain?

Notwithstanding all else that may be done with reference to this financial agreement, the provision I have quoted with reference to educational programs should be eliminated in its entirety. Likewise, when we have expended already in the British Empire approximately $1,350,000,000 for installations, which will be turned back without remuneration, or, at the most, at a return of slightly more than 2 cents on the dollar, why should we agree to expend possibly $50,000,000 more during the next 5 years? Eventually, it would be disposed of in the same or similar manner.

Why should we be so alarmed concerning the future financial welfare of our British cousins? Why should we fear that they will not have their fingers in every financial pie on the face of the globe, as they have in the past? With such good trading as this—and most certainly I do not condemn them for looking after their own interests—they can, and no doubt will, face the future with uplifted chins and the usual British calm and competence.

Why, trading with their American cousins alone should keep them on Easy Street.

So much for the balancing of accounts. I have mentioned it in so much detail, not to show that we made a bad bargain, nor to condemn the astuteness of the British. Perhaps we rightly bargained with such leniency. Perhaps, in the main part, we arrived at the proper solution. If one may judge from the past—and I shall speak more of that presently—the more we forgive now, the less there will remain to be forgiven later; and there will be less friction.

I mention accounts only to show that we have not been niggardly in our attitude, and that there can be no further claim on the part of Great Britain for our financial aid, except it be on a purely business basis, determined by the rules applying to the extension of credit.

The second part of the agreement, or rather the second agreement, provides that we loan the United Kingdom, over a period of 5 years, the sum of $3,750,000,000, to be repaid over a period of 50 years, beginning in 1951, with interest at the rate of 2 percent.

As to the interest rate, however, when we allow for the period in which no interest is to be charged, the rate, in reality, becomes, 1⅝ percent. Under certain circumstances, no interest is to be paid; and it is entirely probable that the final interest rate will be very much less.

As a matter of fact, as I view it, it is to be seriously questioned whether the major portion of the debt will ever be paid. The preponderance of the evidence supports that fear.

In this connection, it might be well to see what Lord Keynes has to say with reference to this question of interest. He states that the United Kingdom started out with the idea that it might not be asking too much of us to furnish financial aid which approximated a grant. However, he points out that it soon became apparent it was useless to expect "so free and easy an arrangement could commend itself to the complex politics of Congress or to the immeasurably remote public opinion of the United States."

However, states Lord Keynes:

"We pay no interest for 6 years. After that we pay no interest in any year in which our (British) exports have not been restored to a level which may be estimated at about 60 percent in excess of prewar."

Furthermore, continues Lord Keynes:

"The maximum payment in any year is £35,000,000, and that does not became payable until our external income—that is from exports and shipping and the like—is, in terms of present prices, 50 times that amount."

Is it any wonder that Lord Keynes said:

"If the Americans have tried to meet criticism at home by making the terms look a little less liberal than they really are, so as to preserve the principle of interest, is it necessary for us to be mistaken?"

Frankly, I see no reason why any attempt should be made to hoodwink or mislead the American people. They are entitled to the full facts, without camouflage or high-lighting in any particular.

WAS BRETTON WOODS NOT ENOUGH?

Mr. President, I supported the extension of reciprocal trading with misgivings—not as to the general principle involved, but misgivings as to the manner in which it would be applied and administered.

Likewise, I supported increasing the capital of the Export-Import Bank, and the creation of those products of Bretton Woods—the International Bank and the Stabilization Fund. I did so with extreme reluctance, doubting at the time the beneficial results to be realized through the establishment of such lending agencies, but with the conviction that I should resolve doubts in favor of the plans proposed. That far I was willing to gamble the money and resources of the United States.

I was then hopeful that the present situation would never arise. I was so led to believe.

Now I am disillusioned. In each instance we provided the main part of the stakes. Each time we are urged to go one step farther. How many more steps are necessary? What step shall come after this one?

While I recognize we must have stable-trade relations, I have reached the point where I must see some point of light ahead before I can go further through the dark tunnel of uncertainty. That light is not apparent.

If the entire world were on a parity as to wages and living standards, the problem would be simple. I hope that day may eventually arrive. However, I feel sure it will not arrive prior to 1951, nor in my lifetime, nor in the lifetime of any living person.

A more rapid approach to that goal may be by lending money to others with which to buy our goods, and by reducing our standards of living to some level at or below the general average; but, if possible, I wish to avoid that path. If the final economic battle of the world is to be waged between the forces of socialized collectivism and private enterprise, I prefer not to sacrifice victory for the latter by giving up the incentives that make striving worth while.

The organizations created as a result of the conferences at Bretton Woods should be sufficient to provide financial stabilization of the world. That was the promise then held out. I recall that when those agreements were being debated in this body, the point was made that Britain would be reluctant to remove barriers and restrictions, and that the same would be continued indefinitely. The proponents of the bank and fund made light of that danger.

For instance, the Senator from New Hampshire, said:

"To say that England will not abide by this plain commitment to remove wartime restrictions as soon as it can—and this should be within 3 to 5 years—is to impugn its good faith." (Senator TOBEY, CONGRESSIONAL RECORD, July 17, 1945, p. 7601.)

Now, it is contended that the price of such removal must be the approval of the present loan.

Again, when queried as to the probability of the present loan, the Senator from New Hampshire replied:

"I am credibly informed that no such commitments have been made, and that that story is rumor, rather than substance."

As to the sterling bloc, which we are told this loan will break, although not used directly for that purpose, I recall that the distinguished majority leader, when discussing that matter in the debate mentioned, said:

"It must be kept in mind that Britain would have little interest in liquidating her sterling debt by means of a dollar loan. Britain does not want to burden her balance of payments by having to service a dollar loan. She feels that she can handle a sterling debt much easier than she could handle a dollar obligation, which is perfectly natural, because she is paying no interest whatever on many of these sterling balances." (Senator BARKLEY, CONGRESSIONAL RECORD, July 19, 1945, p. 7756.)

The Senator from Delaware added to the discussion by saying:

"There is a sterling bloc, and that is exactly one of the things necessary to be eliminated. And here is a proposition which would eliminate it." (Senator TUNNELL, CONGRESSIONAL RECORD, July 19, 1945, p. 7767.)

We agreed to the flexibility desired by those gentlemen and others so that Britain might get out from under war restrictions on exchange and assume normal international economy and trade relationship with other countries. Now we are told that it will take $3,750,000,000 more to do the job. How much more will it cost in 1951? Or are we not paying for something Britain will have to do anyhow? Lord Keynes' statements, to which I shall refer, would certainly so indicate.

WHAT WILL THIS LOAN DO?

Mr. President, let us take a look at what it is argued this loan will do for us. The most optimistic outlook I have seen expressed in favor of this loan, and I refer to the compilation prepared by Business Week, lists the following advantages:

1. We are to receive interest, as I have discussed.

2. The British agree to establish immediately for United States citizens a free exchange market for all current transactions with the United Kingdom.

3. Beginning 1 year after the loan takes effect, the British will discontinue all other exchange controls on current transactions.

4. If any import quotas are necessary, neither country will discriminate against exports of the other.

5. The British agree to line up with the United States in developing a broad program for reducing or eliminating trade barriers throughout the world.

6. The British will not give any other creditors terms better than those which the United States has accorded.

7. The British will make arrangements for early settlement of the large accumulated sterling balances.

As to the feature of interest, I might add that Lord Keynes states:

"The charging of interest is out of tune with the underlying realities. * * * The amount of money at stake cannot be important to the United States, and what a difference it would have made to our feelings and to our response." (Unquote.)

Has the foundation been laid for the application hereafter of the term "Shylock"?

As to the establishment of a free-exchange market and the removal of exchange controls, I am not, as I said in the beginning of my remarks, qualified to discuss all the ramifications that may be involved. I shall, therefore, content myself to make some observations, which I hope may be pertinent, and to again quote from the talkative Lord Keynes.

In the first place, just what may we hope to gain from all this in the immediate future should these general promises open the gates of world-trade paradise as fully as international bankers predict? What do we now have for export—or what shall we have for export in the near future—that a hungry and well-financed domestic market cannot absorb. Secretary Byrnes says the British will not spend it for consumer-manufactured goods, but rather for food and basic raw materials. The good Secretary says some of the things they will buy are already in surplus in this country, and winds up by mentioning cotton. Mr. Clayton mentions a present or near surplus of cotton, wool, and tobacco. Both say this increase in the backlog of purchasing power will not tend to encourage inflation in this country.

Frankly, I am not, at the moment, advised as to the available supply of cotton in this country, nor have I inquired as to the figures. I simply considered for a moment the difficulty one faces in obtaining a white cotton shirt—and passed on.

The Secretary also mentioned lard and apples, and also, after the present shortage has ceased—wheat. Well, all I can say is that I hope there will be enough of these to go around before another winter; but, frankly, I see no reason to expect large exports soon, unless the British are permitted to overbid our domestic market.

We all know the difficulty we are experiencing in securing exportation of wheat for the starving. We know of the constant complaint that is being registered because of the continued shipment of lumber which we so sadly need for the construction of housing.

But what of this inflation question? Have we adequate assurance that such will not be encouraged? We have now in circulation approximately $30,000,000,000 of currency, where formerly we had no more than 10. The pent-up backlog of possible purchasing credit in this country is already stupendous. When our Government goes to the banks for the money wherewith to provide the credits created by this loan and the resultant pyramiding of credit occurs, can it be said that purchasing power will not be greatly increased, and that our currency will not be debased to that extent? I can see no other outcome.

Any purchasing here—at least for some time—by foreign countries must compete in a large measure with our domestic buying. There is no other logical conclusion.

If, as the proponents of this loan tell us, the major portion thereof will find its way to American markets—and that without undue disruption or inflation thereof—why is it that Lord Keynes was and is so insistent that no restrictions be imposed as to the place of spending? Does not that indicate that our expectations of export gain therefrom are overly optimistic?

Lord Keynes said:

"Our loan, on the other hand, is a loan of money without strings, free to be expended in any part of the world."

That is not true as to loans being made by the Export-Import Bank to other European allies, says Keynes, for "they are tied to specific American purchases and not, like ours, available for use in any part of the world."

If it is said that Great Britain does not have credits here with which to purchase, let me point out that, in addition to gold reserves, the British interest is an important factor in 189 companies in the United States, consisting of 83 listed companies, 66 unlisted ones, and 40 that are British owned. The British own 434,000 shares of the stock of General Motors.

What about the point that other countries, heretofore dependent upon Britain in trade, cannot buy here unless this loan is granted, and will buy here if Britain is permitted to expend these funds?

Between 1922 and 1939 the American people spent outside of the United States $1,200,000,000 more for goods and services than they received.

During the same period, foreigners conducted stock market or banking operations in this country to an amount estimated at over $7,000,000,000. They did not use that sum to buy American goods. On the contrary, they reacquired foreign securities to the extent of more than $1,000,000,000, spent more than $3,000,000,000 in the purchase of American securities and created an inflow of short-term capital of some $2,500,000,000.

During the same period foreign nations owed us at least $14,000,000,000, but little effort was made to pay the same except in the case of Finland.

If Britain uses this loan to buy meat from Argentina, the latter could use the proceeds to repatriate its bonds or for speculation in American securities just as easily as it could use the same for the purchase of American goods. Is it not more likely to do so?

However, as to financial ability of foreign nations to buy in our markets, permit me to direct your attention to the Foreign Commerce Weekly, of January 19, 1946, wherein it is stated:

"Shortages of many civilian commodities and lack of shipping space made it impossible for some foreign countries to use all the dollars they received during the past year to purchase merchandise in this country. Altogether they received an estimated $1,991,000,000 more than they used. With the increase in 1945, foreign balances in this country reached about $6,400,000,000, while United States balances abroad were about $290,000,000 at the end of the year. Foreign gold reserves at the end of 1945, including both stocks held abroad and amounts held under earmark in the United States for foreign account, may be estimated at roughly $16,000,000,000."

Those facts indicate that, commercially, and exclusive of lend-lease and loans for construction and rehabilitation, we owe the world. We may have more difficulty in purchasing than in selling.

At this point, it might be well to point out that Britain now has a large loan with Reconstruction Finance Corporation, for the security of which proper collateral is pledged. Would it not be entirely proper for the United Kingdom to seek a more reasonable loan through the lending agencies now created? Does she not have assets here which could be pledged for the security of such a loan? From the figures I have cited, it would so seem. Income could be collected still on the securities pledged, and there would be no decrease in the revenue of the British Government.

Can it be that Great Britain is so nearly bankrupt that the mere difference in rate of interest is the straw that breaks the camel's back? Unless repayment is never contemplated, we must so conclude.

In this connection, it might be well to note that other allies have gone to the Export-Import Bank for funds with which to wind up lend-lease and for general reconstruction. That bank has loaned to France $550,000,000, to the Netherlands $100,000,000, to Belgium $100,000,000, to Denmark $20,000,000, to Greece $25,000,000, to Finland $40,000,000, and to China $33,000,000.

Is the United Kingdom entitled to more preferential treatment? I submit that a case to that effect has not been established.

As to the elimination of trade barriers, I would point out that such agreement is left for the future—after the United Kingdom shall have received the money or a definite commitment to that effect.

What will be the effect of such negotiations? That, I do not know. Undoubtedly, there are some restrictions which may be eliminated; there are some steps that may be taken with comparative safety to American producers; but this I do know:

You cannot let down the bars for free exchange of goods unless you also let down the standards by which Americans are paid and through which they live. If trade barriers are lowered to the extent that our markets are flooded with products from countries of low-income, low-cost, and substandard living conditions, every manufacturer, farmer, and trade union in these United States will demand that such practices cease, whether the action sought be right or wrong.

Do not for one moment think the British are throwing open a through street by which we may gain access to and control the trade of the world. They are not built that way. They do not do business that way. I cannot conceive that the present Socialist Government of Great Britain, despite its nationalization schemes at home, desires any more than did Churchill to liquidate the British Empire.

What does Sir Stafford Cripps have to say with reference to the removal of trade barriers? How far is Britain prepared to go in the coming trade conference, of which so many seem so hopeful? I quote from his remarks:

"It is not enough for us to get, as against a preference, the reduction of merely one person's tariff; we might want 26 countries to reduce their tariff before we were prepared to drop a preference. Therefore, the whole matter is completely at large and no one is bound at all. All we say is that we are prepared to enter upon this process; we are prepared to consider that bargaining of preferences against tariffs. If we can get an advantage which appears to us to make it worth while and another country can get an advantage which appears to make it worth while, then we can come to an agreement. It is an attempt to try and bring down tariff barriers on all sides to a great extent. A mere nominal reduction of a few percentages

is not going to make anyone enter into a bargain and that, of course, our American friends understand perfectly well."

What did Lord Keynes have to say concerning this question in his explanation to the House of Lords? Again I quote:

"All the most responsible people in the United States, and particularly in the State Department and in the Treasury, have entirely departed from the high tariff, export subsidy conception of things, and will do their utmost with, they believe, the support of public opinion, in the opposite direction. That is why this international trade convention presents us with such a tremendous opportunity. For the first time in modern history the United States is going to exert its full, powerful influence in the direction of reduction of tariffs, not only of itself but by all others."

It is apparent from these statements that the British will support multilateral trade only if they can make of it a cornerstone in the rebuilding of their trade.

If it is made to operate so advantageously for the benefit of a debtor nation—and failing that, Britain will not participate—I am at a loss to conceive how it may be also so beneficial to us as a creditor nation. Balances may be struck only through the exchange of goods. We can buy with satisfaction from others those things of which we do not have sufficient production, only when we can pay for them with noncompeting goods produced by us. When it comes to buying from others things we also produce in quantity, then there must enter the question comparative wages paid and the standards of living maintained. Likewise, when we sell to others things which they also produce in quantity.

Unless some form of equalization is maintained between the two, the ultimate result must be a common standard of living and a common wage rate, except as to the differential created through proficiency and efficiency in man-hour production. In other words, if $1 an hour labor is to compete with 50 cents per hour labor, the former must produce twice that produced by the latter.

I am concerned to know how far our leaders have committed us—off the record—along that road.

If we think for a moment that the British are not determined to regain their place in the sun as related to world trade, we should reevaluate our thinking. To obtain a better understanding of their viewpoint relative to the struggle for trade, and the opening of the doors by which it may be secured, let us revert again to our friend, Lord Keynes. His lordship told the House of Lords:

"As it is, the plain fact is that we cannot afford to abate the full energy of our export drive or the strictness of our economy in any activity which involves oversea expenditure."

Yes, we may be certain they will not relax in their vigilance, and that their centuries of experience in world trade, and their consequent know-how, will result in continued dividends for the Empire. Particularly is that true if we provide the goods, the money with which to purchase the goods, and the ships to carry the goods—all of which, I presume, will follow in due course.

Why should we be so altruistic? Britain's production methods cannot compete with ours. The regimentation now planned by the United Kingdom will never bridge the gap, unless we lower our efficiency by like control. We now have the largest merchant marine in the world—ships that must be used somewhere, unless they are to be given away or permitted to decay.

Can the British expect to regain their former position in world trade—even after the splurge which our money will provide—in the face of the socialization contemplated at home? Are we not financing a bankrupt creditor and prospective competitor for a final spree, whose immediate competition may not be dangerous, but whose eventual collapse will not only lose our money but seriously damage our economy? There exists such a danger—and it is not remote.

If the British will recognize their limitations, and will build and plan accordingly, the existent facilities should be sufficent for their reinstatement as an important factor in the trade of the world—but not as the shipping and banking center thereof. If a more normal course is followed, it seems logical to assume that the dollar market can and will dominate the markets of the world. It appears hopeless to attempt to prop up fallen sterling.

It would seem that Great Britain must recognize that it cannot join in multilateral trade abroad and have a rigidly controlled economy at home. The one is not compatible with the other. Yet, that is what is being attempted.

The British Government has taken over the Bank of England and the coal mines, and, in due time, proposes to so control all transportation, power, and communication systems. At the same time it is committed to the Beveridge plan—security from the cradle to the grave. They emphasize that the most complete regimentation will be ultimately necessary if they are to build their planned economy on the elaborate scale planned. That planning cannot stop at Britain's shores. It must reach trade as well—for without a balanced foreign trade Britain cannot survive.

We know that the British have extended wartime controls for an additional 5 years. In the face of such controls, and of her nationalization of wealth and capital, it would seem but idle thinking that she would abandon trade barriers, without which her planned economy cannot work.

What will happen? I fear that the result will be an abandonment of the agreement—the placing upon our shoulders of the responsibility for such action—and more friction between the two nations which by all rules and standards should be friends.

As to the removal of exchange controls, what does Keynes say? Here is his statement:

"The noble and learned Viscount, Lord Simon, as have also several other critics, laid stress on our having agreed to release the current earnings of the sterling area after the spring of 1947. I wonder how much we are giving away there. It does not relate to the balances accumulated before the spring of 1947. We are left quite free to settle this to the best of our ability. What we undertake to do is not to restrict the use of balances we have not yet got and have not yet been entrusted to us. It will be very satisfactory if we can maintain the voluntary wartime system into 1947. But what hope is there of the countries concerned continuing such an arrangement much longer than that? Indeed, the danger is that these countries which have a dollar or gold surplus, such as India, and South Africa, would prefer to make their own arrangements, leaving us with a dollar pool, which is a deficit pool, responsible for the dollar expenditures not only of ourselves but of the other members of the area having a dollar deficit."

Does that sound like Lord Keynes thought we gained much through the promised relaxation of exchange controls?

Maybe we did. Is it possible that our boys really put one over on our cousins this time? If one may judge from the history of both branches of the house, I am permitted certainly to be skeptical.

We have been fed so many scary alternatives as to what will happen if this loan is not approved, that it might be well also to see what Lord Keynes has to say about that:

"The alternative is to build up a separate economic bloc which excludes Canada and consists of countries to which we already owe more than we can pay on the basis of their agreeing to lend us money they have not got and buy only from us and one another goods we are unable to supply."

Frankly I do not regard that as a serious overstatement of the matter. Britain is now a large debtor. To the nations in the sterling bloc she owes in the neighborhood of $14,000,000,000. Part of that—one-third, she hopes—will be wiped out as we have wiped out lend-lease (only you will note the scale sought is 33 percent instead of 97 percent). Another one-third she hopes to release for world exchange, although you may be sure she will endeavor—and necessarily so—to take care of that third with British goods and service charges. The remaining one-third she hopes to pay on a long-term basis.

However, as Lord Keynes points out, many of these sterling-bloc nations have established credit balances here through our war expenditures as well as in other nations. Also many small industries have been built up in such countries during the war and they now have manufactured goods to export in competition with British products. They are not now sources of raw materials alone. Why should they not set up their own exchanges with us and purchase goods where there is the more likelihood—according to Secretary Byrnes and others—of their being obtained?

I repeat that many of these highly advertised possible trade gains on the part of the United States are but delusions.

I have not finished with Lord Keynes. And may I say, in passing, that I am highly indebted to his Lordship for the light he has thrown upon this proposed financial agreement. He has been more informative than those who represent the creditor. Of course, I realize his Lordship also had to sell his countrymen a bill of goods, and that he, occasionally at least, had to shade the picture a bit. However, in doing so, of necessity, he was compelled to give us a peep behind the scenes.

There is another angle to this question of removal of trade restrictions which gives me much concern.

How shall the question of purchasing be handled after they are removed; after Britain has the money with which to purchase; and after multilateral trade is freely functioning? It is interesting to see what his Lordship had to tell the House of Lords about that:

"In the final act of Bretton Woods, I believe that your (British) representatives have been successful in maintaining the principles and objects which are best suited to the predicaments of this country. Proposals which the authors hope to see accepted both by the United States of America and by Soviet Russia must clearly conform to this condition. It is not true, for example, to say that state trading and bulk purchasing are interfered with. Nor is it true to say that the planning of the volume of our exports and imports, so as to preserve equilibrium in the international balance of payments, is prejudiced. Both the currency and the commercial proposals are devised to favor the maintenance of equilibrium by expressly permitting various protective devices when they are required to maintain equilibrium and by forbidding them when they are not so required."

What is meant by Lord Keynes' statement is better understood when one reads a news article in the Washington Daily News, under date of April 10, 1946, which states that Sir Stafford Cripps, British Board of Trade president, has announced that the British Government intends to continue its wartime policy of government bulk purchase of Britain's cotton. Permit me to quote at length from this news article, as follows:

"American hostility to British domestic legislation is not based upon hostility to Socialist experiments in England but realization the United States may be forced to imitate British experiments. If, in Britain, there is to be only one cotton buyer, thousands of

United States cotton traders will be at a disadvantage. The British would be able to play one against the other and force down prices. The United States Government might be compelled to become sole seller of American cotton. The same pattern would be likely to repeat itself in the iron and steel industry which the British also are committed to nationalizing. Thus, instead of there being a return to free trade and private enterprise, which Americans desire, the policy of the British Government confronts the world with the likelihood of bitter trade wars waged by government officials with the taxpayers' money. It is only fair to say that American officials, while proclaiming belief in free enterprise, are perpetuating many wartime regulations, in some cases with the consent of American industry and labor leaders. William Green, A. F. of L. president, recently demanded continuation of price controls, but no interference with wage levels. The American economist, Henry Hazlitt, has observed: 'Totalitarian economies come, not because people deliberately will them, but because people suffer from the delusion that they can combine regimentation for others with freedom for themselves.'"

Does that look like we are about to enter the trade millennium to which the proponents of this loan point with such liberal pride and prodigality? Again, I must be skeptical.

WHAT ABOUT REPAYMENT?

In considering any loan, I believe it is of the utmost importance to consider the likelihood and possibilities of repayment. While we are exploring Lord Keynes' thinking, let us see what he has to say relative to that proposition:

"It is not a question of our (the British) having to pay the United States by direct exports; we could never do that. Our exports are not, and are not likely to be, as large as our direct imports from the United States. The object of the multilateral system is to enable us to pay the United States, by exporting to any part of the world; and it is partly for that very reason that the Americans have felt the multilateral system was the only sound basis for any arrangement of this kind."

When the United Kingdom and other debtor nations ceased repayment of the many billions loaned them during and at the conclusion of World War I, the United States was branded a "Shylock"; and upon our Nation was placed the responsibility for their default. They say we closed our markets to their goods, leaving them with no means by which they might pay. Of course, there is some truth in that statement; but we know that is not the whole truth. Moreover, we also know that as a result of the whole mess, we lost several billions of dollars—and said to ourselves, never again.

Are we again to make the same mistake? When the fairy castles have evaporated in the sun of realism, are we to be accused once more of breaching the agreement and creating the situation making payment impossible? Suppose we take a look at what Lord Keynes has to say along that line:

"They (referring to the United States) would regard it as their fault and not ours if they fail to solve it. They would acquit us of blame—quite different from the atmosphere of 10 or 20 years ago. They will consider it their business to find a way out. If the problem does arise, it will be a problem, for reasons I have just mentioned, of the United States facing the rest of the world and not us in particular. It will be the problem of the United States and the whole commercial and financial arrangement of every other country. Their wages are two and a half times ours. These are the historic, classical methods by which in the long run international equilibrium will be restored."

Are not those words prophetic of what is almost certain to happen? Do you not see in them the preface to the case which they will hereafter seek to establish?

What is meant by the statement that the wages of the United States are two and a half times those of Britain? Where and how will the equilization be made? There is only one conclusion. In the general world-wide scale of wages eventually resulting as a consequence of free multilateral trade, our wages must come down, and the wages of other nations must go up.

Permit me to cite another statement which corroborates the thought I have expressed. In addressing Parliament on December 13, 1945, Mr. Bevin, the Secretary of State for Foreign Affairs, said:

"It has been said that, inevitably, this will lead to another repudiation. That is in the hands of the United States, and nobody else. The United States say that they want freer trade, but freer trade does not only mean the lowering of a tariff barrier, it depends on the actual fact as to whether they buy goods. The trouble of the Baldwin settlement, as it is called, and the trouble that would arise under this settlement, will arise if we are not allowed to work off our debts."

Does that not mean that we must adopt a policy of promoting the purchase of British goods in contradistinction with the purchase of competitive American goods in the American market? I see no other alternative. When we refuse to do that, as we eventually will do, then we shall have ended the agreement.

Again, quoting from the remarks of Lord Altrincham before the House of Lords, when he was speaking of the understanding of the American people, he said:

"They (the Americans) do not understand that the conditions attaching to our acceptance of this line of credit—the only conditions on which we can pay for this credit if we take it up—involves a complete transformation, and, indeed, a transfiguration of the American economic system, if they are not to compel default."

Is it not clear that any blame for default by the British on this loan, if granted, is going to be placed on the Congress of the United States, should it determine to offer full protection to the American standard of living as we understand that term? It would seem so to me.

Thus, we are on the horns of a dilemma. If Britain cannot increase her exports and shipping charges to the point that she can repay the loan—or if we find it impossible to provide the markets for her goods so that she can repay it—we will be blamed in either event, and, of course, the money will have been lost.

OTHER LOANS

Undoubtedly, Mr. President, this is but an opening wedge for other loans. While it is said by some that each applicant must stand on his own feet—that argument is true only if the present loan was placed on a strictly business or credit basis. As a matter of fact, that has not been done. There is too much sentiment mixed with the present transaction for any such evaluation or comparison.

What shall we say to Russia—to France—and to many other allies who will undoubtedly seek further and large assistance? If we attempt to apply business comparisons, some of them are more solvent than Great Britain. If we refuse the loans, then we shall create more enmity, and will make possible accusations of grave significance, all of which tend to destroy world peace and upset world trade.

What will be the total loan requirements of all our allies? Who knows? What study has been made of the matter? We hear of figures amounting to no less than $10,000,000,000 and, perhaps, to as much as $25,000,000,000. Unless we wish to stand committed to a policy of rank favoritism for one and flagrant discrimination against others, we must pile more billions on our public debt, and pay to our citizens—if they will lend the money—a differential of many millions yearly in the matter of interest.

I submit that in no event should this loan be made until all the figures are in—until we know what is expected of us—until we determine how much our already overladen debt structure can be expected to stand. Frankly, as stated by the Montreal Financial Times:

"The United States has no obligation beyond that which is imposed upon it by common sense."

I offered an amendment whereby the United States will obligate itself to advance to the United Kingdom credit during the next 5 years sufficient to take care of its adverse trade balances with us, not to exceed a total of $1,500,000,000. I did so, not because I feel it is a sound investment, but because I wish to limit the number of billions that shall be piled upon our gigantic national debt by those who are so liberal with the taxpayers' money, and because that should be sufficient to see Britain through any immediate crisis.

Mr. President, neither nations nor peoples respect those they owe in excess. I suggest that we add no more to the feeling of animosity now existing against us among the other nations of the earth.

Mr. LANGER. Mr. President——

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. BUTLER. Mr. President, will the distinguished Senator from North Dakota permit me to explain briefly, at this time, my position in regard to the British loan? It will be necessary for me to be absent from the Senate for approximately 10 days, and I desire to comment on the British loan proposal, which is the subject of present discussion in the Senate.

Mr. LANGER. How long will it take the Senator to make his statement?

Mr. BUTLER. Approximately 10 minutes.

Mr. BARKLEY. Mr. President, I wish to caution the Senator from South Dakota that, under the rule, he cannot yield to other Senators to make speeches without technically losing the floor. I have no intention to invoke that rule. However, in view of the length of time taken yesterday by the Senator from North Dakota and the length of time he has announced he intends to speak today, it seems to me that he should proceed with his remarks, unless there is a case of superurgency on the part of some other Senator who is not likely to have another opportunity to express his views on the pending measure. It is unusual for a Senator to hold the floor for a day or two on a subject and parcel out his time to other Senators in order that they may make speeches.

Mr. LANGER. Mr. President, I thought I had been most kind to all Members of the Senate. It is now quarter past 3 o'clock.

Mr. BARKLEY. The Senator has been suspiciously kind to Members of the Senate. I mean that I do not think he has resisted the importunities of Senators to interfere with him, or ask that he yield to them. The Senator has indicated to me that he himself would consume the remainder of the day. The more he yields to other Senators, the greater will be the ground which he will have for extending his remarks even beyond today.

Mr. LANGER. The Senator should not be so suspicious of my actions.

Mr. BARKLEY. It is not an insidious suspicion, but I believe that I have a legitimate understanding of the Senator's approach to this subject.

Mr. LANGER. For example, the Senator from Wyoming [Mr. O'MAHONEY] brought up the subject of surplus property in connection with the rights of veterans. Naturally, I was anxious to accommodate him.

Mr. BARKLEY. Conference reports are privileged matters, although the Senator is not required to yield for that purpose while he occupies the floor. I am not objecting, and I merely say to the Senator that it is somewhat unusual to yield to other Senators in order that they may make speeches during the time he has the floor while speaking on the same subject, inasmuch as those Senators will be subsequently afforded ample opportunity to say whatever they wish to say.

Mr. LANGER. Mr. President, I invite attention to the fact that I yielded three or four times to the Senator from Kentucky.

Mr. BARKLEY. Yes; but not to enable the Senator from Kentucky to address the Senate on the subject which the Senator from North Dakota is now addressing the Senate, and on which he is anxious to address the Senate further. I took part in the proceedings of the Senate because of the controversy which had arisen with regard to the effort to have a report printed as a public document. I am deeply grateful to the Senator for yielding to me. Of course, the Senator will understand that he could not yield indefinitely even to me.

Mr. LANGER. I believe that I would do so.

Mr. BARKLEY. As I have said, I do not object, but I wish to impress the Senator with the rules of the Senate.

Mr. LANGER. Mr. President, I yield to the Senator from Nebraska.

Mr. BUTLER. Mr. President, I intend to vote against the Anglo-American financial agreement, otherwise known as the British loan.

If the agreement had been a straight business proposition, it is possible that I might have supported it. By that, I mean that if it had provided for a commercial loan, with an interest rate sufficient to cover our own interest cost, with adequate collateral to provide security for repayment, there might be no great objection to it. The people of Great Britain proved to be brave and valiant allies during the war. Alone, they held the fort against Fascist aggression for many months before either Russia or the United States was drawn into the war. It is my hope and belief that they will cooperate with us just as wholeheartedly in the cause of peace—regardless of whether we approve this agreement—if only in their own interest. Expressing merely my personal feelings on the matter, let me say frankly that I wish the British people well.

The agreements which we are considing are not, however, a business proposition at all. They have been presented to us in an entirely different light, as an extra special case. If the British are a special case, I do not know why.

Certainly the British need is not as great as the need of many other countries. It is not, for example, as great as China's need. The people of Britain have not suffered as have the people of many other countries, nor has their territory been invaded by the ground forces of the enemy. I do not mean to put too low a valuation on the dangers they have endured or the hardships they are still enduring, but no one in Britain is starving. If the basis of this loan is American generosity, then I say that other peoples are in greater need of our generosity than are the British.

What other arguments have been advanced in support of the loan? So far as I have been able to learn, the only advantages that have been offered, the only real quid pro quo, are certain trade advantages. We have been offered certain trade rights in the United Kingdom and her colonies if we will make the loan. On the other hand, it has been held over our head, like a club, that unless we agree to this loan, we shall be shut out of trade with the British Empire.

Possibly the rights which have been offered are of some value. But before this loan is approved, let us clearly understand one thing. We have not been offered, and we will not receive, equality in trade within the British Empire. All that we have been promised is that certain types of discrimination will be eliminated. Other types of discrimination may remain, and undoubtedly will. To be more specific, there is nothing in these agreements to prevent tariff duties against our goods of 100 or 1,000 percent, or to whatever extent may be necessary in order to keep American competition out of their markets. There is nothing in the agreement to prevent the British Empire from creating just such a closed, self-contained economy as she threatens she will create if we refuse the loan. She can reserve her markets for wheat, cotton, and other agricultural products entirely to her dominions and colonies, if she chooses, and she can close the markets of her colonies to our manufactured goods, supplying their needs from her own factories, through the Empire preference. She can do this just as well by tariffs as by currency control. Although we have certain treaty rights on tariff rates under our trade agreement with her, she can, on short notice, cancel that treaty and those rights.

The alternative with which we are threatened is a continuation of the wartime controls, currency control, the dollar pool, and so forth. In the past these have been either Fascist devices, or wartime devices. They are among the things that we held against Hitler. If a free, democratic government is at all likely to adopt, as a permanent peacetime policy, such methods, we might as well find it out now, for we cannot permanently stave off such techniques by making a single loan of this sort. To the extent that we yield to this threat, we shall be threatened with discrimination and blackmail from other sources. To be consistent, we shall be forced to lend to every other nation on earth which may be in a reasonably strong bargaining position.

But, to my mind, the important facts to be considered in connection with this loan are not its effects on Britain, but its effects on the United States.

The Senate does not need to be told that financially, our Government is not in particularly good shape. Our national debt is somewhere around two hundred and seventy billion. Although the President speaks hopefully now of balancing the Budget next year, his Budget message of a few months ago contemplated a deficit even for next year of around $4,000,000,000. Although tax revenues have happily exceeded previous estimates, our costs of carrying on Government programs are rising in practically every department, and there are many measures pending which will substantially increase the level of Federal spending if they are enacted into law. Some steps that we have taken toward economy have been moderately effective, but certainly we have not yet gone far enough in that direction to face with confidence our own financial future.

In my judgment, the single outstanding consideration which should make us reject this loan is the fact that if it is approved it will probably make a balanced budget even in 1947 completely out of the question. How can we lend to our friends when we ourselves must borrow merely to keep operating? How can we help others to return to stability until we set our own house in order?

This matter of a balanced budget has an importance far beyond considerations of its effect on the taxpayer. For the budgetary position of the Federal Government is the crucial fact in the problem of inflation and price control, to which we are devoting so much time and attention this spring. To me, it is nothing less than absurd to see those same Senators who have so ardently taken the part of the OPA, defend with equal ardor this measure that will condemn us for yet another year to continue down the road of Government deficits and printing-press money. And even Chester Bowles will admit, I believe, that we cannot hope to ward off inflation indefinitely unless we move rapidly toward a balanced budget.

On this point, I can hardly do better than quote Jesse Jones when he said:

> If we go on spending and lending and giving and losing, without regard to how we are going to pay back the money that we borrow, it will not be long until the dollar will go as the currency of other countries that overspent.

There are other reasons against approval of this loan. The United States also has serious problems, problems which could be solved, in part at least, with Government funds. Thousands of our veterans are having a difficult time, financially, in making the adjustment to civilian life, and many of them feel, perhaps justly, that their Government owes them more than it has given them. Dozens of bills have been introduced dealing with some of these grievances, and no doubt some of them will be passed and should be passed. I have introduced

some of them myself. But many of them will take money, and one of the primary facts we must take into account in giving them consideration is their effect on the Federal Budget.

In my part of the country one of our greatest interests is development of the Missouri River and its tributaries, so that we can put our water resources to use, and develop a stable, irrigated farm economy. I have done my utmost to push for necessary appropriations for this work, and I shall continue to do so. But I hope when the time comes for consideration of those items, we shall not have them denied us because so much of our funds have been loaned to foreign countries.

These are only examples. I could name plenty of other examples. One thing I would suggest, if we have $4,000,000,000 to spare, is that we could reduce taxes, for defeat of this measure could put almost $10 a month into the pocket of the breadwinner of every family in this Nation, from his next year's tax bill, if the Congress decided to use the money saved in that manner.

Some of my listeners may, of course, feel that I am treating this proposal as if it were a grant, a pure donation, never to be repaid, rather than as a loan. I do not state that the loan will never be repaid. That is a point on which I have no information, only my private opinion. Our relations with Great Britain are, I believe, still excellent, and I would not want to hurt them in any way by injudicious remarks which might wound feelings and make the task of our diplomats more difficult. A part of the British press has been rather free with the suggestion that circumstances might interfere with repayment, but I do not suggest that there was anything of that sort in the minds of present British leaders or their negotiators. I will make this passing comment, however: if in the future a default should occur, there is nothing practical that we can do about it. We found that out the last time.

As to the exact status of this proposal, it is really not so easy to classify. It is fair to say that if it is a loan, it is on such different and generous terms that it is hard to compare it with ordinary types of lending operations. The United States Government has had considerable experience with the business of lending in recent years. It has made loans, through one channel or another, to banks, to State and local governments, to nonprofit corporations, to small and large businesses, railroads, and the like, to farmers and veterans. These loans have been made on various terms, and some have been more generous than others. There are, however, the following major differences between all our previous lending operations and the proposal before us:

First. No other system of loans made by the Government runs for as long a period as 55 years, as the proposed British loan does.

Second. No other type of loan provides for a waiver of all interest the first 5 years, as the proposed British loan does. Interest on some of the loans to veterans is waived for 1 year only.

Third. No other loan permits a general waiver of interest during hardship periods, as the British proposal does, and judging by the comments of Lord Keynes before the British House of Lords, these hardship waivers, might be called into use rather frequently.

Fourth. No other lending operations of the Federal Government are conducted at the rate proposed in the loan to Britain.

I will gladly stand corrected if these broad statements are not 100 percent correct, but the only lending operations I can find trace of which are comparable, as to terms, with this proposal, are lend-lease—which was not a loan at all, practically speaking, but a gift—and the loans made during and after the last war, which perhaps the supporters of this proposal will not want me to talk about too much. In view of the excessive consideration which has therefore been shown the British Government, I think it is fair to classify the proposal as somewhere between a loan and a gift.

Let me put this point in a nutshell: We are now making loans to veterans. If we cannot afford to lend our returning veterans money at a rate of 2 percent, with the first 5 years of interest canceled, on a 55-year basis, with provision that they need not pay the interest when they find it difficult to do so—if we cannot afford to do that, how can we afford to do it for the British Government? Such loans to our veterans would probably cost the Treasury no more, and would have at least an equal chance of repayment.

Mr. President, I hope this loan proposal will be defeated. I am entirely willing, however, that Britain should have the same opportunity to borrow from normal banking sources and from the Export-Import Bank or the RFC that other countries have. Beyond that, I would suggest that if this proposal is defeated, the President might well proceed, with such powers as he already has, to negotiate what practical assistance Brittain may need to tide her over her immediate problems. Jesse Jones has suggested some measures that might be taken. Members of the Senate have suggested others. The Congress would, I believe, be willing to entertain whatever additional legislation is necessary to permit stock piling of critical materials, or to authorize some of these other suggestions. But I do not believe the Senate will show special favors to one country, to the exclusion of all other countries, and I do not believe we will adopt this highly inflationary measure at the very time we are considering drastic measures, unprecedented in peacetime, to hold in check the inflationary pressures we already face.

In conclusion, Mr. President, I should like to quote the words of the greatest of British poets, who said, in Hamlet:

Neither a borrower nor a lender be;
For loan oft loses both itself and friend,
And borrowing dulls the edge of husbandry.

THE WHEAT AND FLOUR SITUATION

Mr. REED. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. REED. Mr. President, it so happens that the State which in part I have the honor to represent in the Senate, Kansas, is the largest wheat-producing State in the Union. My State also is the foremost flour and milling State.

Mr. LANGER. Mr. President, that is as to soft wheat, not hard wheat.

Mr. REED. I beg the Senator's pardon; he is mistaken.

Mr. LANGER. What the Senator has said was not true as to last year or the year before. We in North Dakota raised more hard wheat than did the farmers in Kansas.

Mr. REED. We need not discuss that. I certainly differ with the Senator from North Dakota. There was one year when North Dakota raised more wheat than did Kansas, and North Dakota cannot refrain from jumping and flapping its wings and crowing about that one year; but that was the only year in history, I think, when such a thing happened. The Senator from North Dakota is mistaken .

Mr. LANGER. The Senator also includes, the soft stuff called wheat in Kansas. As a matter of fact, in the production of hard wheat North Dakota has been ahead of Kansas in the last 4 or 5 or 6 years.

Mr. REED. I beg the Senator's pardon. But that is not relevant to the point I am about to discuss. The Senator from North Dakota is mistaken.

Mr. President, if there is one subject upon which the Department of Agriculture, the War Food Administration, and other responsible agencies have blundered and bungled more than as to other matters, I think it is in the handling of the wheat and bread situation. We have changed our habits of milling, under order, so that instead of making what we call white-bread flour of 72 percent of the wheat kernel, the millers must grind up 80 percent of the wheat kernel. Personally, that does not mean anything to me. I have eaten whole wheat bread for so long that I do not remember when I did not; but a majority of the people of this country do not share that taste in bread. The point I wish to make is that Canada has not found it necessary to make any such order as we have made concerning the milling of wheat into flour and as to the quality of flour.

The second point is that while we have a great milling industry in this country, that industry will be completely closed down within, I would say, 30 days. The mills are reporting that they have only about enough wheat to enable them to operate for from 1 week to about 30 days. There is no wheat coming in, but what wheat is available is being sent to export. I do not find fault with the exportation of wheat or the products of wheat, but it does not make sense to me to shut down our milling industry and export wheat when we could use the milling capacity of our own country to turn the wheat into flour, in which form it is more readily available for uses abroad than when it is exported as whole wheat.

Mr. President, I have had perhaps a hundred letters and telegrams upon this subject from my State of Kansas and the

surrounding States. Among the most sensible and complete letters that I received was one from Mr. W. E. Bush, a miller at Liberal, Kans., situated in the heart of the Wheat Belt. Mr. Bush wrote me under date of April 12, and discussed the various phases of these orders and the effect they were having upon the farmers and the millers and upon business generally.

I ask unanimous consent that I may have Mr. Bush's letter printed in the RECORD at this point as a part of my remarks.

Mr. LANGER. I object, because I want to hear the letter read. I have no objection to the Senator reading it or having the clerk read it, but I want to find out what this man has to say about the wheat in Kansas before I agree to have the letter go into the RECORD.

Mr. REED. I hope the Senator from North Dakota will not stand upon his objection. It is quite a long letter. It deals in detail with the things I have discussed here in general.

Mr. LANGER. I have no objection to having the letter read by the clerk, if the Senator wishes.

Mr. REED. Of course, I have the floor by the courtesy of the Senator from North Dakota. I do not want to be unmindful of that fact, but I hope he will not insist upon the objection. I can read the letter. It would just mean the consumption of time. It did not appear to the Senator from Kansas to be either necessary or desirable.

Mr. HAWKES. Mr. President, will the Senator from North Dakota yield to me so I may ask the Senator from Kansas a question?

Mr. LANGER. I yield.

Mr. HAWKES. If the Senator from Kansas were to assure the Senator from North Dakota that there is nothing in the letter which proves that Kansas wheat is of a better quality than North Dakota wheat or that Kansas raises a greater wheat crop than does North Dakota, I wonder if the Senator from North Dakota then would permit him to have the letter placed in the RECORD?

Mr. REED. There is no reference in the letter to the relationship between wheat produced in North Dakota and that produced in Kansas or any other State.

Mr. HAWKES. The Senator from North Dakota then, I am sure, would agree that the letter can be placed in the RECORD without reading?

Mr. REED. I ask unanimous consent that the letter may be printed in the RECORD at this point.

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

The letter is as follows:

THE LIGHT GRAIN & MILLING CO.,
Liberal, Kans., April 12, 1946.

Hon. CLYDE M. REED,
United States Senator, Washington, D. C.

DEAR MR. REED: Washington officials certainly have things in one hell of a mess, as far as the millers are concerned—and, I think, as far as everyone else in the country is concerned, also.

War Food Order 144 was issued to become effective March 1. The order required the extraction of 80-percent flour. Canada did not go along with us and, consequently, are manufacturing white flour. So that millers in this country might meet Canadian competition, the Secretary of Agriculture issued amendment 4 to War Food Order 144, permitting 72-percent-extraction flour to be sold in the Torrid Zone, with no restriction on extraction for the west coast of Africa. In addition to meeting Canadian competition, the further excuse was given for this amendment as the unsuitable keeping quality of 80-percent-extraction flour in the Torrid Zone area. Any mill with only one milling unit cannot manufacture an 80-percent extraction and a 72-percent extraction flour at will. When the mill is set for 80-percent extraction another grade cannot be manufactured. It takes about 3 days to 1 week to make the change-over from one extraction to another. Amendment 4 to War Food Order 144 opens the way for black-market flour. What I mean by this is, there is a possible chance that some unscrupulous miller (there may not be any) might accept an order for a certain quantity of 72-percent-extraction flour to be shipped to the Torrid Zone, then manufacture the flour, put it in his warehouse, have the customer cancel the order and the only reasonable thing for him to do would be sell the flour in the domestic trade to keep it from spoiling. I am sure most millers will tell you that the flour buyers in the Torrid Zone very seldom bought a grade of flour better than an 80-percent extraction anyway. What would hinder some miller shipping 80-percent-extraction flour to the Torrid Zone and 72-percent-extraction flour to the domestic trade? I am sure we will find plenty of this 72-percent-extraction flour floating around in jobbers' and retailers' warehouses from time to time. Salesmen will contend that it is 80-percent extraction, but it will be much whiter and more acceptable to the housewife than the regular 80-percent-extraction flour—and it will be hard for an honest mill to meet this kind of competition.

Millers are finding it hard to locate enough wheat with which to keep their mills operating. Wheat would be moving in normal channels right today if it were not for the OPA ceiling price and the announcement of the Department of Agriculture about every 10 days of some new plan to bring this wheat out of hiding. This is the main reason producers are not selling. In the first place, the ceiling price on wheat is too low for the farmers to compete with other industries. Their operating costs are too high. The price of wheat at present level is not comparable to the things the farmers have to purchase. If ceiling prices were removed the price of all grains would reach a competitive level and they would flow in normal trade channels. It is only natural that the farmer wants to get as much for his grain as possible and he knows the present price of $1.53 to $1.58 is not enough. In years past we have never had a situation where the farmer held his wheat at this time of year. Now is the time when he always sells, but farmers all over this territory tell me they are not going to sell—certificate plan or no certificate plan—until they can see higher prices.

Another thing, I am of the opinion that the Department of Agriculture is entirely too high in their estimate of the amount of wheat back on the farm. I do not believe their estimate of around 300,000,000 bushels is anywhere near correct. In Kansas we have only 24,000,000 bushels back on the farm, which is about 12 percent of the 1945 crop. These figures are according to those released by the USDA on the 10th.

Another bungling job that is being done up there is that of exporting wheat instead of flour. For some reason our officials are determined to export this food to the European nations in the form of wheat, whereas our milling capacity is sufficient to take care of a large export flour business. I believe you will find that the flour mills in this country have the largest capacity in excess of domestic requirements of any industry. The milling business in normal times is highly competitive and certainly everything possible should be done to keep this industry rolling full-time when the opportunity such as this present one exists.

Furthermore, my conversations with producers have thoroughly convinced me that War Food Order 144 will not save 10 percent of the amount originally estimated. The extraction of 80-percent flour from wheat has reduced the quantity of millfeed by 33⅓ percent. Millfeed is a very important byproduct and is fed in large quantities on the farm and used in the manufacture of mixed feeds. The scarcity of this item will cause the farmers to feed wheat from their bins. When feed items are short the farmer is going to get feed for his livestock in some manner. If he is forced to grind wheat for feed consumption on the farm he can do so at a cost equal to or less than the price of other grains because the ceiling price at $1.55 per bushel means $2.58 per hundred for wheat. There are very few feeds the farmer can buy at this price.

War Food Orders 9 and 145 both restrict the use of proteins and grains in the manufacture of mixed feeds. We will have used our entire quota for April by Monday the 15th, or not later than the 17th. Our plant will be shut down the balance of the month. This means we will be unable to supply the required amount of feed some feeders in this territory will require. This is going to be hard for the farmer to explain to the chickens and cows—they probably won't understand about it and will have to eat anyway. So the farmer is going to feed wheat out of his bin, if he has it—and all of them have a little.

Now, to get back to War Food Order 144, which required 80-percent extraction flour, millers made a suggestion to the USDA when this matter was first under consideration which was that the Government take a certain percent set-aside of white flour for export, such as we were making then, and let the millers distribute the balance, or 75 percent, through normal trade channels as best they saw fit. This would have relieved the necessity of the 80-percent extraction flour; it would have placed 25 percent of mill production into export channels and let us remain on an equal footing with the Canadian mills without any crazy exceptions to the order; it would have eliminated the possibility of black-market flour. If the ceiling prices were removed from wheat and flour, it would place the wheat back in normal marketing channels, permit millers and everyone else to have an equal chance at buying wheat; it would have a tendency to cut down farm consumption as feed, and everyone would be a lot happier.

All in all, the quicker we get rid of all these restrictions and quit trying to regulate the law of supply and demand, which will ultimately prevail, we will all be better off. We are considerably worse off now than we have been at any time since December 7, 1941. We are permitting Washington to regiment our every move more and more each day. I can well remember 15 years ago when we heard rumors of how regimentation was being applied in Russia. We thought it was terrible, but it looks like now the officials of the administration are going to make the Russians look like a bunch of pikers by the time they get through with us.

Yours truly,

W. E. BUSH.

A TEST TO TEST A TEST—ARTICLE BY JERRY KLUTTZ

Mr. BRIDGES. Mr. President, will the Senator from North Dakota yield to me?

Mr. LANGER. I yield.

Mr. BRIDGES. For some time, in fact for the last 10 years since I have been a

Member of the United States Senate, I have been interested in seeing if we could not introduce a little economy into the conduct of our national affairs. I have heard of many unusual expenditures and many special wastes of money. I have heard of them from back in the times of the WPA, when they made monkey cages and did other things just as foolish, indulging in all kinds of ridiculous expenditures. Today in the Washington Post, however, there is an article under the heading "The Federal Diary," written by Jerry Kluttz, a portion of which I desire to read, because to my mind it tops them all on the subject of waste of governmental funds. I read:

QUESTIONS ON SEX WRECK TEST TO TEST TESTS

War: This is a story that gives credence to that frequent comment: "Anything can happen in Government." And this amazing tale took place in the War Department last Saturday, an overtime pay day.

Some 50 employees in the personnel office of the Adjutant General were called together and told their work that day would consist of being guinea pigs for a "test to test a test." This pleased the employees. To them it was no work at extra special pay.

On that Saturday—

A professor—

And we see many of them here in the New Deal—

on leave from his college told them his experiment would result in a competitive test on which promotions would be based in some offices. The test was divided into four parts: (1) General intelligence; (2) Classification Act problems; (3) Kuder's interest test; and (4) a personality exam.

The latter—that personality—was a lulu. It consisted of 566 questions that had to be answered true or false and they covered everything imaginable. And I mean that literally. This being a family newspaper, some of the more lurid questions can't be repeated but this will give you an idea:

I drink to excess.

I have to go to the bathroom often.

My sex life is satisfactory.

There were various questions on the sex life and bathroom habits of the employees. All these intimate questions infuriated the employees who soon abandoned the idea it was all a lark, overtime pay or no overtime pay. And what bearing, they asked, do the sex and bathroom habits have on one's ability to win a promotion?

What irritated them most was the fact they were ordered to sign their names, ages, grade, and so forth, to the papers. This would give some busybody, they thought, a chance to check up on their personal habits.

The exhausted personnel workers struggled out of the room around 1:30 p. m. One of them called me to say: "What an overtime day that was!"

Mr. President, I want to say a word on that subject. This I assume to be an accurate, truthful article. It was published in the Washington Post of this morning, Friday, April 19, 1946, and written by an author by the name of Jerry Kluttz. I want to say that if the Federal Government has fallen so low that it is putting 50 employees to such an occupation as answering such questions in a test and paying them overtime on a Saturday to do it, we certainly have reached an all-time low level and have found the greatest example of waste that I have seen anywhere.

I assume this article to be correct in what it says. I shall ask for the facts in connection with it. Whoever was responsible for taking 50 employees and paying them overtime pay on Saturday in order to give them such a stupid, irresponsible, lurid examination, certainly should be fired from his job. I do not know who is responsible, but personally I am going to take the matter up with the Secretary of War, and hope he will go to the Adjutant General, and that the Adjutant General will go to the person responsible and find out just who authorized the test, and take steps to see that such waste in expenditures of Government moneys shall not occur again.

I have in my hand an editorial from the Philadelphia Inquirer entitled "It Is a Job for an Ax, Not a Penknife," in which comment is made on the effort toward economy in the Government. Concerning some of the things which have occurred, the editorial proceeds to quote from the Joint Committee on Reduction of Nonessential Federal Expenditures, which is headed by the Senator from Virginia [Mr. BYRD], and of which I happen to be one of the minority members. When a division or a department folds up or is gradually eliminated, do the employees disappear? No. To a large extent they are blanketed in or transferred to other departments. It is a fact that today, in spite of the war being over for almost a year, practically all, with few exceptions, of the civilian departments of our Government have more personnel than they had at the height of the war in the conduct of which we were fighting for civilization against the enemies of civilization all over the world. To my mind that is hard to justify. There has been no real attempt to economize or to cut down. It is almost pitiful to stand around and see person after person come forward with some new project, some new way to spend money. It is pitiful to see every department and every division of the Government thinking up some new way of justifying the continuance of a war agency or a war duty, on the claim that it is needed more in postwar times than it was during the war years, and so on.

Mr. President, the test to which I have called attention, which goes into the bathroom habits of an individual or into the sex life of a person, is contemptible and irresponsible, and I cannot too strongly condemn it. Expenditure of public money for such a purpose is wholly unjustified.

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

Mr. LANGER. Mr. President, first of all I wish to bring to the attention of the Senate an article which appeared in the New York Journal-American on April 9. It is a United Press dispatch from London reading as follows:

BRITAIN MAKES HEAVY SLASH IN TAX IN EXPECTATION OF LOAN FROM UNITED STATES

LONDON, April 9.—Hugh Dalton, Chancelor of the Exchequer, announced today that Britain's 60-percent excess-profits tax has been repealed, as of December 31, 1945.

He said that and other reductions were based on the anticipation of approval of the American loan and that "if it fails we shall at once have to take restrictive measures to reduce imports, especially those affecting American dollars."

He cut purchase taxes on a long list of items, reducing the levy from 100 percent to 33½ percent on phonographs and phonograph equipment and lowered the sports entertainment tax except for horse, motor, and dog races.

He announced that workers' contributions under the National Insurance Act would be exempt from income tax, relieving an estimated 156,000 persons of income tax.

He also made two small changes in low-level income taxes, increasing the basic exemption of workingwomen by $120 to $440. The earned income allowances was boosted from one-tenth to one-eighth.

I invite the attention of Senators to the fact that in the United States today men and women are paying Federal income taxes and old-age pension taxes, as well as income taxes in some of the States; but here we have the British Government announcing, through Hugh Dalton, Chancelor of the Exchequer, that in anticipation of the money they are expecting to get from us, they are repealing the excess-profits tax of 60 percent.

He cut purchase taxes on a long list of items, reducing the levy from 100 percent to 33½ percent.

As I previously stated, he announced that workers' contributions under the National Insurance Act would be exempt from income tax, relieving an estimated 156,000 persons of income tax, although in this country railroad brakemen, conductors, and engineers still must pay income taxes.

I have before me an article from the New York Journal-American of April 12. This is a dispatch from Paris:

PARIS.—The Duke and Duchess of Windsor have left the city for the Riviera. Not for a change of climate, but because of the French Government's polite but firm request that they share their home with a few homeless couples. According to the new French housing laws, each married couple is allowed only so much space, no matter whether you're a duke or a dude.

So when the Duke and Duchess of Windsor found out that there were some homeless people there—possibly soldiers who had fought to protect the very property owned by the Duke and Duchess—rather than share their home with them under the new housing law, they left, because, as the dispatch says, they apparently did not like the new law which had been passed in France.

The argument has been made that the British loan would help trade. I have before me an article by Leslie Gould, financial editor of the New York Journal-American. He is an expert. This analysis is so full and complete that I wish to read it in full for the benefit of my many colleagues who are present.

An argument being made for the British loan—$3,750,000,000—and that much again to other countries, including Russia, France, and China, is that the United States must export or go into an economic tailspin. That foreign trade is the difference between prosperity and depression.

I believe that was the argument made the other day by the distinguished majority leader [Mr. BARKLEY] and by the distinguished junior Senator from Kentucky [Mr. STANFILL] on the Republican side.

The financial expert of the New York Journal-American says:

There is no question that export trade is important for this country's economic well being.

That is real foreign trade—an exchange of goods and services between this country and other lands.

But is this what the international do-gooders and lovers of everything foreign mean when they talk about foreign trade and the current line-up for loans out of the American Treasury?

They are arguing that this country must lend England $3,750,000,000, on top of writing off thirty billions of lend-lease and the twenty billions debt hanging over from World War I and the years immediately following. A large chunk of the last is owned by Britain.

And that additional billions must be lent to Russia, China, France, Holland, and so on around the world.

They argue that unless the United States makes these loans, these nations cannot buy here. That they will have to pull in their belts and trade within limited tariff restricted areas.

So what they are proposing is for this country to lend these other nations the money to buy goods here.

The proposal is that we lend Britain $4,000,000,000 so that other countries may buy their goods here in America. What does this financial expert say?

Then American factories will keep busy and American workers will have more employment as long as the American money holds out.

But if these foreign borrowers can't repay these loans, what then? They will have the American goods, but the American taxpayers will be out the billions so lent.

That, in our book, is not foreign trade. The only exchange is borrowed American dollars for American goods. It is good business for the British, the Russians, the Chinese, and Dutch. But where do the American taxpayers who have to foot the bill come off?

As far as these poor benighted and forgotten citizens—the taxpayers—are concerned, they would have been better off to have spent the money on a binge. They'll have the hangover anyway, but have missed the fun of the night before.

If these are loans, then they should be made on a business basis and made on ability to pay. If they are gifts, then they should be made on a charitable basis and in keeping with what the American taxpayers can afford to contribute.

As a matter of fact, this country does not know what it can afford to contribute to raise the living standard of the rest of the world. It is time America took an inventory of its resources. In these last 5 years it has dug deeply into that barrel.

Some will say this is being nationalistic. We think it's being realistic. And it is time this country's citizens and its leaders became realistic and faced the fact that there is a bottom to the barrel. We can't go on forever underwriting the rest of the world.

Financial Editor Leslie Gould apparently agrees with Bernard Baruch and Jesse Jones in the statements which they have made.

A few moments ago the distinguished junior Senator from Massachusetts [Mr. SALTONSTALL] was in the Chamber. At that time I told him that I would read to him an article which was published on April 2, showing the action taken by the Massachusetts State Legislature, which debated this loan and passed a resolution by a vote of 56 to 45 in opposition to the loan. It is interesting to note what some of the men who are close to the people of Massachusetts think about this iniquitous proposal.

The article to which I have referred reads as follows:

REPRESENTATIVE HARRINGTON TAKES UP BRITAIN, KNOCKS IT RIGHT OFF BEACON HILL

(By John O'Connor)

The Massachusetts House—

Mr. President, that is the House of Representatives of the Massachusetts Legislature—

sat back in silent admiration yesterday while three of its classiest orators tangled the better part of the afternoon over the international situation, and then voted 56 to 45 in favor of a resolve memorializing the Congress against granting loans to Russia, Great Britain, "or any other aggressor nation."

Representative Joseph B. (but not for Britain) Harrington, of Salem, sponsor of the resolution and the legislature's most colorful debater, took the floor for the first time this year on a major speech, and blasted the "rotten, corrupt, decadent British Empire, which is denying free government to more people than any other nation."

Nearly a half-hour later, when Harrington ended his remarks in the hushed house, Representative Stuart C. Rand, of the Back Bay, told his colleagues that the Salem member's address compelled him to recall what he had read about "another orator in another assembly 180 years ago, Patrick Henry."

"My only hope," said Rand, "is that I can hear the gentleman when he is 100-percent right, because when he is 100-percent right the whole world will want to listen to him and vote with him."

Harrington first apologized for insisting on expressing "my admittedly unpopular views on foreign policy," but reminded the house that it was the first time this year that he had taken up any time on the floor.

"Humor me in my delusion," he asked, "and be tolerant with me in my single-minded purpose, for it makes no difference if these resolutions are defeated if we do no more than arouse slumbering Americans to these international realities."

He then launched into a savage attack on British foreign policy, and declared that there was no difference between England and Hitler, except that "Hitler came along a little later."

"The British Empire is built on a force just as vicious, just as murderous, as that which built up Adolf Hitler," he shouted, pointing to British rule in India, Ireland, and Africa, and adding, "History will back me up."

HOW MUCH IS A BILLION?

He decried the attitude of "those who feel that when America goes wandering through the world it should have its hand in that of Mother England," and declared that further loans to Great Britain would be "reviving a country that has been our most ruthless competitor."

"We now owe $250,000,000,000," he said. "Do you know how much money a billion dollars amounts to? If you took a 12-year-old boy and sat him down to count $1 bills 8 hours a day, 5 days a week, he would be 96 years old before he reached a billion dollars."

So, Mr. President, that boy would have to reach four times 96 years of age if he were to count the loan that it is proposed that we make—or, rather that we give away—to the English people.

I continue to read Representative Harrington's statement, as quoted in the article:

"If you boys from the Back Bay have money you want to loan England, go ahead and loan it," he continued. "If you have any money you want to loan Russia, send that over, too. But part of these loans would give $10,000,000 a year to Edward and his shopworn duchess. We can't afford it, and she isn't worth it. Besides, I know where you can get them cheaper."

Observing that he had used up most of his time without mentioning Russia, Harrington declared that Russia would cry "That's an unfriendly act, you so-and-so," if America made loans to British and refused loans to the Soviets.

"Only when Russia gets the Reds out of occupied countries, and when both Russia and England insure religious and civil liberties to the peoples of the world, only then would I approve of lending them our taxpayers' money," he said.

In opposing Harrington, Representative Rand insisted that a loan to Britain would stimulate America's foreign trade. "Few measure can be taken in the next few months that will have greater effect on creating jobs for veterans than passage of the British loan," he said, "while this resolution, if Congress concurred, would have the opposite effect."

Announcing that he would vote for the Harrington resolution, Representative Paul A. McCarthy, of Somerville, protested: "We should tell foreign nations seeking loans that, while we want to increase our foreign trade, we need the money for more important matters in the domestic economy, such as veterans' housing and for reducing the eligible age of old-age assistance recipients."

Although the committee on constitutional law advocated rejection of the resolution, the House overturned the report on a standing vote, and it will appear on today's calendar for further action.

So, Mr. President, we learn from the article the action taken by the lower house of the Massachusetts State legislature, which is very close to the people.

LIVING CONDITIONS IN ALASKA

Mr. President, this morning I received a letter addressed to Hon. Walter Sharpe, commissioner of labor, Juneau, Alaska, with reference to a report on a survey which had been made in connection with living conditions of War Department employees at Fort Richardson, Alaska. The letter states in part:

This survey was made to substantiate our efforts for a correction of the living conditions we have tolerated in order to do our share in winning the war.

A copy of this report has been forwarded to most of the Members of the United States Congress and officials of our Government.

Mr. President, Walter Sharpe is a good friend of mine, and I have known him personally for a long while. The letter continues:

Any assistance you can render our campaign for a decent American standard of living will be deeply appreciated by the 1,700 civilian employees of Fort Richardson, Alaska.

That letter, Mr. President, is signed by Royse W. McGee and Walter J. Hickel. I ask that both the letter and the report be printed in the RECORD because they

deal with the living conditions at such towns as Ketchikan, Petersburg, Juneau, Sitka, Seward, Cordova, Anchorage, Nome, and Fairbanks. It shows the amount of money which must be spent for groceries and meats, rent, fuel oil, electricity, water and garbage collection, insurance, medical care, transportation, clothing, dry cleaning, house furnishings, linens, blankets, and so forth; amusements, cigarettes, cosmetics, newspapers, magazines, and so forth. It also shows what fruit costs in Alaska. I ask that the letter and report be printed in the RECORD at this point as a part of my remarks.

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

ANCHORAGE, ALASKA, *March 30, 1946.*

Hon. WALTER SHARPE,
Commissioner of Labor,
Juneau, Alaska.

DEAR SIR: Enclosed you will find a report on living conditions of War Department employees of this locality.

This survey was made to substantiate our efforts for a correction of the living conditions we have tolerated in order to do our share in winning the war.

A copy of this report has been forwarded to most of the Members of the United States Congress and officials of our Government.

Any assistance you can render our campaign for a decent American standard of living will be deeply appreciated by the 1,700 civilian employees of Fort Richardson, Alaska.

Sincerely,

ROYSE W. MCGEE,
WALTER J. HICKEL,
Chairmen.

REPORT ON SURVEY BY EMPLOYEES' COMMITTEE ON LIVING CONDITIONS, FORT RICHARDSON, ALASKA, MARCH 25, 1946

It has been the intent of this study to reveal the conditions, both geographic and economic, under which War Department employees of Fort Richardson are living. The facts definitely establish that the factors of isolation, low housing standards, high living costs, lack of normal employee-employer relationships in application of personnel policies and the emergencies of the past war, are all contributing causes to the precarious living security of the Fort Richardson employee.

The Ramspeck Act of 1923 provides that application of a wage differential shall not exceed by more than 25 percent those shown in the regular classification schedule as fixed by the act. Based on findings as to the increased costs, or costs applied to residence in Alaska, for the average employee, differentials should be applied to installations in the following towns within the Territory of Alaska as follows:

	Percent
Ketchikan	35.52
Petersburg	38.84
Juneau	49.40
Sitka	59.82
Seward	60.73
Cordova	75.59
Anchorage	88.85
Nome	109.45
Fairbanks	116.16

Source: Federal Salary Classification, National Federation of Federal Employees, Exhibit No. 12, Washington, D. C.

This committee's investigation of employee living costs in Anchorage, Alaska, results in the following two examples:

Example No. 1: Family, man and wife, two-room (12' x 16') insulated house, modern conveniences, without electric range, hot water heater, refrigerator:

	Month
Groceries, meats	$120.00
Rent	50.00
Fuel oil (12-month average)	12.00
Electricity	5.25
Water and garbage collection	3.50
Insurance	4.75
Medical care	12.00
Transportation	11.15
Clothing (minimum requirements)	30.00
Dry cleaning	20.00
House furnishings, linens, blankets, etc	15.00
Amusement	15.00
Cigarettes, cosmetics, newspapers, magazines, etc	10.00
Total	308.65

Example No. 2: Family of two children, 5-room house, modern conveniences, with electric range, hot-water heater, refrigerator, etc.:

	Month
Groceries, meats (does not include a sufficiency of fresh vegetables and meats—due to high cost)	$138.00
Rent	82.50
Electricity	26.50
Fuel oil (12-month average)	22.50
Water and garbage collection	3.50
Total	273.00

(NOTE.—The above total does not include essentials, such as clothing, medical care, transportation, etc.)

Clothing costs in Anchorage are taken from statistics by the United States Department of Labor, Bureau of Labor Statistics:

Men's clothing shows an increase of 86.9 percent over costs in Seattle.

Women's clothing shows an increase of 91.3 percent over costs in Seattle.

Children's clothing shows an increase of 95.3 percent over costs in Seattle.

Services: These costs are compared with Philadelphia:

	Philadelphia	Anchorage
Shirts, men's	$0.11	$0.35
Suits, men's (dry cleaning)	.65	2.50-3.50
Haircut	.65	1.25

In accordance with War Department Circular No. 27, January 26, 1946, and Army Regulations 30-2290, part 2 (J), August 10, 1938, commissary privileges can be granted to civilians employed by the War Department in Alaska. It is convenient to purchase food supplies from civilian agencies in Anchorage, geographically, but impracticable economically, due to exorbitant prices, lack of normal business competition, and ineffective Office of Price Administration price controls. The OPA price ceilings were based on a date when inflationary prices were already in effect. Comparable Anchorage and Seattle food prices are quoted below as of February 8, 1946:

		Seattle	Anchorage
Apples	pound	$0.14	$0.25
Bananas	do	.09	.35
Oranges	dozen	.18	1.20
Grapefruit	10 pounds	.44	
	each		.30
Lemons	dozen	.19	.75
Fresh eggs	do	.43	1.35
Fresh milk	quart	.14	.35
Carrots	bunch	.04½	
	carrot		.06½
Lettuce	head	.07½	
	pound		.50
Onions	do	.09½	.20
Celery	bunch	.10	.89
Cucumbers	each		.80-1.10
Green peppers	each		$0.35
Flour	10 pounds	$0.50	.93
Clorox	½ gallon	.24	.44
Chickens (fry)	pound	.54	1.00
Roast (pork loin)	do	.29	.65
Tomato juice	46 ounce	.23	.43
Beets	No. 2 can	.11	.25
Sauerkraut	do	.14	.35
Spinach	do	.11	.25
Bread	loaf	.12	.25

Other Government agencies in this locality have found it necessary to establish commissaries for their employees.

The average wage of Fort Richardson hourly employees is $1.43 per hour, or $324.48 per month, working a 6-day week. Most of the men supporting families find it necessary to augment the family income with spare-time employment.

There are approximately 1,700 employees and a majority of them live in Anchorage or the immediate vicinity in any kind of housing available. The employee's housing needs have not been included in completed Federal housing projects; consequently most of the employees residing in Anchorage live in one-, two-, or three-room uninsulated shacks without benefit of modern conveniences. The average rent for such places is about $40 a month.

Unless remedial changes are effected, there is no incentive for family men to remain in the employ of the War Department in Alaska.

The foregoing conditions have been mainly responsible for the great turn-over in civilian personnel at Fort Richardson, Alaska.

ROYSE W. MCGEE,
Inspector, Weights-Balance,
Alaska Air Depot.
WALTER J. HICKEL,
Senior Aircraft Inspector,
Alaska Air Depot.

GOOD FRIDAY

Mr. LANGER. Mr. President, every Senator on this floor will remember that yesterday I objected to the Senate holding a session today because of today being Good Friday. Services are being held today in nearly all the Catholic and Protestant churches of Washington. Every major baseball park belonging to the major leagues of America, except one in New York City, is closed. When the Protestant and Catholic churches asked Larry McPhail, president of the New York Yankees, not to play baseball on Sundays, according to the newspaper accounts, he very curtly refused.

I may say, Mr. President, that perhaps if we had more religion in this country, the report on the subject of delinquency which was given out a few days ago by Mr. J. Edgar Hoover would not show that delinquency on the part of American girls under 17 years had increased to such an alarming extent as it has.

When the subject of the United Nations Charter was being debated at San Francisco I felt then, and I feel now, that one of the greatest mistakes that was being made was in not having even a single meeting of the United Nations Conference opened with prayer. At no time while the United Nations Charter was under consideration in San Francisco was divine help ever implored. In North Dakota, where I come from, Mr. President, we are a religious people. I believe that the people of North Dakota

would have had more confidence in the United Nations Charter if the help of divine providence had been implored when the Charter was being debated and formed.

So, Mr. President, because of the fact that the distinguished majority leader yesterday announced that never in the history of the United States had the Senate adjourned on Good Friday, I wish to read from a magnificent book. I may say, however, that the Senate did not hesitate to adjourn over Tuesday so that many of the Senators and others could accompany President Truman to the opening of the baseball season. We were not so rushed as not to be able to waste all day Tuesday, but the United States Senate has been unable to take time to recess over Good Friday.

Mr. President, I have in my hand what I believe to be the most magnificent description of the Crucifixion ever written in the English language. I propose to read it now, although some Senators may possibly object. However, the fact remains that I, representing the great State of North Dakota, know that my constituents, at least, will be glad to have such a remarkably fine treatise as the one which I now hold in my hand, and which was written by Frederic William Farrar, read in the Senate on Good Friday. I read as follows:

THE CRUCIFIXION—A. D. 30[1]

(By Frederic William Farrar)

(The Crucifixion of Jesus Christ took place on Friday of the Passover week of the Jews in the year A. D. 30. This day is known and now generally observed by Christians as Good Friday. Crucifixion, as a means of inflicting death in the most cruel, lingering, and shameful way, was used by many nations of antiquity. The Jews never executed their criminals in this way, but the Greeks and Romans made the cross the instrument of death to malefactors. The cross was in the shape either of the letter "T" or the letter "X," or was in the form familiar in such paintings of the Crucifixion as the well-known representation of Rubens. It was the usual custom to compel the criminal to carry his own cross to the place of execution. The cross was then set up and the criminal was usually tied to it by the hands and feet and left to perish of hunger and thirst. Sometimes he was given a narcotic drink to stupefy him. In the case of the Crucifixion of Jesus Christ the victim was fastened to the cross by nails driven through His hands and feet.

As Dr. Judson Titsworth has plainly pointed out, the men who were crucified with Jesus Christ were not thieves but robbers (this is the term also used below by Farrar), or perhaps Jewish patriots, to the Romans political rebels and outlaws. They would then be classed with Jesus under the accusation that they were not loyal to the sovereignty of the Roman Emperor. During the procuratorship of Pontius Pilate there was a widely prevailing spirit of sedition and revolt among the Jews, and many rebels were sentenced to crucifixion. Such a rebel was the robber Barabbas, whom Pilate wished to substitute for Jesus as the victim of popular fury. The "robber" episode of the Crucifixion is treated by Farrar with a picturesque effect which heightens the vivid coloring in his account of the supreme event that marks "the central point of the world's history.")

[1] The disputed date of the Crucifixion of Jesus—long variously placed between A. D. 29 and 33—is definitely fixed by many later authorities at the year 30.

Mr. President, I may say that there is a dispute as to the day on which Jesus was crucified. It has long been variously placed as between A. D. 29 and A. D. 33. It has, however, long been definitely fixed by reliable authorities as the year A. D. 30. I now proceed to read what was written by Mr. Farrar:

Utterly brutal and revolting as was the punishment of crucifixion, which has now for 1,500 years been abolished by the common pity and abhorrence of mankind, there was one custom in Judea and one occasionally practiced by the Romans which reveal some touch of passing humanity. The latter consisted in giving to the sufferer a blow under the armpit, which, without causing death, yet hastened its approach. Of this I need not speak, because, for whatever reason, it was not practiced on this occasion. The former, which seems to have been due to milder nature of Judaism, and which was derived from a happy piece of rabbinic exegesis on Proverbs xxxi: 6, consisted in giving to the condemned, immediately before his execution, a draught of wine medicated with some powerful opiate. It had been the custom of wealthy ladies in Jerusalem to provide this stupefying potion at their own expense, and they did so quite irrespectively of their sympathy for any individual criminal.

It was probably taken freely by the two malefactors, but when they offered it to Jesus He would not take it. The refusal was an act of sublimest heroism. The effect of the draught was to dull the nerves, to cloud the intellect, to provide an anaesthetic against some part at least of the lingering agonies of that dreadful death. But He whom some modern skeptics have been base enough to accuse of feminine feebleness and cowardly despair preferred rather to look death in the face, to meet the king of terrors, without striving to deaden the force of one agonizing anticipation, or to still the throbbing of one lacerated nerve.

The three crosses were laid on the ground—that of Jesus, which was doubtless taller than the other two, being placed in bitter scorn in the midst. Perhaps the cross-beam was now nailed to the upright, and certainly the title, which had either been borne by Jesus fastened around His neck or carried by one of the soldiers in front of Him, was now nailed to the summit of His cross. Then He was stripped naked of all His clothes, and then followed the most awful moment of all. He was laid down upon the implement of torture. His arms were stretched along the crossbeams, and at the center of the open palms the point of a huge iron nail was placed, which, by the blow of a mallet, was driven home into the wood. Then through either foot separately, or possibly through both together as they were placed one over the other, another huge nail tore its way through the quivering flesh. Whether the sufferer was also bound to the cross, we do not know; but, to prevent the hands and feet being torn away by the weight of the body, which could "rest upon nothing but four great wounds," there was, about the center of the cross, a wooden projection strong enough to support, at least in part, a human body which soon became a weight of agony.

It was probably at this moment of inconceivable horror that the voice of the Son of Man was heard uplifted, not in a scream of natural agony at that fearful torture, but calmly praying in divine compassion for His brutal and pitiless murderers—aye, and for all who in their sinful ignorance crucify Him afresh forever: "Father, forgive them, for they know not what they do."

And then the accursed tree—with its living human burden hanging upon it in helpless agony, and suffering fresh tortures as every movement irritated the fresh rents in hands and feet—was slowly heaved up by strong arms, and the end of it fixed firmly in a hole dug deep in the ground for that purpose. The feet were but a little raised above the earth. The victim was in full reach of every hand that might choose to strike, in close proximity to every gesture of insult and hatred. He might hang for hours to be abused, outraged, even tortured by the ever-moving multitude who, with that desire to see what is horrible which always characterizes the coarsest hearts, had thronged to gaze upon a sight which should rather have made them weep tears of blood.

And there, in tortures which grew ever more insupportable, ever more maddening as time flowed on, the unhappy victims might linger in a living death so cruelly intolerable that often they were driven to entreat and implore the spectators or the executioners, for dear pity's sake, to put an end to anguish too awful for man to bear—conscious to the last, and often, with tears of abject misery, beseeching from their enemies the priceless boon of death.

For indeed a death by cruxifixion seems to include all that pain and death can have of horrible and ghastly—dizziness, cramp, thirst, starvation, sleeplessness, traumatic fever, tetanus, publicity of shame, long continuance of torment, horror of anticipation, mortification of untended wounds—all intensified just up to the point at which they can be endured at all, but all stopping just short of the point which would give to the sufferer the relief of unconsciousness. The unnatural position made every movement painful; the lacerated veins and crushed tendons throbbed with incessant anguish; the wounds, inflamed by exposure, gradually gangrened; the arteries—especially of the head and stomach—became swollen and oppressed with surcharged blood; and while each variety of misery went on gradually increasing, there was added to them the intolerable pang of a burning and raging thirst; and all these physical complications caused an internal excitement and anxiety which made the prospect of death itself—of death, the awful unknown enemy, at whose approach man usually shudders most—bear the aspect of a delicious and exquisite release.

Such was the death to which Christ was doomed; and though for Him it was happily shortened by all that he had previously endured, yet He hung from soon after noon until nearly sunset before "He gave up His soul to death."

When the cross was uplifted the leading Jews, for the first time, prominently noticed the deadly insult in which Pilate had vented his indignation. Before, in their blind rage, they had imagined that the manner of His Crucifixion was an insult aimed at Jesus; but now that they saw Him hanging between the two robbers, on a cross yet loftier, it suddenly flashed upon them that it was a public scorn inflicted upon them. For on the white wooden tablet smeared with gypsum, which was to be seen so conspicuously over the head of Jesus on the cross, ran, in black letters, an inscription in the three civilized languages of the ancient world—the three languages of which one at least was certain to be known by every single man in that assembled multitude—in the official Latin, in the current Greek, in the vernacular Aramaic—informing all that this man who was thus enduring a shameful, servile death—this man thus crucified between two Sicarii in the sight of the world, was the "King of the Jews."

To Him who was crucified the poor malice seemed to have in it nothing of derision. Even on His cross He reigned; even there He seemed divinely elevated above the priests who had brought about His death, and the coarse, idle, vulgar multitude who had flocked to feed their greedy eyes upon His suffering. The malice was quite impotent against one whose spiritual and moral nobleness struck

awe into dying malefactors and heathen executioners, even in the lowest abyss of His physical degradation. With the passionate ill humor of the Roman governor there probably blended a vein of seriousness. While he was delighted to revenge himself on his detested subjects by an act of public insolence, he probably meant, or half meant, to imply that this was, in one sense, the King of the Jews—the greatest, the noblest, the truest of his race, whom therefore his race had crucified. The King was not unworthy of his Kingdom, but the kingdom of the King. There was something loftier even than royalty in the glazing eyes which never ceased to look with sorrow on the City of Righteousness, which had now become a city of murderers. The Jews felt the intensity of the scorn with which Pilate had treated them. It so completely poisoned their hour of triumph that they sent their chief priests in deputation, begging the governor to alter the obnoxious title. "Write not," they said, "'the King of the Jews,' but that 'He said, I am the King of the Jews.'" But Pilate's courage, which had oozed away so rapidly at the name of Caesar, had now revived. He was glad in any and every way to browbeat and thwart the men whose seditious clamor had forced him in the morning to act against his will. Few men had the power of giving expression to a sovereign contempt more effectually than the Romans. Without deigning any justification of what he had done, Pilate summarily dismissed these solemn hierarchs with the curt and contemptuous reply, "What I have written I have written."

In order to prevent the possibility of any rescue, even at the last moment—since instances had been known of men taken from the cross and restored to life—a quaternion of soldiers with their centurion were left on the ground to guard the cross. The clothes of the victims always fell as perquisites to the men who had to perform so weary and disagreeable an office. Little dreaming how exactly they were fulfilling the mystic intimations of olden Jewish prophecy, they proceeded, therefore, to divide between them the garments of Jesus. The tallith they tore into four parts, probably ripping it down the seams; but the cetoneth, or undergarment, was formed of one continuous woven texture, and to tear would have been to spoil it; they therefore contented themselves with letting it become the property of any one of the four to whom it should fall by lot. When this had been decided, they sat down and watched Him till the end, beguiling the weary lingering hours by eating and drinking, and jibing, and playing dice.

It was a scene of tumult. The great body of the people seem to have stood silently at gaze; but some few of them as they passed by the cross—perhaps some of the many false witnesses and other conspirators of the previous night—mocked at Jesus with insulting noises and furious taunts, especially bidding Him come down from the cross and save Himself, since He could destroy the temple and build it in 3 days. And the chief priests, and scribes, and elders, less awe-struck, less compassionate than the mass of the people, were not ashamed to disgrace their gray-haired dignity and lofty reputation by adding their heartless reproaches to those of the evil few. Unrestrained by the noble patience of the sufferer, unsated by the accomplishment of their wicked vengeance, unmoved by the sight of helpless anguish and the look of eyes that began to glaze in death, they congratulated one another under His cross with scornful insolence: "He saved others, Himself He cannot save"; "Let this Christ, this King of Israel, descend now from the cross, that we may see and believe."

No wonder then that the ignorant soldiers took their share of mockery with these shameless and unvenerable hierarchs; no wonder that, at their midday meal, they pledged in mock hilarity the dying man, cruelly holding up toward His burning lips their cups of sour wine, and echoing the Jewish taunts against the weakness of the King whose throne was a cross, whose crown was thorns. Nay, even the poor wretches who were crucified with Him caught the hideous infection; comrades, perhaps, of the respited Barabbas, heirs of the rebellious fury of a Judas the Gaulonite, trained to recognize no messiah but a messiah of the sword, they reproachfully bade Him, if His claims were true, to save Himself and them. So all the voices about Him rang with blasphemy and spite, and in that long slow agony His dying ear caught no accent of gratitude, of pity, or of love. Baseness, falsehood, savagery, stupidity—such were the characteristics of the world which thrust itself into hideous prominence before the Saviour's last consciousness, such the muddy and miserable stream that rolled under the cross before His dying eyes.

But amid this chorus of infamy, Jesus spoke not. He could have spoken. The pains of crucifixion did not confuse the intellect or paralyze the powers of speech. We read of crucified men who, for hours together upon the cross, vented their sorrow, their rage, or their despair in the manner that best accorded with their character; of some who raved and cursed, and spat at their enemies; of others who protested to the last against the iniquity of their sentence; of others who implored compassion with abject entreaties; of one even who, from the cross, as from a tribunal, harangued the multitude of his countrymen, and upbraided them with their wickedness and vice. But, except to bless and to encourage, and to add to the happiness and hope of others, Jesus spoke not. So far as the malice of the passers-by, and of priests and Sanhedrists and soldiers, and of these poor robbers who suffered with Him, was concerned—as before during the trial so now upon the cross—He maintained unbroken His kingly silence.

But that silence, joined to His patient majesty and the divine holiness and innocence which radiated from Him like a halo, was more eloquent than any words. It told earliest on one of the crucified robbers. At first this bonus latro of the Apocryphal Gospels seems to have faintly joined in the reproaches uttered by his fellow sinner; but when those reproaches merged into deeper blasphemy, he spoke out his inmost thought. It is probable that he had met Jesus before, and heard Him, and perhaps been one of those thousands who had seen His miracles. There is, indeed, no authority for the legend which assigns to him the name of Dysmas, or for the beautiful story of his having saved the life of the Virgin and her Child during their flight into Egypt. But on the plains of Gennesareth, perhaps from some robber's cave in the wild ravines of the Valley of the Doves, he may well have approached His presence—he may well have been one of those publicans and sinners who drew near to Him for to hear Him. And the words of Jesus had found some room in the good ground of his heart; they had not all fallen upon stony places. Even at this hour of shame and death, when he was suffering the just consequence of his past evil deeds, faith triumphed. As a flame sometimes leaps up among dying embers, so amid the white ashes of a sinful life which lay so thick upon his heart, the flame of love toward his God and his Saviour was not quite quenched. Under the hellish outcries which had broken loose around the cross of Jesus there had lain a deep misgiving. Half of them seem to have been instigated by doubt and fear. Even in the self-congratulations of the priests we catch an undertone of dread.

Suppose that even now some imposing miracle should be wrought! Suppose that even now that martyr-form should burst indeed into messianic splendor, and the King, who seemed to be in the slow misery of death, should suddenly with a great voice summon His legions of angels, and, springing from His cross upon the rolling clouds of Heaven, come in flaming fire to take vengeance upon His enemies. And the air seemed to be full of signs. There was a gloom of gathering darkness in the sky, a thrill and tremor in the solid earth, a haunting presence as of ghostly visitants who chilled the heart and hovered in awful witness above that scene. The dying robber had joined at first in the half-taunting, half-despairing appeal to a defeat and weakness which contradicted all that he had hoped; but now this defeat seemed to be greater than victory, and this weakness more irresistible than strength. As he looked, the faith in his heart dawned more and more into the perfect day. He had long ceased to utter any reproachful words; he now rebuked his comrade's blasphemies. Ought not the suffering innocence of Him who hung between them to shame into silence their just punishment and flagrant guilt? And so, turning his head to Jesus, he uttered the intense appeal, "O Jesus, remember me when Thou comest in Thy kingdom." Then He, who had been mute amid invectives, spake at once in surpassing answer to that humble prayer, "Verily, I say to thee, today shalt thou be with Me in Paradise."

Though none spoke to comfort Jesus—though deep grief, and terror, and amazement kept them dumb—yet there were hearts amid the crowd that beat in sympathy with the awful sufferer. At a distance stood a number of women looking on, and perhaps, even at that dread hour, expecting His immediate deliverance. Many of these were women who had ministered to Him in Galilee, and had come from thence in the great band of Galilean pilgrims. Conspicuous among this heart-stricken group were His mother Mary, Mary of Magdala, Mary the wife of Clopas, mother of James and Joses, and Salome, the wife of Zebedee. Some of them, as the hours advanced, stole nearer and nearer to the cross, and at length the filming eye of the Saviour fell on His own mother Mary, as, with the sword piercing through and through her heart, she stood with the disciple whom He loved. His mother does not seem to have been much with Him during His ministry. It may be that the duties and cares of a humble home rendered it impossible. At any rate, the only occasions on which we hear of her are occasions when she is with His brethren, and is joined with them in endeavoring to influence, apart from His own purposes and authority, His messianic course.

But although at the very beginning of His ministry He had gently shown her that the earthly and filial relation was now to be transcended by one far more lofty and divine, and though this end of all her high hopes must have tried her faith with an overwhelming and unspeakable sorrow, yet she was true to Him in this supreme hour of His humiliation, and would have done for Him all that a mother's sympathy and love can do. Nor had He for a moment forgotten her who had bent over His infant slumbers, and with whom He had shared those 30 years in the cottage at Nazareth. Tenderly and sadly He thought of the future that awaited her during the remaining years of her life on earth, troubled as they must be by the tumults and persecutions of a struggling and nascent faith. After His resurrection her lot was wholly cast among His apostles, and the apostle whom He loved the most, the apostle who was nearest to Him in heart and life, seemed the fittest to take care of her. To him, therefore—to John whom He had loved more than His brethren—to John whose head had leaned upon His breast at the Last Supper, he consigned her as a sacred charge. "Woman," He said to her, in fewest words, but in words which breathed

the uttermost spirit of tenderness, "behold thy son"; and then to St. John, "Behold thy mother." He could make no gesture with those pierced hands, but He could bend His head. They listened in speechless emotion, but from that hour—perhaps from that very moment—leading her away from a spectacle which did but torture her soul with unavailing agony, that disciple took her to his own home.

It was now noon, and at the Holy City the sunshine should have been burning over that scene of horror with a power such as it has in the full depth of an English summertime. But instead of this, the face of the heavens was black and the noonday sun was "turned into darkness," on "this great and terrible day of the Lord." It could have been no darkness of any natural eclipse, for the Paschal moon was at the full; but it was one of those signs from heaven for which, during the ministry of Jesus, the Pharisees had so often clamored in vain. The early fathers appealed to pagan authorities—the historian Phallus, the chronicler Phlegon—for such a darkness; but we have no means of testing the accuracy of these references, and it is quite possible that the darkness was a local gloom which hung densely over the guilty city and its immediate neighborhood. But whatever it was, it clearly filled the minds of all who beheld it with yet deeper misgiving.

The taunts and jeers of the Jewish priests and the heathen soldiers were evidently confined to the earlier hours of the crucifixion. Its later stages seem to have thrilled alike the guilty and the innocent with emotions of dread and horror. Of the incidents of those last 3 hours we are told nothing, and that awful obscuration of the noonday sun may well have overawed every heart into an inaction respecting which there was nothing to relate. What Jesus suffered then for us men and our salvation we cannot know, for during those 3 hours he hung upon his cross in silence and darkness; or, if he spoke, there was none there to record his words. But toward the close of that time his anguish culminated, and, emptied to the very uttermost of that glory which he had since the world began, drinking to the very deepest dregs the cup of humiliation and bitterness, enduring not only to have taken upon him the form of a servant, but also to suffer the last infamy which human hatred could impose on servile helplessness, he uttered that mysterious cry, of which the full significance will never be fathomed by man: Eli, Eli, lama Sabachthani? ("My God, my God, why hast Thou forsaken me?")

In those words, quoting the psalm in which the early fathers rightly saw a far-off prophecy of the whole passion of Christ, he borrowed from David's utter agony the expression of his own. In that hour he was alone. Sinking from depth to depth of unfathomable suffering, until, at the close approach of a death which—because he was God, and yet had been made man—was more awful to him than it could ever be to any of the sons of men, it seemed as if even his divine humanity could endure no more.

Doubtless the voice of the sufferer—though uttered loudly in that paroxysm of an emotion which, in another, would almost have touched the verge of despair—was yet rendered more uncertain and indistinct from the condition of exhaustion in which He hung; and so, amid the darkness, and confused noise, and dull footsteps of the moving multitude, there were some who did not hear what He had said. They had caught only the first syllable, and said to one another than He had called on the name of Elijah. The readiness with which they seized this false impression is another proof of the wild state of excitement and terror—the involuntary dread of something great and unforeseen and terrible—to which they had been reduced from their former savage insolence. For Elijah, the great prophet of the Old Covenant, was inextricably mingled with all the Jewish expectations of a Messiah, and these expectations were full of wrath. The coming of Elijah would be the coming of a day of fire, in which the sun should be turned into blackness and the moon into blood, and the powers of heaven should be shaken. Already the noonday sun was shrouded in unnatural eclipse; might not some awful form at any moment rend the heavens and come down, touch the mountains and they should smoke?

The vague anticipation of conscious guilt was unfulfilled. Not such as yet was to be the method of God's workings. His messages to man for many ages more were not to be in the thunder and earthquake, not in rushing wind or roaring flame, but in the "still small voice" speaking always amid the apparent silences of time in whispers intelligible to man's heart, but in which there is neither speech nor language, though the voice is heard.

But now the end was very rapidly approaching, and Jesus, who had been hanging for nearly 6 hours upon the cross, was suffering from that torment of thirst which is most difficult of all for the human frame to bear—perhaps the most unmitigated of the many separate sources of anguish which were combined in this worst form of death. No doubt this burning thirst was aggravated by seeing the Roman soldiers drinking so near the cross; and happily for mankind, Jesus had never sanctioned the unnatural affectation of stoic impassibility. And so He uttered the one sole word of physical suffering which had been wrung from Him by all the hours in which He had endured the extreme of all that man can inflict. He cried aloud, "I thirst."

Probably a few hours before, the cry would have only provoked a roar of frantic mockery; but now the lookers-on were reduced by awe to a readier humanity. Near the cross there lay on the ground the large earthen vessel containing the posca, which was the ordinary drink of the Roman soldiers. The mouth of it was filled with a piece of sponge, which served as a cork. Instantly someone—we know not whether he was friend or enemy, or merely one who was there out of idle curiosity—took out the sponge and dipped it in the posca to give it to Jesus. But low as was the elevation of the cross, the head of the sufferer, as it rested on the horizontal beam of the accursed tree, was just beyond the man's reach; and therefore he put the sponge at the end of a stalk of hyssop—about a foot long—and held it up to the parched and dying lips. Even this simple act of pity, which Jesus did not refuse, seemed to jar upon the condition of nervous excitement with which some of the multitude were looking on. "Let be," they said to the man, "let us see whether Elias is coming to save Him." The man did not desist from his act of mercy, but when it was done he, too, seems to have echoed those uneasy words. But Elias came not, nor human comforter, nor angel deliverer. It was the will of God, it was the will of the Son of God, that He should be "perfected through sufferings"; that—for the eternal example of all His children as long as the world should last—He should "endure unto the end."

And now the end was come. Once more, in the words of the sweet Psalmist of Israel, but adding to them that title of trustful love which, through Him, is permitted to the use of all mankind, "Father," He said, "into Thy hands I commend My spirit." Then with one more great effort He uttered the last cry—"It is finished." It may be that that great cry ruptured some of the vessels of His heart, for no sooner had it been uttered than He bowed His head upon His breast and yielded His life, "a ransom for many"—a willing sacrifice to His Heavenly Father. "Finished was His holy life; with His life His struggle, with His struggle His work, with His work the redemption, with the redemption the foundation of the new world."

At that moment the veil of the temple was rent in twain from the top to the bottom. An earthquake shook the earth and split the rocks, and as it rolled away from their places the great stones which closed and covered the cavern sepulchres of the Jews, so it seemed to the imaginations of many to have disimprisoned the spirits of the dead, and to have filled the air with ghostly visitants, who after Christ had risen appeared to linger in the Holy City. These circumstances of amazement, joined to all they had observed in the bearing of the Crucified, cowed even the cruel and gay indifference of the Roman soldiers. On the centurion who was in command of them the whole scene had exercised a yet deeper influence. As he stood opposite to the cross and saw the Saviour die, he glorified God and exclaimed, "This Man was in truth righteous"—nay, more, "This Man was a Son of God." Even the multitude, utterly sobered from their furious excitement and frantic rage, began to be weighed down with a guilty consciousness that the scene which they had witnessed had in it something more awful than they could have conceived, and as they returned to Jerusalem they wailed and beat upon their breasts. Well might they do so. This was the last drop in a full cup of wickedness; this was the beginning of the end of their city and name and race.

And in truth that scene was more awful than they, or even we, can know. The secular historian, be he ever so sceptical, cannot fail to see in it the central point of the world's history. Whether he be a believer in Christ or not, he cannot refuse to admit that this new religion grew from the smallest of all seeds to be a mighty tree, so that the birds of the air took refuge in its branches; that it was the little stone cut without hands which dashed into pieces the colossal image of heathen greatness, and grew till it became a great mountain and filled the earth. Alike to the infidel and to the believer the Crucifixion is the boundary instant between ancient and modern days. Morally and physically, no less than spiritually, the faith of Christ was the palingenesia of the world. It came like the dawn of a new spring to nations "effete with the drunkenness of crime." The struggle was long and hard, but from the hour when Christ died began the death-knell to every satanic tyranny and every tolerated abomination. From that hour holiness became the universal ideal of all who name the name of Christ as their Lord, and the attainment of that ideal the common heritage of souls in which His spirit dwells.

The effects, then, of the work of Christ are even to the unbeliever indisputable and historical. It expelled cruelty; it curbed passion; it branded suicide; it punished and repressed an execrable infanticide; it drove the shameless impurities of heathendom into a congenial darkness. There was hardly a class whose wrongs it did not remedy. It rescued the gladiator; it freed the slave; it protected the captive; it nursed the sick; it sheltered the orphan; it elevated the woman; it shrouded as with a halo of sacred innocence the tender years of the child. In every region of life its ameliorating influence was felt. It changed pity from a vice into a virtue. It elevated poverty from a curse into a beatitude. It ennobled labor from a vulgarity into a dignity and a duty. It sanctified marriage from little more than a burdensome convention into little less than a blessed sacrament. It revealed for the first time the angelic beauty of a purity of which men had despaired and of a meekness at which they had utterly scoffed. It created the very conception of charity, and broadened the limits of its obligation from the narrow circle of a neighborhood to the widest horizons of the race. And while it thus evolved the idea of humanity as a common

brotherhood, even where its tidings were not believed—all over the world, wherever its tidings were believed, it cleansed the life and elevated the soul of each individual man. And in all lands where it has molded the characters of its true believers it has created hearts so pure and lives so peaceful and homes so sweet that it might seem as though those angels who had heralded its advent had also whispered to every depressed and despairing sufferer among the sons of men: "Though ye have lien among the pots, yet shall ye be as the wings of a dove, that is covered with silver wings, and her feathers like gold."

Others, if they can and will, may see in such a work as this no divine Providence, they may think it philosophical enlightenment to hold that Christianity and Christendom are adequately accounted for by the idle dreams of a noble self-deceiver and the passionate hallucinations of a recovered demoniac. We persecute them not, we denounce them not, we judge them not; but we say that, unless all life be a hollow, there could have been no such miserable origin to the sole religion of the world which holds the perfect balance between philosophy and popularity, between religion and morals, between meek submissiveness and the pride of freedom, between the ideal and the real, between the inward and the outward, between modest stillness and heroic energy—nay, between the tenderest conservatism and the boldest plans of world-wide reformation. The witness of history to Christ is a witness which has been given with irresistible cogency; and it has been so given to none but Him.

But while even the unbeliever must see what the life and death of Jesus have effected in the world, to the believer that life and death are something deeper still; to him they are nothing less than a resurrection from the dead. He sees in the cross of Christ something which far transcends its historical significance. He sees in it the fulfillment of all prophecy, as well as the consummation of all history; he sees in it the explanation of the mystery of birth, and the conquest over the mystery of the grave. In that life he finds a perfect example; in that death an infinite redemption. As he contemplates the incarnation and the crucifixion, he no longer feels that God is far away, and that this earth is but a disregarded speck in the infinite azure, and he himself but an insignificant atom chance-thrown amid the thousand million living souls of an innumerable race, but he exclaims in faith and hope and love: "Behold, the tabernacle of God is with men; yea, He will be their God, and they shall be His people." "Ye are the temple of the living God; as God hath said, I will dwell in them, and walk in them."

The sun was westering as the darkness rolled away from the completed sacrifice. They who had not thought it a pollution to inaugurate their feast by the murder of their Messiah were seriously alarmed lest the sanctity of the following day—which began at sunset—should be compromised by the hanging of the corpses on the cross. And horrible to relate, the crucified often lived for many hours—nay, even for 2 days—in their torture. The Jews therefore begged Pilate that their legs might be broken, and their bodies taken down. This crurifragium, as it was called, consisted in striking the legs of the sufferers with a heavy mallet, a violence which seemed always to have hastened, if it did not instantly cause, their death. Nor would the Jews be the only persons who would be anxious to hasten the end by giving the deadly blow. Until life was extinct the soldiers, appointed to guard the execution, dared not leave the ground. The wish, therefore, was readily granted. The soldiers broke the legs of the two malefactors first, and then, coming to Jesus, found that the great cry had been indeed His last, and that He was dead already. They did not therefore break his legs, and thus unwittingly preserved the symbolism of that Paschal lamb, of which he was the antetype, and of which it had been commanded that "a bone of it shall not be broken." And yet, as He might be only in a syncope—as instances had been known in which men apparently dead had been taken down from the cross and resuscitated—and as the lives of the soldiers would have had to answer for any irregularity, one of them, in order to make death certain, drove the broad head of his hasta into His side. The wound, as it was meant to do, pierced the region of the heart, and "forthwith," says St. John, with an emphatic appeal to the truthfulness of his eyewitness—an appeal which would be singularly and impossibly blasphemous if the narrative were the forgery which so much elaborate modern criticism has wholly failed to prove that it is—"forthwith came there out blood and water." Whether the water was due to some abnormal pathological conditions caused by the dreadful complication of the Saviour's sufferings, or whether it rather means that the pericardium had been rent by the spear point, and that those who took down the body observed some drops of its serum mingled with the blood, in either case that lance thrust was sufficient to hush all the heretical assertions that Jesus had only seemed to die; and as it assured the soldiers, so should it assure all who have doubted, that He, who on the third day rose again, had in truth been crucified, dead, and buried, and that His soul had passed into the unseen world.

So, Mr. President, I say that upon this day we should again consider the starvation which is taking place in Germany, Austria, Poland, India, and in almost all corners of the earth. I assert that instead of giving $4,000,000,000 to any one country, we should see to it that any necessary portion of that amount of money should be used in providing assistance and help to those who may need it.

EXECUTIVE BUSINESS

Mr. BARKLEY. Mr. President, I am compelled to leave the Chamber because of an engagement and I ask unanimous consent, as in executive session, that the Senate consider the nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Herschel V. Johnson, of North Carolina, to be the Deputy Representative of the United States of America, with the rank and status of Envoy Extraordinary and Minister Plenipotentiary, in the Security Council of the United Nations;

George V. Allen, of Maryland, now Deputy Director of the Office of Near Eastern and African Affairs, Department of State, to be Ambassador Extraordinary and Plenipotentiary to Iran; and

Executive C, Seventy-eighth Congress, second session. A convention on the regulation of inter-American automotive traffic which was opened for signature at the Pan American Union in Washington on December 15, 1943, signed on behalf of the United States on December 31, 1943 (Ex. Rept. No. 3, 79th Cong., 2d sess.).

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

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the nominations of postmasters be confirmed en bloc, and that the President be notified.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc, and, without objection, the President will be notified forthwith.

That concludes the calendar.

AUTHORIZATION TO SIGN BILLS AND RESOLUTIONS

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the recess which the Senate is about to take, the Presiding Officer of the Senate be authorized to sign all bills and resolutions which may be ready for his signature.

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

ORDER FOR RECESS TO MONDAY

Mr. BARKLEY. I ask unanimous consent that when the Senate concludes its deliberations today, it take a recess until 12 o'clock noon Monday next.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

THE NEEDS OF UNRRA

Mr. MEAD. Mr. President, the history of UNRRA, which is familiar to us all, is, I believe, one of which we may be proud. It has completed its work of organizing and is efficiently carrying out the purposes for which it was created. It has come to us on two separate occasions and requested appropriations. The first time we were led to believe that the appropriation for UNRRA would probably be the last one required. One year of relief work in the countries which were to receive UNRRA benefits would, it was felt, be sufficient to enable those countries to carry on without our assistance. However, UNRRA came before the Congress for a second appropriation, and explained their necessities very well and very effectively. We were told on the floor of the Senate by Members of the Senate that the second appropriation would be the last appropriation which would be requested. It was thought that after 2 years of work the situation in Europe would be so improved that it would be unnecessary for us to appropriate a third time for UNRRA.

Mr. President, in the newspapers we read reports every day from reliable sources with reference to the growing famine and the spreading pestilence in some of the European countries. Only recently it was brought to my attention that former President Hoover had explained that today the situation in Greece is worse than it has been at any time since the termination of the war. We read in the newspapers that it is quite possible that a further reduction in food rationing in Italy will have to take place, although the people of Italy are now below the danger level, and disease and starvation may result unless some measure of relief is afforded.

The military authorities in occupied Germany, that is those who represent the United States, have protested against a proposed reduction in the food rationing for that zone in Germany which is occupied by American forces, because, it is stated, such a reduction would violate a pledge which had been made to the people of that zone some time ago.

Mr. President, the situation leads me to believe that the first and second appropriations which we made for UNRRA will not only not be sufficient, but that we will be required to make a third appropriation unless some progress is made in stemming the starvation, famine, and pestilence which are sweeping Europe. It is my belief that unless such progress is made, it will be necessary for us to make even a larger and more substantial appropriation than we have yet been called upon to make. Unless we do that we may find ourselves in a worse position, as a great relief agency, than was the case when we began our work several years ago.

Mr. President, I now wish to make a brief statement which will to a degree cover the general situation, and then I shall briefly and specifically cover the situation in Italy. I select Italy in this instance not because it is the only country where there is suffering, not because it is the only country where we have a responsibility, not because it is the only country which we wish to help, but because Italy has waited longer for a treaty which would in effect enable the Italians to help themselves to revive their own economy and restore their own economic health.

In this statement I am not taking a position for or against a hard or a soft peace. It is not to be construed as being anti-British, anti-Russian, anti-French, or anti any other nation. It is merely an appeal for such action as can be taken by our military and diplomatic leaders and by those of the big powers. It is made in the hope that it will buttress the appropriations we have set aside for UNRRA, aid in the relief which is being so well afforded by UNRRA, and help the smaller nations of the Old World win their way back to economic recovery.

Mr. President, at a later date I shall have some material, which I shall discuss, relating to the problem as it affects the smaller countries of the Old World.

Mr. President, I have been deeply concerned for some time over the situation developing in Europe. I desire to express my views so that they may be given consideration by other Senators, and a policy may be developed for the Senate to make its contribution to the solution of some of the difficult and tragic problems which are facing the world today in international affairs.

Mr. President, the Council of Foreign Ministers is shortly to meet in Paris for the purpose of considering—and, it is hoped, settling—international issues which now demand settlement if the reconstruction of devastated areas and the rehabilitation of impoverished peoples is to begin promptly, and if the structure of a stable, peaceful world is to be established.

Mr. President, it is the common people of the Old World in whom I am interested. It is the stopping of the spreading of the famine which grips the Old World that I am worried over.

In my view, there never has been in the past, and there never will be in the future, a more critical era in the world's history than that we face during the next few months. It is now within our power, if we have the foresight, the high-mindedness, and the statesmanship to do so, to mold, out of the chaos and confusion following in the wake of the most destructive war in history, the framework of a system by which the peoples of the earth can live and grow and express themselves without doing so by encroachment on their neighbors.

Mr. President, I believe that we can, as individual Senators and as a body, make our voices heard and make our policies known and indirectly employ the prestige and influence of the Senate as a great deliberative body of a great people in the cause of a just and sound solution to the problems facing us.

It is in this light that I wish to make certain observations as to the basic principles which should govern those who make the decisions in the forthcoming meetings of the Council of Foreign Ministers. Failure to agree in the past and disturbing reports of present disagreements and inconsistent demands by delegations of the respective powers give no cause for optimism as to the results of the forthcoming meetings.

Mr. President, as I read these reports, I cannot help but feel that the representatives of the great powers, even while the war is fresh in our minds, are not being guided by basic, sound principles as opposed to self-interest, capitalization on the spoils of victory. Having destroyed the Axis forces of greed, aggression, and bigotry, we must not now permit those same forces to sit at the peace table and govern the decisions which will affect the future course of the peoples of the world.

I do not discuss these problems from the point of view of power politics, nor do I propose to recommend specific solutions on the many detailed features of peace treaties which will have to be decided. I speak merely as a common man who is interested in the common people, who, after all, pay the price for whatever erroneous decisions are made. I urge that the representatives who will conduct the negotiations and make the detailed decisions lift their eyes from considerations of national self-interest, revenge, and aggression, and be guided by more lofty and sounder standards in arriving at the decisions which they will be required to make.

Mr. President, I propose briefly to state what I conceive these considerations to be, and then I propose to apply them to a specific situation—namely, the Italian situation, which has been agreed upon as deserving priority in order of solution. That was agreed upon by the big powers in one of their past conferences.

First of all, I believe that a speedy determination of these questions is essential. Failure to arrive at an early decision simply means the prolongation of suffering and starvation and the mounting difficulty of the problems faced through the generation of friction and the growth and solidification of erroneous policies and practices. Until the basic laws governing human conduct are formulated, until men can know where they stand, they are faced with such uncertainty that they cannot make long-range plans for their businesses and their lives. Thus, delay in settling these basic problems delays the achievement of self-sufficiency in those nations which will be most directly affected by the peace settlements. Second, it is perfectly obvious to everyone that the American people cannot stand by and see other peoples suffering and dying from starvation and disease attendant upon malnutrition. Through the United Nations Relief and Rehabilitation Administration, through private relief and social organizations, and otherwise, the American people are furnishing and are going to furnish assistance to those who need it.

But, Mr. President, no matter how much we tighten our belts, we cannot for long raise the standard of living of the undernourished peoples of the earth even to the point of bare existence. We will not have discharged our moral obligation if we merely furnish relief and stop there. I say that the circumstances require of us that we exercise our influence toward the accomplishment of a condition where these unfortunate people can support themselves through the establishment of a sound economy of their own. It is not only the United States which is bound by this moral obligation; these considerations are equally impelling on the other great powers of the earth—Great Britain, France, and Russia. If these powers abandon the principles of the welfare of all peoples in favor of the aggrandizement of strong powers at the expense of weaker neighbors, our Government should not hesitate to call this dereliction forcibly to the attention of such powers and, with all the sanctions we possess, require them to desist.

We have more than a high moral interest in achieving the speedy and just establishment of sound economic and political systems in the devastated areas. We have a pecuniary interest. Because we are the most notable source of the relief for these areas, it is obvious that the brunt of their support will fall upon us. Since these areas are unable to pay, it is equally obvious that the expense of that support in one way or another will fall upon the citizens and taxpayers of the United States. Delay in reestablishing political and economic systems in these areas will prolong the period during which we are required to furnish support, and will add to the financial burden already so heavy as to threaten the stability of our own economy, which has been imposed upon us to accomplish the defeat of the enemy.

But, beyond pecuniary considerations, the United States has an interest in the speedy and just reestablishment of sound political and economic systems in the liberated areas. This is based upon

our national interest in peace and permanent stability in world conditions. Twice within our lives and at great expense to our people in the form of the sacrifice of the flower of our manpower and in the depletion of our natural resources, we have gone to put out conflagrations which originated in Europe. We have not sought, and do not now seek, spoils as a reward for our contributions and our sacrifices, but we do have the right—indeed, we have the obligation—to insist, in the interest of not again being involved in such a conflict, that other nations likewise do not, out of motives of aggrandizement or revenge, create new sources of friction and new injustices which will be likely in the future to give rise to another and even more devastating world conflict.

Mr. President, as I have said, the basic principles I have stated I believe should guide the judgment of the representatives of all the powers which are about to consider the issues of the peace settlement. However, I think these basic considerations are more meaningful if they are applied to a specific situation. It is for this reason that on the 8th of this month I submitted in the Senate a resolution which urged that an interim agreement be entered into immediately with Italy.

Over 10 months ago, I called the attention of the Senate to the need for the speedy conclusion of a treaty with Italy. According to the reports of the activities or lack of activity of the deputies to the Council of Foreign Ministers, there is no better prospect of agreement between the great powers on the basic features of a final peace treaty with Italy now than there was at that time. It is for that reason that I submitted the resolution of April 8 urging the immediate adoption of on interim agreement with Italy. Issues which cannot be settled at this time could be omitted from such an interim agreement and withheld for decision at a later time, but these principles upon which we can now agree should immediately be embodied in a draft so that Italy may reestablish herself as one of the peace-loving democratic nations of the earth. It is gratifying to read in the newspapers concerning the activities of our State Department in this respect, as well as the utterances made on this subject by the President of the United States.

Mr. President, if it is going to take months and years to effect a peace treaty, then it occurs to me that an interim agreement which will not alter the peace treaty when it becomes effective will enable Italy to revive her economy, to inaugurate again her commerce with other nations of the world, and in that way help her to revive her own economic health, and also shorten the period of time during which it will be necessary for us to contribute to the relief of the people of Italy, as well as the people of other nations of the world. In other words, Mr. President, by diplomatic moves, by military decisions in occupied zones, we can enable the people to work their way out of the dilemma in which they find themselves, and bring themselves back all the more quickly to economic health.

Mr. President, the very nature of the resolution which I proposed requires immediate action by the Senate. Delay and procrastination in considering it would be as damaging as an outright rejection of it, since the very essence of that resolution is speed.

In urging the Senate to act promptly on this resolution, I wish to call to its attention the following considerations regarding Italy:

More than 2 years ago, on January 1, 1944, to be exact, Secretary of State Hull announced in detail the State Department's policy with respect to civilian supplies for liberated areas. The Allied forces had already liberated Sicily and General Clark's Fifth Army was working its way up the Italian Peninsula after the first successful invasion of the German-held Fortress Europe; so it is fair to assume that Mr. Hull had Italy in mind when he stated that the effective handling of civilian affairs in liberated areas was "a matter of deepest concern to the State Department."

The policy, as described by Mr. Hull, pointed out that food imports should be enough to assure a minimum nutritional diet. It urged assistance to agriculture and fishing, the importing of seeds, fertilizer, pesticides, and agricultural tools; assistance to local industries which could produce articles of raw materials desired by the military forces, or relief supplies, equipment or raw materials which otherwise would have to be imported. Moreover, the policy contemplated assistance to local industries consisting of such repairs or raw materials as were needed to permit an industry to resume operations or to increase production. It did not contemplate reconstruction or new construction except such new construction as might be incidental to some repair or undertaking. Finally, Mr. Hull stated that in the view of the Department it was of the utmost political and economic importance that both relief and economic assistance be undertaken promptly upon the commencement of liberation and that the estimating of requirements and shipment of supplies be planned accordingly.

Mr. President, if we quickly and effectively open up the means of communication and transportation and follow along with such directives as would enable local industry and agriculture to regain their foothold, we can bring about economic revival a great deal more expeditiously than has been possible under present conditions involving the postponement of treaties, the failure to effect agreements, and the failure also to integrate the management of several of the occupied zones.

On the 26th of September 1944, President Roosevelt and Prime Minister Churchill announced that $50,000,000 would be made available through UNRRA for 1 year to furnish medical supplies, assistance to war-displaced persons and for supplementary feeding for nursing mothers and for children. From this joint Roosevelt-Churchill statement I quote the following:

> At the same time, first steps should be taken toward the reconstruction of an Italian economy laid low under the years of misrule of Mussolini and ravaged by the German policy of vengeful destruction.
>
> These steps should be taken primarily as military aims to put the full resources of Italy and the Italian people into the struggle to defeat Germany and Japan. For military reasons we should assist the Italians in the restoration of such power systems, their railways, motor transports, roads and other communications, as enter into the war situation, and for a short time send engineers, technicians, and industrial experts into Italy to help them in their own rehabilitation.
>
> We all wish—

The statement concluded—

> to speed the day when the last vestiges of fascism in Italy will have been wiped out, and when the last German will have left Italian soil, and when there will be no need of Allied troops to remain, the day when free elections can be held throughout Italy, and when Italy can earn her proper place in the great family of free nations.

Such statements as these made fine listening. Unfortunately they were not followed by sufficient action. Mr. President, if they had been followed by sufficient action, the restoration of the economy of the smaller nations of Europe would have been far more advanced than it is today. Economic restoration could be under the watchful eye of the United Nations, so that the part of the economy of some nations which is not to be restored, would not be restored.

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

Mr. MEAD. I yield.

Mr. LANGER. I did not get the date of the agreement between Mr. Churchill and Mr. Roosevelt.

Mr. MEAD. I do not know whether I gave it or not. September 26, 1944, was the date when President Roosevelt and Prime Minister Churchill made that statement.

Mr. LANGER. As I understand, very little has been done since.

Mr. MEAD. Unfortunately the situation, in my estimation, is as bad today as it has been at any time since the termination of the war. That statement is general in its application. As I stated in the beginning, Mr. Hoover has said that the situation in Greece is worse than it ever was. So I am calling for such diplomatic and military moves as may be necessary to rehabilitate the smaller nations of the world.

The war had hardly ended in Europe when, on July 2 of last year, President Truman wrote members of his Cabinet that he was greatly concerned over the economic situation in Italy and stressed that it should not be permitted to deteriorate further. He stated that it was the policy of our Government to assist Italian recovery and that reconstruction in Italy would require substantial assistance from this country for many months to come.

That is the great difficulty. Deterioration has been settling in in some of those countries. It has not been checked; and unless it is checked we shall have to make our third, fourth, and perhaps fifth appropriation for relief. I shall be willing

to do it from the standpoint of the sacrifice and the suffering of the small people who are not responsible for this deterioration. But, Mr. President, I know that it would be beneficial to them, and I know that it would be beneficial to us if such moves as can be made were made expeditiously in order that those people might help in their own economic revival.

A month later, at Potsdam, President Truman championed the merits of Italy's case and brought the Big Three into agreement on a policy for Italy which was a notable successor to the Roosevelt-Churchill declaration 9 months earlier.

President Truman has repeatedly insisted upon the expeditious treatment for which I am pleading at this time.

At long last, so it seemed, the valiant but materially and morally exhausted Italian people were going to receive help they so desperately needed. The joint policy announced at Potsdam on Italy by Great Britain, Russia, and the United States—and I quote the main provisions regarding Italy—stated:

> For their part the three governments have included the preparation of a peace treaty for Italy as the first among the immediate important tasks to be undertaken by the new Council of Foreign Ministers. Italy was the first of the Axis Powers to break with Germany, to whose defeat she has made a material contribution, and has now joined with the Allies in the struggle with Japan.

This is Great Britain, Russia, and the United States speaking through their representatives.

> Italy has freed herself from the Fascist regime and is making good progress toward the reestablishment of a democratic government and institutions. The conclusion of such a peace treaty with recognized and democratic Italian Government will make it possible for the three governments to fulfill their desire to support an application from Italy for membership in the United Nations.

It seems to me that any nation that turned over its navy intact, its naval personnel, its military power and organization the minute it broke the chains of dictatorship which held it and came to the assistance of the United Nations and served with us for 2 years should be permitted entry into the United Nations; and that nation should have a treaty of peace so that it may know where it stands, and so that it may begin to plan on the tomorrows so necessary for its economic revival.

Eleven days later the Assistant Secretary of State, Mr. W. L. Clayton, at a meeting of the UNRRA Council in London, revealed that the Tripartite Conference at Berlin had resulted in complete agreement and that a formal peace treaty with Italy should be drawn up and made effective as quickly as possible.

Mr. LANGER. What was the date of that?

Mr. MEAD. That was 11 days after the Three Powers met at Potsdam. It was the first week in August.

Mr. LANGER. What year?

Mr. MEAD. 1945. This is a quotation from the statement by the Assistant Secretary.

"I believe that during these two intervening years Italy has earned the right to be treated as a member of the community of free nations," the Assistant Secretary said. He also called attention to the new Italian Government which, he said, "began its life under great handicaps in a tiny section of the country, has been progressively strengthened, is growing in a democratic mold, and is now headed by a prime minister—Ferruccio Parri—who formerly directed the resistance movement in northern Italy."

On the 15th of the following month, September, Assistant Secretary of State Dean Acheson seconded Secretary Clayton's remarks and added these interesting remarks:

> The Government of Italy is now composed of anti-Fascist leaders, leaders trained in the resistance movement, in the underground, and in exile. They have made a clean break with the Fascist period and are preparing to conclude an enduring peace with the United Nations. These anti-Fascist leaders are also preparing to establish a permanent democratic governmental system in accordance with the freely expressed wishes of the Italian people.
>
> It is the policy of the American Government to welcome the efforts of Italy to wipe out the Fascist past and to work for such conditions of peace as will enable Italy to reassume her rightful place in the community of nations. Along with our chief allies, we look forward to the time when Italy will be a member of the United Nations. It is the hope of the American Government that the negotiations now started in London will speedily prepare the way for Italy to regain her historic international ties and position.
>
> The policy of the American Government is also directed to aid the economic and political rehabilitation of Italy. It is in our own interest to grant such aid. This cannot, however, be economic aid on the simple order of charity. It must be such as at a critical time will enable the Italian people to get back on their own feet; it must be essentially granting the opportunity for them to rebuild their devastated agriculture, industry, and commerce.

The renewed promises of American statesmen, seconded by England and Russia, at Potsdam, caused Italian hopes to revive. However, the decision at the Moscow Conference, announced last December 30, poured cold water on President Truman's and Americans' hopes for Italian democracy.

The communiqué announced by Secretary Byrnes after Moscow made no special mention of Italy and lumped Italy with enemy Balkan States in a general statement concerning peace treaties. The Moscow declaration meant that the Italian peace treaty, upon which Italian recovery and reentry into the community of nations finally depends, is postponed into the summer and quite possibly into the fall. Thus, when the Italian people this spring hold their first free national election since 1921, casting their votes for the Constituent Assembly, they will still be in a state of suspended animation. They will not know what territory they possess, what disposition will be made of Italian colonies, or what the reparations decision will be. They will not yet have been given any full measure of responsibility over their own destiny.

Mr. President, we have a responsibility to save Italian democracy. My concern about it is not new. On June 5, 1945, on the first anniversary of Rome's liberation by Gen. Mark Clark's Fifth Army, I called attention to President Roosevelt's pledge, made with the full consent of the United Nations, that the Italian people have the right to a government of their own choosing.

On July 18, 1945, I quoted a statement by the then Assistant Secretary of War, Mr. McCloy, before the House Appropriations Committee:

> It is essential if Italy is to pick up her own economy and practice a maximum of self-help that some steps be taken to provide her with necessary raw materials and other basic supplies in this immediately critical period. Failure to make this provision may well make inevitable a successful resurgence in Italy of the forces against which we have fought.

At the same time I referred to reports made to me by responsible American officials who had served in Rome as vice presidents of the Allied Commission in charge of the Economic Section. Gen. William O'Dwyer, now mayor of New York City, stated that—

> It is in the interest of the United States and in the interest of European stability that we extend to Italy at this time such economic assistance as will assure at least the minimum of health, essential economic activity and the selection of a national government based on the clear-headed expression of an uneconomically oppressed Italian population.

It was the opinion of General O'Dwyer, when he was in charge of the Economic Section of the Allied Commission, that not only humanitarian considerations, but also our own self-interests dictate that we see to it that serious privation, unemployment, and economic dislocation do not occur in Italy. Mr. Antolini, who succeeded General O'Dwyer as head of the Economic Section of the Allied Commission emphasized the needs of Italy with respect to coal, raw materials, production equipment, and food, without which we might expect serious economic dislocation in that country.

Italy's needs can be summarized in three words: Peace, bread, credits. First, she needs peace. Her cobelligerant status should be removed. An orderly democratic government must be formed under terms of a treaty so that a stable political and economic situation can be established which will permit Italy once again to assume her place as a prosperous and trusted member of the family of nations.

Second, Italy needs bread. According to a report of the Emergency Economic Committee for Europe, made public by the President in his February 6 speech, 9 percent of the nonfarm population of Bulgaria now consumes less than a subnormal 1,500 calories a day; 16 percent of the German residents in Czechoslovakia fall into this category; in Rumania, the percentage is 30; in Spain, 40 percent; in Finland, 43 percent; and in Greece, 47 percent. In Italy, according to the Emergency Economic Committee all the nonfarm population—that is, 59 percent of the whole Italian population—are consuming less than 1,500 calories a day, a bare minimum for sustaining human life.

Actually, as a consequence of diminishing wheat stocks in Italy and a recent reduction in the bread and pasta ration which eliminated spaghetti and macaroni from the official ration, the diet of the normal urban consumer in Italy is

now about 1,200 calories a day. To understand the significance of such a diet allow me, Mr. President, to make reference to the official judgment of the National Research Council.

Nine months ago, last June to be exact, the Foreign Economic Administration wrote a letter to the National Research Council asking what effect a diet of less than 2,000 calories would have on the population of a nation over a period of time. The National Research Council replied that adult European males reduced to 1,400 calories for a period of 6 months will suffer: First, a depreciation of physical endurance to the point where they cannot perform heavy work or even moderately heavy work; Second, increased susceptibility to infections and contagious diseases; and Third, loss of power of mental concentration, accompanied by apathy and depression. The Council pointed out that such effects upon a national community would lessen the ability of the population to produce food and other goods to sustain itself, increase the possibility of epidemics which might spread to other nations and, as we have already observed in Europe, greatly lessen the hope of establishing an acceptable community and political organization. If the average food intake per adult male drops below 1,400 calories, the Council said, the effect described above would be exaggerated.

Today in Italy, therefore, the average urban consumer, who lives on 1,200 calories a day, is actually existing in a state of mental and physical health which the National Research Council declares is worse than poor.

Let me point out, Mr. President, that the current food crisis in Italy, which already has caused unrest and is jeopardizing the very existence of the present Government, is—insofar as the United States is concerned—the responsibility of the United States Department of Agriculture and its representatives on the Combined Food Board, and of the State Department and our representatives in UNRRA.

As one of UNRRA's supporters and as one who is impressed with the desire of its leaders to measure up to that organization's tremendous responsibility, it is my sincere hope that its operational policies will be constantly reexamined and kept consonant with its administration policy. In considering future appropriation legislation, I am sure Congress will want assurance that such a course is being followed.

Mr. President, I am sure that my colleagues have great confidence in the administration which UNRRA has enjoyed in the past under Governor Lehman and that likewise they have confidence in the administration which UNRRA is now enjoying under the present leadership of former Mayor LaGuardia.

In this connection, Mr. President, let me say that I believe that we should follow very closely the activities of the agencies charged with responsibility for foreign relief—the Department of Agriculture, and its representatives on the Combined Food Board—to see that they allocate to UNRRA the full amount of the supplies which represent the irreducible minimum needed for relief purposes abroad; and I believe we should also follow closely the activities of UNRRA to see that it discharges its job without partiality to all the countries involved.

Finally, Mr. President, Italy needs credits; credits for food, fuel, and raw materials which will enable her to repair the war damages, to rebuild stocks and industrial plants.

In this connection, Italy has presented an application for an Export-Import Bank loan, which is needed to finance the import of essential supplies during 1946. I believe that immediate attention should be given to this application.

In conclusion, Mr. President, let me remind the Senate that a people cannot live in hunger. Their governments cannot long be permitted to stumble and fall one upon the other. The price in this case is Italian lives and Italian hopes for democracy. That is a price which we, as one of the United Nations, cannot afford to pay.

Mr. President, I have in preparation a similar statement with respect to other, smaller countries of Europe.

I conclude my remarks today as I began, by asking for action by our diplomatic leaders, by our military leaders, and by the leadership of the United Nations along such lines as will not interfere with the ultimate peace objectives, but which will enable the smaller nations and the smaller peoples of the world to more readily readjust their internal economies and more quickly participate in the commerce and trade of the world, so that the present famine will not continue to become deeper and more intense, so that the suffering and the heartaches and the inevitable deaths which will result will be minimized, and so that man will be able to re-create within his own community a new democratic way of life, which was the intention behind the Atlantic Charter and the "four freedoms" declaration.

SERVICES TO VETERANS AND WAR WORKERS

Mr. BILBO. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 5719, Calendar No. 1230.

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

The LEGISLATIVE CLERK. A bill (H. R. 5719) to amend the act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes," approved December 26, 1941, as amended.

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

Mr. WHITE. Mr. President, ordinarily I should think it totally inappropriate to request the Senate to consider and pass legislation at a time when only 4 or 5 Senators are on the floor. However, the Senator from Mississippi was kind enough to speak to me about this matter earlier in the day, when I was able to confer with the minority members of the committee from which the bill has been reported. I did so, and I learn from them that there is no objection to the bill. Therefore, I voice no objection to the request the Senator from Mississippi has made.

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

Mr. BILBO. Mr. President, I should like to say in this connection that the purpose of the bill is to authorize the use of an appropriation of $100,000 chargeable to the District of Columbia to maintain and carry on the great work which the District of Columbia Commissioners have been doing through the veterans' services activity which they set up in the city of Washington. We all realize that Washington, being the capital of the United States and the headquarters for practically everything in these days, is more or less the dumping ground or the beginning point for every soldier who has been released from the services. Services for the veterans is needed in Washington perhaps more than any other city in the United States. Accordingly, I thank the Senator from Maine for his cooperation.

The PRESIDING OFFICER. The clerk will state the amendment reported by the committee.

The CHIEF CLERK. On page 1, in line 7, it is proposed to strike out "During the existence of a state of war between the United States and any foreign country or nation and for not exceeding 1 year thereafter", and insert "up to and including December 31, 1947."

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.

EFFECTUATION OF PURPOSES OF SERVICEMEN'S READJUSTMENT ACT OF 1944 IN THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mr. BILBO submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1152) entitled "An Act to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1, 2, and 3.

THEO. G. BILBO,
PAT MCCARRAN,
CLYDE R. HOEY,
LEVERETT SALTONSTALL,
ARTHUR CAPPER,
Managers on the Part of the Senate.

DAN R. MCGEHEE,
OREN HARRIS,
EVERETT M. DIRKSEN,
Managers on the Part of the House.

Mr. BILBO. I ask unanimous consent for the present consideration of the report.

Mr. WHITE. Mr. President, I did not voice any objection to consideration of the bill which was acted upon a minute ago, but I do not feel that the Senate should take u_ , at this time of day in view

of the present attendance of Senators, a conference report dealing with any other legislative matter.

Mr. BILBO. I would not request that the conference report be considered at this time if it were not for the fact that the bill has been pending since November 1945 and also in view of the following peculiar situation: The Senate passed the bill without any objection. It went to the House of Representatives, and the House added three amendments. In the conference, the conferees on the part of the House receded from all the amendments made by the House of Representatives, and consequently the conference report merely provides for the bill which the Senate passed. No objection could be made by any Senator, because the bill as passed by the Senate has not been changed.

Mr. WHITE. Accepting the Senator's assurance that the bill is now in the precise form in which it was when it was passed by the Senate, I shall voice no objection.

Mr. BILBO. It is.

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

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

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

Mr. LANGER. Mr. President, I ask unanimous consent that when the Senate adjourns or takes a recess today, it may be understood that I shall have the floor when the Senate reconvenes at 12 o'clock on Monday. I have not finished my speech.

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

RECESS TO MONDAY

Mr. BILBO. Mr. President, under the previous order of the Senate, I now move that the Senate take a recess until 12 o'clock on Monday.

The motion was agreed to; and (at 5 o'clock and 42 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, to Monday, April 22, 1946, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 19 (legislative day of March 5), 1946:

POSTMASTERS

LOUISIANA

Geneva S. Hoffpauir, Estherwood.
Alice B. Meador, Greenwell Springs.
Anna M. Broussard, Jefferson Island.
Guy W. Harkness, Sibley.

MINNESOTA

Ethel H. Poynter, Erhard.
Clifford Hitterdal, Hitterdal.

NEBRASKA

Lois Hopkins, Venango.

WISCONSIN

Arthur H. Schrank, Dancy.

SENATE

MONDAY, APRIL 22, 1946

(Legislative day of Tuesday, March 5, 1946)

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:

God, our Father, in the valley of the shadow with death tracking us and ours, we come in the afterglow of Easter in the glorious certainty that life is ever lord of death: that we share the victory of that One who wrestled with death in a garden where tyranny had sealed a tomb, and who came forth from the struggle with the keys of hell and death swinging from His girdle. Thou hast placed us in a world whose face is as ugly as sin and as lovely as a sunset, as cruel as a stormy sea and as tender as a mother's love, a world of violets and vipers, of slime and stars, of laughter and tears, but a world where the horror of a malefactor's cross has been made to flame with the glory of an empty tomb. Sharing the risen life, may our words and deeds proclaim our creed: That life is stronger than death, that love is stronger than hate, that truth is stronger than error, and that always behind death's husks tremble the seeds of birth. In all the contradictions and confusions of these days, help us to hold that faith, and to hold it fast, in the sure confidence that the third day comes. In the name of the risen Redeemer. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, April 19, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the act (S. 1907) to increase the authorized enlisted strength of the active list of the Regular Navy and Marine Corps, to increase the authorized number of commissioned officers of the active list of the line of the Regular Navy, and to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes.

REPORT ON OPERATIONS OF UNRRA—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States of America:

I am transmitting herewith the sixth report to Congress on UNRRA operations for the quarter ending December 31, 1945.

During this quarter, while UNRRA's shipments reached unprecedented figures, recipient countries experienced unprecedented needs. Crop failures resulted in the continuance of near-famine conditions. The hardships of winter were imminent.

At year's end, moreover, critical shortages (notably of wheat, fats, meat for Europe, and of rice for China) threatened execution of even the limited relief program that had been planned. For millions survival was, and still is, the issue, and for UNRRA the challenge to be met. World recovery still remains a formidable task.

Only concerted action by the United Nations (and, primarily, of the producing countries) can, even at this date, avert the prolongation of emergency conditions throughout the world. Now, more than ever, intensified efforts to match need with supply, are required of us. We must not fail—for our continued participation in UNRRA marks the fulfillment of a pledge and the discharge of a debt to those who, beyond the common sacrifice of life and material resources, endured the devastation and brutalities that we were spared. Conscience alone demands that we meet the full measure of our obligation.

But prudence and self-interest no less dictate our policy. Neither peace nor prosperity can be assured to us while famine, disease, and destitution deprive others of the means to live, let alone to prosper. Relief and rehabilitation are paramount necessities for that world recovery which is a primary objective of our national policy. They provide the best insurance against social chaos and moral distintegration and the surest guaranty for the growth of democratic modes of thought and action. The emergency, which UNRRA was designed to meet, continues. The months immediately ahead are critical.

While ours is the largest contribution to UNRRA's funds, it is matched by like, proportionate contributions of 30 other nations. This gives significance to UNRRA altogether beyond the relief that it provides. In UNRRA the United Nations have created the first international operating agency through which to test and to perfect our powers of cooperation. Such powers are not inborn. They are cultivated, by constant exercise and the progressive enlargement of mutual experience. In UNRRA a precedent has been created that may prove a landmark in our progress toward solidarity and common action by the nations of the world.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 22, 1946.*

PETITIONS AND MEMORIAL

The PRESIDENT pro tempore laid before the Senate the following petitions and memorial, which were referred as indicated:

Petitions of several citizens of the United States praying for the continuation of the Office of Price Administration; to the Committee on Banking and Currency.