# SENATE

THURSDAY, MAY 9, 1946

*(Legislative day of Tuesday, March 5, 1946)*

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

Dr. Edward Hughes Pruden, minister, First Baptist Church, Washington, D. C., offered the following prayer:

Eternal God, our gracious Heavenly Father, we acknowledge Thee to be the giver of every good and perfect gift, and we acknowledge ourselves to be unworthy and unprofitable servants. We have all sinned and come short of the glory of God, and we pray today that Thou wilt cleanse our hearts of all sin and renew a right spirit within us.

As we assemble in this historic Chamber to consider the problems involved in our country's life and future welfare, grant us that wisdom which cometh from above, for we know that if this request should be denied us we cannot be true either to ourselves or to those we represent. When we come to the crossroads of life and its confusing circumstances, help us to wait quietly for that still, small voice which ultimately will speak to us, saying, "This is the way; walk ye in it."

As we thank Thee for the good things that have come to America, we would also ask Thy favor upon the nations of the earth which are afflicted with privation, hunger, and despair. In our relationships with them, help us to demonstrate the spirit of Him who went about doing good, and in whose name we pray, even Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, May 8, 1946, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The clerk will call the roll.

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

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| Aiken | Hatch | Pepper |
| Austin | Hawkes | Radcliffe |
| Ball | Hayden | Reed |
| Bankhead | Hickenlooper | Revercomb |
| Barkley | Hill | Robertson |
| Bridges | Hoey | Russell |
| Briggs | Huffman | Saltonstall |
| Brooks | Johnson, Colo. | Shipstead |
| Buck | Johnston, S. C. | Smith |
| Bushfield | Knowland | Stanfill |
| Butler | La Follette | Stewart |
| Byrd | Langer | Taft |
| Capehart | Lucas | Taylor |
| Capper | McCarran | Thomas, Okla. |
| Cordon | McClellan | Thomas, Utah |
| Donnell | McFarland | Tobey |
| Downey | McMahon | Tunnell |
| Eastland | Magnuson | Tydings |
| Ellender | Maybank | Wagner |
| Ferguson | Mead | Walsh |
| Fulbright | Millikin | Wheeler |
| George | Mitchell | Wherry |
| Gerry | Moore | White |
| Green | Morse | Wiley |
| Guffey | Murdock | Willis |
| Gurney | Myers | Wilson |
| Hart | O'Mahoney | Young |

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from Nevada [Mr. CARVILLE], the Senator from Idaho [Mr. GOSSETT], and the Senator from Louisiana [Mr. OVERTON] are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Montana [Mr. MURRAY], and the Senator from Texas [Mr. O'DANIEL] are detained on public businesss.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The PRESIDING OFFICER. Eighty-one Senators have answered to their names, A quorum is present.

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.

The PRESIDING OFFICER. The Chair asks the clerk to read the unanimous-consent agreement entered into yesterday.

The Chief Clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

*Ordered, by unanimous consent,* That on the calendar day of Thursday, May 9, 1946, at not later than the hour of 1 o'clock p. m., the Senate proceed without further debate to vote upon the point of order raised by the Senator from Colorado [Mr. JOHNSON] against the constitutionality of Senate Joint Resolution 138, the pending British loan measure; that the Senate meet at 11 o'clock a. m. on tomorrow; and that the time between 11 o'clock a. m. and 1 o'clock p. m. be equally divided between those supporting and those opposing the point of order, to be controlled, respectively, by the Senator from Colorado and the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. President, may I inquire how much time there is now remaining to be divided between the Senator from Colorado and me?

The PRESIDING OFFICER. Twenty-two minutes have expired. Ninety-eight minutes remain.

Mr. BARKLEY. Mr. President, I wish to yield 15 minutes to the Senator from Michigan [Mr. FERGUSON]. Before he begins I wish to advise the Senate that I hope we may dispose of the pending legislation today. I think we ought to dispose of it by ordinary adjourning time, but if necessary to run into the evening in order to do so I shall ask the Senate to sit during the evening.

The PRESIDING OFFICER. The question is, Shall the point of order raised by the Senator from Colorado [Mr. JOHNSON] be sustained by the Senate?

The Chair recognizes the Senator from Michigan.

Mr. FERGUSON. Mr. President, I desire to speak upon the question now pending before the Senate, and I ask to have inserted in the RECORD at this point, without reading, section 2 of Senate Joint Resolution 138.

There being no objection, section 2 was ordered to be printed in the RECORD, as follows:

SEC. 2. For the purpose of carrying out the agreement dated December 6, 1945, between the United States and the United Kingdom, the Secretary of the Treasury is authorized to use as a public-debt transaction not to exceed $3,750,000,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are extended to include such purpose. Payments to the United Kingdom under this joint resolution and pursuant to the agreement and repayments thereof shall be treated as public-debt transactions of the United States. Payments of interest to the United States under the agreement shall be covered into the Treasury as miscellaneous receipts.

Mr. President, the question before us to decide is a question of parliamentary practice and privilege. By virtue of precedent the question is to be decided by a vote of the Senate. The question is: Can Senate Joint Resolution 138 originate in the Senate? We began the debate on this measure on April 15, 1946, and the debate has proceeded now for 21 days. The Senate itself can decide this question as a parliamentary question unless by the Constitution the Senate is prohibited from originating the joint resolution. The only section of the Constitution which could apply and prohibit the Senate from proceeding to vote upon the measure is the first paragraph of article I, section 7, of the Constitution which provides:

All bills for raising revenue shall orginate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

It is true that the precedents of the House of Representatives on some questions could have a bearing upon our jurisdiction here, but whatever we do here can be reviewed, it is admitted, by the House for no power on earth, except its own vote, can compel the House to adopt our views and vote on this legislation, or any other legislation which is passed by the Senate. This, however, is no reason why the Senate, after spending all these days debating the joint resolution, should then determine, that, because the House of Representatives has the final power to decide, the Senate should stop debate and not vote upon this measure.

While this measure is before us the question of raising revenue by it is not a judicial question; it is a parliamentary or political question as to our authority to proceed. After the measure is passed and signed by the President it will become a law and then its validity will be a judicial question. The Supreme Court of the United States, on several occasions, has intimated a doubt as to

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whether there is judicial power to determine that an act of Congress originated in the Senate for the purpose of determining its validity—*Railey* v. *United States* ((1914), 232 U. S. 310); *Flint* v. *Stone Tracy Co.* ((1910), 220 U. S. 107); *Twin City Bank* v. *Nebeker* ((1897), 167 U. S. 196).

I believe, based on the decisions, that the Supreme Court could then pass upon the question whether this act was or was not constitutionally valid. I believe, Mr. President, that we can constitutionally originate the measure in the Senate, and to that end I want to say a few words.

In the last two cases the doubt expressed was as to whether the court could go behind the enrolled bill to the Journals of the two Houses in order to ascertain the origin of the act. Judge Hough, however, in a Federal district court case, ascertained from the marginal notes to the act as shown in the Statutes at Large that it had originated in the Senate, and inasmuch as a tax was imposed by the act, he held it unconstitutional—*Hubbard* v. *Lowe* ((1915) 226 Fed. 135). If Judge Hough is right, then under the present practice of enrolling bills, if Senate Joint Resolution 138 should become law the court could without reference to the Journals of Congress ascertain that the bill originated in the Senate.

Thus it might become a judicial question. As said by the Supreme Court in *Twin City Bank* v. *Nebeker* (167 U. S. 202):

> What bills belong to that class is a question of such magnitude and importance that it is the part of wisdom not to attempt, by any general statement, to cover every possible phase of the subject.

What the court was discussing there was the question whether a bill was a revenue-raising bill. I think this question is so important that we should discuss it now and have a vote upon it by the Senate.

The questions here to be considered are:

First. Is there any general rule that a bill authorizing a bond issue is a "bill for raising revenue" within the meaning of the Constitution?

Second. If the answer to question 1 is in the affirmative, are the bond-issue features so incidental to the primary purposes of the bill as to except the bill from the operation of the general rule?

Third. Is a bill authorizing a bond issue a "bill for raising revenue" within the meaning of the Constitution?

LEGISLATIVE PRECEDENTS

In 1837 the Senate passed a bill authorizing the issue of 1-year Treasury certificates which was sent to the House. Upon motion made to consider it, the objection was raised that it was a bill that could not originate in the Senate. The motion to consider was immediately withdrawn and the House passed its own bill, which was accepted by the Senate—Fifth Congressional Globe, page 92.

The only other debated precedent was in 1917, when the Senate added to the naval appropriation bill an amendment providing for the sale of $150,000,000 of bonds by the Secretary of the Treasury. The House returned the bill with a message stating that the amendment providing for the bond issue contravened the Constitution and was an infringement upon the privileges of the House—Fifty-fourth CONGRESSIONAL RECORD, pages 4731, 4828. The Senate repassed the bill, omitting the provisions for the bond issue. In other words, the Senate yielded to the action of the House.

On the other hand, the acts of August 5, 1861—Twelfth United States Statutes, 313—and July 14, 1870—Sixteenth United States Statutes, 272—are examples of bills that authorized bond issues and yet originated in the Senate. No discussion was had in either House upon the constitutional question. The action of the House in agreeing to the second of these measures was subsequently explained by the House as an exceptional instance occasioned by a necessity for expedition and in no wise to be regarded as a precedent—House Report No. 42, Forty-first Congress, third session; see also CONGRESSIONAL RECORD, Forty-third Congress, first session, pages 3075, 3076, for action of House in refusing to return a Senate bill which fixed the maximum amount of United States notes.

*In Norton* v. *United States* ((1875) 91 U. S. 566), dealing with a question of statutory interpretation, it was said that "bills for raising revenue when enacted into laws become revenue laws." The court referred to the definition of "revenue" by Webster, "the income of a nation, derived from its taxes, duties, or other sources, for the payment of its national expenses," and observed that the phrase "other sources" would include the proceeds arising from the sale of public securities, the proceeds of public lands, and the excess receipts from the Patent Office and Post Office. Nevertheless, it was then observed that it is "a matter of common knowledge that the appelative 'revenue laws' is never applied to the statutes, involved in these classes of cases."

However, the actual decision in the Norton case was merely that a measure establishing a postal money-order system was not a revenue law within the meaning of an act imposing a statute of limitations for the prosecution of offenses under the revenue laws.

In *United States* v. *James* ((1875) 26 Fed. Cas. No. 15464), it was held by the circuit court that a bill establishing rates of postage is not a bill for raising revenue. The court said that bills for raising revenue are only those imposing taxes or levying duties, imposts, or excises for the use of the Government "and give to the persons from whom the money is exacted no equivalent in return unless in the enjoyment in common with the rest of the citizens, of the benefits of good government." Of course, under this doctrine a bill authorizing a bond issue would not be a bill for raising revenue. He adds that "no one supposes that a bill to sell public stock is a bill to raise revenue in the sense of the Constitution." The contrary opinion by Tucker—I Tucker's Blackstone's Commentaries, appendix 261, and note—to the effect that every bill which indirectly or consequentially may raise revenue is a revenue bill, is not supported by any legislative precedent or court decision on the constitutional point.

There have been two principles suggested that lead to the conclusion that a bill authorizing a bond issue is a bill for raising revenue:

First. Such a bill raises money and is, therefore, a bill for raising revenue.

Second. Such a bill places a charge on the people and is, therefore, a bill for raising revenue.

First, as to the raising of money, the principle that any bill raising money is a bill for raising revenue would include within its scope not only bills authorizing bond issues, but also every bill for the sale of a public building, every bill fixing postal rates, bills imposing head taxes on immigrants, naturalization fees, patent fees, or any other fees, and all criminal statutes imposing fines. Such a construction is negatived, however, by the history of the clause in the Constitutional Convention. While very little light is thrown on the question by the Convention debates, it does clearly appear that the clause was not intended to include bills that merely incidentally raise revenue. At the time of the adoption of the Constitution, by well-established practice in England, all bills that raised money or imposed a charge upon the people in any shape whatsoever had to originate in the House of Commons, and, indeed, the House of Lords could not amend them. Hundreds of bills creating offices and imposing fines and penalties and placing other commitments upon the United States originate in the Senate without question from the House.

The original draft of the provision read "all bills for raising or appropriating money"—5 Elliot's Debates, 274; 2 Madison's Papers, 1024. Mr. Randolph stated his intention of proposing a substitute specifying that the bills "should be for the purpose of revenue, in order to repel the objection against the extent of the words 'raising money' which might happen incidentally"—5 Elliot's Debates, 410. Two days later, on August 13, 1787, Randolph moved that the clause be altered so as to read "bills for raising money for the purpose of revenue, or for appropriating the same * * *—Elliot's Debates, 414. As to this, Mr. Mason observed: "By specifying purposes of revenue it obviated the objection that the section extended to all bills under which money might incidentally arise"—5 Elliot's Debates, 415. While the language finally adopted was not exactly the same as proposed by Randolph, it seems a fair inference that the change from the original draft was along the lines he had in mind, and, therefore, that bills only incidentally raising money are not within the meaning of the clause.

In 1875, however, the Senate added to the appropriation bill approved March 3, 1875, an amendment increasing postal rates which was passed by the House. This was held in *United States* v. *James* ((1875), Federal Case No. 15464) not to be a bill for raising revenue. In 1918 a bill authorizing the Postmaster General to fix air-mail rates at not exceeding 24 cents an ounce orginated in the Senate and passed the House without question as to its constitutionality. However, in 1925, the House rejected a bill for increasing postal rates which originated in the Senate.

Despite this attitude of the House, toward bills fixing postal rates, the House

has not, as a matter of practice, insisted upon its right to originate other bills incidentally raising money, although it seems difficult to distinguish such bills as those increasing fees for clerks of the United States courts, or increasing Patent Office fees or naturalization fees, from bills increasing postal rates. All such bills deal with the imposition of a charge upon that portion of the public which gets a return in the service performed.

It is apparent from the above that the broad construction that all bills raising money are bills for raising revenue in the constitutional sense, cannot be supported. The question then arises on which side of the line does a bill for a bond issue fall. If the original form of the clause "all bills for raising * * * money" had been retained there could be little question, for a bond issue clearly raises money whatever else it does. It cannot, however, be said to raise "revenue" in any ordinary sense of the word. In fact, outside of bills relating to taxes and postal rates and bills providing for bond issues, the only class of bills which the House has ever insisted that it had exclusive power to originate is general appropriation bills. Thus in 1856 the House laid on the table two general appropriation bills which had originated in the Senate and had passed the Senate only after prolonged opposition, on the ground that the Senate had no power to originate such bills under the Constitution. However, in 1880 the majority of the House Committee on the Judiciary reported that the exclusive right of originating appropriations is not in the House. House Report No. 147, Forty-sixth Congress, third session. The minority reported that the Constitution gave to the House the exclusive power to "originate bills appropriating money from the Public Treasury." It is now well-established legislative practice, however, that general appropriation bills originate in the House. (See in support of this practice of the House remarks of Representative Garfield—Congressional Globe, Forty-first Congress, CONGRESSIONAL RECORD, 9047. On the other hand, the right of the Senate to originate a bill making appropriations for a specific object, although questioned on several occasions by the House, has not in practice been denied by the House, and it is an everyday practice for the Senate to originate such bills and the House to agree to them without question. Undoubtedly a bill imposing such a direct and immediate charge on the people as is imposed in the case of a tax must originate in the House. But, as pointed out, the right of the Senate to originate bills imposing less direct and immediate charges, such as bills creating offices and imposing fines, is never questioned by the House.

Unquestionably a moral and legal obligation to pay is created by a bond issue, but such a bill certainly does not impose a direct and immediate charge upon the people even if it obviously binds the good faith of the Congress to provide money for the redemption of the bonds. The pending legislation provides that the money advanced under it shall be repaid to the Government. In fact, it is fair to say that this issue of bonds will not require a tax levy for their redemption at as early a date as is usually necessary in the case of a bill providing for the construction of a public building to be paid for out of general revenue bills, of which character constantly originate in the Senate without question. The moment the bonds are sold the proceeds are sufficient to redeem them and the money loaned is at the best a special appropriation. It would therefore appear in one sense that the bill which imposes the charge on the people is the bill appropriating the money for expenditure and not the bill authorizing the bond issue. Undoubtedly, as shown above, an appropriation bill—except a general appropriation bill, and this is only by legislative precedent, and not a constitutional provision—may originate in the Senate. Unquestionably a bill raising taxes to retire a bond issue is a bill for raising revenue. However, if the bill authorizing the bond issue is also a bill for raising revenue and must originate in the House, there arises a situation whereby a double protection is given to the people. It is safe to say such an additional safeguard was not contemplated by the framers of the Constitution.

In *Twin City Bank* v. *Nebeker* ((1897) 167 U. S. 196), it was held that an act imposing a tax upon the circulation of notes of national banks, upon their deposits, and upon their capital stock, was merely incidental to the primary purpose of providing a national currency, the provisions for which were also included in the act. The court, therefore, held that the act was not open to objection because it had originated in the Senate. The test seemed to be, Is the money part of the bill incidental and not the primary legislation? In the case of *Millard* v. *Roberts* ((1906) 202 U. S. 429), the statute authorized payments to certain railroads in the District of Columbia for elevating tracks, the construction of a station and other improvements, the cost to be levied and assessed upon the taxable property in the District of Columbia. It was urged that the bill was unconstitutional as having originated in the Senate. The Court dismissed the argument by briefly citing the Twin City Bank case, and adding—

> Whatever taxes are imposed are but means to the purposes provided by the act. They dominate the character of a bill by looking to its primary, not to its incidental purpose. A primary purpose of the bill before us is to provide for international trade and world stability not governmental international banking. It is to carry out the agreement made between the United States Government and the United Kingdom.

There are two precedents under which the present bill may originate in the Senate which should be cited here.

Public Law No. 178, Seventy-third Congress, entitled "An act to guarantee the bonds of the Home Owners' Loan Corporation, to amend the Home Owners' Loan Act of 1933, and for other purposes," approved April 27, 1934 (48 Stat. 643), originated in the Senate as Senate bill 2999. The first section of this act amending section 4 (c) of the Home Owners' Loan Act of 1933, reads as follows:

> The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds of the Corporation issued under this subsection which are guaranteed as to interest and principal, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of the Corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the Corporation acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the Corporation shall be treated as public-debt transactions of the United States.

This leaves no doubt that the pending legislation may originate in the Senate so far as precedent is concerned.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. JOHNSON of Colorado. On that point, was the provision challenged in the House?

Mr. FERGUSON. It was not challenged in the House.

The same is true of Public Law 412, of the Seventy-fifth Congress, the United States Housing Act of 1937, approved September 1, 1937—50 United States Statutes 888. This act was S. 1685, and the pertinent part reads as follows:

> The Secretary of the Treasury is likewise authorized to purchase any such obligations, and for such purchases he may use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any such purchases. The Secretary of the Treasury may at any time sell any of the obligations acquired by him pursuant to this section, and all redemptions, purchases, and sales by him of such obligations shall be treated as public-debt transactions of the United States.

These two statutes raise the same issue with respect to the origination by the Senate of bills providing for bond issues as the pending joint resolution numbered 138 and the same principle would apply.

Therefore, under the judicial decisions interpreting the constitutional clause in question, and the overwhelming weight of the precedents we can come to but one conclusion, and that is that the measure now before the Senate is not one raising revenue within the prohibition of the first paragraph of article I, section 7, of the Constitution, and the vote by the Senate on the point of order raised by the Senator from Colorado should be "No."

Mr. BARKLEY. Mr. President, I yield 12 minutes to the Senator from Vermont [Mr. AUSTIN].

Mr. AUSTIN. Mr. President, the point of order is based upon the Constitution, if I correctly understand the record. Objection is made that this Senate joint resolution is a measure for raising revenue, and, therefore, transgresses section 7 of article I of the Constitution. Consequently, to determine whether it does violate that section of the Constitution or not, it seems to me that we should seek

the best authority on that subject. We have a great Court, the greatest Court in all the world, whose principal function it is to determine the meaning of that provision and other provisions of the Constitution. I shall not give my opinion. I shall call attention to the opinion of the Supreme Court of the United States, so that this record may be before the House which has the ultimate decision in its hands; for no matter what position we take, even if we deny the point of order, the House may yet raise the point of order and have the absolute say upon the matter.

In the case referred to by the distinguished Senator from Michigan, the case of *United States* v. *Norton* (91 U. S. 566), the Court said, at page 568:

The Constitution of the United States, article I, section 7, provides that "all bills for raising revenue shall originate in the House of Representatives."

The construction of this limitation is practically well settled by the uniform action of Congress. According to that construction, it "has been confined to bills to levy taxes in the strict sense of the words, and has not been understood to extend to bills for other purposes which incidentally create revenue."

Now I wish to quote from a case in 167 United States Reports at page 202, because it leads back into the historical interpretation of that phrase in the Constitution. I read:

Mr. Justice Story has well said that the practical construction of the Constitution and the history of the origin of the constitutional provision in question proves that revenue bills are those that levy taxes in the strict sense of the word, and are not bills for other purposes which may incidentally create revenue (1 Story on Constitution, sec. 880).

Again, in a case in 202 United States, which already has been referred to by the distinguished Senator from Michigan, at page 436, I read as follows:

It was observed there that it was a part of wisdom not to attempt to cover by a general statement what bills shall be said to be "bills for raising revenue" within the meaning of those words in the Constitution, but it was said, quoting Mr. Justice Story, "that the practical construction of the Constitution and the history of the origin of the constitutional provision in question proves that revenue bills are those that levy taxes in the strict sense of the word, and are not bills for other purposes, which may incidentally create revenue."

That happens not to be the ultimate authority on this question, because it must pass to the House of Representatives, which is greatly interested in the decision of these questions correctly; and the House of Representatives has the duty, as I view the matter, to preserve its prerogatives and its jurisdiction and to prevent the Senate from ever encroaching upon them.

No greater compromise was effected in the creation of the Constitution than that which involved this very subject matter, whereby to the Senate was given the power of participating in the making of treaties and to the House was given this control over the purse strings.

So we should see what the House of Representatives has done heretofore in passing upon similar questions.

Mr. President, I call attention to a case in volume 6 of Cannon's Precedents of the House of Representatives. Mind you, Mr. President, this is the House that is vitally interested in preserving its prerogatives, and therefore what it says about this matter is certainly free from any adventitious bias:

315. A bill raising revenue incidentally was held not to infringe upon the constitutional prerogative of the House to originate revenue legislation.

Discussion of differentiation between bills for the purpose of raising revenue and bills which incidentally raise revenue.

On December 18, 1920, Mr. Robert Luce, of Massachusetts, rising to a question of the privilege of the House, presented the following:

"*Resolved*, That the first section of Senate Joint Resolution 212 in the opinion of this House contravenes the first clause of the seventh section of the first article of the Constitution of the United States and is an infringement of the privileges of this House, and that the said resolution be respectfully returned to the Senate with a message communicating this resolution."

The first section of the joint resolution in question, which was then pending on the Union Calendar, was as follows:

"*Resolved, etc.*, That the Secretary of the Treasury and the members of the War Finance Corporation are hereby directed to revive the activities of the War Finance Corporation, and that said Corporation be at once rehabilitated with the view of assisting in the financing of the exportation of agricultural and other products, to foreign markets."

Mr. President, I digress here to assert that the primary purpose of the measure which is now before the Senate is similar to that on which the House of Representatives at that time took the action indicated. It is to carry out the agreement, dated December 6, 1945, between the United States and the United Kingdom, which was transmitted by the President to the Congress on January 30, 1946. The principal purpose of that agreement, and as implied, is to lower the obstructions to trade and to create in the world a condition of stability and a condition in which commerce can be expanded, as expressed in the joint resolution itself:

To expedite the achievement of stable and orderly exchange arrangements, the prompt elimination of exchange restrictions and discriminations, and other objectives of the above-mentioned policy declared by the Congress.

Yesterday the distinguished Senator from Colorado admitted that the joint resolution could be passed without including in it section 2, which is the basis of his point of order, and would still achieve that purpose, which of course. is the main purpose of the agreement.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. AUSTIN. I have only 12 minutes altogether, and I think they are nearly up. Let me inquire of the Chair how much time I have remaining.

The PRESIDING OFFICER. The Senator has three more minutes.

Mr. AUSTIN. I think the Senator from Colorado had better take his own time on this question.

Mr. President, that being the situation in the House of Representatives, in connection with a measure similar to the joint resolution now pending in the Senate, the record shows that this occurred:

Mr. James R. Mann, of Illinois, made the point of order that a question of privilege was not involved, and said:

"All laws which incidentally raise revenues are not laws for the purpose of raising revenue. Would the gentleman from Massachusetts contend, for instance, that the Senate could not pass a bill providing for the sale of a former public-building site and that it would not become a law if then passed by the House and signed by the President? The effect of the law would be to raise revenue. That is the only effect it would have. And yet no one has ever contended that the Senate could not originate a bill of that kind, the incidental effect of which is to raise revenue.

"The provision of the Constitution the gentleman referred to provides that bills for the purpose of raising of revenue shall originate in the House of Representatives. It does not provide that laws which take the effect and which will have the effect either of raising revenue or producing a deficit shall originate in the House, and no one can tell whether the passage of the original act in this case was to produce revenue or to produce a deficit."

That is true here, also.

"No one can tell whether the passage of this resolution, if it shall be carried out in the spirit of the resolution, will produce revenue or produce a deficit. But everyone knows that the purpose of the law is not to produce revenue. The purpose of the law was to aid in the transaction of business, to aid in exports, to aid in the war, and not for the purpose of raising revenue."

And that is exactly true with reference to the pending joint resolution.

I read further:

"I doubt whether the gentleman from Massachusetts or anyone else will contend that Congress has the power to create corporations to engage in business for the purpose of raising the revenue of the Government."

The Speaker quoted with approval a decision by Mr. Speaker Carlisle on a similar question, holding that such questions were for the House rather than the Speaker, and after directing the clerk to again report the resolution, put the question:

"Is the resolution of the gentleman from Massachusetts in order as a matter of privilege?"

That question was put to the House of Representatives and was decided, by a great majority, in the negative. I read:

The question being taken it was decided in the negative, yeas 28, nays 142.

So that seems to me to be very good authority sustaining what the courts say and the Congress has decided with respect to the meaning of this phrase.

Mr. President, I conclude by saying that the size of the sum or amount of money which is to be obtained through the Second Liberty Bond Act has nothing to do with the question of principle involved here; that the amount involved does not render primary that which is incidental; it does not change the principle at all.

Besides that, Mr. President, it is to be observed in passing that authority already exists for this bond issue, namely, the Second Liberty Bond Act; and the provision of the pending measure now

referred to is merely incidental to obtaining money under that act, which presumably was correctly originated and is legally existing.

Mr. BARKLEY. Mr. President, will the Senator from Colorado use some time at this point?

Mr. JOHNSON of Colorado. No one has requested any time. I inquire if the Senator from Ohio is ready to proceed.

Mr. TAFT. Yes.

Mr. JOHNSON of Colorado. I yield to the Senator from Ohio whatever time he may require.

Mr. TAFT. Mr. President, with regard to the constitutional question raised as to whether the pending joint resolution raises revenue and, therefore, must originate in the House of Representatives, let me say in the first place that, since it is a constitutional question, the fact that the courts may or may not examine it or that the House of Representatives may or may not examine it has nothing to do with our duty to examine it ourselves and to decide it in the light of the Constitution itself.

The pending joint resolution undoubtedly authorizes the Secretary of the Treasury to issue $3,750,000,000 worth of bonds and draw that much money into the Treasury of the United States. It increases the amount of bonds which he may issue under the Second Liberty Loan Act. So it is clearly a measure to raise money. The only question involved is whether such money could be regarded as revenue. The question has never been decided by the courts of the United States. In fact, the only two direct issues which have arisen were decided by the House of Representatives to the effect that such measures are revenue-raising measures. Those cases were cited by the distinguished Senator from Michigan. In both cases the Senate attempted to pass a bill authorizing the raising of money by the issuance of bonds. In those cases the House of Representatives rejected the measures and sent them back to the Senate. It has been said that there are instances of somewhat similar bills having been passed by the Senate without any objection having been made later on the part of the other House. That may be true, but in both cases those bills dealt with corporations, and I do not think they involved the issuance of Government bonds.

The principal adverse authority on which reliance has been placed was quoted in an opinion by the United States Supreme Court. In the case of the *U. S.* v. *Norton* (vol. 91), which was referred to by the distinguished Senator from Vermont [Mr. AUSTIN], we find the following language:

> The lexical definition of the term "revenue" is very comprehensive. It is thus given by Webster: "The income of a nation, derived from its taxes, duties, or other sources, for the payment of the national expenses."

The Court continued as follows:

> The phrase "other sources" would include the proceeds of the public lands, those arising from the sale of public securities, the receipts of the Patent Office in excess of its expenditures, and those of the Post Office Department, when there should be such excess as there was for a time in the early history of the Government. Indeed, the phrase would apply in all cases of such excess. In some of them the result might fluctuate; there being excess at one time, and deficiency at another.
>
> It is a matter of common knowledge, that the appellative "revenue laws" is never applied to the statutes involved in these classes of cases.

However, Mr. President, in this case the court was dealing with what are called laws which incidentally raise revenue, as, for example, a law for the creation of a post office which might or might not raise revenue. There might be a net revenue or a net deficit, but it would be purely incidental to the reason for creating the post office. That would also be true in connection with fines resulting from the imposition of sentences under a criminal statute. The fines would be incidental to the criminal statute itself. The statute could not by any possible thought be considered as a revenue-raising statute.

The purpose of section 2 of the pending joint resolution is to raise revenue. The raising of revenue is not incidental to the enactment of this measure. Section 2 has no purpose except to raise revenue. Certainly we could impose a tax for the purpose of collecting $3,750,000,000, but if we did so it could not be said to be incidental to the British loan. It would be a provision for the purpose of raising revenue. It seems to me that the court was dealing solely with cases involving bills for the purpose of levying taxes in a direct sense of the word. The whole question, I believe, is whether or not section 2 of the pending joint resolution can be said to be incidental. I cannot see how the other matters referred to in the case from which I read were incidental to the general and main purpose. For example, there was a law to create a postal-savings system. Incidentally, money would come into the Treasury of the United States because persons would deposit money with the Post Office Department, and in that way the money would be made available for expenditure. However, that would be merely incidental to the system.

Mr. President, I do not know what was the original purpose of this constitutional provision. But undoubtedly it came from the British constitutional practice by which bills to raise revenue and to appropriate money were required to originate in the House of Commons. I think the practice was based on the theory that the more popular house should have the right to originate revenue-producing measures, that it should have a hold on the purse strings so that the Government could not raise a great sum of money and spend it without the House of Commons having the first voice in deciding the question. The theory applied both to appropriation and to revenue-raising bills.

When it came to the Constitutional Convention, as referred to by the distinguished Senator from Michigan, the provision was first in that form. Subsequently, the word "appropriation" was removed. The distinguished Senator said that if the language had been adopted in its original form he would say that the pending measure would have to originate in the House of Representatives. But, there was no change made in the original form so far as bills to raise revenue were concerned. What the Constitutional Convention did was to remove the requirement that appropriation bills shall originate in the House of Representatives. Of course, in spite of that having been done, the House of Representatives has insisted on the right to originate appropriation bills, for which I believe there is no constitutional basis. But so far as bills to raise revenue are concerned, the Constitutional Convention approved the British practice. On what possible basis would there be any purpose in saying that bills to raise taxes and put money into the public Treasury to be subsequently expended must originate in the House of Representatives, but that bills authorizing the Government to borrow money and put it into the Treasury to be spent need not originate in the House of Representatives? The distinction seems to me to be without any possible basis. Of course, in the early days the issuance of bonds was a very occasional affair. But today the raising of money by the issuance of bonds has far exceeded in amount the raising of money by the levying of taxes. During the past 4 or 5 years the issuance of bonds has represented the principal method of raising revenue for the United States Government.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. JOHNSON of Colorado. As a matter of fact, since 1940 the United States Treasury has raised more money by the sale of bonds than it had raised in direct taxes prior to that time during its 150 years of existence.

Mr. TAFT. I thank the Senator for the information he has given, which is fairly obvious to anyone who has followed the financing of the Government.

So, Mr. President, my conclusion is that, so far as the precedents are concerned, there is some doubt. The courts have never decided the question. The House of Representatives has twice decided the issue in favor of its own power, and sometimes neglected to assert such power. But from a logical standpoint I believe the distinction to be that if a bill raises revenue purely incidental to some purpose, other than that of merely spending the money, it is not a revenue-raising measure; but if a bill proposes to raise money in order to put funds into the Treasury of the Government from which they may later be spent by Congress under appropriation laws, it is necessarily, it seems to me, a revenue-raising measure.

So, Mr. President, I feel that the Senate should support the constitutional question raised by the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BARKLEY. Mr. President, does the Senator from Colorado desire to yield further time?

Mr. JOHNSON of Colorado. Not now. I have no requests for time, but I should like to have 20 minutes myself. If I have no further requests, the Senator is welcome to a part of my time.

Mr. BARKLEY. I may need a little of it, as I have yielded a good deal of my time.

Mr. JOHNSON of Colorado. I shall be glad to yield time to the Senator.

Mr. BARKLEY. Mr. President, may I inquire how much time there is remaining on my side?

The PRESIDING OFFICER. Twenty-two minutes.

Mr. BARKLEY. I think I shall not have to use all of it.

Mr. President, there is not a great deal I can add to what the Senator from Michigan [Mr. FERGUSON] and the Senator from Vermont [Mr. AUSTIN] have said with reference to the point of order. Insofar as any controversy might arise between the House and the Senate in regard to this proposed legislation, I should like to say that two identical joint resolutions were introduced in the Senate and in the House of Representatives on the same day and in precisely the same terms. The Speaker referred the joint resolution introduced in the House of Representatives to the Committee on Banking and Currency of that body, where it is now pending and where hearings are to be held, I understand, early next week. No question was raised in the House as to the impropriety of that reference, although we all know that in the House of Representatives bills for the purpose of raising revenue are referred to the Committee on Ways and Means, and the Committee on Ways and Means, as is true of all other committees of the House and also of the Senate, has a proper alertness with respect to the reference to other committees of bills to which it might be entitled. If any question should be raised in the House about it—which I do not think will be done—the fact that the same joint resolution containing the same provisions as to the use of the money obtained from the Second Liberty Loan Bond Act as a public debt transaction was referred to the Committee on Banking and Currency there, as it was referred to the Committee on Banking and Currency here, would at least be a strong presumption in favor of the House taking the same position, if the question should arise, that we who oppose the point of order take here.

Mr. President, I shall not reiterate——

Mr. JOHNSON of Colorado. Mr. President, before the Senator leaves that point, will he yield?

Mr. BARKLEY. I yield.

Mr. JOHNSON of Colorado. Does the Senator know whether or not the measure to which he refers was a highly controversial question in the House?

Mr. BARKLEY. I am talking about the joint resolution.

Mr. JOHNSON of Colorado. So am I talking about the joint resolution; but was it a highly controversial question, such as the one now before the Senate?

Mr. BARKLEY. The question has not been raised in the House. I am talking about the joint resolution on the British loan, which is pending there now, not some other measure.

Mr. JOHNSON of Colorado. I thought the Senator mentioned some other bill that had been passed that was identical.

Mr. BARKLEY. No; I did not mention any bill which had been passed. I mentioned this joint resolution, which is a companion joint resolution to the one pending in the Senate, having been introduced in the House of Representatives as House Joint Resolution 315.

Mr. JOHNSON of Colorado. I misunderstood the Senator.

Mr. BARKLEY. I thought the Senator from Colorado misunderstood me. I am referring to the pending British loan joint resolution and a companion joint resolution in the House, which was introduced in open session and referred to the Committee on Banking and Currency, where it is now pending.

Reference has been made to two or three decisions of the Supreme Court, one in volume 167, United States Reports, which is the case of Twin City Bank against Nebeker. In that case, Mr. President, the House of Representatives passed a bill providing for a national-bank currency, as we knew it prior to the passage of the Federal Reserve Act. It provided that bonds of the Treasury of the United States might be obtained by national banking institutions and deposited with the Treasury after their purchase as a basis for what came to be known as national-bank currency. A bank would go to one window of the Treasury and buy a hundred thousand dollars' worth of bonds and then go to another window in the same Treasury, turn them back, get national-bank notes, take them back to its vaults, and issue them as currency. That became known as national-bank currency.

When that bill passed the House, it had no tax provisions in it whatsoever. It was simply a provision that the national debt, as represented by the bonds, should be predicated for the issuance of currency. When the bill reached the Senate, the Senate added an amendment providing that there should be a tax levied on the average amount of such bonds held by national banks upon which currency was based and issued. When the bill left the House of Representatives, it was not a tax bill, and therefore did not come within the constitutional provision that tax bills originating in the House may be amended by the Senate, as other bills which are not tax bills may be. It levied no tax whatever; but when it came into the Senate, it was amended so as to levy a tax upon the average amount of these bonds held by the banks.

That act was attacked in the courts on the ground that the tax provision of it originated in the Senate; but in the case of the Twin City Bank against Nebeker, decided on May 10, 1897—and it is one of the cases referred to by the Senator from Michigan and the Senator from Vermont—the Supreme Court of the United States, Justice Harlan rendering the decision, held that it did not violate section 7 of article I of the Constitution, because it was not a bill for raising revenue and the fact that the Senate amended a nonrevenue bill by providing a tax to implement the operation of the House bill did not violate the Constitution.

I shall not read the decision, but the language is perfectly clear by which the Supreme Court explicitly held that that was not a violation of the Constitution and that the tax amendment properly originated in the Senate.

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

Mr. BARKLEY. I yield.

Mr. TAFT. Does not that show that the test is the fact that it is incidental to some other general legislation, and not the question whether it is a tax or a bond issue; because this was clearly a tax, and yet it was held not to violate the Constitution, because it was incidental to a general national bank act?

Mr. BARKLEY. It was attacked in the Court on the ground that the Senate could not add a tax to a nonrevenue bill even to carry the purposes of the original bill.

In a later case, decided in volume 202 United States Reports, on May 21, 1906, the Supreme Court, referring to the previous case I have cited and using it as an authority in part, held that a bill originating in the Senate of the United States—not in the House of Representatives but in the Senate—for the purpose of eliminating grade crossings in the District of Columbia and for the erection of a union station in the District of Columbia and levying a tax upon the real estate and other property within the District of Columbia was not a violation of the Constitution. Justice McKenna rendered the decision in that case, decided in 1906, as I have said.

Mr. President, a revenue provision contained in a bill may originate in the Senate either by way of an amendment if necessary to carry out the purposes of a bill that originated in the House, or, if it originates in the Senate, a tax may be levied, as was levied in this case upon property in the District of Columbia for the purpose of helping to pay the expenses of eliminating grade crossings in the District of Columbia and the construction of a union station in the District of Columbia.

Mr. President, it is my contention that if the joint resolution we are now considering really raises taxes, which I dispute, and which I shall discuss in a moment, it is in compliance with the Constitution, because the primary purpose of the joint resolution is not to raise revenue, it is to authorize the Secretary of the Treasury to carry out an agreement made between the United States of America and the United Kingdom for a loan of money.

If the Treasury of the United States should find itself with a sufficient amount of cash in the Treasury at any time, under laws already in existence, it could pay the loan in cash without using any money obtained from bond issues. There is no doubt about that. The mere authority to carry out the agreement conferred in the joint resolution on the Secretary of the Treasury is an authorization to expend that amount of money in fulfillment of the loan which is provided for in the joint resolution.

In the Liberty Loan Act approved November 23, 1921, which has been amended from time to time, increasing the debt limit, we find this provision:

INCREASE IN NOTE AUTHORIZATION

SEC. 1401. That subdivision (a) of section 18 of the Second Liberty Loan Act, as amended, is amended by striking out the

words and figures "for the purposes of this act, and to meet public expenditures authorized by law, not exceeding in the aggregate $7,000,000,000," and inserting in lieu thereof the words and figures "for the purposes of this act, to provide for the purchase or redemption of any notes issued hereunder, and to meet public expenditures authorized by law, not exceeding in the aggregate $7,500,000,000."

From time to time the debt limit has been increased, until the present limitation of the debt of the United States Government is $300,000,000,000. But even now there is on the calendar of the Senate a bill introduced by the Senator from Virginia [Mr. BYRD] reducing the total debt limit from $300,000,000,000 to $275,000,000,000. If it can be contended that, under laws already in existence fixing the debt limit of the United States Government to $300,000,000,000, the Senate of the United States cannot pass a joint resolution which is in effect an appropriation and not a tax-raising instrument, then the point might be made that the Senate of the United States cannot initiate a bill even reducing the debt limit as provided for in existing law.

The language which I have just quoted—"for the purposes of this act, to provide for the purchase or redemption of any notes issued hereunder, and to meet public expenditures authorized by law"—is carried in all acts increasing the debt limit.

If the joint resolution shall be passed, it will certainly provide for an expenditure authorized by law, and therefore will come within the definition of the act increasing the debt limit back in 1921, which is still the law, except as to the limit on the debt itself.

Mr. President, I have a number of precedents I have collected with respect to action taken by the House of Representatives itself when the question has been raised, one of which has been referred to by the Senator from Vermont [Mr. AUSTIN], where the House itself by an overwhelming vote refused to take the position that a bill for a definite purpose, because it provided for a tax to carry out the purpose, was therefore a bill which under the Constitution must originate in the House of Representatives.

I contend, Mr. President, and I think it is shown on the very face of the joint resolution itself, that it is not a revenue-raising measure. It does not by $1 increase the debt limit already fixed by law. That debt limit is still $300,000,000,000. It does not authorize the Secretary of the Treasury to issue a single bond in addition to those which have heretofore been authorized, and he is authorized to issue those bonds for certain specific purposes. The provision of the law is, "and to meet public expenditures authorized by law." So that he has all the authority he now needs to issue bonds for any public expenditure which has been authorized by the Congress of the United States.

Mr. President, this is not a revenue-raising measure. Without the British loan without the adoption of Joint Resolution 138, the Secretary of the Treasury could issue bonds up to the limit of $300,000,000,000 for any purpose authorized by Congress in the way of expenditures. All the joint resolution does is to say to the Secretary, "Out of receipts from the sale of bonds already authorized, and which you can continue to issue, if necessary, to meet any expenditure authorized by law, you may use $3,750,000,000 for this expenditure authorized by law."

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. JOHNSON of Colorado. If the Senator's statement be sound, I cannot understand the peculiar language contained in section 2 in regard to "securities hereafter issued."

Mr. BARKLEY. Let me read the section as we have agreed to it.

Mr. JOHNSON of Colorado. I hope that as the Senator reads he will explain why that language was inserted in the way it was inserted, if it is not necessary at all.

Mr. BARKLEY. It reads:

For the purpose of carrying out the agreement dated December 6, 1945, between the United States and the United Kingdom, the Secretary of the Treasury is authorized to use as a public debt transaction—

That is the language used in the Home Owners' Loan Corporation Act; it is the same language used in the Federal Housing Act, where the Secretary of the Treasury is authorized to guarantee expenditures under the Housing Act and to obtain the money therefor from the sale of bonds under the Second Liberty Loan Act, an act which originated in the United States Senate, and about which no question was ever raised either in the Senate or in the House of Representatives.

Mr. JOHNSON of Colorado. That was a noncontroversial question. Points of order are sometimes made where there is a controversial question which are not made where questions are noncontroversial.

Mr. BARKLEY. Whether it is noncontroversial or not is not material. The Senate of the United States originated the legislation and passed it without any point of order being raised. That does not mean, of course, that a point of order would have lain against it if any Senator had made it, but the bill originated in the Senate, and if the contention of the Senator from Colorado is sound the law was unconstitutional because the measure did originate in the Senate. I could refer to other legislation in which the same language is used.

Mr. AUSTIN. Will the Senator permit an interruption?

Mr. BARKLEY. I yield.

Mr. AUSTIN. I call attention to the word "issued" following the word "hereafter" and ask the Senator to note that that is not the word "authorized."

Mr. BARKLEY. That is correct.

Mr. AUSTIN. That is the difference.

Mr. BARKLEY. Yes. "The Secretary of the Treasury is authorized to use as a public-debt transaction"—and I was referring to the fact that the "public-debt transaction" is the same expression as used in these other laws—"not to exceed $3,750,000,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act," and that is the act that is now in force in which the $300,000,000,000 is the limit fixed by Congress

Mr. AUSTIN. The bonds have already been authorized.

Mr. BARKLEY. They have already been authorized, and many of them have been issued. But if the Secretary issues any more bonds for the purposes set forth in the various acts increasing the debt limitation, including the expenditure for any sum authorized by law—if he issues any more bonds for that purpose they are issued under authority already granted to him, and out of the funds which he is authorized to raise by the issue of these bonds he shall discharge this congressional obligation and this authorization of $3,750,000,000.

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

Mr. BARKLEY. I yield to the Senator from Wisconsin.

The PRESIDING OFFICER. The Chair advises the Senator from Kentucky that his time has expired.

Mr. BARKLEY. Mr. President, will the Senator from Colorado yield a little more time to me?

Mr. JOHNSON of Colorado. I am glad to yield more time to the Senator from Kentucky, unless some Senator on the other side of the question wants the time. If no other Senator asks for time, the Senator from Kentucky is welcome to more of my time. I want about 20 minutes.

Mr. BARKLEY. I think I can get along with 10 more minutes.

Mr. JOHNSON of Colorado. And I can get along with 20 minutes. I yield 10 more minutes to the Senator from Kentucky.

Mr. BARKLEY. I thank the Senator from Colorado. He has been very generous.

I now yield to the Senator from Wisconsin.

Mr. WILEY. Mr. President, I feel the position taken by the Senator from Kentucky is sound for the following reasons:

This is an agreement between two sovereign nations to help stabilize the economy of a world which is literally on fire as a result of the war. While a vast credit is involved, it simply carries out the great underlying purposes of the agreement as set forth therein.

I believe it is not a revenue measure within the meaning of the constitutional provision, for the further reason that the money or credit referred to in the measure results from securities "hereafter issued under the Second Liberty Bond Act."

Mr. BARKLEY. I appreciate the Senator's comment. As a matter of fact, the effect of this joint resolution is more in the nature of making an appropriation out of funds already authorized to be raised than that of a revenue-raising act for the raising of revenues to come into the Treasury. So far as appropriations are concerned, there is nothing in the Constitution that requires appropriation bills to originate in the House of Representatives. As a matter of practice they do originate there because of convenience, and because the House feels that they should, and it has been adopted as a practice throughout the history of the

country that appropriations as a rule originate in the House, that is, general appropriation bills. But special appropriation bills have frequently originated in the Senate, and no question was ever raised about them.

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

Mr. BARKLEY. I yield.

Mr. CORDON. If the position of the Senator is that bonds which are already authorized are adequate for this purpose and available for this purpose upon the passage of this joint resolution, it would be interesting to have the Senator's view as to why this language was included in the committee amendment, and I refer to line 9 on page 3:

And the purposes for which securities may be issued under that act are extended to include such purpose.

Mr. BARKLEY. That language does not affect the authority of the Secretary of the Treasury to raise the money for any purpose authorized by law. He can do that to the extent of $300,000,000,000. But carrying out the practice which has been adopted that when bonds are authorized by Congress to be issued by the Secretary of the Treasury the purpose for which the money is to be expended should be expressed in the act making the authorization, we carry that language in this measure and provide that the money raised by the issue of bonds already authorized shall be used for this purpose. This is an additional purpose for which that money may be expended.

Mr. CORDON. That is to say then, in effect, that those bonds without that particular phraseology would not be available for this purpose, and this phraseology is necessary to make them available. Is that correct?

Mr. BARKLEY. A court might hold that it was not necessary to add this purpose. I do not predict what any court will hold about that. I am certain that even if the Treasury had the money in it and could pay it out in cash, it would be authorized to do so even under section 1 of the bill. We would not even need section 2 if it was a cash transaction. But section 2 is there in order to comply with other laws we have passed increasing the debt limit, and setting out the purposes for which the money may be expended. This is an additional purpose for which money raised under the Second Liberty Bond Act may be expended by the Secretary of the Treasury.

Mr. CORDON. It is an additional purpose for which the money may be used, and is that not equivalent to saying that the money may not be used for this purpose except with this authority?

Mr. BARKLEY. Not necessarily. If it is an obligation which has been incurred by an act of Congress, under my contention respecting the previous Liberty Bond Act, if it is for an expenditure which has been authorized by the Congress, it would still be available. We are not trying to put over on the Senate or the House or the country a deceptive practice. We are perfectly frank in saying that for the purpose of making this expenditure the Secretary may make it out of money he is authorized to raise by the sale of bonds under the Second Liberty Bond Act, as amended.

Mr. CORDON. But we also say at the same time, do we not, that he is now authorized to use money which he could not have used had not this particular language authorized the use of the money?

Mr. BARKLEY. Probably not. He could have used, I think, any cash balance in the Treasury for the purpose of discharging this obligation, if the money was there. At the present time probably it could be contended that it is there, since there is $22,000,000,000 in the Treasury, and probably the whole transaction could be carried out in cash.

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

Mr. BARKLEY. I yield.

Mr. WHITE. I wanted to interpolate a brief word, and I do not know whether it is a question or an observation. I take it the Senator's position is that section 2 limits the authority with respect to the disposition of the funds which are provided for otherwise than in this proposed legislation.

Mr. BARKLEY. That is correct.

Mr. WHITE. And that existing law provides for the issuance of these Liberty bonds and the converting of the bonds into cash. Section (2) of the joint resolution is limited to the distribution of funds which are authorized elsewhere and otherwise than by the pending legislation.

Mr. BARKLEY. That is correct. In all these extensions of the limitation of the debt, as well as in the original act itself, I believe, provision is made that the expenditure of the money and its use shall be as a public-debt transaction. That does not authorize the sale of the bonds. It is the other provisions of the law which authorize the sale of the bonds; but in the disposition of the funds raised, it shall be regarded as a public-debt transaction.

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

Mr. BARKLEY. I yield.

Mr. CORDON. Do I correctly understand the Senator's position to be that this action, in legal effect, is an appropriation of Federal funds, which ultimately will require the raising of revenue; but that because the joint resolution itself does not provide for the raising of revenue, it does not contravene the Constitution?

Mr. BARKLEY. That is correct. I believe that the effect of the joint resolution is to authorize the expenditure of the money. In other words, it will not be necessary every time any part of this line of credit is drawn upon to come back to the Appropriations Committee and to the Congress after this measure becomes a law. It is both an authorization and an appropriation at the same time.

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

Mr. BARKLEY. I yield.

Mr. AUSTIN. We do not know whether that is so or not. There may be a return of this money.

Mr. BARKLEY. Yes; undoubtedly there may be. But I am talking about the initial use of it to carry out the purposes of the agreement.

In two cases bills containing provisions substantially the same as section 2 of Senate Joint Resolution 138 originated in the Senate and passed the Senate before they were taken up by the House:

First. An act to guarantee the bonds of the HOLC and to amend the Home Owner's Loan Act of 1933—act of April 27, 1934, 48 Statutes 643. The Secretary of the Treasury was authorized to use as a public-debt transaction the proceeds of the sale of securities under the Second Liberty Bond Act for the purpose of purchasing bonds of the HOLC.

The Secretary of the Treasury was authorized to purchase the bonds of the Home Owners' Loan Corporation, and for this purpose to use money obtained through a public-debt transaction under the Second Liberty Loan Act. That bill originated in the Senate. The fact that no one raised any point about it is not necessarily conclusive; I appreciate that; but there is a presumption that things are legal and in order unless a point is raised, just as there is always a presumption that there is a quorum in the Senate unless the point of no quorum is made.

Second. The United States Housing Act of 1937—50 Statutes 888—which provided that obligations of the United States Housing Authority should be guaranteed by the United States. It authorized the Secretary of the Treasury to use as a public-debt transaction the proceeds of bonds issued under the Second Liberty Bond Act to purchase the obligations of the United States Housing Authority.

Both of these statutes originated in the Senate and were enacted by the Congress without any question of privilege being raised in either House. Another quite similar case where the question of privilege was raised is discussed in 2 Hinds' Precedents, 953. A bill providing for the issuance of United States notes and placing a limit on the number to be issued originated in the Senate and was passed by the Senate. In the House the question of privilege was raised and defeated. This precedent is excellent authority for Senate Joint Resolution 138 because there is no fundamental difference between a bill authorizing the issuance of United States notes and a bill authorizing the issuance of United States bonds.

Senate Joint Resolution 138, the measure to make effective the financial agreement with the United Kingdom, will have no effect whatever on the limitation placed by Congress on the public debt of the United States. The limitation is contained in section 21 of the Second Liberty Bond Act. It has been changed from time to time and at present is $300,000,000,000, this amount having been established by the act of April 3, 1945. The only effect which the legislation relating to the British agreement will have on the Second Liberty Bond Act is to add one new purpose for which Government bonds may be issued. These bonds must, however, be issued within the limit specified under existing law.

There is pending before the Senate S. 1760, which was reported with the approval of the Finance Committee on

April 29. This bill will reduce the limit on the public debt to $275,000,000,000. Legislation relating to the financial agreement with Great Britain will not in any way affect this pending measure to reduce the limitation on the public debt.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a memorandum which I have prepared covering these points. I have neither the time nor the disposition to discuss them in detail. However, the memorandum gives a historic résumé not only of court decisions and acts heretofore passed, which originated in the Senate, but actions of the House of Representatives in rejecting points of order within that body, as well as citations from Hinds' Precedents and Cannon's Precedents, which is a continuation of Hinds' Precedents, one of the most valuable parliamentary compendiums ever published in the United States or any other country.

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

The joint resolution to make effective the financial agreement between the United States and the United Kingdom can be expedited if it may originate in the Senate. Several questions have been raised concerning the practice of Congress and the effect on the resolution of article I, section 7, clause 1 of the Constitution which provides, "All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills." The following questions are discussed below:

(1) If the resolution appropriates funds, must it originate in the House to be consistent with the practice of Congress?

(2) Does the resolution provide for raising revenue?

(3) Assuming that the resolution provides for raising revenue, would it violate the constitutional limitation if it originated in the Senate?

1. THE APPROPRIATION PROBLEM

The practice of Congress with respect to appropriation bills is stated in Cannon's Procedure in the House of Representatives (4th ed. 1945, U. S. Government Printing Office), as follows:

"Under immemorial custom the general appropriation bills (as distinguished from special bills appropriating for single, specific purposes) originate in the House of Representatives and there has been no deviation from that practice since the establishment of the Constitution."

In a later passage, Cannon states that there are only 12 general appropriation bills and lists them as

1. Agricultural Department appropriation bill.
2. District of Columbia appropriation bill.
3. Independent offices appropriation bill.
4. Interior Department appropriation bill.
5. Labor Department, Federal Security Agency, and related independent agencies
6. Legislative and judiciary branches appropriation bill.
7. Navy Department appropriation bill.
8. State, Justice, Commerce, and Labor Departments appropriation bill.
9. Treasury, and Post Office Departments appropriation bill.
10. Military appropriation bill.
11. War Department civil appropriation bill.
12. Deficiency appropriation bills.

He also states that "Bills providing special appropriations for specific purposes are not general appropriation bills * * *."

It is clear, therefore, that a resolution appropriating funds for the extension of a line of credit to the United Kingdom is not a general appropriation and can originate in either House.

2. THE NATURE OF THE RESOLUTION

The House of Representatives makes the final determination as to whether a bill infringes its constitutional prerogative to originate all bills for raising revenue. Such questions are not decided by the Speaker but are decided by a vote of the whole body. In making these decisions the House has tended to give a broad construction to the phrase "raising revenue." It has been contended by some Congressmen that the long-established practice that general appropriation bills originate in the House is based upon the idea that appropriation bills are revenue-raising bills within the meaning of the Constitution.

Accordingly, it may be contended that the resolution is a revenue-raising bill because it provides for the receipt of funds by the United States through the issuance of bonds. To support this contention reference may be made to several decisions of the House that bills increasing the postage rates are revenue measures which must originate in the House.

In 1925 a Senate bill reclassified postal salaries and increased postal rates to provide for such an adjustment. The bill passed the Senate after consideration of the constitutional issue and a decision of the Senate that the bill was not a revenue measure. The question of privilege was then raised in the House. A resolution returning the bill to the Senate because it violated section 7 of article I of the Constitution was agreed to by the House (6 Cannon's Precedents 450–452). A similar resolution in regard to a postage-rate bill which originated in the Senate was passed by the House in 1859 (2 Hinds' Precedents 994).

However, the postal-rate cases mark the furthest extent to which the House has gone in construing other than ordinary tax and excise measures to be revenue bills. It is doubtful if the House would extend this interpretation as a matter of logic to measures relating to the issuance of currency and the sale of Government securities inasmuch as the sale of postage stamps is a governmental act closely allied to the imposition of stamp taexs, whereas currency and securities measures bear little resemblance whatever to excises or other tax measures which would be considered revenue in the narrow sense. In addition, although it would probably have little weight with the Congress, it should be noted that the Circuit Court for the Southern District of New York in *United States* v. *James* (1875) (26 Fed Cas. No. 15464) reached the conclusion that postal-rate measures are not "bills for raising revenue" within the meaning of the Constitution.

Moreover, in the case of a bill regarding the issuance of United States notes, which is fundamentally the same as a bill concerning the sale of Government bonds, the House refused to invoke the privilege of article I, section 7, of the Constitution. In 1874 the House considered a Senate bill which provided for the maximum amount of United States notes to be issued and also provided for the issuance of additional currency. A motion was made that the clerk be instructed to return the bill to the Senate with a message that the bill did not properly originate in the Senate. This motion was defeated by the House and thus confirmed the Senate's authority under the Constitution to originate bills of this nature (2 Hinds' Precedents 953). In effect, this overruled a decision of the House in 1837 with respect to a similar measure (2 Hinds' Precedents 944).

Accordingly, the most recent decision of the House of Representatives on the type of bill which is most closely analogous to measures providing for the issuance of Government securities supports the position that such a bill is not a "bill for raising revenue" within the meaning of article I, section 7, of the Constitution.

There are at least two recent examples of legislation originating in the Senate which contain "public debt" provisions similar to the resolution now under consideration, both of which were enacted without any question being raised as to the constitutional limitation.

The act to guarantee the bonds of the Home Owners' Loan Corporation, to amend the Home Owners' Loan Act of 1933, and for other purposes, approved April 27, 1934 (48 Stat. 643), authorized the Secretary of the Treasury to purchase bonds of the Home Owners' Loan Corporation and for this purpose to use money obtained through public-debt transactions under the Second Liberty Bond Act.

The United States Housing Act of 1937 (50 Stat. 888) included among its financial provisions an authorization to the United States Housing Authority to obtain funds through the issuance of obligations. It also provided that these obligations were to be guaranteed by the United States and the Secretary of the Treasury was authorized to use money obtained through public debt transactions under the Second Liberty Bond Act for the purchase of such obligations.

The precedents discussed above are not conclusive and it is possible, at least, that the House would decide that bills authorizing the raising of funds through the sale of Government obligations are bills for raising revenue. Even if it is felt that the House would reach such a conclusion, the further argument may be made that the resolution does not authorize the raising of funds through the sale of Government obligations. Under the Second Liberty Bond Act, as amended, the Secretary of the Treasury is authorized for certain purposes to issue public-debt obligations of the United States up to a specified maximum. The effect of the resolution now being considered is to instruct the Secretary of the Treasury as to the use which may be made of funds which he is authorized to raise under the Second Liberty Bond Act, as amended. The resolution does not increase the limit of public-debt issues, it does not authorize the Secretary of the Treasury to issue any securities which are not already provided for under the Second Liberty Bond Act, as amended, and it does not vary the type of security which may be issued under that legislation. In other words, this resolution authorizes an expenditure by the Secretary of the Treasury out of funds which he has already been authorizd to raise under the Second Liberty Bond Act, as amended.

To this the counterargument may be made that the Second Liberty Bond Act, as amended, authorizes the issuance of securities to a specified maximum but only for certain purposes. The Secretary of the Treasury does not have authority to issue securities up to the maximum amount unless there are authorized purposes for the use of funds to that amount. This resolution, therefore, by extending the purposes for which securities may be issued, in effect authorizes the issuance of additional securities sufficient to raise $3,750,000,000. The resolution is a money-raising as well as a money-spending measure.

3. EFFECT OF THE CONSTITUTIONAL LIMITATION ON THE RESOLUTION

It has been pointed out above that the joint resolution should not be considered a revenue measure within the meaning of article I, section 7, of the Constitution. Even if the position is taken, however, that the resolution does provide for raising revenue it is submitted that the judicial decisions and precedents in Congress support the posi-

tion that this type of resolution may originate in the Senate. A distinction has been made both by the courts and Congress between bills whose primary purpose is to raise revenue and bills which have quite different purposes but which incidentally provide for the raising of revenue. In the latter case both the courts and Congress have followed the rule that the bills may originate in either House.

There are two authoritative Supreme Court cases on this point. The first is that of the *Twin City Bank* v. *Nebeker* (1897) (167 U. S. 196), where it was contended that a bill to provide a national currency secured by the pledge of Government bonds was void because the Senate had added to it a provision imposing a tax on the amount of notes in circulation of certain banking associations. The court held that the addition of this revenue provision by the Senate did not violate the constitutional provision that all bills for raising revenue shall originate in the House of Representatives. The Court said:

"The case is not one that requires either an extended examination of precedents, or a full discussion as to the meaning of the words in the Constitution, 'bills for raising revenue.' What bills belong to that class is a question of such magnitude and importance that it is the part of wisdom not to attempt, by any general statement, to cover every possible phase of the subject. It is sufficient in the present case to say that an act of Congress providing a national currency secured by a pledge of bonds of the United States, and which, in the furtherance of that object, and also to meet the expenses attending the execution of the act, imposed a tax on the notes in circulation of the banking associations organized under the statute, is clearly not a revenue bill which the Constitution declares must originate in the House of Representatives. Mr. Justice Story has well said that the practical construction of the Constitution and the history of the origin of the constitutional provision in question proves that revenue bills are those that levy taxes in the strict sense of the word, and are not bills for other purposes which may incidentally create revenue (1 Story on Const. sec. 890). The main purpose that Congress had in view was to provide a national currency based upon United States bonds, and to that end it was deemed wise to impose the tax in question. The tax was a means for effectually accomplishing the great object of giving to the people a currency that would rest, primarily, upon the honor of the United States, and be available in every part of the country. There was no purpose by the act or by any of its provisions to raise revenue to be applied in meeting the expenses or obligations of the Government."

A similar question was raised in the case of *Willard* v. *Roberts* ((1906) 202 U. S. 429) which involved "An act to provide for eliminating certain grade crossings of railroads in the District of Columbia, to require and authorize the construction of new terminals and tracks for the Baltimore & Ohio Railroad Co. in the city of Washington, and for other purposes," approved February 12, 1901; an act entitled "An act to provide for eliminating certain grade crossings on the line of the Baltimore & Potomac Railroad Co. in the city of Washington, D. C., and requiring said company to depress and elevate its tracks, and to enable it to relocate parts of its railroad therein, and for other purposes," approved February 12, 1901; an act entitled "An act to provide for a union railroad station in the District of Columbia and for other purposes," approved February 28, 1903. It was contended that these acts were void because they originated in the Senate and provided that payments to be made to the railroad companies involved were to be levied and assessed on the taxable property and privileges in the District of Columbia. The Supreme Court held that the bills properly originated in the Senate and relied upon the case of *Twin City Bank* v. *Nebeker*. The Court said:

"The titles of the acts are the best brief summary of their purposes and those purposes are obviously of public benefit. We do not think that it is necessary to enter into a discussion of the cases which establish this."

The First Circuit Court of Appeals reached the same conclusion in *Bartelman* v. *White* ((1933) 65 F. (2d) 719), when the same argument was raised with respect to a tax provision in the Merchant Marine Act.

The practice of the House of Representatives is in accord with the court decisions referred to above. In 1920 a Senate joint resolution directed the Secretary of the Treasury and the members of the War Finance Corporation to revive the activities of that corporation in order to assist in financing the exportation of agricultural and other products to foreign markets. In the House of Representatives a question of privilege was raised that this resolution constituted an infringement of the privilege of the House under section 7 of article I of the Constitution because it involved the possibility of large profits accruing to the Public Treasury and because "it involves an increase in the debt of the United States by $386,000,000 which can be met only by raising additional revenue" (60 CONGRESSIONAL RECORD 523). The point of order was made that a question of privilege was not raised because the purpose of the law was not to produce revenue but to aid in the transaction of business and to aid in financing exports. The Speaker of the House, following the established practice, ruled that questions involving the privilege of the House of Representatives with respect to revenue legislation were questions for the House rather than for the Speaker and put the question to a vote. The House decided that a matter of privilege was not involved (6 Cannon's Precedents, pp. 448–449).

In 2 Hinds' Precedents, 961, an instance is given in which the House returned a bill having revenue provisions. This case does not appear to be one in which the revenue provisions were merely incidental, however, as the only purpose of the bill was to reduce the tax on Panama Canal bonds from 2 percent to 1 percent. It is noted here only because the headings in Hinds' indicates that it is a general bill with incidental revenue provisions.

The Home Owners' Loan Corporation and United States Housing Authority bills referred to above which contained public-debt financing provisions are also precedents in this connection. Both are general bills for broad purposes, which incidentally provide for the financing of certain operations in precisely the same manner as that provided in the joint resolution.

A careful examination of the joint resolution under consideration indicates clearly that if it is assumed that the resolution is a revenue-raising measure it falls within the class of legislation in which revenue-raising provisions are only incidental to the general purposes. Its title is "To further implement 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," and its primary purpose is to authorize the execution of the financial agreement between the United States and the United Kingdom, dated December 6, 1945. The provisions in section 2, which might be considered to relate to the raising of revenue, are only incidental to this primary purpose.

Mr. BARKLEY. Mr. President, for the reasons I have stated, I do not believe that the point of order of the Senator from Colorado [Mr. JOHNSON] is well taken, and I hope the Senate will not sustain it.

Mr. JOHNSON of Colorado. Mr. President, the argument is made that the proposal to float a loan of $3,750,000,000 for a foreign country is an incidental matter. I must go to Webster's Dictionary to find out what "incidental" means. I find that the word is synonymous with "accidental." It means casual, subordinate, not particularized.

Section 2 provides for a bond issue in a sum equal to the total assessed valuation of the States of Colorado, Wyoming, Utah, Nevada, and New Mexico. The total valuation of those States does not equal more than $3,750,000,000.

I find that the area of Colorado and the area of the United Kingdom are almost identical, the United Kingdom having approximately 10,000 square miles less than the State of Colorado. So Senators are alleging that a loan equal to the total valuation of these five States, including all their private property, their railroads, their mines, their banks, their cities, their homes, all their utilities, and everything else, is incidental. I cannot follow that line of argument.

Some evidence has been placed in the RECORD on the question of the definition of raising revenue. Again go back to Webster's New International Dictionary, which declares that revenue is public income of whatever kind. I shall not take the time of the Senate to read several court decisions on the point, but I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks several citations with respect to the raising of public money.

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

(From Words and Phrases, vol. 36, p. 79, under the heading "Raise money")

To raise money is to collect or procure a supply of money for use. To appropriate is to set apart from the public revenue a certain sum for a particular purpose. Vote that schoolhouse should not be opened, and that no moneys should be expended on it, held not vote to raise or appropriate money requiring participation by at least half of qualified voters in school district (Public Laws 1926, ch. 120, par. 3, as amended by Laws 1927, ch. 56, par. 2). *Frost* v. *Hoar* (N. H.) (160 A. 51, 52.)

To raise money, as the word is ordinarily understood, is to collect or procure a supply of money for use, as in the case of a municipal corporation by taxation or a proposed loan. Money cannot be actually given or appropriated before it is raised. The promise to give or appropriate money may be made before the money is actually procured. But in such case the promise binds the promiser to have the money on hand when it becomes due, and, so in a sense, the money is raised by the promise. As authority to grant money includes authority to promise a grant of it, so an exception in respect to raising money includes an exception of a promise by which money must be raised. *Childs* v. *Hillsboro Electric Light & Power Co.* (47 A. 271, 272, 70 (N. H.) 318.)

To raise money, in its ordinary import, is simply to procure it. When applied to an individual or a business corporation, it means the procuring of money in any of the usual methods—by note, mortgage, or obligation. As applied to municipal corporations, its ordinary import is the procuring of money

by taxation, or by the obligations of the corporation; and, where a statute authorizes the borrowing of money, the words "to raise money" are equally apt to signify raising by taxation or by municipal obligations. Black's Law Dictionary defines "raising money" as follows: "To raise money is to realize money by subscription, loan, or otherwise." *New York & R. Cement Co.* v. *Davis* (66 N. E. 9, 10, 173 N. Y. 235).

The term "to raise money" in its ordinary import, is simply to procure it. When applied to an individual or business corporation, it means the procuring of money in any of the usual methods—by notes, mortgages, or other obligations. As applied to municipal corporations, its ordinary import is the procuring of money by taxation or by the obligations of the corporation. Where a statute authorizes the borrowing of money, the words "to raise money" are equally apt to signify raising by taxation or by municipal obligation. That this is the commonly accepted significance of the words seems to be beyond controversy, and this, too, is their legal significance, except where used in a statute in which it appears that they were intended to be used in a more restricted sense. The authority given by Village Law, page 128, authorizing a village board of trustees to raise money for a certain purpose, was construed to authorize the issuance of bonds, as well as the securing of funds by taxation. *New York & R. Cement Co.* v. *Keator* (71 N. Y. S. 185, 186, 62 App. Div. 577).

Mr. JOHNSON of Colorado. Mr. President, the question involved in my point of order is not judicial, and therefore is not affected by judicial opinions and decisions, however learned. It is a parliamentary question pure and simple. Neither the executive nor the judicial branch of this Government, nor the United States Senate, has any power or authority whatsoever to compel the House to accept a bill originating in the Senate if the House deems it a bill for raising revenue. Eloquent advocates may argue until doomsday about what is or what is not raising money; but we know that the House has consistently held through the years that bills providing for bond issues are revenue raising bills, and the House has insisted that such bills originate in the House. Why, then, fly in the face of certain rejection? The question before us is a practical parliamentary question. For the protection of the people whom the House represents, the House will be compelled to return to us the Senate joint resolution. At least that is my opinion.

Section 7 of article I of the Constitution did not come into the Constitution by accident or chance. It was deliberately placed there by the founding fathers as one of the cornerstones of representative government. The Constitution requires Members of the House to be elected every second year, so as to keep them close to the people, and to make them representatives in fact as well as in name. On the other hand, Senators are not representatives of the people. They are ambassadors of the States. The Senate does not directly represent the people. The United States is a republic of sovereign States, not a pure democracy in which the citizens assemble and lay down the policies of government. It is all important, therefore, that the people's safeguards not be chiseled away by the Senate or anyone else for the sake of convenience or expediency. These facts are as well known to us as they are to the House of Representatives. Yet here we would close our eyes to them and would pass a joint resolution which violates section 7 of article I of the Constitution, merely because it is thought to be more convenient for the Senate to act upon this measure now, rather than for the House to act upon it.

As was pointed out by the Senator from Ohio, the principle involved in the requirement of section 7 is the matter to which I am addressing myself—and not so much the form, as the principle involved. As I stated during the time occupied by the Senator from Ohio [Mr. TAFT], since 1940 the United States Government has raised more money and more revenue through bond issues and securities than it has raised through taxes in all the years since its foundation. Yet Senators will argue that raising revenue through bond issues is not a matter serious enough to be considered first by the House of Representatives, as is provided in the Constitution.

Mr. President, Senators will find that the House is very jealous of its rights and privileges, and that the Members are determined to see to it that their constitutional prerogatives are not invaded or violated by the Senate. No one with much congressional experience will deny that.

I repeat, Mr. President, the House is the sole arbiter of this parliamentary question. I feel certain that no one on this floor or in any court will contend that the House does not possess the power and the authority finally to determine this issue. The authority of the House in this respect has never successfully been challenged; and so long as representative Government prevails in this country, I dare say it never will be so challenged.

The power to tax, the power to raise revenue, is not only the power to destroy; it is the power which enables government to operate and function. It takes second place to no other authority—legislative, judicial, or executive. The authors of the Constitution had that tremendous and overwhelming power of government in mind when they wrote section 7. They were determined to keep the authority of raising revenue—whether by means of bond issues, the sale of securities, or direct taxation—as close to the people as possible. Hence, they reposed it in the representatives of the people. For good and obvious reasons they did not give it to the representatives of the sovereign States—the Senate. They denied to the Senate the authority to initiate revenue-raising measures, and they made their position as clear as the English language would permit.

Mr. President, now the word twisters come along and attempt to give the word "revenue" a new and weird definition. The House of Representatives will not be impressed, I feel certain, by hair-splitting definitions.

In common with many other parts of the Constitution, section 7 and the compelling forces which inspired it have their origin far back in English history. They grew out of the long, hard struggle of the people to govern themselves. The importance of maintaining intact and unimpaired the authority of the people is being trifled with by men who, thoughtlessly or otherwise, are encouraging the drift in the United States toward totalitarianism. The people, who are not here to protest, are having their precious powers one by one trimmed and limited. The next step will be to hand over to the executive branch the authority to raise revenue.

As a matter of fact, Mr. President, section 2 of the pending measure is a long and a wrong step in that direction. We often hear it said, "Congress controls the purse strings." It is the one power which Congress is supposed to have retained inviolate. It is about the only pride and the only real authority we have left. At the reckless rate at which we are delegating control of the purse strings to the executive branch, soon we must change the statement to "Once upon a time Congress controlled the purse strings." I repeat, Mr. President, section 2 of Senate Joint Resolution 138 provides further evidence in support of the statement I have just made.

According to the majority leader, Senate Joint Resolution 138 transcends in importance all other legislation and all other matters facing the Congress and the country. It is the one thing which must be enacted post haste. As I interpret his position the British loan completely dwarfs the current coal-strike crisis which has been described by our President as a "national disaster." Nothing can be done with this monstrous situation until we act on the British loan. On May 15 the whole system of selective service expires. That May 15 dead-line date is almost upon us, and yet our determined majority leader ignores all of the confusion which will result from our failure to renew selective service in time; and he insists, as did General Grant before Richmond, "We will fight it out on this line if it takes all summer." Furthermore, legislation to provide controls for atomic energy—the devil's own invention—has been on the Senate calendar for weeks, clamoring for action; but it, too, must wait. And what of veterans' housing, inflation, and the OPA? Everything must stand aside and give right-of-way to the British loan. Certainly in the mind of our distinguished majority leader Senate Joint Resolution 138 is important.

As I see the situation, Mr. President, the importance of Senate Joint Resolution 138 lies in the harm it will do to the United States and to the world. If it were never enacted into law, nothing but good would flow from such inaction.

It authorizes and appropriates the largest sum of money of any bill which the Congress will consider in the present session, with the possible exception of the military appropriations bill. In passing, it should be noted that the Senate Appropriations Committee, created by the rules of the Senate for the specific purpose of recommending appropriations, has not studied this measure. It has not been referred to our Appropriations Committee. The Bureau of the Budget has not been consulted, so far as I can learn. The Senate Finance Committee has not studied its revenue-

raising features or its debt-limit implications.

Mr. President, ordinary prudence would seem to dictate that such an important bill, one held to be of such importance by the majority leader, should most carefully observe all the technical legislative procedures, and should not attempt any questionable short cuts. Surely the Senate does not wish, in such a tragic time of peril and disaster, to waste its time in considering a bill which it is constitutionally ineligible to initiate. Certainly with our house of chips falling all about us, the Senate is not justified in considering a bill which the Constitution denies the Senate the right to initiate.

Recently the House of Representatives enjoyed a 10-day vacation. The House is well ahead in its work. It is the Senate that is behind. Good management would have followed tradition and the constitutional requirements as to the origin of this measure, and would have started this appropriation bill, this revenue-raising bill, through the House of Representatives, before having it considered in the Senate.

I say to the Senate: You have the votes. Go ahead; disregard the Constitution; ignore the House of Representatives; and try to cram this hot lava down the throats of the representatives of the people. You will discover that trifling with the prerogatives of the House of Representatives will gain you nothing but a loss of prestige, a loss of much precious time, and sad experience. Their rights are the rights of the people, and those rights will not be abandoned by the representatives of the people without a struggle—and a struggle consumes time.

The Senate cannot say it has not been warned. If it must persist in using bad judgment, it must prepare itself for a tough and unsavory portion of old crow. It must try to develop a taste for humble pie. "He who laughs last laughs best." When the people's representatives put the Senate in its place, I shall be laughing at the hair-splitting arguments which we have heard today. The Senate's triumph now will be an empty victory then.

Senate Joint Resolution 138 has no business being in the Senate where it is blocking vital legislation, and cluttering our calendar which is pleading to high heaven for action.

The Senate can, by a yea-and-nay vote, declare white to be black, but such vote will not cause these colors to change. The Senate can continue to waste its time on a bill which, under the Constitution, must originate in the House. For no substantial reason the Senate can fly in the face of repeated House precedents and ask for a rebuff from the representatives of the people—a rebuff for encroaching upon the constitutional prerogatives of the House. The Senate can, if it chooses, continue to fiddle while no coal burns. The Senate can declare in a yea-and-nay vote that the Constitution is a scrap of tissue paper.

Mr. President, in further support of my argument that there is no pressing need for the proposed loan, I wish to place in the RECORD a cablegram which I received recently from Great Britain, and which reads as follows:

MAY 7, 1946.

SENATOR JOHNSON,

*Colorado Representative in the Senate:*

Liberator Council, Torquay, England, members including Major General Fuller, Sir Charles Morgan Webb, Sir Enry Lawrence wish every success your fight against Anglo-American loan. British public opinion largely opposes loan being forced down their throats. Only certain professional politicians and international financiers here desire it.

ERIC TROWARD,
*President.*

Mr. President, I do not know any of the persons named in the cablegram, but I submit it as evidence for what it may be worth.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

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

| | | |
|---|---|---|
| Aiken | Hawkes | Radcliffe |
| Austin | Hayden | Reed |
| Ball | Hickenlooper | Revercomb |
| Bankhead | Hill | Robertson |
| Barkley | Hoey | Russell |
| Bridges | Huffman | Saltonstall |
| Briggs | Johnson, Colo. | Shipstead |
| Brooks | Johnston, S. C. | Smith |
| Buck | Knowland | Stanfill |
| Bushfield | La Follette | Stewart |
| Butler | Langer | Taft |
| Byrd | Lucas | Taylor |
| Capehart | McCarran | Thomas, Okla. |
| Capper | McClellan | Thomas, Utah |
| Cordon | McFarland | Tobey |
| Donnell | McKellar | Tunnell |
| Downey | McMahon | Tydings |
| Eastland | Magnuson | Wagner |
| Ellender | Maybank | Walsh |
| Ferguson | Mead | Wheeler |
| Fulbright | Millikin | Wherry |
| George | Mitchell | White |
| Gerry | Moore | Wiley |
| Green | Morse | Willis |
| Guffey | Murdock | Wilson |
| Gurney | Myers | Young |
| Hart | O'Mahoney | |
| Hatch | Pepper | |

The PRESIDENT pro tempore. Eighty-two Senators have answered to their names. A quorum is present.

The pending question, which was to be voted upon not later than 1 o'clock, and it is now not quite 1 o'clock, is: Shall the point of order raised by the Senator from Colorado [Mr. JOHNSON] that the pending joint resolution is unconstitutional, be sustained by the Senate. The yeas and nays having been heretofore demanded and ordered, the clerk will call the roll.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. A vote "yea" will mean that the point of order is sustained, and a vote "nay" will be to overrule the point of order.

The PRESIDENT pro tempore. The Senator is correct.

The legislative clerk called the roll.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from Nevada [Mr. CARVILLE], the Senator from Idaho [Mr. GOSSETT], and the Senator from Louisiana [Mr. OVERTON] are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Montana [Mr. MURRAY], and the Senator from Texas [Mr. O'DANIEL] are detained on public business.

The Senator from Texas [Mr. CONNALLY] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

I also wish to announce that on this question the Senator from West Virginia [Mr. KILGORE] is paired with the Senator from Texas [Mr. O'DANIEL]. If present and voting, the Senator from West Virginia [Mr. KILGORE] would vote "nay," and the Senator from Texas [Mr. O'DANIEL] would vote "yea."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Indiana [Mr. WILLIS] is unavoidably detained on an engagement at the White House. If present he would vote "nay."

The Senator from Maine [Mr. BREWSTER] is unavoidably detained.

The result was announced—yeas 27, nays 54, as follows:

YEAS—27

| | | |
|---|---|---|
| Brooks | Johnston, S. C. | Robertson |
| Bushfield | La Follette | Shipstead |
| Butler | Langer | Stewart |
| Capehart | McCarran | Taft |
| Capper | McClellan | Walsh |
| Ellender | McFarland | Wheeler |
| Hawkes | Millikin | Wherry |
| Huffman | Moore | Wilson |
| Johnson, Colo. | Revercomb | Young |

NAYS—54

| | | |
|---|---|---|
| Aiken | Guffey | Myers |
| Austin | Gurney | O'Mahoney |
| Ball | Hart | Pepper |
| Bankhead | Hatch | Radcliffe |
| Barkley | Hayden | Reed |
| Bridges | Hickenlooper | Russell |
| Briggs | Hill | Saltonstall |
| Buck | Hoey | Smith |
| Byrd | Knowland | Stanfill |
| Cordon | Lucas | Taylor |
| Donnell | McKellar | Thomas, Okla. |
| Downey | McMahon | Thomas, Utah |
| Eastland | Magnuson | Tobey |
| Ferguson | Maybank | Tunnell |
| Fulbright | Mead | Tydings |
| George | Mitchell | Wagner |
| Gerry | Morse | White |
| Green | Murdock | Wiley |

NOT VOTING—15

| | | |
|---|---|---|
| Andrews | Chavez | Murray |
| Bailey | Connally | O'Daniel |
| Bilbo | Glass | Overton |
| Brewster | Gossett | Vandenberg |
| Carville | Kilgore | Willis |

So the Senate refused to sustain the point of order raised by Mr. JOHNSON of Colorado.

Mr. WILLIS subsequently said: Mr. President, when the vote was taken earlier today on the point of order raised by the Senator from Colorado [Mr. JOHNSON] as to the constitutionality of Senate Joint Resolution 138, on the ground that it is a tax measure, and as such must originate in the House of Representatives, I was absent from the Senate, in attendance upon an engagement at the

White House which lasted for a longer period than I had anticipated. I wish to have the RECORD show that if I had been present, I would have voted "nay."

DEATH OF FORMER SENATOR WILLIAM CABELL BRUCE, OF MARYLAND

Mr. RADCLIFFE. Mr. President, I have just heard the sad news of the death today of William Cabell Bruce, who represented Maryland in the United States Senate between the years 1923 and 1929.

The late Senator Bruce was a native of Virginia, but he moved to Maryland when he was a young man, and he quickly became a leader of our bar and one of our most outstanding citizens.

Throughout many years Senator Bruce found opportunity to devote much time to the study and writing of history. He wrote numerous historical books, especially in the field of biographies of prominent Americans. He was busily engaged in historical writing up to the very end of his life; and he reached the advanced age of 86.

As a Member of this body he was an indefatigable worker. He was, in the truest sense of the word, a scholar in politics. For many years I enjoyed his friendship, and am distressed to hear of his death, which brings to a close a life and career of notable usefulness and high distinction.

MESSAGE FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 997. An act for the relief of Aldona Kojas;

S. 1442. An act for the relief of George O. Weems;

S. 1742. An act for the relief of Socony-Vacuum Oil Co.;

S. 1747. An act for the relief of John C. Spargo;

S. 1812. An act to provide reimbursement for personal property lost, damaged, or destroyed as the result of explosions at the naval ammunition depot, Hastings, Nebr., on April 6, 1944, and September 15, 1944; and

S. 1961. An act to exempt from taxation certain property of the Disabled American Veterans in the District of Columbia.

LEAVES OF ABSENCE

Mr. BRIGGS. Mr. President, I have an engagement of long standing to be in my home State on Saturday night. I ask unanimous consent that I may be absent from the sessions of the Senate until Monday.

The PRESIDENT pro tempore. Without objection, leave is granted.

Mr. CAPEHART. Mr. President, I find it necessary to be absent tomorrow and Saturday. I have a pair with the able Senator from Michigan [Mr. VANDENBERG], who is in Parris on official business, and I should like unanimous consent to be absent from the Senate Friday and Saturday.

The PRESIDENT pro tempore. Without objection, leave is granted.

Mr. CORDON. Mr. President, I ask unanimous consent to be excused from attendance on the Senate until next Monday on account of official business for the Senate Committee on Commerce, which was arranged some 2 or 3 months ago, and which I must go forward with.

The PRESIDENT pro tempore. Without objection, leave is granted.

EXECUTIVE COMMUNICATIONS, ETC.

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

TRANSFER OF AIR NAVIGATION FACILITIES IN FOREIGN COUNTRIES

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation providing for the transfer of air navigation facilities in foreign countries (with an accompanying paper); to the Committee on Commerce.

AMENDMENT OF SUGAR ACT OF 1937

A letter from the Secretary of Agriculture relating to the Surgar Act of 1937, as amended; to the Committee on Finance.

FIRST, SECOND, AND THIRD NATIONAL STEAMSHIP COMPANIES *v.* THE UNITED STATES (Cong. No. 17764) (S. Doc. No. 181)

A letter from the Chief Clerk of the Court of Claims of the United States, transmitting, pursuant to Senate resolution 327, November 19, 1940, and section 151 of the Judicial Code, sec. 257, title 28, of the United States Code, a certified copy of the court's special findings of fact and conclusion of law, together with opinion by Chief Justice Whaley, in the case of *The First National Steamship Co., The Second National Steamship Co., The Third National Steamship Co.* v. *The United States*, (Cong. No. 17764) (with an accompanying document); to the Committee on Claims, and ordered to be printed.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the Chicago (Ill.) Typographical Union, No. 16, favoring the continuation of the Office of Price Administration; to the Committee on Banking and Currency.

A telegram in the nature of a petition from the Baton Rouge (La.) Chamber of Commerce, signed by Ted Dunham, president, praying for the enactment of legislation to curb strikes; to the Committee on Education and Labor.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Claims:

S. 2015. A bill for the relief of William H. Morris; with amendments (Rept. No. 1320);

H. R. 3599. A bill for the relief of Ama L. Normand and the estate of Curtis Joseph Gaspard, deceased; without amendment (Rept. No. 1321);

H. R. 3968. A bill for the relief of the estate of Charles W. Stewart; without amendment (Rept. No. 1322); and

H. R. 5111. A bill for the relief of Mrs. Mildred L. Bupp; without amendment (Rept. No. 1323).

By Mr. WHEELER, from the Committee on Indian Affairs:

S. 782. A bill conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in any and all claims which the Confederated Salish and Kootenai Tribes of Indians of the Flathead Reservation in Montana, or any tribe or band thereof, may have against the United States, and for other purposes; with amendments (Rept. No. 1325);

S. 1251. A bill authorizing the issuance of a patent in fee to Richard S. Fisher; without amendment (Rept. No. 1324);

S. 1272. A bill to provide for the disposition of tribal funds of the Confederated Salish and Kootenai Tribes of Indians of the Flathead Reservation in Montana; with an amendment (Rept. No. 1326); and

H. R. 4046. A bill authorizing the issuance of a patent in fee to Richard S. Fisher; without amendment.

ADMINISTRATION AND USE OF PUBLIC LANDS—REPORT ON GRAZING DISTRICT FEES (PT. 2 OF REPT. NO. 808)

Mr. McCARRAN. Mr. President, from the Committee on Public Lands and Surveys, which was authorized by Senate Resolution 241 of the Seventy-sixth Congress, as extended by Senate Resolution 139 of the Seventy-ninth Congress, to conduct a full and complete investigation of the administration and use of the public lands, I ask unanimous consent to submit a fourth partial report thereon. I request that the report be printed.

The report deals with the question of the fees charged by the Grazing Service, of the Department of the Interior, for grazing livestock upon the public lands in grazing districts. This is a subject that has been very much before the Committee on Public Lands and Surveys for nearly a year and a half. It was actively before my subcommittee in its public hearings in 1941. In some of its phases, it has been before the Committees on Apppropriations of both Houses of the Congress for more than 2 years.

The Committees on Appropriations are concerned with the collections from grazing fees as they are related to the mounting and insatiable demands by the Grazing Service for ever-larger appropriations to provide for its further expansion.

The Subcommittee on Appropriations of the House of Representatives, particularly, has been and is at this very moment considerably agitated over this question in their consideration of the Grazing Service budget, now before the House. This agitation is traceable to the fact that the House subcommittee has been incorrectly and inadequately informed with respect to the essential facts and interests involved. The Members of the House subcommittee have, as a matter of fact, been greatly misinformed by grossly misleading statements and data presented to them by the Grazing Service. The true facts are set out in the report which I have just filed.

The livestock industry of the West, the users of these public lands, are also alarmed by the rapid growth of the Grazing Service and its continued demands for still larger appropriations. The livestock users are not willing to be saddled with these multiplying costs, without their consent, and especially in the face of the acute situation facing the livestock industry today.

The report that I have just submitted to the Senate is based upon a long series of hearings in Washington, D. C., and throughout the public-land States in which the grazing districts are located. The report covers this subject in all of its phases and in detail. It unfolds a story of ambitious and unscrupulous dealings by the Grazing Service with both the Congress and the livestock industry of the West.

The Grazing Service administers 60 grazing districts from 57 district offices and 9 regional offices located in 10 of the 11 western public-land States. These districts cover a gross area of 266,000,000 acres, which is 37 percent of the entire area of these 10 States. Within the districts there are 141,000,000 acres of public lands. These public ranges are used by 22,000 livestock permittees, who graze thereon for an average of 4 months of the year, a little more than 2,000,000 cattle and horses and 8,500,000 sheep and goats. These permitted livestock represent 20 percent of all of the cattle and 43 percent of all of the sheep produced in these 10 Western States. As I am sure every Senator knows, the livestock industry in these States is highly important as a major source of the Nation's supply of meat and wool.

The Taylor Grazing Act, which provides the authority for the administration of the public-land ranges by the Grazing Service, was enacted June 28, 1934. Over the years when the act was being formulated and enacted and amended by the Congress, it was considered by everyone who had anything to do with it to be essentially and above all a conservation measure, for the protection of the open public domain and its resources. It was never considered in any sense to be a revenue measure. That was the view of the Public Lands Committees of both Houses of the Congress. That was the view and the understanding of the leaders of the livestock industry of the West, who had a large part in the writing and the enactment of this law. That was the view of the Department of the Interior, expressed many times by former Secretary Ickes and his spokesman when they appeared before the committees of the Congress.

In the preamble to the Taylor Act it is described as an act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range.

The Taylor Grazing Act authorizes the Secretary of the Interior to determine from time to time the "reasonable fees" to be charged annually for the use of the public lands within grazing districts. The present uniform fee of 5 cents per animal-unit-month was fixed in 1946. An animal unit means one cow or horse, or five sheep or goats.

The controversy over grazing fees revolves around the meaning of the term "reasonable fees" specified in the act.

When the Taylor Grazing Act was under consideration for passage, Secretary Ickes told the Congress:

> We have no intention of making this a revenue producer at all. We would like for the range to pay for its own administration but nothing more.

That declaration was in conformity with the whole history and spirit of the act.

At the same time Secretary Ickes repeatedly estimated that the administration of the act would cost about $150,000 per year. He assured the Congress that:

> It would not be a separate set-up or a new bureau.

His spokesman told the Congress that:

> No new bureau is needed or contemplated. Expansion of existing agencies is all that is necessary.

These are the promises that persuaded the Congress to enact this law. It was because of these assurances that the livestock industry consented to this legislation and supported it.

Let us see how these promises have been carried out.

The direct appropriations for the administration of the Grazing Service, designated as salaries and expenses, have grown from a quarter of a million dollars, for the fiscal year 1936, to $1,047,000 for 1945. For the current fiscal year the total is $979,000. But in the appropriation bill now before the Congress the Grazing Service is again asking that this sum be increased, and the proposed increase is $500,000, more than 50 percent above this year's total.

Over the 11 fiscal years that the law has been in force the appropriations for salaries and expenses of the Grazing Service have totaled $7,995,000, an average of $726,000 per year—compared with the $150,000 per year promised by the Secretary of the Interior.

But this is by no means all. The Grazing Service has had large additional funds appropriated and allotted to it from several sources. Over the 11 years of its existence the Grazing Service has had for expenditure a total of $38,757,000. If we exclude moneys derived from the Civilian Conservation Corps and certain other sources not related to grazing, the Grazing Service still has had, for administration and range improvement purposes, a total of $14,777,000. This is an average of $1,343,000 per year.

Now let us turn to the other side of the account. By the end of this fiscal year the Grazing Service will have collected as grazing fees from the livestock users of the grazing districts a total of approximately $7,727,000. This may be compared with the total of $7,995,000 appropriated for salaries and expenses for the same period, but the comparison is not entirely proper, because by no means all of the money appropriated for salaries and expenses was used for activities that can properly be charged to the livestock industry.

Furthermore, the Taylor Grazing Act provides that 50 percent of the grazing fees collected shall be returned to the States, to be expended as the respective State legislatures may direct, for the benefit of the county or counties in which the collections originate. The act also provides that an additional 25 percent of the collections shall be available to the Grazing Service, when appropriated by the Congress, for the construction, purchase, and maintenance of range improvements. This means that approximately 25 percent of the fees collected remain in the Federal Treasury, to the credit of the general fund.

The Bureau of the Budget, and some members of the Appropriations Committees who are not familiar with the western range country and its peculiar conditions and problems, are inclined to insist that the grazing fees should be determined merely by considering the portion of the collections remaining in the general fund as an offset to the cost of administering the public range. This is an unsound proposition, and I shall deal with this phase of the matter a little later.

Now, Mr. President, I wish to emphasize that the livestock industry of the West is not asking for any special favors. They want to pay their own way. They want to pay a reasonable price for all they are receiving. They believe that they are doing this under the fees now in force. They are opposed to an increase in the fees at this time, in view of their present net earning position, and the difficulties and uncertainties now confronting the livestock industry. They are alarmed by the rapid expansion of the Grazing Service, and its insatiable demands for ever larger appropriations, especially if these are to be charged back against the users of the grazing districts. They believe that if they are to be asked to pay for this ever mounting cost of administration and services, allegedly attributable to livestock, they should have a voice in determining and limiting the kinds and amounts of these expenditures and services charged to them.

The livestock industry using the grazing districts would be quite willing to pay larger fees if after a careful and unbiased study has been made it should be shown, first, that additional costs and services are needed and justified, and, second, that these costs may be kept within the ability of the users to meet them and to maintain those dependent, privately owned properties which both the law and Grazing Service regulations require them to have before they can qualify for permits to graze upon the public lands. No such study or showing has yet been made.

The grazing district users further believe that, in arriving at the charge against administration costs, if that is to be the basis for the fees, they should be credited with the full amount of their fee payments; and not with only the 25 percent thereof that remains to the credit of the general fund. They do not think that they should pay, or could pay, in the form of fees, four times the cost of administration, even if there should be no further increase of those costs. They feel that the distribution of the 50- and 25-percent funds is not of their choosing.

If they are to be credited only with the amounts remaining in the general fund, they would favor the elimination of the 50- and 25-percent funds, or any necessary portion of them. In this event, they would themselves finance and construct the range improvements they desire; and they know they could do this at a very much lower cost than is incurred when the range improvements are installed by the Grazing Service. Many of the grazing district users would favor a reduction in the present size and cost of the Grazing Service.

The users, also, are not willing to be charged with the numerous activities of the Grazing Service which are not directly related to the livestock industry. A considerable part of the Grazing Service administration is concerned with the general public interest in the conservation of the public domain, the wildlife thereon, and such things as the protection of stream flow for irrigation and other purposes.

As opposed to these views, the position taken by the present Director of Grazing, Mr. Forsling, is that the costs of administration and grazing fees are entirely separate and unrelated matters, each to be considered upon its own merits. He believes, however, that in the long run the fees and administration costs will, or should, approximate each other. Mr. Forsling contends that the basis for the grazing fees should be a reasonable price for the forage in the grazing districts.

The livestock users think that adherence to this principle for the sale of the forage values in the grazing districts means taking all the traffic will bear, and they soundly contend that such a policy is wholly at variance with the history and spirit and intent of the Taylor Grazing Act.

Early in 1941 the Grazing Service completed a range appraisal study intended to furnish the factual and statistical basis for the determination of the "reasonable fees" authorized in the act. The results of this study were presented in detail by Grazing Service officials in many meetings with the livestock users of the grazing districts. The report on this study recommended that the fees be virtually trebled, over a period of 4 years, and that the amount of the fee be varied from year to year, on a sliding scale basis, in accordance with changes in the market prices for beef and lambs.

The findings of the range appraisal study were subjected to critical analysis by the livestock men in several hearings before my subcommittee in 1941. These analyses disclosed that the results of the study furnished little or no support to the recommendation for increasing the grazing fees. Following those hearings, and other meetings, the then Director of Grazing, in January 1942, at a meeting with the National Advisory Board Council, shelved the report and its recommendations. The Director agreed with the council, which is an agency sponsored by the Grazing Service, that, because of the many uncertainties facing the livestock industry, there would be no change in the fees until the war emergency had passed.

This pledge was renewed by the Assistant Secretary of the Interior 2 years later, when he met with the National Advisory Board Council in January 1944.

However, within a few weeks following the renewal of this pledge, officials of the Grazing Service, when they appeared before the House Subcommittee on Appropriations, launched a determined campaign to force an increase in the grazing fees. The larger fees were and are sought by the Grazing Service for one purpose; and that is that the increased collections may serve as a justification for still larger appropriations and further expansion of the organization. The Grazing Service officials, particularly the Acting Director, J. H. Leech, presented to the Subcommittee on Appropriations, wholly gratuitously and without any proper explanation, grossly misleading figures intended to show that the grazing district users were receiving forage values many times in excess of the sums paid therefor in the form of grazing fees.

This so-called value of the grazing district forage is wholly indefensible on the basis of the findings of the range appraisal study, or on the basis of any other reasonable standard of measure. It is based upon greatly distorted and inflated data taken from the range appraisal study. The Members of the House subcommittee did not know this. It has never been explained to them. No member of that subcommittee was from a public-land State. They were not familiar with the problems and conditions and costs peculiar to the public land range areas.

There can be no doubt that this dishonest portrayal before the Subcommittee on Appropriations was deliberately designed by Grazing Service officials to bring from the Congress a demand that the fees be increased. The attempt was successful; and subsequently the Grazing Service has exploited this situation by representing that it, the Grazing Service, was "under pressure from Congress" to raise the fees.

Nine months after this episode, in November 1944, while the war was at its height, the newly appointed Director of Grazing, Mr. C. L. Forsling, met with the National Advisory Board Council, in Salt Lake City, and without any forewarning proposed that the grazing fees be trebled, to be effective for the 1945 grazing season, then but a few weeks away. The schedule of fees was described as an "interim fee," which Mr. Forsling said he intended to present to the Secretary of the Interior for his approval and action. Mr. Forsling thought that this interim fee was so far within the safe limits of what he considered to be the value of the forage in the grazing districts that no further range study was needed at that time. The council was invited to send a small committee to confer with Secretary Ickes in the short interval before the new fee schedule should be announced and made effective.

The council unanimously opposed Director Forsling's proposal, and offered counter proposals of its own. These were not acceptable to Mr. Forsling. He insisted upon his own course of action, regardless of the pledge by the Department, or the economic consequences of his proposal. The council and the individual and organized livestock men generally, then appealed to the Senate Committee on Public Lands and Surveys to conduct public hearings, in which the whole subject of grazing fees should be discussed fully, upon its merits, by all interested parties, before any change in the fee should be decided upon. In response to these urgent requests the committee, by resolution, asked the Department of the Interior to defer its action until the committee had an opportunity to make a thorough study of the subject. To this, Secretary Ickes reluctantly assented. During 1945, therefore, the committee conducted an extensive series of hearings on the subject in Washington, D. C., and in eight of the States in which the grazing districts are located.

In these several hearings Director Forsling explained what he said were his reasons for insisting upon increasing the grazing fees. His chief avowed reason, at first, was that, subsequent to his base period of 1935–39, the market prices for beef and lamb had advanced some 70 percent. From this, and his general knowledge, he concluded that the livestock industry had been fairly well stabilized, and that for several years the industry had enjoyed a fair degree of prosperity. He thought that the industry could afford to pay the higher fees. He had not considered the net profit position of the livestock industry, because that was too difficult to determine. He had made no study of his own. He relied upon the record of market prices for livestock, the results of the range-appraisal study of 1941, and some fragmentary data obtained from the Farm Credit Administration, and upon which he placed his own interpretation. He admitted, under questioning, that in his discussions with the Appropriations Committees of the Congress, and with the Bureau of the Budget, he had not considered the net earnings of the industry, or the ability of the grazing district users to pay the higher fees and survive, under the conditions prescribed for these permittees by the law and by the regulations of the Grazing Service itself. Finally, he admitted, under close questioning, that his formula for increasing the fees was, to a considerable extent, just pulled out of the air.

The mass of evidence brought to the committee in its many hearings has shown clearly and unmistakably that, in each year subsequent to 1941 and 1942, the increases in the operating costs of the livestock industry in the range States have progressively outrun, and by wide margins, the advances in the market prices of the products sold. The livestock men readily conceded that in 1941 and 1942 the industry was in a satisfactory profit position. These were the years when the range-appraisal study was completed, and the increase in fees was deferred because of the many uncertainties and difficulties then facing the industry. In succeeding years the prices of livestock and its products have been stabilized under price ceilings, but

there has been no stability or restriction or limit to the advances in the operating costs of the industry. In the period from 1940 to 1944, according to statistics of the Department of Agriculture brought before this committee, the wages paid to ranch and farm labor increased more than 200 percent, the prices of purchased feeds more than doubled, and the other operating costs increased proportionately.

The consequence of this increasing disparity between livestock market prices and the ranchers' operating costs has been to place the range livestock producers in a progressively less and less favorable net earning position. A study of production costs in the sheep industry of the Western States by the United States Tariff Commission for the 5 years, 1940–44, disclosed that the highest net earnings were obtained in 1942, when the profit was $1.14 per head of sheep. The next year there was a net operating deficit of 12 cents per head; and in 1944 the net loss was $1.22 per head—a larger loss than the maximum profit reported in 1942.

These operating losses are causing a drastic liquidation in the sheep-producing industry, particularly in the western range States. The peak in the sheep population was reached in 1942, and each year since that date has brought a further decline in the number of sheep on farms and ranches. The number of stock sheep on farms and ranches has decreased 24.7 percent in all States between January 1, 1942, and January 1, 1946. In the 11 western range States the decrease has been 28.8 percent. In Oregon the sheep population has declined more than 44 percent, while in Washington, Idaho, and Montana the loss in numbers has been 40 percent, 39 percent, and 35 percent, respectively. There is reason to believe that in the grazing district regions of these States, where the unit production costs are relatively high (in spite of the so-called low grazing fees), the liquidation in the sheep industry is even more drastic than is disclosed by the State averages.

Liquidation in any industry does not flow from a healthy or profit position. As a matter of fact, so serious is the plight of the sheep industry at the present time that another committee of the Senate has held extensive hearings, and with the active support of the President and the executive departments, has introduced proposed legislation which it is hoped will enable the sheep- and wool-producing industry to survive during the postwar years immediately ahead.

Some sheep producers, who can make the change-over, are shifting to cattle; not because the range-cattle industry is in a profit status, but because they feel that at the present time there is a better chance to survive with cattle than with sheep. Many of the sheepmen are not so equipped or situated that it is possible for them to make this shift. The range livestockman cannot suspend his operations during an unfavorable period, and renew them at a later time. He must use his permit to graze upon the public range, or incur a high risk of losing it, with no possibility of regaining it in the future. He would then be out of business, and without a means of livelihood, and with his business would go much or all of his heavy investments in privately owned ranch and range properties, which are unsuited for other uses.

The difficulties and uncertainties that faced the livestock industry in 1942, and caused the proposed increase in grazing fees to be deferred, certainly have not decreased. On the contrary, they have steadily increased. I submit, that this is not a proper or opportune time to impose still heavier costs upon an already distressed industry.

The only cost study that the Grazing Service has ever made was the range appraisal of 1941, covering the 5-year base period of 1935–39. In that study the Grazing Service found that when the operating costs (including taxes, lease costs, and 4 percent interest on the investments in owned ranch and range properties) were deducted from the gross income of the 218 ranches studied, these ranchers had no income left from which to pay any grazing fees at all on either the national forests or the grazing district lands. The remainder, before allowing for any grazing fees, was a minus quantity.

In his every appearance before the committees of the Congress, Director Forsling has held up and emphasized as his most telling argument a so-called comparison of these fees with the prices paid in commercial leases for privately owned and State lands. It is his contention, put forward on every possible occasion, that the costs of these leased lands are from 2 to 12 times higher than the fees charged for "comparable" public lands in the grazing districts. His conclusions and data were derived from the range appraisal study of 1941. In the report of that study it was announced that the most important finding was what the report called the "startling data as to the commercial lease costs of an animal unit month" of feed. The finding was startling only because it was not a fair or honest comparison in any sense of the term. It was an attempt to compare dissimilar things.

An examination of the original records upon which this finding and conclusion are based discloses that in the vast majority of cases the commercial leases represented improved properties, strategically located, and including that all-important and costly essential in the range country—water; water not only for use on the privately owned properties, but on the surrounding public lands as well. Most of these leased properties were fenced; some of them were home ranches, including hay and some crop lands; many of them were especially valuable high summer ranges and lambing grounds; many of them were so located that they had a nuisance value for which the rancher was virtually compelled to pay, in order to keep his ranch set-up intact. Practically all of these properties were base properties, which both the Taylor Grazing Act and the regulations of the Grazing Service require the rancher to control before he can qualify for a permit upon the public range.

It is perfectly clear that only a fraction of these lease costs tabulated by the Grazing Service represented payments for forage values; and that the forage obtained under these private leases, in most instances, was of much higher quality and quantity than that furnished on the public range. The bulk—the great bulk—of these lease costs were payments for these other values enumerated. These facts were disclosed by the original records in the files of the Grazing Service, when those records were examined by this committee. These facts were known to the authors of the report on range appraisal, but they do not appear in that report. These facts should have been known by the Director of Grazing. And yet Mr. Forsling has repeatedly told the committees of Congress that this was a comparison of lands comparable with the public range.

In contrast with these privately owned lands just described, the remaining public lands in the grazing districts are the poorest and least valuable grazing lands in the country. They are the remnants, the left-overs from more than 80 years of acquisition under the homestead and other public land laws. They are the dry lands to which no one could afford to acquire ownership under any of the public land laws. They are the winter grazing lands. On them, the livestock generally lose a part of the weight gained while grazing on other lands at other times of the year, in spite of the common practice of feeding the livestock supplementary purchased feeds while they are grazing on the public lands.

While these public lands are low in grazing values, they are huge in total extent. They furnish the seasonal grazing essential to round out the livestock operations on the privately owned ranch and range lands dependent upon them. These two classes of lands are interdependent. Without the use of the public lands, the private lands in the grazing district areas would be incomplete, uneconomic. Likewise, these public lands generally would be unusable without the water and other facilities provided by the private lands.

In his first appearance before this committee, Director Forsling furnished a new list of alleged lease costs for private lands. It is obvious that this was but an upward revision of the tabulations from the range-appraisal study. He gave no basis for the revisions, or the unaccountable face lifting they involved. But he did tell the committee that the Grazing Service had conducted no range studies subsequent to the one reported in 1941. It would seem evident that these revisions Mr. Forsling just "pulled out of the air," as he admitted that he did his formula for the proposed increase in grazing fees.

The best that can be said regarding these so-called comparisons of lease costs with grazing fees charged, is that the Grazing Service has so far failed to show that the alleged disparity, or any disparity, does in fact exist. These officials, Mr. Forsling and his associates, have been and are so obsessed with building a case to support higher and ever higher

appropriations, that facts and consequences and fairness seem not to have entered into their calculations.

Any such comparison, to be at all fair and convincing, must be a comparison of like forage values, with all of these other highly important costs and factors eliminated. Then, to the grazing fee charged must be added the costs of the burdens and disadvantages imposed upon the public-land permittees by the law, the regulations, and the administrative restrictions of the Grazing Service itself. Admittedly, such a comparison is difficult to make. But thus far the Grazing Service has not made even an honest beginning in such a comparison.

Over and over again, this committee has been told by those who use the public range that wherever and whenever privately owned and State range lands are available, and can be fitted into their range operations, they much prefer to use these rather than the public lands. They find it actually more profitable to pay considerably higher unit costs for private and State lands, and thus be able to manage their business as their own judgment dictates, free from the burdensome Grazing Service restrictions.

The alleged disparity between grazing fees and lease costs is thus, upon examination, found to be largely a myth, created by the Grazing Service for its own purposes.

Since the close of the series of hearings to which I have referred, Director Forsling apparently has abandoned most of his former reasons and arguments in support of higher fees. Under date of January 25, 1946, he informed this committee, through the Secretary of the Interior, that he now thinks that "ultimately a substantial increase in the grazing fees would not be unreasonable" because of, one, the "wide disparity" between the grazing fees and the "prices being paid for the rentals of comparable State and privately owned range lands," and, two, "the values of grazing privileges on the public lands commonly recognized in the sale and lease of range properties that are qualified to receive grazing permits."

Mr. Forsling now proposes to defer further action in increasing grazing fees until 6 months after the discontinuance of the subsidies currently being paid for the production of beef cattle, sheep, and lambs. He says that the lifting of these payments will indicate to him that the emergency confronting the range livestock industry will have passed.

The first of these two considerations has been dealt with. The second refers to the bonuses which Mr. Forsling says are commonly involved when privately owned base properties change hands. He has told this committee that these so-called bonuses commonly amount to $5 to $6 per animal unit month of grazing privilege upon the public lands, attached to these base properties. However, when Mr. Forsling was asked by the committee to furnish specific instances of the payments of such bonuses, based upon concrete evidence in the possession of the Grazing Service, he was unable to do so. He was forced to admit, under questioning, that his information with respect to such bonuses consisted of only hearsay.

Other witnesses challenged Mr. Forsling's statement concerning these bonuses, with the contention that whenever any bonuses are paid very special conditions will be found to be present; and that, therefore, his generalization is not warranted.

Now I would like to turn for a moment to the solution of the grazing-fee question proposed to the Grazing Service by the spokesmen for the livestock users of the grazing districts. I am impressed with the soundness and the fairness of these proposals. The testimony at our hearings indicates that they are widely supported by the livestock users concerned.

When the national advisory board council was confronted with Director Forsling's proposal to treble the grazing fees, in November 1944, it took the position that:

> Any fee finally fixed must be based on a direct relation to the reasonable cost of administering the public lands for grazing purposes only and nothing more. Until the facts as to the cost of administration, together with the necessity therefor, and their relation to grazing, are determined, no one can fix a reasonable fee as provided in the act.

The council then proposed:

> (a) That the study of cost of administration of grazing lands, for grazing purposes only, be completed and presented to this council.
>
> (b) We agree, when such a report is available to and approved by the council, to assist in fixing a reasonable fee as provided in the Taylor Grazing Act based upon the fair and reasonable cost of administering the public domain, for grazing purposes only, but nothing more.
>
> (c) We recommend that by amendment to the Taylor Grazing Act it provide that fees paid by grazing users of the grazing districts be used for administration.
>
> (d) We agree that with such provisions in the act grazing users will finance and maintain improvements desired by them.

The position taken by the national council in 1944 was reaffirmed at its meeting with the Grazing Service in December 1945. It has been widely endorsed by range livestockmen and their associations, including the National Wool Growers Association. It is worthy of the most careful consideration by the Congress, as well as by the Grazing Service.

The implementing of these recommendations would involve an amendment to the Taylor Grazing Act to remove therefrom, or modify, the provisions with respect to the 50-percent and the 25-percent funds.

I commend to the attention of every Senator the report which I have just presented.

The PRESIDENT pro tempore. Without objection, the report submitted by the Senator from Nevada will be received and printed.

## BILLS AND JOINT RESOLUTION INTRODUCED

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

(Mr. LANGER introduced Senate bill (S. 2165) to provide for the payment of a bonus of 45 cents per bushel for all wheat, and 55 cents per bushel for all corn, and 5 cents per bushel for oats purchased and sold between January 1, 1945, and April 18, 1946, and providing for payment of additional bonuses if paid by the United States Government, which was referred to the Committee on Agriculture and Forestry and appears under a separate heading.)

By Mr. WALSH:

S. 2166. A bill for the relief of Eleanor J. Griggs, Dorothy L. Griggs, and Vernon M. Griggs; to the Committee on Claims.

S. 2167 (by request). A bill for the payment of wages of workmen on Navy projects on VJ-day; to the Committee on Naval Affairs.

By Mr. MYERS:

S. 2168. A bill to authorize the Secretary of War and the Secretary of the Navy to issue Victory Medals to persons who served in the armed forces between April 6, 1917, and July 2, 1921; and

S. 2169. A bill authorizing the Secretary of War, the Secretary of the Treasury, the Secretary of the Navy, and the United States Maritime Commission to dispose of certain materials to the United States Coast Guard Auxiliary; to the Committee on Military Affairs.

By Mr. BYRD:

S. 2170. A bill to provide additional facilities for the mediation of labor disputes, and for other purposes; to the Committee on Education and Labor.

(Mr. HART introduced Senate bill (S. 2171) to establish a Department of Civil Aviation, and for other purposes, which was referred to the Committee on Commerce, and appears under a separate heading.)

By Mr. MAGNUSON:

S. 2172. A bill for the relief of Hans Hauser; to the Committee on Immigration.

By Mr. BROOKS:

S. 2173. A bill for the relief of George Pathy; to the Committee on Immigration.

By Mr. FERGUSON:

S. 2174. A bill for the relief of Thomas Camarda; to the Committee on Immigration.

(Mr. JOHNSON of Colorado introduced Senate Joint Resolution 159, to extend the Selective Training and Service Act of 1940, as amended, until July 1, 1946, which was passed, and appears under a separate heading.)

## PAYMENT OF BONUS TO FARMERS ON WHEAT, CORN, AND OATS

Mr. LANGER. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to provide for the payment of a bonus of 45 cents per bushel for all wheat, 55 cents per bushel for all corn, and 5 cents per bushel for all oats purchased and sold between January 1, 1945, and April 18, 1946, and providing for a further sum, whatever that sum may be, in case any department of government raises the bonus payments.

There being no objection, the bill (S. 2165) to provide for the payment of a bonus of 45 cents per bushel for all wheat, 55 cents per bushel for all corn, and 5 cents per bushel for oats purchased and sold between January 1, 1945, and April 18, 1946, and providing for payment of additional bonuses if paid by the United States Government, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

MEDIATION OF LABOR DISPUTES—AMENDMENTS

Mr. BALL. Mr. President, on behalf of the Senator from Ohio [Mr. TAFT], the Senator from New Jersey [Mr. SMITH], and myself, I ask unanimous consent to submit five amendments intended to be proposed to the so-called Case bill (H. R. 4908) to provide additional facilities for the mediation of labor disputes, and for other purposes, which are included in the minority views heretofore submitted by Mr. TAFT, Mr. SMITH, and myself.

There being no objection, the amendments were received, ordered to lie on table, and to be printed.

Mr. BALL. Mr. President, I also ask unanimous consent to submit, on behalf of the Senator from Ohio [Mr. TAFT] and myself, an amendment intended to be proposed to House bill 4908, to provide additional facilities for the mediation of labor disputes, and for other purposes.

There being no objection, the amendment was received, ordered to lie on the table, and to be printed.

Mr. ELLENDER submitted three amendments intended to be proposed by him to the bill (H. R. 4908) to provide additional facilities for the mediation of labor disputes, and for other purposes, which were ordered to lie on the table and to be printed.

EMBLEM DAY

Mr. LA FOLLETTE submited the following concurrent resolution (S. Con. Res. 61), which was referred to the Committee on the Judiciary:

Whereas on June 20, 1782, the great seal of the United States was adopted by the Congress; and

Whereas the great seal, with its American white-crested eagle as the dominant figure, is an appropriate and artistic emblem worthy of commemoration: Therefore be it

*Resolved by the Senate (the House of Representatives concurring)*, That the President of the United States be requested to designate the 20th of June 1946 as Emblem Day in honor of the national strength, spirit, and courage of America, as typified by the great seal and the great American eagle.

THE ANGLO-AMERICAN REPORT ON PALESTINE (S. DOC. NO. 182)

Mr. WAGNER. Mr. President, I had the pleasure of listening to a very admirable and able address made by my colleague the junior Senator from New York [Mr. MEAD] and also the address of the junior Senator from Maine [Mr. BREWSTER] relative to the report of the Anglo-American Palestine Committee on the Senate floor yesterday. I agree wholeheartedly with the statements made by both of these Senators in reference to the Palestine report, and I now ask unanimous consent that the Anglo-American report which I send to the desk be printed as a Senate document.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EMBARGO ON SHIPMENTS OF FERTILIZER

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the RECORD following my brief remarks a few telegrams which I have received from farmers and fertilizer dealers in the Carolinas. Most of such telegrams have been sent to Colonel Johnston, who is in charge of the ODT, or to the Department of Agriculture.

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

BENNETTSVILLE, S. C., *May 8, 1946.*

Hon. BURNET R. MAYBANK,
*United States Senate Chamber,*
*Washington, D. C.:*

I am now in a meeting of farmers and fertilizer dealers. We are terribly concerned about the nitrate of soda problem. Marlboro County has less than a quarter of its requirements. Will you please do everything possible to have the Department of Agriculture put pressure on the ODT for priority on shipment of soda by rail?

W. E. ROGERS,
*Chairman, USDA Council.*

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LANCASTER, S. C., *May 8, 1946.*

Hon. BURNET R. MAYBANK,
*United States Senator,*
*Washington, D. C.:*

Need of our farmers for nitrate of soda is critical. We protest the embargo covering movement such necessary material. Farmers in our county cannot produce food and other crops without this fertilizer.

LANCASTER COUNTY FARM BUREAU,
J. H. MOOREFIELD, *Secretary.*

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DARLINGTON, S. C., *May 8, 1946.*

Hon. BURNET R. MAYBANK,
*United States Senate,*
*Washington, D. C.:*

Exemption of nitrate of soda from freight embargo essential to food production. Soda in Charleston awaiting transportation. Intervene immediately.

A. L. FLOWERS.

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DARLINGTON, S. C., *May 8, 1946.*

Hon. BURNET R. MAYBANK,
*United States Senate,*
*Washington, D. C.:*

Freight embargo will greatly curtail food crops. Railroads cannot haul nitrate of soda now in Charleston and badly needed on farms. Intervene immediately.

FRANK L. BONNOITT.

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PINEWOOD, S. C., *May 9, 1946.*

Hon. BURNET R. MAYBANK,
*United States Senate,*
*Washington, D. C.:*

Farmers in South Carolina cannot produce cotton, corn, or other foodstuff without nitrate of coda. Freight embargo prohibits shipment of nitrate by rail. OPA prohibits trucking nitrate from ports account slight increase in freight costs. We farmers demand relief from OPA asinine rulings.

R. J. Aycock, R. J. Aycock, Jr., O. D. Harvin, G. J. Aycock, C. L. Griffin, D. L. Barwick, J. A. Barwick, Lee Barwick, J. M. Griffin, Mendel Smith, Joe Geddings, S. L. Touchberry, Miles D. Touchberry, W. L. Mason, Jr., John M. Felder, Miss Bessie Deschamps, W. E. Jenkinson, M. D. Jenkinson, Jesse Wells, J. L. Elliott, J. W. Weeks, O. L. Johnson, E. P. Thomas, N. B. Moneyhan, Cecil Johnson, J. E. Johnson, J. O. Johnson, and L. L. Kolb.

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DARLINGTON, S. C., *May 8, 1946.*

Hon. BURNET R. MAYBANK,
*United States Senate,*
*Washington, D. C.:*

Food-production program will be adversely affected unless soda now in Charleston included in essential hauling by railroads. Urge your immediate intervention.

J. CLEVE STOKES.

EXTENSION OF SELECTIVE SERVICE—ADDRESS BY SENATOR LANGER

[Mr. LANGER asked and obtained leave to have printed in the RECORD a radio address delivered by him in reply to Secretary of War Patterson concerning the extension of selective service, which appears in the Appendix.]

PROCEEDINGS AT DINNER IN HONOR OF MRS. FRANKLIN DELANO ROOSEVELT

[Mr. HILL asked and obtained leave to have printed in the RECORD the proceedings at the Women's Joint Congressional Committee dinner, held in honor of Mrs. Franklin Delano Roosevelt, at the Mayflower, Washington, D. C., March 14, 1946, which appear in the Appendix.]

APPALACHIAN MINING CONDITIONS—ARTICLE BY AGNES E. MEYER

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an article entitled "Reporter Finds Appalachian Mining Conditions Appalling," by Agnes E. Meyer, from the Washington Post of May 8, 1946, which appears in the Appendix.]

MINERS' VIEWPOINT ON WAGES, WELFARE—ARTICLE BY AGNES E. MEYER

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an article entitled "Reporter Presents Miners' Viewpoint on Wages, Welfare," by Agnes E. Meyer, from the Washington Post of May 9, 1946, which appears in the Appendix.]

CONFIRMATIONS OF NOMINATIONS OF GRADUATES OF NAVAL ACADEMY

Mr. WALSH. Mr. President, out of order and as in executive session, I ask unanimous consent to report from the Committee on Naval Affairs the nominations by the President of midshipmen to be ensigns, assistant paymasters, and to be second lieutenants in the Marine Corps. This is the usual annual request. The nominations are made so as to permit the young men who graduate from the Naval Academy in June to be given their commissions.

The PRESIDENT pro tempore. The nominations will be received and placed on the Executive Calendar.

Mr. WALSH. I now ask unanimous consent for the present consideration of the nominations. There are in all, 813 midshipmen in this list—741 midshipmen are nominated to be ensigns in the Navy, 47 midshipmen to be assistant paymasters in the Navy with the rank of ensign, and 35 midshipmen to be second lieutenants in the Marine Corps.

Mr. WHITE. Mr. President, are these simply routine nominations for commissions in the Navy and in the Marine Corps?

Mr. WALSH. They are the annual routine nominations for commissions.

The PRESIDENT pro tempore. Is there objection to the present consideration of the nominations? The Chair hears none, and without objection, the nominations are confirmed.

Mr. WALSH. I ask that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be immediately notified.

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. ELLENDER. Mr. President, in behalf of myself and the Senator from South Carolina [Mr. JOHNSTON] I send to the desk an amendment to the pending joint resolution which proposes to add a section, reading as follows:

SEC. —. It shall be a condition on any payment made to the United Kingdom pursuant to the agreement dated December 6, 1945, that not less than 90 per centum of the amount thereof shall be used for purchases by the United Kingdom of goods and services in the United States.

The PRESIDENT pro tempore. An amendment offered by the Senator from Indiana [Mr. CAPEHART] is pending. The amendment offered by the Senator from Louisiana will be received and lie on the table temporarily.

Mr. CAPEHART. Mr. President——

The PRESIDENT pro tempore. The question recurs on the amendment of the Senator from Indiana. As the amendment of the Senator from Indiana is an amendment to the committee amendment which has heretofore been agreed to. Without objection, the vote by which the committee amendment was agreed to will be reconsidered, and the Senate will vote on the amendment of the Senator from Indiana. Is there objection?

Mr. BARKLEY. Mr. President, is the Chair referring to the committee amendment embodied in section 2?

The PRESIDENT pro tempore. That is correct.

Mr. BARKLEY. The amendment of the Senator from Indiana is not, as I understand, an amendment to that section.

The PRESIDENT pro tempore. The clerk will read the amendment offered by the Senator from Indiana.

The CHIEF CLERK. On page 3, it is proposed to strike out lines 7, 8 and 9 and through the word "purpose" in line 10, and to insert in lieu thereof the following: "$1,500,000,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are extended to include such purpose. Notwithstanding any other provision of this joint resolution or any provision of the agreement dated December 6, 1945, between the United States and the United Kingdom, there shall be advanced under said agreement only such sums by way of credit as shall be necessary to offset adverse trade balances of the United Kingdom with the United States for the years 1946, 1947, 1948, 1949, and 1950, not exceeding in the aggregate the sum of $1,500,000,000"

Mr. BARKLEY. Mr. President, may I ask the Senator from Indiana a question? As I understand he originally offered his amendment to the committee amendment, but he withdrew it, or reconsidered it, and was intending to offer an amendment going to the amount involved in the agreement itself. We discussed at some length a few days ago the effect of the amendment to this particular section. Is this the amendment the Senator wishes the Senate to vote on?

Mr. CAPEHART. The amendment does go to the amount.

Mr. BARKLEY. As I understand, it does not go to the amount of the agreement itself. It would go to the amount of the expenditure under the issue of bonds under the Second Liberty Loan Act. It was my understanding that what the Senator from Indiana was intending to do was to change the agreement itself.

Mr. CAPEHART. No; the amendment does not change the agreement one iota.

Mr. BARKLEY. It changes the amount which may be expended, but I understood the Senator was going to offer the amendment in different form, and I thought he had done so.

Mr. CAPEHART. My amendment does not change the agreement one iota. It changes the amount and the method of payment based upon making up deficits in our trading with the United Kingdom over a period of 5 years, not to exceed $1,500,000,000.

Mr. BARKLEY. Mr. President, have the yeas and nays been ordered on the amendment of the Senator from Indiana?

The PRESIDENT pro tempore. The yeas and nays have been ordered.

Mr. BARKLEY. I merely wish to make a brief statement; I do not desire to consume the time of the Senate. If this amendment were adopted and had any effect at all, it would have the effect of preventing the carrying out of the agreement entered into between the United States and the United Kingdom, unless it were possible to carry it out under a cash payment and not by the expenditure of any money in the Treasury under the sale of Liberty bonds as now authorized. It would bring about more confusion and it might result in the necessity of renegotiating the entire agreement. It would have the same effect, in my judgment, as amendments which have been offered or suggested that would change the terms upon which the Secretary of the Treasury would carry out the agreement. I hope the amendment will be rejected.

The PRESIDENT pro tempore. Without objection, the vote whereby the committee amendment was agreed to is reconsidered in order that the amendment of the Senator from Indiana may be in order.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Indiana [Mr. CAPEHART] to the committee amendment. The clerk will call the roll, the yeas and nays having been ordered.

Mr. BYRD. Mr. President, may the amendment be stated?

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 3, it is proposed to strike out lines 7, 8, and 9, and through the word "purpose" in line 10, and to insert in lieu thereof the following: "$1,500,000,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are extended to include such purpose. Notwithstanding any other provision of this joint resolution or any provision of the agreement dated December 6, 1945, between the United States and the United Kingdom, there shall be advanced under said agreement only such sums by way of credit as shall be necessary to offset adverse trade balances of the United Kingdom with the United States for the years 1946, 1947, 1948, 1949, and 1950, not exceeding in the aggregate the sum of $1,500,000,000."

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the committee amendment offered by the Senator from Indiana [Mr. CAPEHART]. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HOEY. Mr. President, I wish to have the RECORD show that my colleague the senior Senator from North Carolina [Mr. BAILEY] is detained at home by illness. If present, he would vote "nay."

Mr. HATCH. My colleague the junior Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained on important public business. If he were present and voting, he would vote "nay."

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

The Senator from Mississippi [Mr. BILBO], the Senator from Nevada [Mr. CARVILLE], the Senator from Idaho [Mr. GOSSETT], and the Senator from Louisiana [Mr. OVERTON] are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Montana [Mr. MURRAY] and the Senator from Texas [Mr. O'DANIEL] are detained on public business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Montana [Mr. WHEELER] are detained on official business at Government departments.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

I also wish to announce that on this question the Senator from West Virginia [Mr. KILGORE] is paired with the Senator from Texas [Mr. O'DANIEL]. If present and voting, the Senator from West Virginia [Mr. KILGORE] would vote "nay," and the Senator from Texas [Mr. O'DANIEL] would vote "yea."

I wish to announce further that if present and voting, the Senator from Texas [Mr. CONNALLY] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. If present, he would vote "nay."

The Senator from Maine [Mr. BREWSTER] is unavoidably detained.

The result was announced—yeas 25, nays 55, as follows:

YEAS—25

| | | |
|---|---|---|
| Brooks | Langer | Taft |
| Bushfield | McClellan | Tydings |
| Butler | McFarland | Walsh |
| Capehart | Millikin | Wherry |
| Capper | Moore | Willis |
| Ellender | Revercomb | Wilson |
| Johnson, Colo. | Robertson | Young |
| Johnston, S. C. | Shipstead | |
| La Follette | Stewart | |

NAYS—55

| | | |
|---|---|---|
| Aiken | Gurney | Myers |
| Austin | Hart | O'Mahoney |
| Ball | Hatch | Pepper |
| Bankhead | Hawkes | Radcliffe |
| Barkley | Hayden | Reed |
| Bridges | Hickenlooper | Russell |
| Briggs | Hill | Saltonstall |
| Buck | Hoey | Smith |
| Byrd | Huffman | Stanfill |
| Cordon | Knowland | Taylor |
| Donnell | Lucas | Thomas, Okla. |
| Downey | McKellar | Thomas, Utah |
| Eastland | McMahon | Tobey |
| Ferguson | Magnuson | Tunnell |
| Fulbright | Maybank | Wagner |
| George | Mead | White |
| Gerry | Mitchell | Wiley |
| Green | Morse | |
| Guffey | Murdock | |

NOT VOTING—16

| | | |
|---|---|---|
| Andrews | Connally | O'Daniel |
| Bailey | Glass | Overton |
| Bilbo | Gossett | Vandenberg |
| Brewster | Kilgore | Wheeler |
| Carville | McCarran | |
| Chavez | Murray | |

So Mr. CAPEHART'S amendment to the committee amendment was rejected.

The PRESIDENT pro tempore. The question recurs on agreeing to the amendment of the committee.

The amendment was agreed to.

MEDIATION OF LABOR DISPUTES

Mr. EASTLAND. Mr. President, for myself and on behalf of the Senator from Arkansas [Mr. MCCLELLAN] the Senator from Virginia [Mr. BYRD], and the Senator from Texas [Mr. O'DANIEL], I move that the Senate proceed to the consideration of House bill 4908, Calendar No. 1196.

The PRESIDENT pro tempore. The Clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 4908) to provide additional facilities for the mediation of labor disputes, and for other purposes.

Mr. EASTLAND. Mr. President, I desire to say just a few words. As I stated yesterday, I am strongly in favor of the British loan, but this country today lies prostrate because of the greed of a selfish would-be dictator named John L. Lewis.

There is no reason in the world why the British loan measure cannot be laid aside for a few days, until we consider the pressing need of the hour, which is machinery for the settlement of disputes between capital and labor. It should not delay for the period of a day the ultimate passage of the joint resolution now pending before the Senate, because the House committee can start hearings today, if it desires to do so, and I am sure if the request were made by the administration that committee would initiate hearings.

Mr. President, what is the situation confronting us? Today passenger service on the railroads of the country has already been curtailed 25 percent. On May 15 all passenger service will be curtailed 50 percent. Freight service today has been curtailed 33 percent, and after tomorrow—think of it, after tomorrow—freight service in this country will be curtailed 70 percent.

Mr. President, if this strike shall continue much longer, there will be malnutrition, there will be bread lines, and, I say in all sincerity, there will be food riots in the United States.

Our first duty is to protect the people of this country, and it is our very highest responsibility today immediately to begin the consideration of legislation which will settle the difficulties now existing.

With respect to the field of national defense, I should like to read to the Senate a telegram from Picayune, Miss. It reads:

If information from railroads is correct there will be an embargo of all shipments other than food supplies after May 10. Our local freight, which delivers fertilizers and other materials, is cut down to triweekly service. This is the beginning of our cultivation and fertilizer season. It will be necessary for us to have 1,500 tons for our plantation within the next 60 to 90 days. If this embargo should take place it will be disastrous to us, as we have a tremendous crop of tung nuts and it is necessary to have fertilizer to mature them.

Mr. President, many Members of the Senate perhaps do not know that one of the highest priorities the American Navy had during the war was tung oil, and a great industry was developed in this country to provide tung oil, most of which is produced in the State of Mississippi. It was necessary that it be produced in this country because the Navy could not obtain tung oil from the Republic of China. The Navy cannot get it from China today. Without tung oil our Navy would be greatly handicapped. The tung crop in Mississippi cannot be matured unless the planters receive fertilizers within the next few weeks or within the next few days. If they do not receive the fertilizers there will be a loss of the entire crop, a loss which cannot be replaced. The one who sent the telegram says that to embargo the shipment of fertilizers would be disastrous. That telegram was sent before the shipment of fertilizers had been embargoed.

Throughout the world, Mr. President, there is a critical shortage of food, and today we are asked to make every effort to produce food for ourselves and for our commitments abroad. This is the planting season. This is the time when fertilizers should be in the hands of the farmers. If they arrive a week later it will be too late, and the production will be cut down considerably.

Mr. President, what are the headlines that appear in the press of the country today? Here is the Philadelphia Enquirer:

Industry faces paralysis in coal strike. One million fifty thousand idle.

All by reason of the greed of a would-be dictator who will not even state his terms of settlement, but who arrogantly places his own desire above the welfare of the American people. Already 1,050,000 people have been put out of work because of the selfish greed of this man Lewis. The Philadelphia Enquirer continues:

Twenty-two State dim-outs asked.

Here is the New York Sun of this morning, Thursday, May 9:

United States calls for brown-out east of Mississippi River. Appeals for trucking industry aid in coal strike.

Yes; we are called on for a brown-out all over the United States east of the Mississippi River because of the shortage of coal.

Here is the New York Herald Tribune of Thursday, May 9:

Dim-outs ordered for entire East.

That is the headline in that paper.

Here is the Chicago Tribune for Wednesday, May 8:

Miners spurn coal peace.

Does anyone mean to tell me that the Senate of the United States should not take action when we are being bitterly condemned all over the country today as the bottleneck because we will not protect American citizens from a crowd of greedy, grasping, selfish labor overlords?

The Daily News of New York has this:

United States rationing of home gas near.

In that particular I will say that Mr. Krug, according to the newspapers, announced a few days ago that it will be necessary next winter to ration the coal supply of this country.

Here is the Daily Mirror of New York:

New York and 20 other States face dim-out.

Mr. President, as I stated yesterday, it has even been necessary to embargo the shipment of caskets and embalming fluid to bury the dead. If the strike continues a few days longer, operating rooms in the hospitals cannot be used. I have been informed in the past hour that it will be impossible to operate filter plants to purify the drinking water in certain cities unless the strike is settled and a coal supply can be provided. The health of the Nation is endangered. The welfare of our people is involved.

Mr. President, I can think of no reason why we should hesitate, why we should put it off, why we should not let the British loan go over for a few days and take up antistrike legislation. I noticed in the newspapers that the plan was to take up the draft measure after the British loan bill was concluded, and I have heard it said that we were going to stay here today and pass the British loan measure. From what I know of the situation the Senate does not have a chance to pass the British loan measure today, and I am certainly not willing to see the health and welfare of the American people jeopardized by taking up the draft legislation after the disposal of the loan measure.

Oh, yes, the argument is made that if the draft measure is not speedily passed GI's will lose some of their rights. That, Mr. President, is something which the Congress can well take care of, and everyone knows that we have been more than zealous in guarding the rights of the man who wore the uniform of his country.

But here we have an autocratic labor leader who is now attempting to assume the attributes of a sovereign. The Constitution places the power to tax in the Congress of the United States, but here is a selfish, greedy person who demands the right to tax every ton of coal 10 cents, and pass that tax on to the consumers, and he says he will place the money,

$50,000,000, in a hospital fund to be disposed of as he desires. If John Lewis can get away with that, every other union will be able to tax the commodity which it produces, for whatever purpose it may desire, and pass the tax on to the consumers, and thus usurp the power of the American Congress.

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

Mr. EASTLAND. I yield.

Mr. HAWKES. I desire to supplement what the distinguished Senator from Mississippi is saying. I think there is no question confronting the United States today, either domestically or in connection with its international relations, which in importance holds a candle to the crisis about which the Senator is now talking. I want to ask the distinguished Senator from Mississippi what he thinks the Senate or the Government of the United States would do if the owners of business, or capitalists, or management, shut down vital industries of the country to the detriment of the welfare of the people? What does the Senator think would be done in such event.

Mr. EASTLAND. I think we would take over such industries immediately.

Mr. HAWKES. There can be no question as to what we would do. We would take over such industries immediately. Why do we not do something in this great emergency? Is it because more votes are involved under the labor leaders than under the owners of industries?

Mr. EASTLAND. Mr. President, I do not know about that. The Senator may be right, but I say that in my judgment no right exists in any organization to strike when the very welfare, the health, and the lives of all the people of the country are involved. The public welfare is paramount.

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

Mr. EASTLAND. I yield.

Mr. HAWKES. I shall not take very long.

We are talking about a loan of $3,750,000,000 to Great Britain. If this Nation is paralyzed and we allow to continue conditions which destroy the earning power and the productive capacity of the United States, where are we to get the $3,750,000,000? It will not come out of the air, will it?

Mr. EASTLAND. Of course not.

Mr. HAWKES. It must come from production.

Mr. EASTLAND. Of course. Day by day factories and entire industries are shutting down, at a cost of billions of dollars to the people of America.

Mr. HAWKES. If the Senator will further yield, I should like to say a word further so that I may not be misunderstood. I think it would be one of the most deplorable things in our history for the Congress to try to enact labor legislation because of vengeance, bitterness, or anger in connection with the situation which prevails today. One can lead a horse to water, but he cannot make him drink. But there are things which lie within the power of the Congress to do which would regulate individuals who have control over other individuals, so that the President of the United States himself and Members of Congress might appeal to the patriotism of the workers and urge them to go back to work and not wreck the United States. I believe that legislation passed to try to cure this situation, so far as laws can do it, should be very carefully thought out. But I wish to say further that the labor unions have grown to be as powerful as, if not more powerful than, any other group in our national life. Labor leaders hold in their hands today greater power than any other group has even possessed. If it was the duty of the Congress to regulate capital and management when it came to the point of monopoly which was destructive of the welfare of the Nation, it is the duty of the Congress to see that labor leaders are regulated at least to the same extent as we have regulated capital.

I should like to see Congress place the President of the United States in a position to make a great appeal to the American people in a well-tempered speech urging the people to accept the spirit of the law and go back to work. I believe in the American workingman 100 percent, if we can get to him; but if we have a barrier between ourselves and him, and if he is allowed to be intimidated, threatened, coerced, and kept from working because we do not raise the hand of the law properly to protect him, I do not care to predict what will happen to this, the greatest of all countries in the world.

I thank the Senator from Mississippi for yielding to me.

Mr. EASTLAND. Mr. President, why should the Congress of the United States permit for a period of even a few days power in the hands of one individual to destroy the economic life of the Nation? Why should we permit such a vast concentration of power in the hands of a ruthless John Lewis or anyone else to endanger the lives and the safety of the American people?

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

Mr. EASTLAND. I yield.

Mr. REED. As the roll calls will show, I have consistently voted on the side of the proponents of the British loan. I expect to continue to do so, and to vote on final passage for the joint resolution. But I think the Senator from Mississippi has laid his hand upon the most serious condition which confronts this country. Time is of the essence in a much greater degree in connection with this matter than in connection with the British loan. The industry of this country is being paralyzed. Postponing consideration of the British loan for a few days would not, in my judgment, be any detriment to anyone, or to the loan itself. So when the roll is called I shall vote for the motion of the Senator from Mississippi.

Mr. EASTLAND. Mr. President, we are shipping vast stores of food abroad, in an attempt to relieve starvation. I certainly favor that program. Yet those shipments are endangered. We must ship coal to Europe in order to maintain the transportation system. A few days ago I talked with a representative of the Italian Industrial Commission who was in this country, and he told me how tragic the situation was. The coal strike had shut off the supply of fuel from their transportation system, and there was actual starvation because food could not be delivered; and yet we sit here without taking action.

Mr. President, I hope my motion will be agreed to.

Mr. BYRD. Mr. President, I desire to join the Senator from Mississippi [Mr. EASTLAND] in his motion that the Senate lay aside the unfinished business, for the purpose of taking up for consideration the so-called Case bill. I would not do so except for the fact that I think that at this very hour our country confronts one of the greatest emergencies in its history.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Virginia yield to the Senator from Mississippi?

Mr. BYRD. I yield.

Mr. EASTLAND. Does not the Senator think that the bill which has been reported by the Senate Committee on Education and Labor is entirely too weak, and that it should be brought to the floor of the Senate and used as a vehicle, by amending it, to get real and effective legislation?

Mr. BYRD. I agree with the Senator. I shall discuss that point later in a little more detail.

Mr. President, today is the thirty-ninth day of a national coal strike. Not one ton of bituminous coal, so far as I am aware, has been mined in 39 days. We have lost a production of 70,000,000 tons of coal, and we are told that within the next 12 hours not only industries but public utilities, as well, will start to shut down.

What makes this coal strike so serious, Mr. President, is the fact that utilities, which furnish the very necessities of life, will be compelled to close down in the next few hours, or certainly the next few days, thus creating suffering and distress and perhaps loss of life in every section of this country. Babies in incubators may die; people in hospitals may die.

Great quantities of food may be destroyed, as the Senator from Mississippi has said, by reason of the loss of refrigeration.

Mr. President, Virginia was confronted recently with a similar crisis. Notice was given by the employees of the largest power company in Virginia that on a given day and at a given hour they would strike. Mr. President, Virginia has a Governor; his name is the Honorable William M. Tuck. It so happens that he is up in the gallery of the Senate at this moment. That Governor acted with such courage and such effectiveness that the strike never took place. He found a law in Virginia whereby it was necessary that the public utilities operate. He, as the Governor of Virginia, was required to enforce the law. So he called out the militia and inducted the employees of that power company into the militia, and the strike was called off.

Mr. President, I wish to say that I, for one, am proud that Virginia has a Governor who had the courage to take such firm action, such courageous ac-

tion, and thereby avoid a great catastrophe which confronted Virginia. He received the acclaim and approval not only of the people of Virginia, but, I think, of the people in other States of the Union.

Mr. President, what harm can result from laying aside the British loan joint resolution for a few days? Unless our industries are operated we shall not have the money with which to make the proposed loan. What is going on today strikes at the very existence of our Republic, when one man can stop the smoke from going up the chimneys of all the factories in America, when one man can bring distress and suffering upon millions and millions of Americans, wherever they may be.

So what harm will result from laying aside the loan legislation? No suffering will result from such action. We can give away $4,000,000,000 next week just as well as we can give them away today, because it is always in order to give away money; there is no special time limit on when this money may be given away.

So, Mr. President, I urge my colleagues to meet this challenge which has been made to the Senate of the United States.

The House of Representatives has passed legislation which, in my judgment, had the Senate acted promptly on it, would have had such an effect that the condition now confronting the United States would not exist.

But what happened? The Senate Committee on Education and Labor dillied and dallied for weeks with the Case bill, and then reported a measure which has no teeth in it. Nothing would be accomplished by enactment of the measure which was reported by the Senate Committee on Education and Labor. But advantage will accrue from adoption of the motion to lay aside the unfinished business and take up the so-called Case bill, for if the Case bill is taken up for consideration, then Senators who have amendments to offer to the Case bill, to strengthen it and make it effective, will have an opportunity to do so.

I would not ask the Senate to take this action unless I believed with all of my heart that this crisis is, as I have said, one of the greatest which has faced our Republic. I wish to see the dignity of the Senate upheld. I do not wish to hear it said, all over the United States, that the House of Representatives enacted adequate legislation, but that here in the Senate we did not have the courage to meet this great challenge which is made to us to act in the interest of the American people—not in the interest of labor unions, but in the interest of the average citizen of America.

Mr. President, I wish to say a word in regard to the question of a royalty, which again strikes at the very roots and foundations of the fundamental principles of our Government with respect to the private enterprise system. I am convinced that if the Senate votes this afternoon to consider this labor legislation, John L. Lewis will come to reasonable terms. I am not saying that concessions should not be made to him. But in this instance, although here we have conferences and negotiations have been going on for weeks, the main party involved has declined, so far, even to state what are his demands. He says he will not discuss his demands until first there is agreement upon the principle of this royalty.

Yesterday I introduced a bill to prohibit a union from exacting a royalty on production, and if such a law should be enacted it would decide this issue between John Lewis and the coal operators.

It is well, I think, Mr. President, to state briefly what the demand for a royalty on every ton of coal production means. It would transfer from Congress to labor unions the power to tax, and it would be an unwarranted burden on the public. It would be, in effect, a privately imposed tax. It would bring about a concentration of wealth and political power such as to threaten the Government itself. It would make real collective bargaining impossible, and it would give to labor unions the power of life and death over all business. It would be a highly specialized privilege to one group. If John L. Lewis can exact a royalty on the production of every ton of coal, that would establish a principle whereby a royalty could be collected for every automobile produced, indeed, for every article of any description. It, of course, follows that such an action would increase the cost of those products to the consumers, and would effectively set aside all efforts for price control, and would invite a disastrous inflation. It would take away from business management the control of prices, and would vest it in the unions.

Let us not fool ourselves about this royalty proposition. If it is adopted, it means disaster to the private enterprise system of America. If John L. Lewis is successful in collecting 10 cents a ton, which will aggregate $60,000,000 this year, he will ask for 20 cents next year, and more the following; and these uncontrolled demands may, and in my judgment will, force Government ownership of coal and any other essential production wherein a royalty is paid on a basis of production. At the same time, it would greatly increase the cost of living.

Mr. President, I have been a Member of the Senate for 13 years. As I have said, I do not believe I have known a time—not even in the great period of crisis through which we have recently passed—when the responsibility has been more squarely placed upon the Senate for prompt and courageous action than at this very moment. The Senate holds the key to avert a great national calamity. We should meet the issue, and the only way to do it is to vote for the motion made by the Senator from Mississippi [Mr. EASTLAND] to lay aside the pending business and immediately consider the wisest and best legislation so as to establish on the part of the Congress legislation for the control of strikes in vital industries affecting public services, because a continuation of the coal strike will mean very soon a shut-down of practically every public utility throughout the country.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a very splendid editorial which was published in today's New York Times. The editorial is entitled "A Do-All Government Turns Helpless," and it was written by Mr. Arthur Krock.

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

A DO-ALL GOVERNMENT TURNS HELPLESS

(By Arthur Krock)

WASHINGTON, May 8.—The great majority of the American people do not belong to labor unions or any of the groups which have lobbied in Washington for special privileges. Since 1933 these organizations have gained many more of their objectives than the capitalist lobbies did in the preceding years, and their causes have flourished in all the branches of the Government—executive, legislative, and judicial.

As a consequence, the general economy has been subordinated by law to the special interests of these groups, and the current example is the coal strike that has paralyzed the Nation and weakened the voice of the United States in foreign affairs. But up to this writing the administration's position is that it can do nothing effective to stop the strike, and its spokesmen in Congress either take the same attitude of helplessness or denigrate in advance the value of any corrective laws urged by other Members of Congress.

The unorganized, lobbyless popular majority must be surprised as well as angry at the spectacle of a government confessing and even asserting its impotence to abolish a situation brought about by previous Government acts. The surprise would be as natural as the resentment because, since President Roosevelt took office, the size and power of the Federal Government has grown to vast proportions and the people have become accustomed to the idea that it can do everything. The Federal Government in these years has taken authority over an infinite number of details in the everyday life of every citizen. And this sweeping paternalism, expressed in favoritism for groups with organized voting strength, was established long before it was made complete by the advent of war.

The United States was at peace when the Federal Government, controlled in all three branches by one political party with special group interests in mind, broke down State lines, overrode a strong minority, and reached into the daily occupations of all citizens. Although the extension of authority through war powers was necessary, and was granted by almost common consent, the people had grown accustomed to a powerful central government which looked out for everything if not for everybody. Therefore, the inertness and handwringing at Washington now, in the presence of a desperate emergency, must come as a surprise to millions of citizens if they really believe that the conditions their public servants have created cannot by these same public servants be challenged, and through the same legal processes.

It is quite true, of course, that the public majority, which is the immediate victim of these conditions, permitted, and, in many instances, encouraged their servants in office to pass the laws and allow the administrative acts that are at the base of the trouble. But this public majority was played on by skillful politicians and divided into minorities. The question now is whether it can or will reunite in time to compel action to repair the greater part of the national damage that has been done.

A survey of some of the powers that have been voted to the central government since 1933 supports the opinion that the American people must be surprised to be told that it is helpless before the labor leaders and does not know how to cure its impotence. In that

period the Federal system has been given authority to do these things:

Use public funds from taxation to take care of cripples, the blind, indigent mothers, and dependent children in every State; provide unemployment compensation and old-age benefits; require employers to engage in collective bargaining with employees, with penalties for nonconformance but none for nonconformance by the employees; prevent employers from saying or doing "anything to encourage or discourage" membership in any labor organization, but with no restrictions on employees against doing or saying what they may choose to injure an employer's business; protect as sacred the right of workers to strike, whatever the industry or its relation to public health and security; leave to a board, appointed by the President, full power to interpret prolabor laws with only limited recourse to courts appointed by the President also;

Set up an ever-normal granary to keep supplies of non-perishable stocks stored on the farms as insurance against shortages or violent price fluctuations; maintain farm prices at an artificial "parity" through subsidies and other means; decree by the bounty system the slaughter of hogs and cattle and limit the acreage in specified crops;

Insure all bank deposits. Use the national revenues for housing loans. Cancel the gold clause in all Federal and private obligations and make them payable in legal tender. Change the purchasing power of that legal tender at will. Fix interest rates at will. Create public-power systems such as the Tennessee Valley Authority.

Exempt from antitrust laws all agreements made under the National Recovery Administration Act. Exempt labor unions from these laws. Fix prevailing wages, hourly limits of work for the day and week and time-and-a-half for overtime. Set minimum wages for goods in the flow of interstate commerce. Enlarge the interstate commerce and general welfare clauses of the Constitution until State boundaries have become dotted lines.

Many of these powers were necessary, beneficial, and overdue. The point is that a Government which sought and received them to deal with lesser problems shrinks from using or supplementing them to avert a national disaster.

Mr. HART obtained the floor.

Mr. BARKLEY. Mr. President——

Mr. HART. I yield to the Senator from Kentucky.

Mr. BARKLEY. I sought recognition a while ago to comment on the pending motion. I wonder whether the Senator from Connecticut desires to proceed now on another matter, or whether he is willing to let us dispose of the pending motion.

Mr. HART. Mr. President, let me say to the Senator from Kentucky that I am entirely willing to forego the privilege of speaking at this time, if I may have reasonable assurance that I shall have an opportunity to make a 20-minute speech later in the day.

Mr. BARKLEY. So far as I am concerned, I certainly give such assurance, for I could not prevent the Senator from obtaining the floor if I wished to do so, and I do not wish to prevent him from addressing the Senate later on. Nevertheless, while the motion of the Senator from Mississippi is pending, I think it might be well for us to consider it without interruption.

Mr. HART. Very well; I yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I regret that at this juncture the Senator from Mississippi has made the motion which he has made. On the day before yesterday the Senator from California [Mr. KNOWLAND] served notice on me, and through me on the President, that if the coal strike were not settled within 48 hours he would make the motion himself. There seems to have been a foot race ever since then to see which of the two Senators would make the motion. I talked to the Senator from California about the situation and explained to him, so far as I could outline it, the program of legislation immediately ahead of us within the next few days. Based on that explanation, the Senator from California assured me that he would not make the motion which he said on the day before yesterday that he felt he should make. I communicated that fact to the Senator from Mississippi and urged upon him, on the following grounds, not to make the motion:

Earlier in the day I asked the Senate to sit continuously today, and, if necessary, into the evening, in order to dispose of the pending joint resolution. I know of no reason in the world why it cannot be disposed of. We have already voted on two or three amendments. Two or three more may be offered. I do not believe any of them will involve extended discussion. If we could have proceeded with the pending matter, it seems to me we would have concluded it finally and passed on it before the regular time for adjournment this afternoon.

But, Mr. President, in the event it should become necessary to hold a session into the evening, I requested the Senate to be willing to do so. I heard no objection to such procedure, and I had every reason to believe that we could thus dispose of the pending legislation today.

Mr. President, I wish to assure the Senate of what I had in mind, so far as I could control it or suggest it, in regard to the pending joint resolution.

Following the disposition of the British loan measure, which I hope will be today, and in view of the limitation of time operating on the Selective Service Act, it was my purpose to have that bill taken up tomorrow and hold a session on Saturday with the hope of concluding action upon it by the end of the session on Saturday, or, if not on Saturday, then certainly by Monday or Tuesday. I am certain that at this juncture the Senate is willing to work longer hours. I have no doubt about it. If I did have a doubt, I would doubt the efficiency of the Senate, which I do not. I have assured the Senator from California [Mr. KNOWLAND], the Senator from Mississippi [Mr. EASTLAND], the Senator from Virginia [Mr. BYRD], and all other Senators who are interested in the present labor situation that following the conclusion of consideration by the Senate of the measure to extend the Selective Service Act the labor legislation would be taken up for consideration. I believe that to be an orderly way to proceed. I do not believe that the Senate should be subject to a panic because of a coal strike, serious as it is and regrettable as it is. Another coal strike took place during the war. Two years ago, during the midst of war, there was a coal strike which lasted as long, if not longer, than the present strike. The President took over the coal mines under the act which authorized him to do so, and the miners returned to work. The President now has the power under the Smith-Connally Act to take over the mines. That power cannot be increased by the enactment of any bill which Congress may see fit to pass, either the Case bill or the bill which the Senator from Mississippi has described as a milk-and-water proposition which has come out of the Committee on Education and Labor. I do not believe the Senate of the United States now knows what kind of a labor bill it will pass. I do not believe it knows what kind of a bill it is ready to pass. I am also certain that whatever legislation the Senate may conclude to pass, when it is taken up it will involve extended debate. I invite attention of the Senate to the fact that the Smith-Connally provision which gives power to the President to seize the coal mines is an amendment to the Selective Service Act, which expires next Wednesday, and that unless that act is renewed the Smith-Connally provision will expire with it, and the President could not then seize the coal mines or take them over. If any Senator has any doubt about it, I will read section 3 of the Smith-Connally Act:

SEC. 3. Section 9 of the Selective Training and Service Act of 1940 is hereby amended by adding at the end thereof the following new paragraph:

"The power of the President under the foregoing provisions of this section to take immediate possession of any plant upon a failure to comply with any such provisions, and the authority granted by this section for the use and operation by the United States or in its interests of any plant of which possession is so taken, shall also apply as hereinafter provided to any plant, mine, or facility equipped for the manufacture, production, or mining of any articles or materials which may be required for the war effort or which may be useful in connection therewith.

And so forth. So the power which now exists in the President of the United States to seize and take over the coal mines is made possible only by the Selective Service Act, which expires next Wednesday. If that law is permitted to expire the authority on the part of the President to take over the mines will expire with it.

Mr. President, if the Senate of the United States agrees to the motion of the Senator from Mississippi, and takes up the Case bill, or the amendment which has been reported by the Committee on Education and Labor, within the next hour, in view of the course of legislation on that subject here in the Senate, I do not believe it will be possible for the Senate to pass the bill, have it go to conference, and become law prior to the expiration of the Selective Service Act, which contains the provision authorizing the President to take over the mines and plants.

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

Mr. BARKLEY. I yield.

Mr. EASTLAND. I ask the Senator from Kentucky if it is not a fact that the President has announced that he does not have the authority to take over the mines?

Mr. BARKLEY. No; the President has not only not announced that he does not have the authority to take over the mines, but the President knows that he has such authority.

Mr. EASTLAND. I saw a headline in the Washington Post of Tuesday, May 7, reading, "Can't stop it." It was a statement purported to have been made by President Truman.

Mr. BARKLEY. Of course, the headlines of the Washington Post do not create the law.

Mr. EASTLAND. I understand that.

Mr. BARKLEY. I admire the Washington Post, and I read it from "kivver to kivver" each morning. But the headlines in the Washington Post do not constitute the authority of the President of the United States.

Mr. EASTLAND. The Washington Post reported a statement which was purported to have been made by the President to the effect that he did not have the authority to take over the mines.

Mr. BARKLEY. The President never made any statement to the effect that he did not have authority to take over the mines.

Mr. EASTLAND. I ask the Senator if we could not certainly adopt the amendment of the Senator from Virginia and remove the bone of contention now existing, which is in the demand for a royalty of 10 cents per ton on each ton of coal mined.

Mr. BARKLEY. I cannot predict that any amendment offered by any Senator will be agreed to by the Senate. It would certainly involve considerable controversy. I do not believe that if we were to take up the proposed labor legislation this afternoon that it could be enacted into law before next Wednesday. By then the power of the President to take over the mines will have expired because it is a part of the Selective Service Act.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. JOHNSON of Colorado. I wonder if the Senator would consider a joint resolution extending the Selective Service Act until July 1, 1946. It would give us time in which to extend the act beyond July 1, 1946, if necessary, and we would not be required to face the present deadline. If that could be done it would also take care of the situation which the Senator has in mind, and it would provide the necessary men for replacements which the Army so badly needs. I wonder if the Senator would consider doing something of that kind.

Mr. BARKLEY. The course suggested by the Senator from Colorado has been suggested in private conversation among Members of the Senate. I have been hoping, and I still hope and believe, that if we will devote ourselves assiduously to the consideration of the pending joint resolution, we can dispose of it today. Notwithstanding the fact that it had been my program, so far as I could control it, to take up the extension of the Selective Service Act immediately and dispose of it, if the Senate wishes to take up the proposed labor legislation immediately upon the conclusion of consideration of the British loan, it can defeat any motion to take up consideration of the measure to extend the Selective Service Act, and then proceed with consideration of the proposed labor legislation. If any Senator can beat some other Senator to the floor and obtain recognition, he can move to take up the labor legislation immediately upon the conclusion of consideration of the British loan measure, which I hope we can dispose of today.

Mr. President, it seems to me that the Senate should be in a mood to deliberate carefully and not do hastily something which would not accomplish the results which Senators are striving to attain. I do not know what kind of labor legislation the Senate will pass after considering the subject for several days. I do not know what kind of legislation the two Houses could agree upon. But inasmuch as the present coal miners' strike is taking place, I should like to ask Senators to tell me what kind of a law Congress can pass that will put a single miner back into the pits and compel him to mine coal. Shall we take the miners into the Army under the Draft Act? If so, I again point out to Senators that the Selective Service Act expires next Wednesday. Do we propose to send the miners into the mines at the point of bayonets? Are we going to pass a law to put John L. Lewis in jail? How much coal would be mined under such a law? How many miners would go into the pits, even voluntarily, if Congress undertook to perform that sort of an act?

Mr. President, I am open-minded in this matter. I do not yet know what kind of a bill I shall vote for on the subject of labor. But I will yield to any Senator who will rise in his place now and tell me what sort of law we could enact tomorrow, or next week, or next month, which would put a single miner back into the pits if he is not willing to go back voluntarily.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. JOHNSON of Colorado. I am not going to answer the last question, but I wish to revert to the original question which I propounded to the Senator in regard to the extension of the Draft Act until July 1, 1946. The Senator is very optimistic if he thinks that the Draft Act extension can be enacted in a few hours.

Mr. BARKLEY. I do not think that.

Mr. JOHNSON of Colorado. I feel very certain that if we were free, if we were starting now, at this very moment, to consider the Draft Act extension, and pass it through the Senate, and take it to conference, it would be well beyond Wednesday before we could do that.

Mr. BARKLEY. That might be, and the Senator's suggestion is worthy of consideration. I am not a member of the Committee on Military Affairs, and I am not in charge of the Draft Act legislation. The Senator from Colorado is a member of the Committee on Military Affairs, and the bill has been reported by the Senator from South Dakota [Mr. GURNEY], who, I understand, is to be in charge of it. I have not received any suggestion from anyone on the Military Affairs Committee, until this moment, until the Senator made a suggestion that a joint resolution extending the Draft Act 30 days be offered and passed as a stopgap. I am not sure how long it would take even to pass a 30-day extension joint resolution.

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

Mr. BARKLEY. I yield.

Mr. GURNEY. I hope the Senator from Kentucky is considering the suggestion of the Senator from Colorado, and that he will also consider what, in the opinion of the committee, is possibly a little better course. The committee has reported a bill which was favored by most of the Members present at the time the bill was acted on. It may be necessary to pass a joint resolution extending the life of the present Selective Service Act, but I hope the joint resolution will not extend it to as far away as July 1, for the new provisions in the bill reported by the committee make military service very attractive, in order to attract volunteers into the Army, and thereby not make selective-service quotas so strong as they would be under the present law. There are pay increases, fewer months of service, letting fathers out, and a few things like that, in the bill. Therefore, if a joint resolution is contemplated, I hope it will provide for an extension of only 30 days.

Mr. BARKLEY. I think the suggestion of a joint resolution is worthy of the most serious consideration. I certainly would not oppose it if the Committee on Military Affairs felt it was proper to pass such a measure. But I do not like to barge in, when a committee has for a long time considered a bill and has reported it to the Senate and it is on the calendar, and has been waiting like Johnny-at-the-rat-hole to get a chance to bring it up and tell the Senate what to do. I have still been hoping we could pass the Draft Act extension bill by Wednesday. I may have been optimistic on the subject, but I am an optimist by nature. I sometimes find that my optimism is not justified, yet I shall not reverse my lifetime course of being an optimist instead of a confirmed pessimist. If it turns out that we cannot enact the Draft Act extension legislation by next Wednesday, then we can certainly provide for an extension of 30 days, and I do not think it would be necessary to extend it any longer.

Mr. GURNEY. I should much prefer the acceptance by the Senate of the bill as it has been reported by the committee. It is much better than a 30-day extension.

Mr. BARKLEY. I am sure of that. While we are almost on the verge of voting, at today's session, on the pending joint resolution, I appeal to Senators not to set it aside, because if any Senator desires to move, after the vote on the pending British loan measure, to take up the Case bill, he will have a right to do so, and if the Senate votes by a majority to do that, it will become the unfinished business. If any Senator moves to take up the draft bill, and that is done, the

same motion can be made which is now being made to set aside the pending joint resolution, during any hour of the consideration of the draft bill.

I hope Senators will not vote for the pending motion, that they will remain here and conclude the pending business today, and then decide by a majority vote which one of these bills they wish to take up first.

I believe I can assure the Senator from Mississippi and the Senator from Virginia that not a day will be lost in the final enactment of effective legislation, by the conclusion of the consideration of the pending business before the Senate decides what else it will take up.

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

Mr. BARKLEY. I yield.

Mr. CAPEHART. I should like to ask the able Senator from Kentucky if the President does not likewise have the power, under the Second War Powers Act, to seize the mines and operate them?

Mr. BARKLEY. That is a very doubtful question. I should not like to give a categorical answer. Congress evidently did not think so, because it passed the Smith-Connally Act as an amendment to the Draft Act, and the Second War Powers Act will expire again pretty soon.

Mr. CAPEHART. My reason for asking the question is important. We should know the answer, because such power will expire with the Selective Service Act, and that being true, it may be necessary that the Senate take some action between now and next Wednesday in respect to the Draft Act.

Mr. BARKLEY. I think it very important that the Senate take action, in view of the doubt which exists not only as to the President's power, to the same extent as contained in the Selective Service Act and the Second War Powers Act, to take over plants. Certainly the Senate and the House did not think the power had been granted or it would not have been necessary to put the provision into the law.

I think all the legitimate purposes of orderly legislation can be accomplished, and now, when we have been considering the joint resolution for a month and are nearly ready to vote on it, I appeal to the Senator from Mississippi, and the Senator from Virginia, to allow us to conclude its consideration. Then we can decide whether we want to take up the draft measure or the labor legislation. There is nothing unreasonable about that request.

Mr. CAPEHART. Would the able majority leader consider asking unanimous consent that we conclude the consideration of the British loan measure by 5 or 6 o'clock today, and that a joint resolution be passed to extend the Selective Service Act for 30 days, and that the next order of business be labor legislation?

Mr. BARKLEY. I will say to the Senator from Indiana, and all other Senators, I had assured the Senator from California and the Senator from Mississippi, that I, myself, would move to take up the labor legislation immediately upon the conclusion of the draft legislation.

Mr. EASTLAND. Would the Senator be willing to take up the labor legislation after the passage of the pending joint resolution?

Mr. BARKLEY. If the Senate saw fit to provide for a 30-day extension of the draft law so that we would not have a stop watch against us next Wednesday, I would agree to take it up.

Mr. EASTLAND. In the absence of the 30-day extension, would the Senator agree to take up antistrike legislation after the pending joint resolution had been disposed of?

Mr. BARKLEY. I am not hedging——

Mr. EASTLAND. We are going to have a long fight on the draft measure.

Mr. BARKLEY. If we agree to do that, I do not believe it will be possible to pass the labor legislation by next Wednesday, at which time the Selective Service Act will expire.

Mr. EASTLAND. We could renew it.

Mr. BARKLEY. I think it should be renewed. If we vote to renew it, the measure we pass will have to go to the House, and the House will have to renew it also. We cannot renew it by ourselves. If the Committee on Military Affairs would bring in a joint resolution extending the Draft Act for 30 days, immediately following the conclusion of the pending business, I think it would be adopted, because that would still give us more time to consider that subject. Then it would be entirely agreeable to me to take up the labor legislation.

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

Mr. BARKLEY. I yield.

Mr. DOWNEY. I, too, am a member of the Committee on Military Affairs, and it would seem very logical and plain to me that the Senate should immediately pass a joint resolution extending the Selective Service Act for a period of 30 days, and then confirm the agreement which has already been suggested between the Senator from Mississippi and the Senator from Kentucky.

I know we must never try to be too expeditious in the Senate of the United States, but I ask the distinguished leader whether it would not be proper at this time for the leader or for some other Senator to ask for a unanimous-consent agreement for the passage of a joint resolution extending the Draft Act for 30 days.

Mr. BARKLEY. A joint resolution would first have to be introduced. If the Committee on Military Affairs, or the chairman of the committee, or the Senator in charge of the bill, wishes to introduce such a joint resolution, I certainly will ask for its immediate consideration; but no such joint resolution is before the Senate at this time.

Mr. GURNEY and other Senators addressed the Chair.

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

Mr. BARKLEY. I have yielded to the Senator from California.

Mr. DOWNEY. I am very happy to pass the ball to my distinguished colleague from South Dakota. He is in charge of the bill reported from the Committee on Military Affairs, and I have confidence in his judgment in this matter.

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

Mr. LUCAS. I merely wish to make one observation respecting the pending motion.

I believe no State in the Union is more affected by the consequences of the coal strike than is the State of Illinois; I think no one has shown greater interest in attempting to do something constructive in connection with the coal strike than have I; but, as I understand the Senator from Kentucky, he says he expects the consideration of the British loan measure will be concluded today. It seems to me to be absolutely foolhardy to interfere with the pending joint resolution, when it is on the verge of being passed, and to take up a measure which everyone familiar with the labor situation realizes will take 3 or 4 or 5 days to discuss.

I have some legislative proposals in which I am interested concerning the very serious problem growing out of the coal strike; but notwithstanding my great interest, I am not going to support the motion to take up strike legislation, in view of the Senator from Kentucky's statement that he believes we can finish consideration of the British loan legislation today. We have spent almost enough time now debating the motion to finish consideration of the British loan legislation.

Mr. BARKLEY. I appreciate that suggestion.

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

Mr. BARKLEY. I yield.

Mr. GURNEY. Of course, I am sure it would be agreeable to the Committee on Military Affairs if unanimous consent were obtained to extend the draft act for 30 days. I have anticipated that it might be necessary that a joint resolution extending the draft be adopted, and I have asked to have a joint resolution prepared which would provide for a 30-day extension. I have sent for it but find it is not available at the moment.

Mr. BARKLEY. If the Senator from South Dakota, or any other Senator—and I think such action should come appropriately from the Committee on Military Affairs—offers a resolution providing for extension of the draft for 30 days, it is inconceivable to me that it would not be adopted. I shall do everything I can to facilitate action upon such a measure. We would not only extend the draft by such action, but would extend the power of the President for 30 days to take over plants and mines, a power which would otherwise expire.

Mr. GURNEY. I will say that I shall make a motion to have such a measure taken up as soon as I receive the joint resolution which I have requested be prepared.

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

Mr. BARKLEY. I yield.

Mr. MAYBANK. Early today I discussed with the majority leader my desire to submit certain telegrams and make certain statements. He suggested that my presentation be delayed because he believed it would be possible to finish consideration of the British loan legisla-

tion and that I could later make these remarks.

Mr. BARKLEY. Yes.

Mr. MAYBANK. Earlier today I discussed with selective-service officials, those in charge of selective service insofar as its operations are concerned, the extension of the draft which the Senator from South Dakota mentioned. I have supported the bill reported by the Senator from South Dakota. As I stated, I spent a part of the morning today discussing with the selective-service officials the correct language to be used so that we could extend selective service for 30 days, or until July 1, so that opportunity would be afforded Congress to debate the subject properly.

I merely wish to say to the Senator from Mississippi and the Senator from Virginia that no one feels more strongly on the subject of the coal strike than I do. I have spoken of it on the Senate floor a number of times. I have a great number of telegrams and letters relating to fertilizers. I know that the crops of the Southeast are going to be ruined because of the lack of fertilizer distribution on account of the coal strike. I talked to Colonel Johnson, Director of Defense Transportation, in regard to this matter earlier today, and he told me there is no hope of lifting the embargo unless the strike is ended. I have the same feeling as does the Senator from Mississippi about the outrageous coal strike. I know that as the result of the strike many people will go hungry and production already has been impaired. But I think some thought should be given to what Selective Service is trying to work out respecting a 30-day extension of the draft. As a member of the Committee on Military Affairs I have wholeheartedly supported the Senator from South Dakota in the legislation he proposed, and I will support him if he presents a measure providing for a 30-day extension. If this is done, then we can immediately consider labor legislation because we shall, unless something unforeseen happens, finish the loan measure today or tomorrow.

Of course, I believe, and always have, that the President now has the power to settle the strike. This I discussed yesterday and I advised the White House that the crops of the South and East will be ruined for production unless fertilizers are immediately shipped.

Mr. BARKLEY. Mr. President, I would be glad to ask unanimous consent that the Senate proceed to vote on all amendments to the pending measure and the measure itself at some hour this afternoon, and I feel that under the present circumstances any Senator who would oridinarily object to that ought to agree to it. But I have no assurance that it can be done.

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

Mr. BARKLEY. I yield.

Mr. EASTLAND. I thank the Senator for making that statement. I wish the Senator would request unanimous consent that the Senate vote on all amendments and on the measure itself at some hour today.

Mr. BARKLEY. I should like to negotiate a little bit before I make the request.

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

Mr. BARKLEY. I yield.

Mr. AIKEN. I should like to ask a question. If an agreement were reached to vote on the measure and on all amendments, let us say at 6 o'clock, and if so much time had been consumed in discussing one of two amendments that other amendments had not been presented, would there still be opportunity to present them?

Mr. BARKLEY. I will say to the Senator that I do not believe there is any amendment which is likely to be offered that will involve a great deal of debate. I do not want to shut off any Senator.

Mr. AIKEN. I should like to ask one other question of the Senator from Mississippi. Is it his purpose to propose legislation that will compel four-hundred-odd-thousand soft coal miners to go to mining coal again? Is that the purpose of the legislation?

Mr. EASTLAND. Mr. President, I do not know what amendments will be offered to the bill. I want to get the matter before the Senate, and let us then work out something. If we do not start, nothing is ever going to be accomplished.

Mr. AIKEN. Mr. President, I think we should know the purpose of the legislation so we can vote intelligently upon the matter.

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

Mr. BARKLEY. I yield.

Mr. BYRD. I should like to say that the Senator from Virginia has offered an amendment to the Case bill and he will offer it to any other pending legislation to prohibit the payment of royalties. That is the subject of contest between John L. Lewis and the coal operators.

Mr. AIKEN. Would the Senator from Virginia be willing to propose his amendment as a separate measure so that it could be voted upon alone?

Mr. BYRD. That could not be done, Mr. President; but if such a measure were introduced it would have to go to a committee.

Mr. AIKEN. The committee could act quickly on it.

Mr. BYRD. I should like to have the amendment made a part of the Case bill, but if not, I shall try to get it before the Senate at the first opoprtunity.

Mr. BARKLEY. Unless the Senator introduces a bill on the subject and has it referred to committee and the committee reports it, or unless it is brought before the Senate on motion to discharge the committee from further consideration, there is no way that he can have such a matter brought up except as an amendment to a pending bill.

Mr. BYRD. That is the reason, Mr. President, I have offered it as an amendment to the Case bill.

Mr. AIKEN. If the amendment of the Senator from Virginia were offered separately it seems to me it would be much more likely to receive prompt action.

Mr. BYRD. I should like to ask the Senator from Vermont to tell me how it can be offered separately. If it is offered separately it must go to committee and be reported from the committee. If it is in the form of an amendment to a pending bill it can be acted upon quickly. If it were offered as a separate measure it would go to the Committee on Education and Labor, and Senators know what happens in such event.

Mr. AIKEN. I think the Senate can find ways to pass legislation quickly if it desires to do so.

Mr. BYRD. Can the Senator suggest to me a plan under which it can be offered separately and passed quickly?

Mr. AIKEN. I have known occasions when bills have been taken up and passed in a few minutes.

Mr. BARKLEY. They must be introduced, however, before they can be brought up before the Senate.

Mr. AIKEN. That is true.

Mr. BARKLEY. I want to ask the Senator from Mississippi a question, but first I yield to the Senator from Florida, who has been on his feet seeking recognition for a considerable time.

Mr. PEPPER. Mr. President, I wish to make an observation. George Washington, I believe it was, on one occasion said, "If you are angry count 10 before you make a decision." I saw the Senate and the House, when the Smith-Connally bill was before Congress, lose their respective heads over the same John L. Lewis.

Mr. BARKLEY. I discussed that very point the other day at some length.

Mr. PEPPER. I was one of those who made a speech expressing my opinion about John L. Lewis, and I was one of those who fell into the error of voting for the Smith-Connally bill, thinking that it was my duty in time of war, and following the illusory hopes that certain Senators held out that that legislation, hastily and angrily conceived, might accomplish a desirable result.

Mr. President, I am not going to make the same mistake again on the same subject in so short a time. I want to say to the able Senators that if they wish to propose legislation that might affect this situation, and have it go through the regular channels of the Senate, I am certainly, at all times, as a member of the Senate Committee on Education and Labor, disposed to give it fair and full consideration, but I am not willing to lend my efforts to any hasty and angry effort on the part of the Senate to pass legislation affecting millions upon millions of the working people of this country, merely because we happen to be mad with John L. Lewis.

We could have finished this British loan legislation in the month that we have been considering it, Mr. President, if we had followed a different procedure in the Senate, or if we had adopted different rules for the Senate. Yet some of the Senators who are so anxious to see anti-labor legislation immediately brought before the Senate did not always have the anxiety which they have now manifested, to see other legislation expeditiously brought before their colleagues.

Furthermore, Mr. President, the President has made no recommendation about this subject so far as I know, or his leader in the Senate would have communicated it to his colleagues.

So I am going to make the suggestion that when the labor bill comes up there will be Senators who cannot lend their

assent to such hasty and angry consideration of it as is obviously likely to be given it if we attempt to act upon it in the passion of this particular moment.

Mr. President, I do not approve of what John L. Lewis is doing any more than anyone else does. Yet it is an incident of the complicated machinery of our modern economic life. It is like the stopping of one valve in a vast machine, which makes the whole machine stop. So long as we have a provision in the Federal Constitution which says that except as a punishment for crime no citizen can be condemned to involuntary servitude, I do not know exactly, as the able leader has better said, what we can do tomorrow or the day after, that will put these men back into the mines. It is a complicated question. It goes to the very root of our economy. Some Senators who are liberals in saying that we must not interfere with the freedom of the individuals in certain matters, and who claim that we who want to pass certain legislation are totalitarian, when it comes to the subject of labor are all too ready to forsake their definition of liberalism and to become totalitarian themselves, if the people who are the victims of their totalitarianism happen to be the working men and women of the United States.

Mr. BARKLEY. Mr. President, two Senators are now on their feet ready to offer a resolution to extend the draft for 30 days, or up to July 1. It will, of course, be in such form that the Senate can pass upon it. The Senate can by unanimous consent agree to act upon it without referring it to a committee. Would the Senator from Mississippi be willing to withdraw his motion so that we may proceed with the pending business with the understanding that we will take up the 30-day extension, or such other extension as the Senate is willing to act upon, with the understanding that immediately upon the conclusion of both matters the Senate will take up the labor legislation? And if necessary I shall move to take it up.

Mr. EASTLAND. Mr. President, I should like to have a unanimous consent agreement, which I think we could obtain, to vote on this legislation and all amendments thereto some time today, I do not care how late it may be. As for the resolution extending the draft 30 or 60 days, if it could be speedily adopted of course I would be content. But if it should lead to protracted debate I would not care to enter into such an agreement as the Senator from Kentucky has just proposed.

Mr. BARKLEY. The Senator may renew his motion at any time during the day.

Mr. EASTLAND. The Senator asked me to agree to dispose of two other measures before proceeding with the motion to take up the Case bill.

Mr. BARKLEY. I think that would be a reasonable agreement to enter into. I think the Senator would get action.

Mr. EASTLAND. If the Senator will fix a time to vote on the unfinished business——

Mr. BARKLEY. I cannot fix it. If the Senator will permit me, I will feel around and see what I can get in the way of a unanimous consent agreement. Let me propound a request.

I ask unanimous consent that not later than 7 o'clock p. m. today the Senate proceed to vote on the pending joint resolution and all amendments thereto without further debate.

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

Mr. LANGER. I object.

Mr. TAFT. I object.

Mr. BARKLEY. I ask unanimous consent that at an hour not later than 9 o'clock p. m. today the Senate proceed to vote on the pending joint resolution and all amendments thereto.

Mr. LANGER. I object.

Mr. TAFT. I object, for the reason that I do not like to set a definite hour for voting. I have an amendment, the last amendment to be presented, and I should like to take 10 or 15 minutes to present it. Under such an arrangement the last amendment is always shut out.

Mr. BARKLEY. I ask unanimous consent that during the remainder of the consideration of the pending joint resolution no Senator shall speak more than once or longer than 15 minutes on the joint resolution or any amendment thereto.

Mr. LANGER. I object.

Mr. McCLELLAN. Mr. President, reserving the right to object——

Mr. BARKLEY. Objection has already been made.

Mr. KNOWLAND. Mr. President, may I make a suggestion to the majority leader?

Mr. BARKLEY. I yield to the Senator from California.

Mr. KNOWLAND. Could we not agree, by unanimous consent, that the Senate shall remain in continuous session until the pending joint resolution and all amendments thereto are disposed of? That would not tie us down to a certain hour.

Mr. BARKLEY. It is not customary to agree by unanimous consent to stay in session indefinitely.

Mr. KNOWLAND. However, I believe that the situation we are getting into is sufficiently important, and the succeeding legislation is sufficiently important, for the Senate to go without a little sleep for a short time.

Mr. BARKLEY. I agree with the Senator; but I wish to say to the Senate, reiterating my suggestion made earlier today, that when I asked the Senate to remain in session until we finish consideration of the joint resolution, no objection was raised to that program. So far as I am concerned, and so far as I can control the situation—which is very little, sometimes—the Senate will remain in session until we conclude consideration of the British loan. I will then facilitate, so far as I can, the immediate passage of a joint resolution extending the draft for 30 days, or for such other time as the Senate may see fit to extend it.

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

Mr. BARKLEY. I yield.

Mr. TAFT. Would it not be possible to set aside the unfinished business and pass a joint resolution extending the draft for 30 days, so as to get it out of the way? Then, it seems to me, Senators pressing for legislation would know what to expect.

Mr. BARKLEY. It must be done by unanimous consent; and if any Senator objects to extending the draft for even 30 days, he would object to that arrangement.

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

Mr. BARKLEY. I yield to the Senator from South Dakota.

Mr. GURNEY. I ask unanimous consent that the motion made by the Senator from Mississippi [Mr. EASTLAND] be temporarily withdrawn, and that the Senate proceed to the consideration of a joint resolution extending the draft for 30 days.

The PRESIDING OFFICER. Is there objection?

Mr. LANGER. I object.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

EXTENSION OF SELECTIVE SERVICE AND TRAINING ACT

Mr. JOHNSON of Colorado. I ask unanimous consent, out of order, to introduce a joint resolution, to extend the Selective Training and Service Act of 1940, as amended, until July 1, 1946. The joint resolution reads as follows:

*Resolved, etc.*, That section 16 (b) of the Selective Training and Service Act of 1940, as amended, is amended by striking out "May 15, 1946" and inserting "July 1, 1946."

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

There being no objection, the joint resolution (S. J. Res. 159) to extend the Selective Training and Service Act of 1940, as amended, until July 1, 1946, was received, and read twice by its title.

Mr. BARKLEY. If I correctly understand the Senator's joint resolution, it would extend the draft until July 1.

Mr. JOHNSON of Colorado. That is correct; and the virtue in that plan, instead of a 30-day extension, is that all the statistics pertaining to this subject extend to the end of the month, and it is difficult to tell what is going to happen in the middle of the month. A 30-day extension would extend the draft only to June 15.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the pending motion, and everything else before the Senate, be temporarily laid aside, without prejudice, and that the Senate proceed to consider the joint resolution just introduced by the Senator from Colorado, without reference to the joint resolution to a committee.

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

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 159) introduced by Mr. JOHNSON of Colorado, to extend the Selective Training and Service Act of 1940, as amended, until July 1, 1946.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment.

Mr. GURNEY. Mr. President, I move to amend the joint resolution offered by the Senator from Colorado by changing the date from July 1, 1946, to June 15, 1946.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. GURNEY].

Mr. JOHNSON of Colorado. Mr. President, of course, this may seem to be a very petty matter. It involves only the difference between 6 weeks and 4 weeks. But there is considerable history back of it. Many months ago I introduced a resolution in the Senate Committee on Military Affairs to do this very thing, and the Senate Committee on Military Affairs acted favorably on my resolution.

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

Mr. JOHNSON of Colorado. I shall be very glad to yield in a moment.

Mr. GURNEY. Will the Senator yield to me for the purpose of withdrawing my amendment?

Mr. JOHNSON of Colorado. I yield.

Mr. GURNEY. I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

If there be no amendment to be offered, the question is on the engrossment and third reading of the joint resolution.

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

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purpose 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.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] in the nature of a substitute.

Mr. TOBEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOBEY. What is the parliamentary situation with reference to the motion of the Senator from Mississippi [Mr. EASTLAND]?

The PRESIDING OFFICER. It has been temporarily laid aside.

Mr. BARKLEY. Mr. President, I wish to reiterate the announcement which I have heretofore made, that it is my purpose, so far as I can control the situation, to keep the Senate in session today until it acts upon the British loan. I assure the Senator from Mississippi that if he will withdraw his motion to set aside the unfinished business and take up the labor legislation, immediately upon the conclusion of the consideration of the joint resolution I myself, if necessary—if I must say that in order to indicate my good faith—will move to take up the labor legislation and proceed with it.

Mr. AIKEN. Mr. President, may I ask the Senator a question?

Mr. BARKLEY. I yield.

Mr. AIKEN. Is it the purpose, at the conclusion of action on the labor legislation, to return immediately to consideration of the extension of the Selective Service Act?

Mr. BARKLEY. I should say "Yes," subject to the possibility that if by that time the OPA legislation is ready for consideration, we might take it up. I doubt very much if it will be ready. I think it is reasonable to say that the OPA legislation will not be ready for consideration before week after next.

Mr. AIKEN. Until the draft legislation is taken care of, no 18-year-old boy in this country who has any idea of going to college this fall will know whether he can go or not. Enrollment in the colleges is now in progress, and the boys are having difficulty getting into the colleges.

Mr. BARKLEY. As a result of the joint resolution which the Senate has just passed, both the OPA and the draft will expire at the same time, so we shall have to consider both questions before the 1st of next July.

Mr. EASTLAND. Mr. President, with the understanding announced by the Senator from Kentucky, I withdraw my motion.

The PRESIDING OFFICER. The motion is withdrawn. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT] in the nature of a substitute.

Mr. LANGER. Mr. President, I send to the desk three amendments and ask that they lie on the table and be printed.

The PRESIDING OFFICER. Without objection, the amendments are ordered to lie on the table and to be printed.

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

The PRESIDING OFFICER. The amendment offered by the Senator from California, which takes precedence over the amendment offered by the Senator from Ohio, will be stated.

The CHIEF CLERK. At the end of the joint resolution it is proposed to insert the following new section:

SEC. 3. No payment shall be made to the United Kingdom under the agreement or under this joint resolution until after (1) the date of a proclamation by the President, or the date specified in a concurrent resolution by the two Houses of Congress, declaring that the general level of production in the United States equals or exceeds domestic consumption, and (2) the current annual budget of the United States has reached the point where the Federal receipts exceed expenditures; and such payments shall be made only to the extent that total receipts subsequent to the date of enactment of this act up to the time when such payment is proposed to be made exceed the total expenditures for the same period.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California.

DEPARTMENT OF CIVIL AVIATION

Mr. HART. Mr. President, it is my intention to introduce a bill which I believe to be of considerable importance. Since it has a bearing on certain other proposed legislation which already is before the Senate, I desire to make some explanation at this time.

In brief, the bill is for the purpose of establishing a Department of Civil Aviation, to which will be transferred all the functions of the Civil Aeronautics Administration and of the Civil Aeronautics Board, and perhaps the National Advisory Committee for Aeronautics itself. It is expected that such a new Department for Civil Aviation will eventually include certain other activities of the Executive Department which now are minor, but which probably will grow as civil aviation grows.

One of the purposes is to relieve the pressure upon the State Department for growth into the field of civil aviation, such as the project for setting up a new Assistant Secretary of State for Air. Of course, Mr. President, the State Department must retain all cognizance over foreign relations which evolve from the use of air, but much necessary assistance in that line can best come from the new Department.

A little later I shall go somewhat more into detail as to the purposes of the new Department which I propose. However, Mr. President, first I should like to make a brief statement regarding the various projects for establishing some form of an executive department for military aviation.

There is, of course, a relationship between civil aviation and that intended for war purposes. Those relationships have changed within recent years, and in the future they are bound to be very different from those we have previously known.

The idea of separating the air components from the War and Navy Departments has been before the country for a long time. An air force thus fully separated from the land and sea forces of the Nation is an idea which was transplanted from England some 25 years ago. It was based on the British Royal Air Force. Since then, the agitation for such separation of the air arm from our own ground and sea forces has been rather continuous and has resulted in a certain number of inquiries and authoritative reports on the subject.

Beginning in 1919 and extending over 20 years, there has been a series of hearings and reports, by committees and commissions variously composed, which have passed upon the subject. During the early years of that period, the subject was twice before committees of Congress, but without acceptance of a plan for a separate air department. In 1925 there was a very thorough investigation by a carefully chosen board which we now know as the Morrow Board. It did not recommend a separate air department. The next authoritative and balanced inquiry was also made by a presidential board, which was appointed in 1935. It did not recommend a separation of air components from the Army or Navy.

In all, there have been 26 of these studies on what had been the main question of placing air organizations of the armed services in a separate department. Some of the studies, particularly those just mentioned, were at very high levels. A few were more restricted—both in scope and in the composition of the committees. In all the 26 instances there were only 4 in which a separate air department was endorsed.

Such was the history up to 1941. In my own opinion, the experiences of the last war have shown that those decisions against separation were entirely correct. As I hope to demonstrate, the arguments for change in organization of the military air forces are now weaker than they were before the last war.

Most of the best minds were firmly convinced before 1941 that there should be no separation of the Navy's air arm from the rest of the Navy. It always has seemed very clear that the Nation's ability to control the sea areas which are vital to our security requires that the Navy's air arm and the rest of its components must remain most intimately associated in peace and in war. I think that all will admit that the results of World War II in the Pacific area have well proven the soundness of that principle. The Navy's air arm became its most powerful agency for offense. In fact, during many of the campaigns in the Pacific, surface ships served mainly in the role of supporting forces. We were successful in the Pacific because the integration of surface ships and submarines, aircraft and amphibious land forces, was maintained throughout.

The situation in the British Navy became so very different that the briefest study of that organization's history shows what happens when close integration does not exist. During the years between the two wars, the British Navy lost all control of aircraft to the RAF. The Royal Navy, in fact, was permitted no air participation whatever, except as and when the RAF saw fit to dole out small contingents of planes and flying personnel. That condition began to be remedied somewhat in 1937, but the period which elapsed before World War II began was entirely insufficient for catching up. The result was that not only was the entire British Navy absolutely without air-mindedness, but it lost all knowledge and ability in air matters, except on the part of a small residue of air-trained personnel who served in a few aircraft carriers.

The British began the war with some good carriers as far as ship design went. But those ships became effective war weapons only after they came to this country, were fitted with aircraft-handling facilities such as our Navy had developed, became supplied with our own planes, and went through a long course of training in the effort to catch up. Only as VJ-day approached did the air components of the British Navy really reach the point where they were ready to go into action alongside our own carriers—and that was during the very last stages of the Pacific war.

The development of that situation during the years of peace was known in America. It was resolved that such a thing must never happen here; and our own Navy was undoubtedly right about it all the way through. Our naval personnel was not altogether air-minded at all levels; but, as events proved, it was sufficiently so.

The Secretary of the Navy is reported to have been asked recently by the Senate Committee on Naval Affairs what he thought of the separation of the Army's air components from its ground forces. Mr. Forrestal apparently declined to comment; and that stand is traditional. While the Navy has been under attack by Army airmen for years, it does not put on a counteroffensive. I myself hold a certain amount of diffidence in expressing any opinion concerning the Army and its own Air Force, and, naturally, I shall have very little to say about it.

In years of peace, as well as during World War II, there was a growing separation between the Army's Ground and Air Forces which should at least be looked upon with misgivings. The separation has become rather extreme, having gone to the point of duplicating and paralleling services and institutions to a great degree. For example, it extended to setting up a legal department for the Army Air Forces, separate from the Judge Advocate General of the Army. The result of all that separation is that ground and air personnel do not know each other, are in separate watertight compartments, and consequently the Ground Forces cannot be as air-minded as they should be. A similar situation existed in Great Britain.

Mr. President, as in the case of obtaining control of the sea areas, it is to be granted that the arrangements also worked over land, in that we were successful in all phases of the war on the land. The basic reason for all those successes was that we won control of the air. In the European theater, that control was won by overpowering forces, partly British and partly American, which had a starting and jumping-off point in England, to which the supply lines were kept open.

In the Pacific area, the control of the air was won almost altogether by the Navy's air arm, since it was the only air weapon which could be brought to bear upon Japanese regions of air power. By VJ-day the Jap Army still had a considerable number of planes, but all training, and the supplies for their planes had been utterly ruined by the 3-year campaign, across the North and Central Pacific, of our seaborne forces. Those campaigns wrecked the Japanese Navy, with its air arm, which had been an efficient weapon. The Japs became short of everything. They had few efficient pilots left for the planes which remained to them, and they had been defeated in the air almost as decisively as on the sea. The long series of battles against our carrier planes had ruined them in the air. The Japanese had lost control of it, and, as we know, the Army's heavy bombers were then brought into play. They were operated against little opposition, and they burned and blasted large areas of Japan. However, Mr. President, so much for the past. We must look to the future.

I now invite attention to a certain very significant phrase. It is one which is used in the Truman-Attlee-King proposal of November 15, 1945, for the establishment of a commission under the United Nations to seek means for the control of atomic energy. The words of that phrase are, "the elimination from national armaments of atomic weapons and of all other major weapons adaptable to mass destruction."

No statement has been forthcoming as to what prohibitions were to be covered by those words, "other major weapons adaptable to mass destruction." In any case, it is entirely clear that area bombing by great formations of large planes does amount to mass destruction. That was done in Germany by high explosive bombs and incendiaries, with high explosives accomplishing the greater part of the damage. In Japan it was different, in that the more usual missile from the large Army bombers was the incendiary bomb, dropped in very large numbers.

We used to hear the attacks by the Army's heavy bombers described as pinpoint bombing, meaning that only a chosen military objective was hit. That, Mr. President, did not work out. The objectives became indiscriminate. When an enemy country is attacked in a manner which seeks to destroy large areas, only comparatively small proportions of which constitute true military targets, the aircraft employed certainly do become weapons of mass destruction. In short, Mr. President, we get exactly the same result, whether we use a very few planes with atomic missiles, or whether we use a large number of planes with ordinary high explosives and incendiary bombs.

We all hope that the world will eventually outlaw war as a whole. We think that the practical method to achieve that goal is through a step-by-step process. Our President has led toward a first step—the abolition of weapons for mass destruction. Is it now timely to single out our one organization that has specialized in that variety of war and elevate its status?

Apart from the idea of setting up the Army Air Corps as a separate department, does its probable future justify even a so-called autonomy within a Department of Common Defense? That is, a status which would make the Air Corps coequal with the Navy, which has its own air component—an arm which has proven itself to be fully as important to the national security. In my opinion, the Nation would be safer if, instead of such autonomy for a separate air arm, the War Department should promote an integration similar to the Navy's, namely, a close coupling between its ground and air forces.

Mr. President, one further point along this line before coming to the direct subject of a bill providing for a Department of Civil Aviation. It is entirely necessary to set forth some of these points of relationship, as regards a separate military air arm, because military and civil aviation have until recently been claimed to be quite closely tied together. During the 1920's they were so tied.

Let it be assumed that we will attain the much-desired goal of eliminating from the world's armaments the atomic bomb as a weapon to be dropped from aircraft. However, let us also assume, for a moment, that the interpretation of

those words, "other weapons of mass destruction" will not preclude area destruction with ordinary bombs, and that the aircraft for that kind of attack will not have to disappear from our arsenal. Mr. President, there have been recent technical developments in air warfare which are such that the wartime efficiency of that kind of attack by great formations of large planes is no longer promising anyhow.

The later stages of the last war brought new improvements in the defensive types of aircraft which will make even high-altitude bombing attacks—on the scale which we had achieved over Germany and Japan—exceedingly costly in the future. In fact, those new defensive aircraft can cause such extreme losses in masses of large planes that it will no longer be a practical form of attack. In support of my contention I have the statement of General Arnold.

It is quite true that after control of the air is won to the point that one side no longer possesses sufficient defensive aircraft, that antidote to the mass attack will disappear, as it did in World War II. That control of the air has to be fought for, and it will be very difficult to win. One of the real changes has been the great technical advance which defensive aircraft has attained. That development has increased the vulnerability of very large planes able to carry heavy loads of bombs.

Yet that is not the only defensive measure with which mass attacks from the air will have to contend. Ordinary antiaircraft gunnery has progressed to a point which has made it very costly to use large air formations against any objective so defended, except from very high altitudes. Moreover, the development of rockets as specialized guided missiles for defense against air attack is an added factor which must enter into calculations for the future. The guided rocket missile does, in fact, seem to be the ground antiaircraft weapon for the future. The rocket has no difficulty in reaching high altitudes, and it is already so developed that it can wreck large formation of heavy bombers. In short, it now appears that strategic bombing, as we have known it, is a thing of the past. That statement is supported by high authorities with the air services.

Incidentally, Mr. President, these newest weapons, as a whole, should not be looked upon simply as akin to airplanes. They are much better described as flying ordnance. The airman's participation in either their development or their use is likely to be only one of several types of skill which will be used. That does not mean that no guided missiles will be carried or handled by aircraft, but the self-propelled missile will be much more akin to gunnery from the surface than a matter of aircraft per se.

The developments which I have briefly mentioned, largely cancel out the kind of air warfare with which the Army Air Corps has principally specialized.

If that view of the future is correct—and the best authorities do concur in its soundness—the question is, Why should we at this time seriously think of establishing a third department of the armed forces, to be composed of the Army's air components? It is said that such a step must be taken in case the proposed merger of the Army and Navy, as provided in S. 2044, a bill which the Senator from Utah [Mr. THOMAS], the Senator from Alabama [Mr. HILL], and the Senator from Vermont [Mr. AUSTIN] worked on very hard, does not become the law, that is, that the alternative to merging the War and Navy Departments at the uppermost level is a military air department, coequal with the two departments which we now have. There is a much better use for a new Cabinet officer than merely to head a department which is devoted to military aviation.

Setting up an Air Department in government is not a new idea. It was done by several nations after the First World War, with varying degrees of success. In looking over the history of those departments, we have more to learn by noting the mistakes and failures than the instances of success.

The history of Great Britain's case best deserves our study. The British Air Ministry was established in 1919, and all air business in the United Kingdom—military and civil—was placed under the Secretary of State for Air, which was the official title of the cabinet officer in charge. The Royal Air Force immediately proceeded to take charge of him and of the Ministry. At the time, practically all flyers were in uniform, and their leaders were politically powerful and adept—far more so than were the other armed services.

The British Navy was soon frozen out of the air picture, with the result which I have mentioned. In the theory behind the establishment of the Air Ministry, the needs of civil aviation were to be looked after, and it was expected that the unification of civil and military aviation would afford advantage to both—through research, economy, and common effort. The goal was to serve the best interest of the United Kingdom as a whole.

It did not turn out that way. The military became completely dominant, and the growth of air transport, for war as well as for peaceful purposes, was completely stultified. British civil aviation remained backward throughout the peace years. When the war came, the handicap of low efficiency and poor capacity in air transport was much like that which the RAF had imposed upon the British Navy. That, Mr. President, is, in substance, the course of events in Britain under an organization which we in this country have been so strongly urged to imitate. It is most fortunate that we have not done so.

Over a year ago, the United Kingdom began a strenuous effort to rescue its civil aviation from that situation, which was at last recognized as extremely alarming. The British Parliament, in April 1945, passed a Civil Aviation Act which divorced everything connected with civil aviation from the Secretary of State for Air, who now has only the RAF under him. All civil aviation is now under a new Minister of Civil Aviation. Since that date, under Mr. Attlee's government, civil aviation has been nationalized into an almost absolute government monopoly, of which we may all be well apprised. To that end, I ask consent to have printed in the Appendix of the CONGRESSIONAL RECORD two British documents.

One of them is a report to Parliament, dated March 1945, which was a month before the Civil Aviation Act was passed. The report sets forth the principles and policies which the British Government intended to follow in establishing its commercial aviation. The other document, likewise a report to Parliament is dated last December—9 months later. It reaffirms the other report, and definitely shows what is being done in establishing the Government's ownership and monopoly. Here again, we should not imitate; but it will be well to know what is happening in civil aviation in other parts of the world, and the British reports are very illuminating.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

(See exhibits A and B.)

Mr. HART. Mr. President, we of the United States have done very well indeed in building up an air transport over this continent. The governmental agencies we have employed have sufficed quite well thus far in handling our domestic air problems; but they have now become overlarge for a board or bureau within the Department of Commerce.

In air transport over the oceans, we also did very well during the peace years. That was due to the accomplishments of one company, led by a man of vision and astuteness, Mr. Juan Trippe. That was during the pioneering period, when the dimensions were very small in comparison with the present picture and future prospects. Here again—even more than in our domestic field—the scope is great and the complexities of the situation are extreme. Growth has now gone beyond a subordinate organization in the Commerce Department—or in any other Department we now have.

There is another factor in the development of our civil aviation. That is the great size of aircraft for future long-distance transport. Our familiar DC-3, in which we have ridden so much, which we thought large 10 years ago, is a pigmy in comparison with designs that are now current, and really with some planes now in the air. The requirements in terminal facilities for these large planes bring in still more complex problems to add to the complexities incident to long flight and volume of what is carried.

As I have mentioned, the war planes of the future are not likely to be large—or, if so, they will not be used in considerable numbers. Military planes will become more and more specialized, more and more different from transport planes. The technical and operational relationships which quite properly existed in the 1920's and thirties between military and civil aircraft will largely disappear. There needs to be collaboration between the two categories of men and machines, and the military may well

have some voice in the development of civil aviation. But it should certainly not be a voice which votes aye or no. To my mind, the future relationship should be just about that which has always existed between the Navy and the merchant marine. The necessities in the case amount to a close parallel.

Mr. President, this is a subject which I have studied more thoroughly than anything else. I am wholly unable to see any justification for setting up a department of or for the Army Air Corps. I am likewise unable to vote for or accept Senate bill 2044, or for the bill introduced by the senior Senator from New Hampshire, because in providing for a status of the Army Air Corps coequal with that of the ground Army and Navy, a separation of ground and air forces is involved which I greatly fear may eventually come to weaken our common defense.

I do see decided necessity for a new department devoted to the rapidly growing needs of civil aviation, and I introduce a bill for that purpose, with the request that it be appropriately referred.

Mr. President, I suggest that the bill might well be referred to the Committee on Commerce. I further request that the bill be printed in the RECORD following my remarks.

There being no objection, the bill (S. 2171) to establish a Department of Civil Aviation, and for other purposes, was received, ordered to be read twice by its title, referred to the Committee on Commerce, and ordered to be published in the RECORD, as follows:

*Be it enacted, etc.*, That (a) there shall be at the seat of government an executive department to be known as the Department of Civil Aviation (hereinafter referred to as the "Department"), which shall be administered by a Secretary of Civilian Aviation (hereinafter referred to as the "Secretary"), who shall be appointed from civilian life by the President by and with the advice and consent of the Senate and receive the same compensation as other heads of executive departments.

(b) Section 158 of the Revised Statutes is amended to include the Department of Civil Aviation, and the provisions of so much of title IV of the Revised Statutes, as now or hereafter amended, as is not inconsistent with this act, shall be applicable to the Department.

(c) The Secretary of Civil Aviation shall cause a seal of office to be made for the Department, of such device as the President shall approve, and judicial notice shall be taken therof.

SEC. 2. (a) There shall be in the Department of Civil Aviation an Under Secretary of Civil Aviation, who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of $12,000 a year. The Under Secretary shall perform such duties as may be required by law or prescribed by the Secretary of Civil Aviation. The Under Secretary shall (1) in the case of the death, resignation, or removal from office of the Secretary, perform the duties of the Secretary until a successor is appointed, and (2) in case of the absence of the Secretary, perform the duties of the Secretary until such absence shall terminate.

(b) There shall be in the Department of Civil Aviation two Assistant Secretaries of Civil Aviation, who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate. The Assistant Secretaries shall perform such duties as may be required by law or prescribed by the Secretary of Civil Aviation, and shall receive compensation at the rate of $10,000 a year.

(c) The Secretary shall appoint a general counsel and such other officers and employees as may be necessary to carry out the provisions of this act and as may be provided for by Congress from time to time. There shall also be in the Department such other officers and employees as may be transferred to the Department under the provisions of this act.

SEC. 3. It shall be the function of the Department of Civil Aviation to—

(1) foster the development of civil aeronautics and the air commerce of the United States, both at home and abroad;

(2) provide for the orderly development of civil airways and landing areas;

(3) provide for the installation and maintenance of air navigation facilities;

(4) establish and maintain safety standards for civil aircraft;

(5) provide for the registration of civil aircraft;

(6) provide for the issuance and suspension of air carrier operating, air navigation facility, and air agency certificates and ratings, and other aeronautical documents;

(7) provide for the development of civil aviation training;

(8) collect and disseminate information relative to civil aeronautics; and

(9) cooperate with the Department of State in the making of agreements with other nations relating to the air commerce of the United States.

SEC. 4. (a) The Civil Aeronautics Authority, the Civil Aeronautics Board, the Civil Aeronautics Administration, and the office of Administrator of Civil Aeronautics are hereby abolished.

(b) All functions, powers, and duties vested in the Civil Aeronautics Authority by the Civil Aeronautics Act of 1938 (52 Stat. 977) and the Civilian Pilot Training Act, as amended (56 Stat. 704); in the Administrator of Civil Aeronautics by section 7 of Reorganization Plan No. III, effective June 30, 1940 (54 Stat. 1233); and in the Civil Aeronautics Board by section 7 of Reorganization Plan No. IV, effective June 30, 1940 (54 Stat. 1235), are hereby transferred to the Department.

(c) The second sentence of section 7 of the Civilian Pilot Training Act, as amended (58 Stat. 648), is amended to read as follows: "No alien shall receive training under the provisions of this act."

SEC. 5. All personnel and property (including office equipment and records) of the agencies whose functions are transferred under the provisions of section 4 of this act are hereby transferred to the Department.

SEC. 6. So much of the unexpended balances of the appropriations, allocations, or other funds available or to be made available for the use of the agencies transferred pursuant to the provisions of this act, as the Director of the Bureau of the Budget with the approval of the President shall determine, shall be transferred to the Department. In determining the amount to be transferred the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer.

SEC. 7. (a) All orders, rules, regulations, permits, or other privileges made, issued, or granted by any officer or agency in connection with the functions transferred under the provisions of this act, and in effect at the time of transfer, shall continue in effect to the same extent as if such transfer had not occurred, until modified, superseded, or repealed.

(b) No suit, action, or other proceeding lawfully commenced by or against any agency or any officer of the United States acting in his official capacity shall abate by reason of any transfer made pursuant to this act, but the court, on motion or supplemental petition filed at any time within 12 months after such transfer takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the appropriate agency or officer of the United States.

SEC. 8. The Secretary is authorized to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for lawbooks, books of reference, and periodicals, and for printing and binding) as may be necessary to carry out the provisions of this act, and as may be provided for by the Congress from time to time.

SEC. 9. The Secretary shall make at the close of each fiscal year a report in writing to Congress giving an account of all monies received and disbursed by him and the Department, and making such recommendations as he shall deem necessary for the effective performance of the duties and purposes of the Department.

SEC. 10. There are authorized to be appropriated such sums as may be necessary to enable the Department to carry out the provisions of this act and to perform any other duties which may be imposed upon it by law.

SEC. 12. This act may be cited as the "Civil Aviation Department Act of 1946."

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EXHIBIT A

2. In a paper presented by the Minister for Civil Aviation to Parliament by command of His Majesty in March 1945, there were set forth the following in regards to British air transport. These are general principles applicable to British air transport and present the Government's general policy for the development of British civil air transport and the operation of air routes for the carriage of passengers, freight, and mails.

(a) In determining policy the field of civil aviation must be viewed as a whole and a plan, to be effective and practical, must cover all routes in which the United Kingdom is interested—commonwealth, foreign, and internal.

(b) The United Kingdom policy on air transport in the international sphere was based on the fundamental principle of order in the air, i. e., the full and fair development of air services to meet all requirements coupled with the elimination of wasteful and subsidized competition. National policy, while it must stimulate and encourage development and initiative, should do so with an ordered plan.

(c) Civil aviation is essentially a transport business and the problems are in many ways analogous to those of transport by land and sea. To make national air services effective the best aviation knowledge and skill, as well as the ripe experience and world-wide organization built up over many years by the British enterprise and initiative in other forms of transport, must be utilized. This does not mean that the Government regards any industry or undertaking as having a vested right to share in civil air transport. The test which has been used in evolving the plan set forth is: Where can the best contribution to British air transport be obtained and how can it most effectively be used to build up an organization which will fulfill the public, commercial, and social needs?

(d) It is recognized by the Government, and those concerned in existing methods of transport by land and sea, that the competition of air services must be met in the air. National and commonwealth interests, and interests of the older forms of transport, cannot be served by attempting to retard or restrict new methods of carriage. They can best be promoted by creating and fostering the most effective air transport system that can be developed at home and overseas.

(e) Air transport is a service in which the community as a whole has an interest. The criterion as to whether a particular route should be flown is not merely, is it profitable? There are services essential to the public interest which offer little or no prospect of a direct financial return. Unlimited competition by private operators would mean that competing services would be concentrated on profitable routes while the taxpayers, gaining no benefit from the lucrative routes, would be compelled to support by subsidies services which are desirable for public or social reasons and which would initially and possibly permanently never show a profit. On the other hand if an air transport undertaking is assured the exclusive rights of operation on a sufficient proportion of profitable services and is permitted to develop these to the full, it can and should operate unprofitable routes as a part of its general transport system. It is then a necessary part of the Government's plan that organizations which will be granted the right to operate air services both within the United Kingdom and other countries, and between the United Kingdom and other countries, shall possess such right on their allotted routes to the exclusion of other United Kingdom air transport operators.

(f) While, in the interests of order and economy, competition between United Kingdom operators on individual routes must be eliminated, there remains a field which will best be served by competing operators. Subject to safety and navigational requirements, it is not intended to restrict the operation of charter aircraft.

(g) Requisites of an air-transport organization:

(1) Units must be large enough to operate economically, but not so large or widespread as to preclude effective supervision.

(2) Each unit must have an efficient organization covering every area served by its air lines to handle passengers, freight, and mail, together with first-class knowledge and experience of transportation and facilities for full cooperation with other forms of transport wherever this can promote air travel.

(3) Provisions for economical use and maintenance of aircraft.

(4) Effective arrangements for training of air crews and ground staff and for their welfare.

(5) Close cooperation between users and manufacturers in deciding the types of aircraft to be used.

(6) The organization should be capable of providing training for the crews of commonwealth or foreign countries and should be able to supply these countries with technical and operational help where required.

(h) Size of units: The Government is convinced that the policy of a single chosen organization is unsuited to deal with the great expansion of the future. There must, therefore, be several air-transport undertakings. A single organization, even if it could effectively include and use all of the varied experience of aviation and transportation necessary, would be too large to fulfill the requirement of effective supervision. While it is desirable to eliminate wasteful competition between British operators on the same route, it is also desirable to avoid a set pattern of management and operation and to encourage different managements to try out their own ideas. This would not prevent pooling of experience, and the Government's plan is designed to secure this.

(i) Air transport can be greatly assisted and stimulated by cooperation with other transport systems. To the solution of the problems British enterprises engaged in other branches of the transport and travel business can, together with the BOAC, bring a valuable contribution. Their extensive organization and connections both in the United Kingdom and overseas can with great economy of management be used to serve air transport equally with land and sea transport. Through their cooperation the fullest use can be made of through bookings, interavailability of tickets between air and other forms of transport and the most convenient rail and sea connections. It is, therefore, necessary that those interests concerned in transport by sea and by land be brought into partnership with the air-transport organization.

(j) The Government has a special interest in air-mail service. The Postmaster General is considering, with the Minister of Civil Aviation and the organization which will operate the future British air services, the best use that can be made of those services for the carriage of air mail.

(k) After consideration as to the number of air-transport units which will be most effective at present, as well as the routes which they should cover, the Government has decided that the most efficient organization will be obtained by means of three main air-transport corporations which will be responsible for air services on the following routes:

(1) Commonwealth routes together with trans-Atlantic service to the United States and the services to China and the Far East.

(2) European air routes and the internal services of the United Kingdom.

(3) The South American route.

(l) It is obvious that the same corporation which will operate the air route to Canada should operate the Atlantic service to the United States. When services to China and the Far East are inaugurated these will link naturally with services to India and Australia. It is desirable that these should be associated with the same corporation.

(m) The Government considers that arguments for uniting internal services of the United Kingdom to Europe in a single Corporation are overwhelming. While the majority of continental services will focus on London, connections will be required from other centers of population and industry in the United Kingdom; and as air transport develops there will be direct service from these centers to the Continent. The same type of aircraft will be suitable for internal and continental services, therefore, economical use of such aircraft will be increased if they can be drawn from a pool of aircraft available for European and internal services based upon fluctuating seasonal or other traffic demands on individual routes.

(n) The trunk routes from the United Kingdom to South America presents a new field for British civil aviation. It is one which the long and close associations with the States of South America make it essential that British civil aviation enter.

(o) Corporation structure:

(1) Commonwealth and Atlantic routes, together with ultimate extensions to China and the Far East will be assigned to the British Overseas Airways Corporation. They, with their predecessor (Imperial Airways), developed and operated these routes in the past. They have close relations with operators of other Commonwealth countries and are considered to be the appropriate instrument for the operations and further development of these routes. On many of the routes, valuable contribution can be made by British shipping lines. It is proposed that these shipping lines shall be afforded the opportunity of becoming associated with BOAC, where they can make a useful contribution. This association is welcomed both by BOAC and the shipping lines. It will probably be convenient for BOAC to operate certain of these routes through subsidiary companies, etc. And since the shipping lines are confined to particular routes, such a structure will be desirable for those services in which British shipping lines participate. In any subsidiary companies the predominant interest will be held by BOAC, but the shipping lines will take a share in the capital and be represented on the boards.

(2) The European and Internal United Kingdom routes will be assigned to a new company composed of the railway companies, the short sea shipping lines, travel agencies, BOAC, and such other prewar operators as desire to participate. All the proposed participants agree on the importance of BOAC having its share in the corporation.

Although the majority of European and internal air services were previously operated by BOAC, the railway companies or the short sea shipping lines, there were a number of independent British operators who ran air lines before the war. All but one was forced to cease operations during the war, but the Government considered they should have an opportunity of taking up shares in the new company. Where these independent operators have particular experience in local routes upon which it may be in the public interest to draw, the possibility of forming companies subsidiary to the main corporation will not be excluded. In such a case the prewar operator may participate in the capital of the subsidiary company instead or, or in addition to, taking up shares in the new corporation.

It is an essential part of the Government's plans that the new corporation shall be responsible for all routes. Its right on these routes within the United Kingdom will be exclusive. European services will be run parallel to or, as is hoped, in conjunction with services of other European countries to the United Kingdom. Exclusive rights are necessary for economical operation and the running of maximum number of services. The plan will provide for the corporation to run some services in the United Kingdom and in Europe which will operate at a loss but are necessary in the public interest.

The European and internal air routes are likely to be more lucrative than some of the commonwealth routes assigned to BOAC. The Government, therefore, considers that the financial interest of BOAC in the new corporation which will operate the European and internal routes should be assigned in light of this consideration, as well as the technical contribution which it can make to the new corporation. While it is not proposed that BOAC should have a majority holding in the new corporation, it is intended that its interest should be substantial.

(3) The South American route will be assigned to a new company composed in the majority of those British shipping lines operating to South America who have associated together for this purpose as British-Latin American Airlines, Ltd. It is proposed that BOAC should participate in the capital and management of the new corporation, but its share in the capital will be smaller than in the corporation responsible for European and internal services. The British shipping lines operating between Europe and South America have expressed their willingness to operate the route without subsidy.

(p) The organizations invited by the Government to participate in the new plan are prepared to invest their money without any Government guarantee; but they have not been invited merely as investors. They will take a permanent stake in the enterprise and the Government has accordingly laid it down that there shall be no transfer of shares in the capital of the new corporations which are allotted to the participants. This will apply to the new corporations and the subsidiary companies which may be formed.

(q) The Government does not regard anyone as having a vested interest in the air. Although new corporations will be entitled to acquire at a fair valuation from existing operators any physical assets which are needed for the new services, the Government does not feel justified in approving an allowance or issue of shares to participants in

respect to good will or development expenses previously incurred. The capital of the new corporations will be represented by physical assets or cash subscribed.

(r) The three air transport corporations will cooperate and coordinate in:

(1) Overhaul of aircraft. (A combined organization for overhaul of aircraft will be maintained.)

(2) Training of air crews and ground staff. (A combined training establishment for training and refresher courses will be maintained.)

(3) Recruiting of staff. (Every opportunity will be given to officers and men of the RAF to serve in the corporations. Close relations will be maintained with the air council through the minister of civil aviation, for this purpose.)

(4) Welfare of staff. (Special provisions shall be made for pilots and members of air crews in event of death or disability while engaged in flying duties, and for granting of allowances for employees for whom suitably paid ground employment cannot be provided when they are past flying age.)

(s) Relation of Minister of Civil Aviation to the air transport corporations:

(1) Appointment of members of BOAC will be vested in the minister.

(2) Appointment of representatives of BOAC on the boards of the other two main corporations will be approved by the minister.

(3) Appointment of directors on the boards of the two main corporations other than BOAC will be subject to approval by the minister.

(4) Representatives of the shipping lines on the boards of the subsidiary companies of BOAC will be approved by the minister.

(5) Approval of the minister will be required to the memorandum and articles of association of all the companies, both main and subsidiary.

(t) After establishment of the corporations and subsidiaries and the members of the boards have been approved, the corporations and companies shall be responsible for their operation. The Minister, however, will have broad general control over aviation policy. All companies must conform to policies laid down by international convention or by agreements entered into by the Government. The corporations and their subsidiaries shall operate all the routes assigned in the schedule of routes and will not have the power to cease operation without the approval of the Minister.

(u) General policy is that both internal and external services should operate as far as possible without subsidy:

(1) The corporations operating the internal routes, including those desired by the public interest but not remunerative, are willing to run without subsidy.

(2) The Government's policy in the international field is to reduce wasteful competitive practices and to control subsidies with the object of ultimately eliminating them. A plan was expounded at the Chicago convention for avoiding uneconomic competition by maintaining a broad equilibrium between transport capacity and traffic offering, with a fair division of services between the national air lines engaged in international services, and an agreement as to freight and passenger charges. This was not accepted, but the broad principles remain the policy of the Government. In reciprocal arrangements with foreign companies, the Government will stipulate for reasonable application of these principles. Thus it is hoped that wasteful competition and subsidies may be largely eliminated from international routes in which Great Britain is interested. It is the intention that the European and Latin-American routes be operated without subsidy provided that the essential services are not faced with highly subsidized competition.

(3) In the past Commonwealth services have required a subsidy. The Government considers these services essential and is prepared to render financial assistance to enable BOAC to operate them.

(v) The agreed schedules of routes to be initially assigned the three corporations shall include all those which the Government considers that United Kingdom air lines should operate as soon as conditions permit. In the future, as needs develop, new routes will be left open to whatever operator, whether one of the main corporations or an entirely new operator, can establish that he is best fitted to run them. The Government, however, may wish to have operated a new route not included in the schedule and which is not the subject of any application to operate either by the corporation or a new operator. In such case the Government would have the power to require the appropriate corporation to undertake the services, but the Government must be prepared to give such temporary financial assistance as is necessary and reasonable.

(w) In order to safeguard interests of users of air transport, it is intended to confer upon a tribunal jurisdiction to consider complaints as to lack of reasonable facilities, the granting of undue preference, and the reasonableness of rates and charges. The tribunal shall have power to enforce its decisions, except in the case of overseas services regulated by intergovernment agreement, in which case the decision of the tribunal must be subject to confirmation by the Minister.

(x) The Commonwealth routes will be operated in full cooperation with other countries of the British Commonwealth. The Commonwealth Governments have expressed a desire that reciprocal services from their countries be operated in parallel with United Kingdom services to their countries. Provisions therefore are being made as regards terminal facilities along the routes as well as an equitable division of revenue and expenditure where it is agreed that a pooling arrangement is advantageous. Arrangements for parallel operation will not exclude, but rather facilitate, conversion of parallel into joint operation whenever and wherever it is agreed that this has become desirable.

The Government will welcome the closest cooperation between foreign air line operators running services to the United Kingdom and the air transport corporations set up by the Government plan. Here too parallel operation may ultimately become joint operation through subsidiary companies in which the foreign operator would participate.

It is hoped that the combined training establishment, and possibly the joint overhaul organization may be useful to other Commonwealth operators and to foreign operators who desire to avail themselves of these facilities.

(y) It is the Government's intention that the corporations shall use British aircraft as soon as they can be made available. In wartime it is essential that the Government place orders for civil aircraft because it must control and allocate the priority of demands upon the resources of industry. There must be close collaboration between the department placing the orders, the user and producer, so as to insure the proper types of aircraft, as well as the latest technical and design experience. Air line operators as well as the air forces must have their eyes on the future except where past experience points the way to future progress. Arrangements have been made to bring the air transport corporations into close collaboration with manufacturers and the Government departments concerned. As circumstances permit corporations will be free to buy aircraft direct from the manufacturers.

In the meantime the Government will lease the aircraft which they have ordered to the air transport corporations where such a course is convenient. The Government will also be prepared to lease aircraft to other Commonwealth and to foreign operators.

(z) In formulating policy the Government has endeavored to apply to the development and expansion of its air services the principles of ordered progress advocated in the international sphere. It plans to bring into operation as rapidly as possible a complete network of Commonwealth services in full cooperation with other Commonwealth governments. It is bringing into partnership on sound business lines those elements which can contribute to full and rapid development of British air transport. In this way the Government believes that it can best meet the needs of the peoples of the world for safe, efficient, regular, and economical air transport, and enable British civil aviation, subordinated to the war effort, to take its rightful place on world airways.

EXHIBIT B

3. In a paper presented by the Minister of Civil Aviation to Parliament by command of His Majesty in December 1945, the general principles of British air transport contained in the paper of March 1945 were confirmed. A brief of this paper, which is entitled "British Air Services," follows:

(a) Principles and objectives:

(1) The Government wishes to secure the universal acceptance of conditions which will insure the orderly expansion of air transport. The nations, however, are not yet prepared to place their air services under control of an international body and there is insufficient support to make possible the formation of such bodies on a regional basis.

(2) Attempts at the Chicago conference to achieve such a plan were unsuccessful. Therefore the Government now presents to Parliament a national plan framed so that it can be readily fitted into an international organization in the future.

(3) It is the Government's policy to attempt to negotiate agreements with other countries with the objective of securing well-ordered development on a full international basis thus facilitating the later establishment of a multilateral convention based on order in the air.

(4) Arrangements have been made for cooperation with the Dominions and Colonies. By agreement, services on Commonwealth air routes will be operated in parallel by independent national air lines under partnership arrangements which will provide for pooling of receipts, avoidance of duplication, common use of facilities, and equitable division of receipts and expenditures. If and when Dominion Governments desire, joint organizations for particular routes or a Commonwealth corporation to operate all Commonwealth trunk lines may be formed. The Government is prepared to negotiate for similar arrangements with foreign governments.

(b) Corporate structure of United Kingdom air transport services:

(1) Air transport services of the United Kingdom should be placed under national ownership and control. This offers the best guaranty of disinterested expansion with economy and efficiency. It makes it possible for the taxpayer to receive some benefit, as costs of operation are reduced, for assistance he is required to provide to develop uneconomic as well as profitable services.

(2) It is not proposed to entrust operation of all services to one corporation due to the following considerations:

(A) The need for flexibility in meeting international competition.

(B) The necessity for encouraging different methods of approach to operation and of avoiding placing sole management responsibility on one group.

(C) The creation of a pool of knowledge and experience to meet the needs of rapid expansion of air travel.

(3) Initially it is proposed to establish three separate corporate structures with the following spheres of influence:

(A) Routes between the United Kingdom and other Commonwealth countries, the United States and the Far East (the existing BOAC).

(B) Routes between the United Kingdom and the Continent and internal routes in the United Kingdom.

(C) Routes between the United Kingdom and South America.

(4) The corporations will not compete with each other on the same route or in the same area. The desirability of creating additional units will be considered as need arises. Each corporation will be managed by its own board and the capital will be provided entirely by the Government.

(5) The size of the boards will be determined by experience but they must not be unwieldy. They will include members who can contribute expert knowledge on the major aspects of air-line operation as well as members experienced with surface transportation and the needs of users. They will facilitate coordination of air-surface facilities, timetables, joint use of booking agencies and other facilities, and cooperation in side-by-side operation of the different forms of transport.

(6) Corporations will be required to maintain the highest degree of operational efficiency and safety; therefore they will have final responsibility for training of air crews and ground staffs. Unnecessary duplication of training must be avoided and combined arrangements for basic training are being examined.

(7) Day-to-day maintenance is the responsibility of the individual corporation, but a saving in facilities may be possible by the adoption of centralized arrangements. Arrangements for repairs and overhaul of air frames and engines will be made in accordance with a plan laid down by the Minister of Civil Aviation on consultation with the Minister of Supply and Aircraft Production.

(8) By arrangements made with the Air Council and Board of Admiralty, opportunities to officers and men of the RAF and Fleet Air Arm to enter civil aviation will be provided.

(9) The corporations will be required to insure satisfactory standards in the conditions of service and welfare of all employees. Staff cooperation in management of corporations will be encouraged.

(10) The policy set forth will require legislation, but interim arrangements will be made to start air services. The supply of aircraft is the governing factor.

(c) Relations between the Minister and the corporations:

(1) Major policy and the broad range of the activities of the corporations shall be vested in the Minister. He will make appointments to all boards. The corporations shall have maximum freedom in operation and management of the air services assigned them.

(2) The public will be enabled to make representation concerning fares, rates, and adequacy of services. As regards external services, it is hoped that these will be settled by international agreement, taking account of the recommendations of the International Air Transport Association.

(d) Subsidies:

(1) It is the Government's policy that air services shall be made self-supporting as soon as possible. It will seek to eliminate subsidy by international agreement. Some measure of aid, however, may be necessary to support essential but unremunerative services.

(2) The capital will be provided from public funds and profits will go to, and deficits be borne by, the Exchequer. Direct subsidy will take the form of deficiency grants. After experience has been gained it is proposed to base Exchequer assistance on the basis of estimated costs and revenues which would be subject to annual review. To provide incentive, provision will be made to enable a corporation to retain a proportion of any savings on estimated grants, to be expended on general purposes approved by the Minister with the agreement of the Treasury.

(e) Airfields:

(1) Airfields required for scheduled services shall be acquired and managed by the ministry. It is not proposed that the state should acquire nontransport airfields.

(2) The international standards with respect to airports, air-traffic control, communications systems, air-navigation aids, and related questions are under investigation by a committee on air navigation, which is part of the provisional international civil aviation organization. The Government is anxious to cooperate in the expansion of international agreement on these important matters.

(3) The Government has accepted the obligation to provide airports and auxiliary facilities required for international air services, as an adherent to the interim and international air service transit agreements. Under these agreements each country reserves the right to declare the particular airports which are to be opened to international air services without discrimination to nationality or rates charged.

(4) The policy will be to locate airports to serve the needs of the public. However, the small island of England cannot afford a multiplicity of airfields. Therefore arrangements are being made for joint military and civil use of airfields where a balance of convenience and economy will result.

(f) Compensation:

(1) Payment will be made for physical assets taken over from airlines operating on November 1, 1945, the date of announcement of Government policy. There will be no compensation for good will. No compensation will be allowed to operations which might be commenced hereafter and which would have to be discontinued as a result of legislation to give effect to Government policy. Adequate compensation will be given to municipalities and private owners for airfields.

(g) Aircraft:

(1) The Government's general policy is to require corporations to use British aircraft. In the immediate future civil air services will be built up on aircraft developed from basic military types. The Government is taking all possible steps to accelerate the production of civil aircraft, both for equipment of British air lines and for the export trade.

(2) It is proposed to set up a separate research department for civil aviation, but civil aviation is now receiving equal status with other claimants in aeronautical research fostered by the state.

(3) The characteristics necessary in civil aircraft can best be determined by experience in operation. Arrangements have been made for close and continued collaboration between user, designer, producer of aircraft, and responsible Government departments.

(h) Other flying activities:

(1) The primary function of the proposed corporations is to undertake regular air-line operation on fixed schedules. They may, however, take part in charter and taxi flying. This latter field is not restricted to the corporations and is open to private operators provided they maintain satisfactory safety regulations and conditions of employment.

(2) Private and club flying and gliding are restricted only as is necessary in the interests of safety. The Air Navigation (restriction in time of war) Order will be rescinded on December 31, 1945.

(i) The foregoing outline of policy is believed by the Government to offer the surest means of laying the foundations of civil aviation to insure its progressive, efficient, and economical expansion in the public interest. It is the Government's aim to bring this form of travel within reach of all, so that opportunities may be afforded to forge closer understanding and association among nations. The Government considers that public ownership and control offers the best prospects of securing a flourishing civil air transport industry.

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. WALSH. Mr. President, I wish to state very briefly my position on the pending joint resolution. I am unable to persuade myself that I have any right or authority, in time of peace, to loan or give the money of American taxpayers to any foreign country, regardless of my desire to assist these other countries in the restoration of the losses they have suffered as the result of war.

The United States Government is not a banking institution. The taxpayers' money should be used for promoting the general welfare of our people at home. There are undoubtedly many in this country who desire to help finance other countries. I am willing to permit a needy country to float a loan in the United States so that sympathizers and supporters and friends could assist the nation in need of financial aid.

The proposal before us is to take $3,750,000,000 out of all the taxpayers' funds, and loan that money to a foreign country. I say "loan." In the British Parliament this proposal has been referred to as a "gift." Here in the Congress it is being called a "loan."

Some may argue that gifts or loans to foreign countries promote good relations. I have never subscribed to that philosophy. In my opinion, good relations depend upon the satisfactory solution of mutual economic and political problems, and are not dependent upon gifts or loans.

We all desire good relations with all the nations of the world. We want peace. To single out one nation, even if, by special ties, we are closely bound to it, is not the road to world peace. What are we going to say to France, to Russia, to China, and to other countries who make application for the same treatment on the same terms and with the same apparent concessions? It is claimed, but not officially stated, that our Government has been approached for loans from foreign countries in the neighborhood of $25,000,000,000.

There is only one answer. To accept the request of one and deny the other is choosing the road that leads to misunderstanding, discrimination, jealousy, and possible war.

To establish good will and peace in the world, the United States must, with a clear, strong gesture, appeal to all the peoples of the world in these times of

world-wide need. The purpose of good will is to build peace. If good will is to build any kind of world peace, it must do so in accordance with the fundamental interests, not of governments, of parties, or of regimes, but of all the peoples, doing justice to all, extending equality to all, without favor or special privilege to any. Good will must be extended to the suffering peoples of all Europe and of all Asia.

Our international effort should not be based upon taxing our own people in order to help individual groups or governments, but should be directed toward the one thing that all these people of the world unutterably crave: to be saved from the present spread of famine, to be free to pursue their lives and follow their consciences in happiness and peace.

This loan or gift is more than a loan or gift. It is part and parcel of a movement to not only help British rehabilitation, but also to share our domestic market—the market through which our domestic producers and workers must maintain American standards of living without fear of competition from cheap labor of other countries.

America has grown powerful and prosperous, and has established the best living and working conditions in the world, because she has prevented the workers and producers from being forced to compete, in the sale of their products, with low wage scales throughout the world.

I resist any proposal, such as the proposal before us and other proposals to be presented in the future, which are based on a policy of having our workers compete with low-pay workers. Such a policy is a reversal of all the economic policies which have made us the powerful Nation that we are.

Aid and assistance in the form of food, clothing, shelter, and, yes, even money, to help the destitute in the world, we must, and are willing, to give—not in the nature of a loan based on the profit motive but from spiritual and charitable motives. This is the road to international good will. Preferences, privileges, discrimination, financial assistance to improve economic conditions for one nation or two nations is the antithesis of promoting good will.

We are suffering under a crushing debt—a debt inconceivable until war forced us to assume it. Our people are taxed to the limit. Appeals from all sides are coming to us urging, now that the war is over, that the burdens of taxation be lifted. The present tax burdens bear particularly on the salaried and white-collar classes. These tax burdens, in many instances, are denying many of the frugal comforts of life to an overwhelming percentage of our population.

We are confronted with uncertainty and doubt as to what the economic conditions of this country may be after our industries meet the shortages resulting from the war.

In the face of these cold facts, we have pressing pleas from the men, and the families of the men, who fought in the recent war. They are pleading for aid to help them obtain the reasonable comforts of life, especially at this period when the cost of living has risen to mountainous proportions.

No one knows the amount of American dollars that may be necessary to hospitalize, to retrain for civil life, and to adjust compensation in the future for the defenders of the Nation. Tremendous sums of money for housing, for social security, education, public works, and the like are under consideration, and large appropriations for these activities are about to be made, including large increases to the Government employees to meet the rapid increases in costs of living.

In the face of these facts we are asked to make a loan—which, I repeat, is believed by many, both here and abroad, to be a gift—amounting to more than 10 percent of our expected annual national tax revenues, and a loan at a rate of interest much less than the interest charged to veterans on their home-building loans.

I cannot bring myself to believe that the approval of this financial agreement is a service to the country. The United Kingdom has not proven its need for this large sum of money in order to meet an excess of imported goods or commodities over exported goods or commodities. An examination of the financial agreement gives more detailed reasons for disapproval in addition to the broader views I have already expressed.

No provision of the financial agreement requires Great Britain to spend all or any part of the $3,750,000,000 for United States goods or services.

The proceeds of the loan may actually be used to injure American industry. Will the proceeds of the loan be used to buy American goods? To buy goods or tools or raw materials or services, Britain must pay with goods or tools or raw materials or services in return. If we loan dollars now, we must remember that the United Kingdom can obtain the dollars to repay only by selling goods in the United States.

What are these goods that England might sell in this country? All of the goods which she manufactures and which would be in competition with like goods produced in this country. Under the reciprocal trade agreements heretofore made the import duties on these goods have been materially lowered. This legislation was passed just before the war began and did not have an opportunity to operate. Furthermore, only a few months ago the Congress passed additional legislation permitting a further reduction of 50 percent in the tariffs through negotiated agreements.

We must bear in mind the cumulative effect of our past tariff legislation. The Reciprocal Trade Agreements Act of 1934 authorized a 50-percent reduction of the then existing tariff rates. In 1945, under the Reciprocal Trade Agreements Act, a further reduction of 50 percent was authorized. As a result, the Congress has actually authorized tariffs which are but 25 percent of the 1934 rate. If the rate were $1 in 1934 the tariff could be 25 cents today. Moreover, this 75-percent reduction is made in the face of rising manufacturing costs.

A striking example of how increases in United Kingdom exports to the United States may injure American industry is the woolen industry. The woolen-worsted industry in 1939 ranked seventh in the number of workers employed and fourteenth in the value of finished products. When the recent reciprocal trade agreements were before the Senate, we were informed that, prior to the war, wages in the United States in the wool-textile industry averaged three times those in Great Britain. Mills built in this country cost twice as much as those built in England. This is true of the cost of textile machinery—in fact, of all the cost elements that go into the final value of the United States product. With the tariff lowered under reciprocal agreements, and the possibility of further reduction in tariff duties, this industry might be seriously impaired.

Other examples of domestic products affected by increases in United Kingdom exports to the United States are cotton and rayon goods, linen goods, toys, leather, boots and shoes, fish and fish products, watches, jewelry, plastics, glassware, and earthenware. In the reciprocal trade agreements over 1,000 items produced in this country had the duties reduced, and the trade-agreement negotiators now have authority to reduce them further. All these items are in competition with like goods produced in America. Indeed, many of the proponents of this loan advocate openly, as well as privately, that we must be prepared to surrender part of our market to British goods to be exported here.

Furthermore, the loan agreement does not require the United Kingdom to assume the obligations of multilateral trade.

It does not follow from the terms of the agreement that the United States would have free access to the outlets provided by English dominions and colonies.

Discriminatory import quotas are not absolutely prohibited by the financial agreement.

No collateral is offered for any part of this loan. We have no guaranty that we may be able to get any part of our money back, if Britain is either unwilling or unable to meet the installments provided in the agreement.

I have come to the conclusion that, from a financial and economic standpoint, it would be a bad bargain for the Senate to give its approval to this resolution. I am convinced that, instead of promoting international good will, future frictions will result. I believe it will lead to misunderstandings and animosities among the nations that are directly and indirectly involved and in the end will do harm to the cause of world peace. After examining the agreement, I am convinced that the United States stands not only to lose through this undertaking, but at the same time the United States would incur substantial risks and responsibilities as the terms of the agreement are indefinite and improbable of realization.

The ambiguities with respect to certain sections have been discussed at length during the debate. I agree with those Senators who have argued that the agreement is full of loopholes so far as Britain's responsibilities are concerned and that in exchange for our positive commitments the United States will re-

ceive evasions and escapes by various provisions and exceptions.

In the end, in my opinion, there can be only one positive reaction—disappointment and bad feeling engendered in both nations.

Mr. McCLELLAN. Mr. President, since I have been in the Senate no measure or issue upon which I have been called upon to vote has given me as much concern or caused me as much difficulty in arriving at a decision as has the pending measure. When it was first announced that our Government had negotiated this loan agreement with Britain, and after the Government of Britain had accepted the loan, though apparently with great reluctance and with considerable criticism of the terms of the loan, and with many derogatory remarks toward our own Government and toward us as a people, I issued a statement in which I announced that I would reserve final decision as to my position until some questions which were involved in this transaction had been answered satisfactorily to me.

Mr. President, I have listened to a great deal of the debate on the floor of the Senate during the past 4 weeks that this measure has been under discussion. I had hoped that I could find reasons sufficient to satisfy me that I would be justified in voting favorably on this issue. I earnestly desired to do so.

I do not recall, since I have been a Member of the Senate, that I have ever opposed any part of the foreign policy of this administration. I have accorded to the President of the United States and to the State Department and to our diplomatic representatives every deference with respect to the conduct of the foreign affairs of this Nation, and I have wholeheartedly and enthusiastically supported every foreign policy, so far as I know, that our Government has pursued in the trying days of the war, and I have undertaken to do so since. If this loan is now a part of our foreign policy, then it is with sincere regret that I cannot continue to give wholehearted support to the program which our Government now proposes to follow.

It is argued that this is the key to our foreign policy of the future. That statement was made on the floor of the Senate this week, I believe, by our able and distinguished majority leader. Mr. President, if this is the key to the future foreign policy of this Nation, it is also the key to unlock the treasures of the United States and dip heavily into the future earnings and toil of millions of our people for years to come, and pour out almost indiscriminately to foreign countries and foreign governments huge sums out of the Treasury of the United States.

We are told that we can make this loan to Britain and deny the same consideration to other nations which will be pleading for assistance. It is said, "Other nations can obtain assistance through the Export-Import Bank, through the International Bank, or from some other source. It is our purpose to make this the only direct loan." I take no stock in that. I am not misled by it. I do not think anyone else is misled by that assertion. I know and you know that the other governments are expecting—and I think they have a right to expect—the same audience and the same consideration, when they come to us pleading for financial assistance, that we shall now give to Great Britain. Certainly Great Britain was a worthy ally, not only in the last war, but in World War I; and we give to her all praise and glory for her fortitude, her suffering, and her sacrifices in helping to save the cause of liberty. But there were other countries, too, who sacrificed and bled, who suffered the ravages of invasion and hardship, who bled and are bleeding today, and whose people are hungry and starving. Do Senators mean to tell me that they can vote to grant this loan and subsequently, when the representatives of the other countries come to us, pleading for assistance, deny them the same consideration which we accord Great Britain; and do those Senators mean to tell me that such a procedure will further the good-neighbor policy? Quite to the contrary, Mr. President, such a policy will alienate from us other friends, deserving friends.

Let us think this thing through, Mr. President. Let us be consistent. If the statements made by high representatives of the Government of France are true, they expect this Government to make France a direct loan of $2,500,000,000. They say it should be patterned after the British loan, and they also say that the accommodations which they hope to obtain through the International Monetary Fund will not be sufficient to meet their needs.

It is said that the proposed British loan is a unique transaction. It is unique. It will be more unique if it is made and if we then undertake to close the door to other worthy allies in the last war who have suffered possibly more than Great Britain has, or at least equally as much as she has.

Mr. President, this transaction will not result in bringing about greater unity and greater accord among the United Nations who were allied with us in the last war. Britain may have a unique problem, as is argued, because of the sterling bloc and because of measures to which she was compelled to resort during the war. I make no criticism of Great Britain for having adopted those measures. No doubt she found it necessary to do so for her own protection and to enable her to mobilize the necessary strength to combat the enemy. But, Mr. President, Great Britain can, if she will, arrange to break up that sterling pool. If it is going to take our dollars to break it up, if we must grant the proposed loan in order to break it up, on the theory that she has a unique claim, I ask you whether the arguments which will be made to you when others come begging for a loan will not be just as persuasive and just as compelling to you—when they come to us begging, not to untangle some of their financial arrangements, but begging for a loan to rehabilitate their industry, to rehabilitate their agriculture, to make it possible for their people to get back to work and become self-sustaining. I ask you whether the arguments and claims which will be presented to us will not be just as appealing, and appealing with just as strong a force, when the starving Chinese, who have suffered invasion and almost every other manner of catastrophe that the human mind can imagine, come to us, begging for millions of dollars or possibly billions of dollars with which to bring their economic situation back to a point where they can at least provide something to enable their people to be self-sustaining. High authorities of France have said, in talking about the loan they expect to apply to us for, that the United States must become the chief sustainer of Europe. Accordingly, we cannot make this loan to Britain without incurring strong obligations in that direction.

Mr. President, I am not opposed to giving some assistance to Great Britain. I am not complaining because Britain probably has been unable to pay her First World War debt. I can forgive her that debt. But in view of the fact that it was made as a debt and a binding obligation in good faith, as I thought, as the time—and as our Government thought at the time—I do not like to forgive it now on the contention of Britain that it should have been a gift from the beginning. We shall have the some contention made about the loan now proposed, if it is made, when pay day comes. The stage has already been set for that; the foundation is laid, and it was laid in Parliament when this loan was being debated there. Make no mistake about that, Mr. President. When they take that attitude, when pay day comes and when we press for payment, will we have a friend? Will our insisting on payment strengthen the ties of friendship between the countries?

Mr. President, some have said, "We must make this loan. By refusing to do so, we may drive Great Britain into the arms of someone else." Mr. President, let us be plain. That argument is made in an effort to frighten us—I use that word so as best to illustrate the situation—to try to excite us into the belief that it is imperative that we finance this arrangement in order to keep Great Britain from going Communist. Let me remind my colleagues that in the recent war we poured out $25,000,000,000 in lend-lease. That did not keep Britain from going Socialist. What assurance do we have that by spending four or five billion dollars more we can keep her from going Communist? If that is the theory on which we are to base this loan and if that is the argument given as justification for the making of the loan, then I say to my colleagues that the $3,750,000,000 is only the first installment, and we shall have to make more loans after this one.

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

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

Mr. McCLELLAN. I am glad to yield.

Mr. HAWKES. I simply wish to make a brief comment, because I know that both the Senator from Arkansas and I

have been studying this loan problem with a deep desire to go along if we could convince ourselves, in our minds and consciences, that it was the right thing to do. Am I correct in that?

Mr. McCLELLAN. I say to the Senator that he is correct. We have talked about it a number of times.

Mr. HAWKES. I have not made up my mind yet, but it is very nearly made up. However, I wanted to keep an open mind on this question straight through to the end.

What the Senator from Arkansas has just said is a very appealing argument to me, namely, that if we are to save the United Kingdom from going Communist by paying this installment of $3,750,000,000, we shall have to keep on paying other installments to keep her from going Communist. I ask the Senator if he does not believe that we could prevent almost any nation in the world from going Communistic if we gave to it enough billions of dollars?

Mr. McCLELLAN. I agree with the Senator. But whenever any nation whose people have known liberty and democracy no longer love it and cherish it sufficiently to sacrifice for it in times of peace, it will be only a question of time before they lose it and pursue some other course.

Mr. HAWKES. The reason I asked the Senator the question which I have propounded to him is that something very humorous was said to me one day when a soap-box orator in Madison Square, New York City, was talking about putting down capitalism. A friend said to me, "If you were to give that man $50,000 he would make a speech for capitalism." Later I saw in a newspaper the account of a speech of a man who was preaching communism and subsequently won the Irish Derby. He received $168,000 and it was ruled that he had to pay an income tax both abroad and here, and he turned around and condemned the Government for taxing the fellow with the money.

So I leave this thought with the Senator from Arkansas, because I know he is devoutly serious. We must decide whether the $3,750,000,000 loan will really put Great Britain on her feet and reverse her direction so that she can do away with communism and socialism which have invaded her nation, or whether the loan will be only the first of several steps in the same direction. If I could convince myself that the proposed loan would restore the moral fiber of the British people and help them to rebuild the character which has contributed so much to civilization during the past centuries, I would be in favor of granting the loan in a minute.

Mr. McCLELLAN. I thank the Senator. Mr. President, the Senator is correct with reference to the deliberations and study which I have given with respect to where my duty lies in connection with this issue. I have never been greatly impressed with the arguments which have been made concerning financial advantages that it is claimed will accrue to this country by making the loan.

Mr. HAWKES. Mr. President, will the Senator further yield to me?

Mr. McCLELLAN. I yield.

Mr. HAWKES. I have dismissed from my mind every one of those claimed benefits. If my business judgment means anything at all, all those arguments can be dismissed. I believe the present question is one of whether we want to make a loan in the interest of saving a great nation which has made great contributions to the world. So far as our receiving any benefits from this loan are concerned, or benefits from this gift—whichever it may be called—I do not place one ounce of importance in them.

Mr. McCLELLAN. I have tried most charitably to consider the claimed material benefits which it is said would result from this loan, but I believe that most any Member of this body will agree that if the loan were a private business transaction and he could place himself in the position of our Government, taking into consideration the conditions which prevail in this country and throughout the world at large, he would agree that the money could certainly be spent for other purposes which would bring far greater material benefits to the people of this Nation than can possibly be hoped for through the granting of this proposed loan. In the first place, it is perfectly obvious from the attitude of Great Britain herself, and from what we might reasonably expect, in view of the existing world conditions, that it is most doubtful that the loan will be repaid. For that reason, the loan will represent a great risk on our part.

However, I agree with what the Senator has said. If I could feel sure and be satisfied that the expenditure of the money would restore Great Britain to her former position as a strong power, and that by reason of continuing to be a strong power advantages would accrue to us from the standpoint of national security, I would gladly support the loan. I have tried to think of the loan in such terms. I have tried to consider it not from the standpoint of whether we would receive back $1 in repayment, or in trade advantages. I have tried to think of the loan in terms of whether it would promote our national security, and whether it would enable Britain to be strong enough in the future to protect herself against the spreading of ideologies and "isms" which are inimical to democracy and liberty.

Mr. HAWKES. Mr. President, will the Senator yield again?

Mr. McCLELLAN. I yield.

Mr. HAWKES. The Senator has stated the matter very clearly. I have spent a great deal of time on it. Can the Senator tell me one fixed obligation which Britain will have to meet under this loan?

Mr. McCLELLAN. As I read the agreement there is contained in it no real obligation whatever. Great Britain makes no specific promise to pay. She gives no guaranty—no security. She makes vague promises with many hedges and conditions, some of which are very difficult for me to interpret and understand. There is nothing back of the loan except a promise to pay. It may be said that a promise should be sufficient. Perhaps it is. But we once received a promise from her to pay in connection with a former loan which we made to her. That promise still remains binding. However, it is not mentioned in this agreement. By implication it has been canceled. Why did not our Government representatives have the courage to write into the language of the present agreement that the obligation already existing is hereby canceled because of Great Britain's inability to pay? I do not know that the obligation should continue. Perhaps it should not be a hangover. If Great Britain is squabbling already, and questioning already, as many of her people and high officials are doing, about her ability to meet the terms of this loan, how can we expect the old loan to be repaid?

Mr. HAWKES. Mr. President, if the Senator will yield further, I do not wish to return to the question of the default on the part of Great Britain in connection with the old loan. I am trying to confine myself to the present agreement, and the way in which it was drawn and brought to the Senate. As I recall, I said a few days ago that I would not think of trying to have an agreement of this kind developed and brought to the Senate without taking some representative of the Senate into my counsel, and receiving his approval of the way in which it should be made. Yesterday we tried to have something done which I believed to be in the interest of the British people themselves. I repeat that if I were a Britisher, or a person high up in the councils of Great Britain, there is nothing in the world which I would desire so much as the real genuine friendship of the American people, and not a friendship which had resulted from having received a loan of $3,750,000,000, to which at least half of the loaning nation is opposed. I would say, in effect, "There are certain things which we Britons should recognize simultaneously with the making of this loan, namely, the right of the United States to use certain bases so that she can develop her civil and commercial aviation on an equal basis with us." I believe that would have been good business. I was amazed that the Senate rejected so-called McFarland amendment the resolution yesterday. It was not by a large vote, when we realize that three votes the other way would have changed the record of the vote.

The Senator said there was a promise to pay. I differ a little. There is not a promise to pay. There is a promise to pay under certain conditions, which are defined, and which, according to my best business judgment, can never happen.

Mr. McCLELLAN. I agree with the Senator that the promise is not the kind a good businessman would exact when he is being careful about the lending of his money.

Mr. HAWKES. I wish to say, if the Senator will permit me a moment, that I am not trying to impugn the motives of the British people, who believe in the same system in which we believe. I have in my pocket a clipping I wish to read to the Senate a little later, a statement of Winston Churchill, in whom I have the greatest faith and for whom I have the highest respect. When I read the clipping a little later it will show that he is in doubt, very definite doubt, as to where his great people are headed at the present

time and what is going to happen to them. I do not feel that we should plunge into something when the ex-Prime Minister, the man who rendered the greatest service to his country any Englishman has ever rendered in the history of the world, is in doubt as to where his country is heading and where his people are going under the present socialistic government, as he calls it. I think we should stop, look, and listen, and think a little before we take a plunge.

Mr. McCLELLAN. I thank the Senator.

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

Mr. McCLELLAN. I yield to the Senator from Indiana.

Mr. WILLIS. I think all of us pretty much agree that there is no place in the agreement where we can find a firm commitment that we shall ever be reimbursed, or that the loan will ever be repaid. I believe it goes further than that. It always ties in with some of the former commitments which we have been led to believe Great Britain made with the firm intention of carrying out.

I refer to her contribution to the Bretton Woods agreements. In the debate that was had in the House of Commons when the British loan was under consideration, it was made perfectly clear that Britain's acceptance of the Bretton Woods agreement was dependent upon our putting up the money to cover her commitment to those agreements. I should like to read the statement of Mr. Dalton, the Chancelor of the Exchequer, who said in that debate:

> I will turn now to the Bretton Woods agreements, our acceptance of which is a condition of the loan agreement. And I submit to the House that the acceptance of the Bretton Woods agreements, subject to one proviso which I will make in a moment, is definitely to the advantage of this country.

He referred to the proviso as follows:

> But the proviso is that we have the financial strength to undertake the obligations of the Bretton Woods agreements and thus to acquire the benefits which Bretton Woods offers. In this sense, the loan agreement is, for us, a condition of Bretton Woods.

Therefore, under the understanding of Mr. Dalton, the Chancelor of the Exchequer, unless we can provide this money for Great Britain, unless we make this loan, the British are not going through with the Bretton Woods agreements. So, in fact we are in this loan taking over Great Britain's commitment to the Bretton Woods agreements. I do not believe the American people want us to do that.

Mr. McCLELLAN. There is no doubt about that. That was not presented to us when we consented to the Bretton Woods agreements. No Member of the Senate had such a thing in mind, so far as I know. If he did, he did not disclose it. The truth is that we all voted for the Bretton Woods agreement believing that it was to provide the mechanism necessary to meet postwar problems of this character, in order to avoid doing just what we did after the last war, and which we are now asked to do again, namely, make direct loans.

Mr. WILLIS. Will the Senator yield further?

Mr. McCLELLAN. I yield.

Mr. WILLIS. I share the opinion of the Senator from Arkansas. I voted for the Bretton Woods Agreements with the understanding that they would take care of all our obligations for international loans and commitments.

I should like to add, further, something which has come to my attention within the last few hours. It has been said that if we make this loan Great Britain will lower her trade barriers so that the United States will benefit greatly from free exchange of goods. I have been informed that a negotiation is now under way by which Great Britain is attempting to possess herself of the entire rubber output of the Malay States. That brings to mind the recollection of what happened after the last World War, when Great Britain secured a corner on the natural rubber supply of the world, and we paid outrageous prices for the natural rubber we used in this country. The information I now have indicates that she has the same idea in mind, in spite of her pledges and promises to ease up on these restrictions.

I expect to ask the Secretary of State for an explanation, or whether he has any information about this, and I shall be glad to report later.

Mr. McCLELLAN. I thank the Senator. Speaking further with reference to our national security, I thought possibly I could find justification for voting for the loan in consideration of the fact that by strengthening Britain we would actually be contributing to our own national security. I thought that if we were to take that into account in addition to the financial advantages which it is claimed the loan holds in store for us, if we are thinking in terms of national security, or the mutual security of the two countries, we should arrive at a decision and an understanding with respect to military bases we should have, and which we will need for our security in the future.

Mr. President, if these two countries, which have long been friends and allies, are to continue to be friends and allies in the future, if the relationship which has existed between them during the past two World Wars is to continue, either in the hope that a third world war can be prevented, or in order to give us the strength, working together, again to protect ourselves if a third world war comes, it is certainly to the advantage of Great Britain that we have those bases.

The truth is that Great Britain could not survive, if she should find herself in a contest with other forces which I could mention, without the assistance of the United States. She needs our help first. We need hers, too, but anything she could do to strengthen our position would give double strength and advantage to Britain, through enabling her to guard against dangers which could arise to her in the future.

For that reason Mr. President, I was anxious to see the McFarland amendment adopted, and I supported it. I am unwilling to vote for this loan and pour out this money now, and then negotiate later Great Britain for the things we need which she has.

I stated a moment ago, and I think it is a sound position, that, especially where there is an old debt, even larger than this one, hanging over, which we do not expect to collect, in entering into a transaction of this kind all our obligations and requirements pro and con should be settled. If Great Britain cannot pay the old debt, and if she now insists that we treat it as a gift, or insist that we forgive it, let us either forgive it or bring it into this transaction and wipe the slate clean, have Britain make concessions to us, or sell to us for money consideration whatever we require. In other words, negotiations should be entered into, and all these matters should be cleaned up now. It ought not to be done piecemeal. If we want bases, that arrangement should be worked out on a fair basis.

Mr. President, I think our Government has already been quite generous. By reason of the fact that we are the richest nation in the world, a great democracy which has grown to be the mightiest nation the world has even known, through the enterprise and ingenuity of free people who came to this country and developed it, it is only natural that some countries will look to us for assistance in this hour. But, Mr. President, there is a limit to what we can give. In spite of all of our great resources and our wealth and our productive capacity, there is a limit beyond which we cannot go without endangering our own institutions and our own system of government. There is a great threat of inflation in America today. We do have a measure of inflation already. Mr. President, we hope we can control it. I believe we can control it, at least control it in sufficient measure so it will not reach disastrous proportions. But, Mr. President, I should like to remind the Senate and the country that the United States Government today owes more money than all the other governments of the world put together.

Mr. President, we are rich. We are rich, not because we have a greater abundance of natural resources and raw materials left than any other country in the world. We do not have more natural resources than either the British Empire or Russia. We are rich and powerful because of the ingenuity of free men that has developed the greatest productive capacity and the highest standards of living that any country has ever known. Some day, however, we will be obliged to look for natural resources and raw materials. We do not have an unlimited supply. The money we are loaning to Great Britain represents natural resources and raw materials. It also represents the future sweat and toil of millions of our people. To make this loan we must borrow the money from our own people. Our own people have got to earn the money which we give to Great Britain in the form of this loan. Whether or not the money is ever repaid by Great Britain, the people of our own country must earn it, and repay it, if our Government is to survive. It will be charged to the people of our country. Down the line somewhere, through our own creative work and industry, we have got to produce in value what we are now asked to extend credit for to Great Britain.

Mr. President, I said we had been quite generous. I think we have been. I do

not complain about $1 of the lend-lease we provided to Great Britain or to any other country. We were in a war, a terrific war, a fatal war. It had to be fatal to some country. Thank God it was fatal to our enemies. It was a death struggle. I do not regret the spending of a dime of that money. The spending of the money for lend-lease saved many thousands of American lives and no doubt many thousands of British lives and the lives of other Allied soldiers. I do not regret the spending of a dollar of it. I do not care whether we get a dollar of it back. That is all right. I am perfectly willing to waive repayment of it. The lend-lease was used absolutely as we intended it to be used, I am sure, as our contribution, because we had to give it, and we did give it to an ally to help her and to help ourselves and to help each other with the war.

But were we not generous? We went to the limit. We provided everything we could without stint or reservations. I do not like to do such things, however, and receive no credit whatever for doing them. Those who received the lend-lease have said, "Well you did that because you were saving your own neck." We were saving their neck, too. We were saving their neck first. Of course we were saving our own also. I am glad we did it.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. JOHNSON of Colorado. I agree completely with the statement of the Senator from Arkansas that lend-lease was a very effective war measure. That is what it was meant to be. It served that purpose and served it very well. I agree with the Senator that it ought not to be paid back at this time. But we find now that all members of the sterling bloc, the sterling area, have owing to them debts similar to the lend-lease debt, and it seems to me that it is only reasonable that the sterling area should have been in on the conference in which we decided to forgive the remainder of the unpaid lend-lease.

Mr. McCLELLAN. We forgave all of it, I will say to the Senator.

Mr. JOHNSON of Colorado. We forgave all of it, but we should have required the countries of the sterling area to forgive the debt owing to them or at least part of theirs at the same time.

Mr. McCLELLAN. I think it would have been well had that been done. But still if they did not do it and we did not require them to do it, I would not allow that to influence me or to prejudice me against the merits of the proposed loan, if there are any merits in it.

Mr. JOHNSON of Colorado. Of course, the removal of the sterling bloc is an important part of this loan agreement or is supposed to be. The removal of the sterling bloc is one of the good things we are supposed to get out of the agreement. But it seems to me that if we had worked out a program which included the component parts of the sterling area, and had worked out a scaling down of their claims, along with our lend-lease claims, we would have done something constructive and valuable to the United Kingdom, because she still has their claims outstanding against her, and we should have helped her clean up those claims along with our own lend-lease.

Mr. McCLELLAN. That probably would have been of service to Great Britain and probably would have been the better way to have done it. I do not think the loan has been negotiated in the best manner it could have been and under the best terms that might have been arranged. In the incurring of an obligation of this kind, or in a transaction of this magnitude it would have been well for the State Department and the Treasury Department or the executive branch of the Government to have pursued the same policy it did with respect to the UNO, and to have called in for consultation and advice the chairmen and ranking members of the appropriate committees of Congress, and permitted them to give some advice in connection with this transaction which ultimately had to come here for legislation or for approval.

I have always thought that "advice", as used in the Constitution in connection with "consent" was intended to precede a transaction. I believe it would be a better policy for the State Department and the Treasury Department and for the President, when they proceed to negotiate a transaction of this kind, to call in for consultation and advice the chairmen and ranking members of the appropriate committees of the Congress who will have to pass on such matters.

Mr. President, in that connection recently there was negotiated with Great Britain at Bermuda what is known as the Bermuda air agreement. Mr. President, after attending hearings which were held by the Commerce Committee of the Senate, of which I am a member, and after having listened to the testimony given there and studying the agreements entered into as an executive agreement, as contended by the State Department, and not as a treaty, I want to say that the United States Government has lost its shirt in air transportation to the British Government. We are placed at every disadvantage under that arrangement. The State Department contends that it is an executive agreement and that the Congress has nothing to do with it. In my judgment it is a treaty and ought to be ratified and confirmed by the Senate. I make reference to that only in passing in order to point out that in these tremendous transactions which actually involve matters of great importance to the Government and to our future security and prosperity there is not today the cooperation and the liaison between the executive branch of the Government and the legislative branch of the Government that there should be in such transactions.

Mr. President, before I conclude I wish to remind the Senate that we have appropriated or authorized—and most of it has already been appropriated—a total of $12,125,000,000 for assistance to foreign governments. We appropriated our share under the Bretton Woods agreements. Our share in the Monetary Fund amounts to $2,750,000,000. Our obligation to the International Bank is $3,175,000,000. The authorization for the Export-Import Bank is $3,500,000,000. That makes a total of $9,425,000,000 that we have already authorized for rehabilitating the world. In addition we have authorized an appropriation of $2,700,000,000 for UNRRA. Of that, we have already appropriated $2,100,000,000. There is no doubt in my mind that UNRRA will have to be continued. We shall probably have to make another appropriation for that purpose. It is possible that we shall have to enlarge some of these other appropriations and obligations.

All told, we have already obligated out of our Treasury more than $12,000,000,000. When we add the amount of this proposed loan, approximately $4,000,000,000, we get a total of nearly $16,000,000,000. When France and other nations come to us seeking direct loans, and when we add up the total of all such loans before this program is over, we shall reach nearly the same sum which we expended in connection with lend-lease.

Unless we stop and make some appraisal and take into account our ability to do these things, the time will come when we shall not be the most powerful nation in the world. We shall not have the ability to meet our obligations and carry the burden of the entire world. America cannot do it. We may do it for a season, Mr. President, but we cannot do it indefinitely.

That is why, when I first issued a statement regarding this loan, I said that I thought the better part of wisdom would be not to act hastily on the British loan, but to endeavor to ascertain the number of applications which would be made to us by other countries for loans of this character, and the amounts which would be requested, and then take them all into consideration and weigh our own ability to provide the money before we began making these loans. We should determine how much we can afford to loan. By such precaution we might proceed with some measure of intelligence. It may be said other nations have not yet asked for anything. There are not now any other applications pending. Of course not. They are waiting until this British loan is granted. They will all be here in due time.

Mr. President, I regret deeply that I am unable to go along with the administration on this part of its foreign policy. I might be willing to do so later if and when other problems can be considered and settled, but I am unwilling to vote to give to Great Britain now under this arrangement another $3,750,000,000.

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

Mr. KNOWLAND. Mr. President, because I intend to take only 15 or 20 minutes to explain the amendment, and then ask for the yeas and nays, at this time I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

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|---|---|---|
| Aiken | Hawkes | Radcliffe |
| Austin | Hayden | Reed |
| Ball | Hickenlooper | Revercomb |
| Bankhead | Hill | Robertson |
| Barkley | Hoey | Russell |
| Bridges | Huffman | Saltonstall |
| Briggs | Johnson, Colo. | Shipstead |
| Brooks | Johnston, S. C. | Smith |
| Buck | Knowland | Stanfill |
| Bushfield | La Follette | Stewart |
| Butler | Langer | Taft |
| Byrd | Lucas | Taylor |
| Capehart | McCarran | Thomas, Okla. |
| Capper | McClellan | Thomas, Utah |
| Cordon | McFarland | Tobey |
| Donnell | McKellar | Tunnell |
| Downey | McMahon | Tydings |
| Eastland | Magnuson | Wagner |
| Ellender | Maybank | Walsh |
| Ferguson | Mead | Wheeler |
| Fulbright | Millikin | Wherry |
| George | Mitchell | White |
| Gerry | Moore | Wiley |
| Green | Morse | Willis |
| Guffey | Murdock | Wilson |
| Gurney | Myers | Young |
| Hart | O'Mahoney | |
| Hatch | Pepper | |

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

The question is on agreeing to the amendment of the Senator from California.

Mr. KNOWLAND. Mr. President, consideration of Senate Joint Resolution 138 has occupied a considerable amount of the time of the Senate. Its importance justifies close attention and careful consideration by every Member of this body.

There are honest differences of opinion as to what is best to be done by both ourselves and the British from both a short-term and a long-term outlook.

It is not my intention, Mr. President, to take more than 15 or 20 minutes of the time of the Senate in discussing the amendment which I have submitted. I have tried to expedite consideration of this matter, having supported the motion for cloture. Although I am in doubt as to whether our negotiators received sufficient quid pro quo, I have opposed amendments which would require us to reopen negotiations with the British—in other words, any amendments which would require us to renege on the matters upon which our negotiators have agreed.

I believe that the administration might well have taken Congress into its confidence. Members of both parties might well have sat in on the negotiations, as they did during the negotiations leading up to the formulation of the Charter of the United Nations, and as two of our Members are now engaging in the conference at Paris.

Britain has made a great contribution to the world, but we need have no apologies for our own contribution to world security in either manpower or resources.

To best carry out our international obligations, it seems to me it is essential that the United States keep its Federal Government solvent and maintain a sound national economy.

I hold in my hand, Mr. President, the Treasury statement of May the 3d. Those Members of the Senate who have examined it—and I am sure all Members of the Senate have done so—know that for the current fiscal year we are still running $20,000,000,000 in the red, and that we have a total Federal public debt of over $272,000,000,000.

Mr. President, at this point I wish to read my amendment, because it is a very brief one.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Colorado. I should like to inquire about the $20,000,000,000 in the red which the Senator has mentioned. How does the Senator arrive at that figure, from the statement to which he has just referred?

Mr. KNOWLAND. I arrive at it from the statement of the excess of expenditures over receipts.

Mr. JOHNSON of Colorado. That is a daily statement is it?

Mr. KNOWLAND. It is current, for the fiscal year up to the present time—the fiscal year to date, as of that date.

Mr. AIKEN. That is for the year beginning last July the 1st; is it?

Mr. KNOWLAND. Yes.

Mr. AIKEN. So it includes nearly 2 months of the war; does it not?

Mr. KNOWLAND. That is correct.

Mr. President, for the benefit of those Members of the Senate who have not had time to read the amendment, I wish to read it at this time. It is as follows:

SEC 3. No payment shall be made to the United Kingdom under the agreement or under this joint resolution until after (1) the date of a proclamation by the President, or the date specified in a concurrent resolution by the two Houses of Congress, declaring that the general level of production in the United States equals or exceeds domestic consumption, and (2) the current annual Budget of the United States has reached the point where the Federal receipts exceed expenditures; and such payments shall be made only to the extent that total receipts subsequent to the date of enactment of this act up to the time when such payment is proposed to be made exceed the total expenditures for the same period.

Mr. President, briefly to explain the latter provision, let me say that if the Federal Government balances its current Budget and if we have an excess of receipts over expenditures amounting to $3,750,000,000 or more, the entire amount of the loan would, in that event, be available to be loaned to Great Britain. If perchance, however, we had balanced the Federal Budget and had an excess of revenues over expenditures amounting to only $1,000,000,000, then only $1,000,000,000 would be available to be loaned to Great Britain. This amendment will not jeopardize the British position, in my opinion. Rejection of the amendment will jeopardize the American position. Until supply approximates demand, it appears that the OPA must be continued. But no man who believes in the American system wants to continue such controls a day longer than necessary to protect us against a runaway inflation.

I do not doubt the capacity of the American system to meet our own requirements and our obligations abroad, if our system is allowed to function. But the inflationary dangers spring from a shortage of goods and a curtailed productivity of our industry resulting from the coal strike and the strikes which preceded it.

If the administration, the executive branch of the Government, will devote as much time and effort to balancing our current budget and speeding up production, to the end that controls may safely be lifted, as it has devoted to this loan, this amendment will not unnecessarily inconvenience the British Government. Britain has certain dollar resources. The British have the Canadian loan; the resources which they put up as collateral to the RFC; and other sources of dollar credits available to them. Within the year, in my opinion, with proper action by the national administration and the executive branch of our Government, this loan, as amended by my amendment, would be available to Great Britain.

But, Mr. President, if the executive branch of the Government of the United States feels that deficit financing is a sound fiscal policy, if it feels that it is of no concern to the Government or the people of the United States that we continue overdrawing our bank account and writing checks when we have not the legitimate funds to expend, then I cannot go along with the proposed loan.

This amendment, as I have pointed out before, will not require the United States to go back to Britain and change any part of the agreement into which we have entered. But, Mr. President, the amendment will require the President of the United States and the executive branch of the Government of the United States immediately to proceed to take action—first—to balance the Federal Budget of the Government, and—second—to take action in connection with the coal strike and any other things which have been slowing up productivity in this Nation, so that we can bring the supply of commodities up to the point where they approximate the demand. At that point it is the hope of everyone that the OPA controls can then be lifted. When that is done, Mr. President, the funds will be available to Great Britain. In my opinion the greatest contribution we can make to world peace and to the support of the United Nations and to the ultimate and future support of our allies overseas is to keep America strong in the economic field and to keep a solvent Federal Government.

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

Mr. KNOWLAND. I yield.

Mr. FERGUSON. The amendment of the able Senator from California would eliminate section 2 of the pending joint resolution, in that the money would not be raised by the selling of bonds under the Liberty Bond Act, by general taxation, or in other ways. So the money with which to make the loan would be out of excess funds in the Treasury of the United States. Am I correct in my statement?

Mr. KNOWLAND. The amendment would add section 3 at the end of the joint resolution and make it possible to raise funds as they are now provided, but not unless the Federal Budget has

been balanced and excess funds are available.

Mr. FERGUSON. Would the amendment require that there be a surplus in the Treasury?

Mr. KNOWLAND. Yes.

Mr. FERGUSON. In anticipation of the Budget and expenses of the current year.

Mr. KNOWLAND. The Senator is correct.

Mr. FERGUSON. And so long as the Treasury showed a surplus of say $3,750,000,000, the loan could be made as provided in the agreement.

Mr. KNOWLAND. Yes.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Colorado. It is not quite clear to me just how the Senator's amendment would operate. As I understand, the Treasury is continually selling series E bonds. When the Senator speaks about balancing the budget, does he mean with revenues outside of money received from the selling of bonds?

Mr. KNOWLAND. Yes. I do not look upon the receipt of money from a bond sale as being revenue. I look upon the balanced Federal Budget as a balanced budget in the same way that a balanced budget is looked upon by an individual or a business firm. When a budget is balanced, any money left over is money which represents an excess of revenue over expenditures. If a person puts himself in debt and borrows from a bank say $50,000, I do not consider that money to be income, because the borrower has created an obligation. It seems to me that the policy of deficit financing and overdrawing the bank account is no more sound so far as the Federal Government is concerned than it is so far as an individual or a business firm is concerned.

Mr. JOHNSON of Colorado. What I am puzzled about in connection with the Senator's contention is that he leaves section 2 of the joint resolution intact. Of course, that section provides for the raising of revenue through the selling of securities. I wonder what provision there is in the amendment which would require the Federal Government not to count any proceeds from the sale of securities in establishing the balance to which the Senator has referred.

Mr. KNOWLAND. I do not believe, Mr. President, that we can say we have balanced the budget when we take out of borrowed money the difference between normal expenditures and normal receipts under any such theory. It may be said that we have balanced the budget for the past 13 years. However, we have piled up a public debt of $274,000,000,000. Obviously we did not balance the budget while we piled up such a debt.

Mr. JOHNSON of Colorado. My understanding is that the budget has not been balanced since 1930 or 1931. I was merely wondering if the Treasury would interpret the effect of the Senator's amendment in the same way that he himself interprets it.

Mr. KNOWLAND. Of course, the intent of the amendment is quite clear. In my own mind it can have only one effect, namely, that it will be necessary for the Federal receipts to exceed Federal expenditures before this loan can be made. By receipts, I mean, receipts in the form of taxes, customs, and other revenues. I do not consider that borrowing money on the open market and issuing bonds for an equal amount is revenue within the meaning of the amendment.

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

Mr. KNOWLAND. I yield.

Mr. FERGUSON. If the Senator's amendment should be agreed to, I would have some difficulty in understanding why section 2 should be allowed to remain in the joint resolution. It reads:

> For the purpose of carrying out the agreement * * * the Secretary of the Treasury is authorized to use as a public-debt transaction——

And so forth. The Senator is correct in saying that borrowing money from the public and issuing in return certain bonds does not increase the assets of the United States Government. While the transaction may result in money coming into the Treasury, it also results in money going out. In fact, the Treasury owes interest on the money which it has borrowed, and therefore there is a difference between what it has borrowed and what it takes in. But if we authorize the public-debt transaction which would permit the raising of money, and agree to the section which the Senator proposes which would provide that the money must be already in the Treasury, an inconsistency will result.

Mr. KNOWLAND. I do not believe the two sections are in any way inconsistent. Let us assume that the current budget is balanced, and we have an excess in the treasury of let us say $5,000,000,000. $3,750,000,000 of that money would be available to loan to Great Britain. From a technical point of view, the Treasury might temporarily desire to issue bonds in order to obtain those funds, or it might desire to take the money out of receipts, just as an individual temporarily to meet the payment of an income tax might borrow money at a bank while his income was amply sufficient to take care of his commitments.

Mr. FERGUSON. The Senator has in mind that if the Treasury wanted to increase its money position it could borrow money on bonds. If the Treasury already had $3,000,000,000 and it added to that amount another $3,000,000,000, which would make a total of $6,000,000,000, it could loan the $3,000,000,000 which it originally had and still have $3,000,000,000 left for other uses. Does not the amendment contemplate that as soon as the Treasurer had balanced his budget and had an excess remaining which he subsequently advanced, he immediately could go into a position of deficit financing?

Mr. KNOWLAND. In answer to the Senator I would say that the Congress of the United States will bear some responsibilities in connection with this matter; first, to prod the administration into realizing the importance of balancing the budget; and second, being the watch dog of the Treasury in seeing that it does not go out on a spending spree and place us in a position where we are running currently $20,000,000,000 in the red.

Mr. JOHNSON of Colorado. The Senator has a unique and interesting amendment, and I wish to support it. Suppose the United States should pay its contribution under the Bretton Woods agreements, would the Senator consider such a payment to be unbalancing the Budget if by such contribution we drew down the balance by whatever payment we made?

Mr. KNOWLAND. I would say yes, if we were spending the money out of the Treasury.

Mr. JOHNSON of Colorado. We are assuming a contribution which will be made to Bretton Woods in the total amount of, I believe, $5,925,000,000. If that payment should be made during the next 12 months, it might throw our account quite a bit out of balance. I wonder if the Senator has considered such imbalance, or whether we could claim a credit for a deficit.

Mr. KNOWLAND. I would not be able to say. I would not want to give the Senator a horseback opinion.

Mr. AIKEN. It would not throw us out of balance unless we lost the money; would it? Merely to put money into the International Fund would not be to lose it, necessarily, unless it eventually became a real loss. If the time came when it had to be written off, it would be charged against the expenses of the Government.

Mr. KNOWLAND. Mr. President, on the question of my amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, I wish to say a word with reference to the amendment of the Senator from California.

It seems to me that it would change the entire picture and would alter the substance of the agreement. The amendment provides that—

> No payment shall be made to the United Kingdom under the agreement or under this joint resolution until after (1) the date of a proclamation by the President, or the date specified in a concurrent resolution by the two Houses of Congress, declaring that the general level of production in the United States equals or exceeds domestic consumption.

I imagine that Congress would have as much difficulty agreeing on a concurrent resolution declaring that production had equaled or exceeded consumption as it has on the substance of the joint resolution itself.

It might be possible for the President to issue a proclamation that production equaled or exceeded consumption. I suppose Congress could arbitrarily adopt a concurrent resolution declaring that production had equaled or exceeded consumption, but in the process of adopting such a concurrent resolution Congress would find itself enmeshed in complicated figures and estimates from all sorts of people. It seems to me it would be impracticable to do it.

I am as anxious as anyone can possibly be that the Budget be balanced. I believe 1929 was the last year in which it was balanced. I should like to be in the Senate 1 year during which the

Budget would be balanced, so that we would not have to worry about that. We have the assurance of the President, the Secretary of the Treasury, and all those in charge of our fiscal policy that in all probability the Budget may be balanced beginning with the fiscal year 1948, starting with a year from next July.

I do not believe it is practicable or workable or sound to adopt a measure approving an agreement entered into between the United Kingdom and the United States, and provide that no money under the agreement shall be paid until there has been a balancing of the Budget.

There is no use going into all the arguments about how much depends on the prompt enactment of the pending joint resolution, and I shall not go into that question. Certainly the adoption of the amendment would put off the application of the joint resolution and the payment of any money under it for an indefinite period.

It is well within the possibilities that one or more of the conditions prescribed in the amendment could not be fulfilled until at least half of the 5-year period in which the money is to be drawn and expended had expired. It would certainly make necessary reconsideration by the two governments of the whole agreement, because unless it can take effect immediately upon its approval by the President, it may become worthless, it may interfere with the entire process of international stabilization from an economic viewpoint.

I hope the amendment will not be agreed to.

Mr. JOHNSON of Colorado. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

| | | |
|---|---|---|
| Aiken | Hawkes | O'Mahoney |
| Austin | Hayden | Pepper |
| Ball | Hickenlooper | Radcliffe |
| Bankhead | Hill | Reed |
| Barkley | Hoey | Revercomb |
| Bridges | Huffman | Robertson |
| Briggs | Johnson, Colo. | Russell |
| Brooks | Johnston, S. C. | Saltonstall |
| Buck | Knowland | Shipstead |
| Bushfield | La Follette | Smith |
| Butler | Langer | Stanfill |
| Byrd | Lucas | Stewart |
| Capper | McCarran | Taft |
| Donnell | McClellan | Taylor |
| Downey | McFarland | Thomas, Utah |
| Eastland | McKellar | Tobey |
| Ellender | McMahon | Tunnell |
| Ferguson | Magnuson | Tydings |
| Fulbright | Maybank | Wagner |
| George | Mead | Walsh |
| Gerry | Millikin | Wheeler |
| Green | Mitchell | White |
| Guffey | Moore | Wiley |
| Gurney | Morse | Willis |
| Hart | Murdock | Wilson |
| Hatch | Myers | Young |

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

The question is on agreeing to the amendment of the Senator from California [Mr. KNOWLAND]. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. HOEY. I announce that my colleague, the senior Senator from North Carolina [Mr. BAILEY], is absent because of illness. If present he would vote "nay."

Mr. HATCH. I announce that my colleague [Mr. CHAVEZ] is unavoidably detained on important public business. If present he would vote "nay."

Mr. MORSE. I announce that my colleague, the senior Senator from Oregon [Mr. CORDON], is absent on official business of the Senate.

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

The Senator from Mississippi [Mr. BILBO], the Senator from Nevada [Mr. CARVILLE], the Senator from Idaho [Mr. GOSSETT], and the Senator from Louisiana [Mr. OVERTON] are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Montana [Mr. MURRAY] and the Senator from Texas [Mr. O'DANIEL] are detained on public business.

The Senator from Oklahoma [Mr. THOMAS] is absent on official business at one of the Government departments.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

I wish to announce further that if present and voting, the Senator from Texas [Mr. CONNALLY] and the Senator from West Virginia [Mr. KILGORE] would vote "nay."

Mr. WHITE. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. If present he would vote "nay."

The Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The result was announced—yeas 19, nays 59, as follows:

YEAS—19

| | | |
|---|---|---|
| Aiken | Johnston, S. C. | Shipstead |
| Brooks | Knowland | Stewart |
| Bushfield | Langer | Taft |
| Butler | Millikin | Wilson |
| Capper | Moore | Young |
| Ellender | Revercomb | |
| Johnson, Colo. | Robertson | |

NAYS—59

| | | |
|---|---|---|
| Austin | Hawkes | O'Mahoney |
| Ball | Hayden | Pepper |
| Bankhead | Hickenlooper | Radcliffe |
| Barkley | Hill | Reed |
| Bridges | Hoey | Russell |
| Briggs | Huffman | Saltonstall |
| Buck | La Follette | Smith |
| Byrd | Lucas | Stanfill |
| Donnell | McCarran | Taylor |
| Downey | McClellan | Thomas, Utah |
| Eastland | McFarland | Tobey |
| Ferguson | McKellar | Tunnell |
| Fulbright | McMahon | Tydings |
| George | Magnuson | Wagner |
| Gerry | Maybank | Walsh |
| Green | Mead | Wheeler |
| Guffey | Mitchell | White |
| Gurney | Morse | Wiley |
| Hart | Murdock | Willis |
| Hatch | Myers | |

NOT VOTING—18

| | | |
|---|---|---|
| Andrews | Brewster | Chavez |
| Bailey | Capehart | Connally |
| Bilbo | Carville | Cordon |
| Glass | Murray | Thomas, Okla. |
| Gossett | O'Daniel | Vandenberg |
| Kilgore | Overton | Wherry |

So Mr. KNOWLAND's amendment was rejected.

Mr. AIKEN. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, before the period in line 8 it is proposed to insert a colon and the following: *"Provided*, That after the United Kingdom has drawn the first $1,000,000,000 of the proposed line of credit no further drafts upon the remaining $2,750,000,000 shall be allowed unless, within 1 year after the effective date of the agreement, the United Kingdom officially notifies the Secretary of State (such notification to be transmitted by him with his comments to the President and to the Congress) that elimination of (a) discriminatory financial and trade practices as provided by articles 7 and 8 of said agreement and (b) discriminatory trade barriers (including preferential tariffs established by the United Kingdom and its dominions and colonies which affect products of the United States), has been accomplished."

Mr. AIKEN. Mr. President, inasmuch as I explained the amendment in considerable detail a few days ago, I shall not go through that again. I simply want to say that the adoption of the amendment would not require the renegotiating of any agreement between the United States and Great Britain. It merely provides that, after Great Britain has drawn the first $1,000,000,000, which I understand is the amount which she claims to need the first year, she will then have to advise the Secretary of State that the terms of the agreement have been complied with, or rather those sections of the agreement which have to do with the elimination of trade barriers and discriminatory practices against the United States. The amendment does not provide for any reduction in the amount of the loan, for as soon as Great Britain has drawn the first $1,000,000,000 and has complied with the provisions of articles 7 and 8 of the agreement within a year, as we are told can very well be done, then the line of credit amounting to $2,375,000,000 more will be immediately available to her. If the amendment is adopted Great Britain can draw the first $1,000,000,000 the next day.

However, the adoption of this amendment, I think, would go far toward reassuring the people of this country that this loan will actually promote freer commerce among the nations. I want it understood that my amendment is no reflection at all upon the British Government or the character of those who negotiated the loan. I have full confidence that Mr. Attlee and Lord Halifax and Secretary Byrnes and Secretary Vinson would carry out this agreement to the letter if they were the ones to carry it out. However, the terms of the agreement will be carried out by those on the operating levels, civil-service functionaries of the two countries, and we know too well that they

often find impediments in the way of carrying out international agreements. There have been too many experiences of that kind among the nations of the world.

I would at this time call the attention of the Senate to the report of the so-called Mead committee, which was submitted to this body a short time ago, and I should like to read an excerpt from it relating to the investigation of lend-lease. I am reading from Report No. 110, part 5, page 32. The members of the committee are the Senator from New York [Mr. MEAD], the Senator from Texas [Mr. CONNALLY], the Senator from West Virginia [Mr. KILGORE], the Senator from Delaware [Mr. TUNNELL], the Senator from Washington [Mr. MITCHELL], the Senator from Missouri [Mr. BRIGGS], the Senator from Maine [Mr. BREWSTER], the Senator from Minnesota [Mr. BALL], the Senator from Michigan [Mr. FERGUSON], and the Senator from California [Mr. KNOWLAND]. I read from the report, as follows:

The committee views the winning of the war as the sole aim of the furnishing of the lend-lease aid in the first place, and is of the opinion that the benefit referred to in section 3 (b) is meant to be a benefit in addition to the winning of the war.

Considered in this light, it is apparent that the only specific benefit which has been received for the settlement of the excess of lend-lease aid furnished to the United Kingdom over reciprocal aid furnished by the United Kingdom to the United States is that the Government of the United Kingdom has promised, as indeed it had already promised in the master lend-lease agreement, to participate in an international conference to consider ways and means of eliminating obstacles to trade between nations, and in general terms has agreed to support the position announced by our State Department.

The committee is unable to see any reason why the United Kingdom should refuse to participate in such a conference, even if no lend-lease aid at all had been furnished. Whether any benefits are to be derived will depend upon achieving agreement with other countries. In such agreement the United States will also have to make concessions, such as the lowering or elimination of tariffs, which concessions, in themselves, ought to be sufficient consideration for like concessions, made by other governments. The United Kingdom is committed to nothing specific. By the very terms of the settlement and the statements in the master lend-lease agreements, the United Kingdom could not be held to make any concessions whatever in any present advantages it has in world trade because of restrictions or special privileges, since the very undertaking it has made contemplates that concessions will be made by other "like-minded governments." If actual barriers to United States trade had been eliminated and the United Kingdom had undertaken not to reestablish them or other new limitations to accomplish the same objective, then the immediate cancellation of the lend-lease credit balance in our favor could be said to have been exchanged for a direct or indirect benefit. This, however, was not the case. The consideration which we received was illusory.

I am offering this amendment, Mr. President, so that we will not receive any more illusory considerations as a result of this agreement. As I have said, I can see no reflection whatsoever upon the men who drew the agreement. They were the men at the policy level. I simply wish to make sure that the men at the operating levels will carry out the terms of the agreement.

If the purpose of this agreement is economic, as we are told, then there should be no objection to this amendment. If the purpose of the agreement is otherwise, then I think it should be put before us in its true light, and with the true purpose before us, so that we can well consider what we are doing when we are being asked to approve the agreement.

I ask for the yeas and nays.

Mr. HAWKES. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield.

Mr. HAWKES. I wish to ask the Senator what will happen if at the end of the year the British are unable to report that they have complied with all the conditions. What would happen if they had nearly complied? Where would the law leave us then?

Mr. AIKEN. We are told that they can comply within 1 year.

Mr. HAWKES. I understand we are told that they can, but they are not obligated to do so.

Mr. AIKEN. This amendment would give them a special incentive to comply. It would virtually obligate them to comply; and if they could not comply they would have to come back and obtain the consent of the Congress before they could draw the other two and three-fourths billions.

Mr. HAWKES. Has the Senator any opinion as to how he would stand in respect to such consent, if they had not complied at the end of the year?

Mr. AIKEN. I would wish to know, first, to what extent they had complied. If I were satisfied that they had gone as far as they possibly could toward compliance and had really accomplished a great deal in the elimination of discriminatory financial and trade barriers, then I should be inclined to be very considerate in extending the time and extending more credit. But if I felt that no sincere effort had been made to abolish trade barriers, then I should insist that no more credit be extended until that had been done.

Mr. HAWKES. Let me ask the Senator another question. Suppose they had tried to do it and found they could not do it. I believe they are going to find that they cannot do it. Does not the Senator agree with me that if we adopt an amendment such as he proposes, and they try and find that they cannot do it and survive, and we chop off the loan, instead of building friendship we shall be destroying friendship?

Mr. AIKEN. Not necessarily. We are told that they require $1,000,000,000 for the first year, and they would get that. They could draw on that the first day after the joint resolution was signed. The American Congress is very tolerant. If they had made a sincere attempt to comply, and for some unforeseen reason could not comply, I should be inclined to extend the credit. But if they know now that they cannot comply, and they are telling us that they can comply, they ought not to have any more credit.

Mr. HAWKES. Who is going to determine that?

Mr. AIKEN. In the final analysis, the Congress would determine it.

Mr. HAWKES. How would Congress determine it?

Mr. AIKEN. The Secretary of State would have to report to the Congress what progress had been made, and whether compliance had been had.

Mr. HAWKES. I should like to say to the Senator from Vermont and to other Senators that I have had a number of interviews with some very prominent British friends, people whom I respect very highly, and with whom I have had a friendship over a great many years. Each and every one of them tells me the same thing—that unless we can do the whole thing, we had better not do any of it.

Mr. AIKEN. Does the Senator from New Jersey understand his British friends to say that they cannot comply with the provisions of the agreement?

Mr. HAWKES. No; but I do understand my British friends to say that it is going to be very difficult to comply with the terms of the agreement, although they hope to be able to do so. Let us not build an agreement under which we shall destroy a friendship and understanding of great value by imposing conditions which may do exactly the opposite of what the loan and the agreements are intended to do.

Mr. AIKEN. I believe that the way to retain friends is to carry on business affairs in a businesslike manner.

Mr. HAWKES. So do I.

Mr. AIKEN. That is what I think this amendment would do.

Mr. BARKLEY. Mr. President, the agreement which is under consideration would give the United Kingdom 5 years within which to draw the $3,750,000,000 provided for in the agreement. There is nothing in it which would require them to draw $1,000,000,000 in 1 year, or less than $1,000,000,000, or more than $1,000,000,000. They would have 5 years in which to draw the entire $3,750,000,000. So whatever anyone may have said about what the British need within 1 year, no one knows whether they will draw half a billion, a billion, or a billion and a half.

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

Mr. BARKLEY. I yield.

Mr. HAWKES. I do not want the Senator to misunderstand me.

Mr. BARKLEY. I do not misunderstand the Senator.

Mr. HAWKES. No one has told me that they would not need more than one billion in 1 year. I did not mean to imply that, and I do not think my remarks did.

Mr. BARKLEY. It was not the Senator's remarks; but a while ago the Senator from Vermont suggested that he understood that they would need only one billion during the first year, or would not need that much.

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

Mr. BARKLEY. I yield.

Mr. AIKEN. That information comes from about as high an authority in the Government as it is possible to find.

Mr. BARKLEY. We must pass on the agreement as it is, regardless of any "grapevine rumors" as to how much Great Britain will draw in any period,

when she has 5 years to draw the entire amount.

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

Mr. BARKLEY. I yield.

Mr. TAFT. The basis of the schedule presented to us was that they were going to be $2,200,000,000 short the first year in their balance of trade, in 1946, and another $1,300,000,000 in getting their armies back from foreign countries. So $3,500,000,000 of the total of $5,000,000,000 which the Canadians and ourselves are supplying was to be needed in the first year. Whether they are actually going to draw all of it in that time I do not know; but that is the basis of the calculation by which they claim they need $5,000,000,000.

Mr. BARKLEY. They can draw it all within the first month; but it was generally understood, so far as we could ascertain, that they would not do that. But if they drew all of the $3,500,000,000 suggested by the Senator from Ohio within the first year, the amendment of the Senator from Vermont would not be worth anything. They would have drawn practically the entire sum before the expiration of the year.

Mr. TAFT. Mr. President, will the Senator yield for a question?

Mr. BARKLEY. I yield.

Mr. TAFT. Suppose that after we had advanced some of the money the year should go by and they had not removed the dollar-sterling controls, as contemplated in the agreement. Would the Senator then say that under the general principles of contract we could refuse to advance additional funds?

Mr. BARKLEY. I would not wish to utter a curbstone opinion on that question. I am not sure that this agreement is on the same basis as a contract which could be enforced or nullified in a court of justice when there had been a violation of its terms. But I call attention to the fact that section 7 of the agreement makes the following provision:

7. Sterling area exchange arrangements: The Government of the United Kingdom will complete arrangements as early as practicable and in any case not later than 1 year after the effective date of this agreement, unless in exceptional cases a later date is agreed upon after consultation, under which immediately after the completion of such arrangements the sterling receipts from current transactions of all sterling area countries (apart from any receipts arising out of military expenditure by the Government of the United Kingdom prior to December 31, 1948, to the extent to which they are treated by agreement with the countries concerned on the same basis as the balances accumulated during the war) will be freely available for current transactions in any currency area without discrimination; with the result that any discrimination arising from the so-called sterling area dollar pool will be entirely removed and that each member of the sterling area will have its current sterling and dollar receipts at its free disposition for current transactions anywhere.

In other words, under the agreement it is provided, regardless of whether she draws one billion, half a billion, or nothing, that Great Britain agrees to eliminate these restrictions, subject to any exception of cases in which, after consultation, different dates may be agreed upon. In the first place, if Great Britain did not draw down $1,000,000,000 in the first year, the Senator's amendment would still provide that at the end of the year no further payment could be made if there were not a certification that the restrictions had been removed. The amendment of the Senator from Vermont takes no account of the exception provided in the agreement itself, that after consultation a different date may be agreed upon in exceptional cases.

I do not agree with the Senator from Vermont that the amendment does not affect the substance and terms of the agreement. It does affect the terms of the agreement. If this amendment should be adopted it would be inconsistent with the terms of the agreement, because it provides that after 1 year, in any case, if these restrictions have not been released, then no more money may be paid out of this fund to the United Kingdom.

I hope this amendment will be rejected. It will upset the whole program. It violates the terms of the agreement itself. I think that any amendment which would violate the terms of the agreement and would put restrictions and hobbles on the agreement and would restrict the free action of the two Governments under it would be a violation of the agreement and would restrict the operations under the agreement itself.

## MEDIATION OF LABOR DISPUTES—AMENDMENTS

Mr. LUCAS. Mr. President, I ask unanimous consent to submit an amendment intended to be proposed by me to the bill (H. R. 4908) to provide additional facilities for the mediation of labor disputes, and for other purposes; and I ask that the amendment be printed and lie on the table until the bill is taken up for consideration. I also ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment submitted by Mr. LUCAS was received, ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. LUCAS to the bill (H. R. 4908) to provide additional facilities for the mediation of labor disputes, and for other purposes, viz: At the end of the bill insert the following:

SEC. —. That with the development of an industrial civilization, citizens of the United States have become so dependent upon the production of goods for commerce, the distribution of goods in commerce, and the continuous operation of the instrumentalities of commerce that substantial and continued stoppages of such production, distribution, or operation in the case of essential goods or services seriously impair the public health, safety, and security. Irrespective of the cause of such stoppages, it is necessary for the protection of commerce and the national economy, for the preservation of life and health, and for the maintenance of the stability of Government that a means be provided for supplying essential goods and services when such stoppages occur.

SEC. —. (a) Whenever the President finds that a stoppage of work arising out of a labor dispute (including the expiration of a collective labor agreement) affecting commerce has resulted in interruptions to the supply of goods or services essential to the public health, safety, or security to such an extent as seriously to impair the public interest, he shall issue a proclamation to that effect, calling upon the parties to such dispute to resume work and operations in the public interest.

(b) If the parties to such dispute do not resume work and operations after the issuance of such proclamation, the President shall take possession of and operate any properties of any business enterprise where such stoppage of work has occurred if the President determines that it is necessary for him to take possession of and operate such properties in order to provide goods or services essential to the public health, safety, or security. While such properties are operated by the United States, they shall be operated under the terms and conditions of employment which prevailed therein when the stoppage of work began.

(c) Any properties of which possession has been taken under this section shall be returned to the owners thereof as soon as (1) such owners have reached an agreement with the representatives of the employees in such enterprise settling the issues in dispute between them or (2) the President finds that the continued possession and operation of such properties by the United States is not necessary to provide goods or services essential to the public health, safety, or security. The owners of any properties of which possession is taken under this section shall be entitled to receive just compensation for the use of such properties by the United States. In fixing such just compensation, due consideration shall be given to the fact that the United States took possession of such properties when their operations had been interrupted by a work stoppage, to the fact that the United States would have returned such properties to their owners at any time when an agreement was reached settling the issues involved in such work stoppage, and to the value the use of such properties would have had to their owners during the period they were in the possession of the United States in the light of the labor dispute prevailing.

(d) Whenever any properties are in the possession of the United States under this section, it shall be the duty of any labor organization of which any employees who have been employed in the operation of such properties are members, and of the officers of such labor organization, to seek in good faith to induce such employees to return to work and not to engage in any strike, slowdown, or other concerted refusal to work or stoppage of work while such properties are in the possession of the United States. Any such employee who fails to return to work (unless excused by the President) or who does engage in any strike, slow-down, or other concerted refusal to work or stoppage of work while such properties are in the possession of the United States, shall be deemed to have voluntarily terminated his employment in the operation of such properties, shall not be regarded as an employee of the owners or operators of such properties for the purposes of the National Labor Relations Act, as amended, unless he is subsequently reemployed by such owners or operators, and if he is so reemployed, shall not be entitled to any seniority rights based on his prior employment. Any provision of any contract inconsistent with the provisions of this subsection is hereby declared to be against public policy and to be null and void.

(e) Whenever any properties are in the possession of the United States under this section, it shall be unlawful for any person (1) to coerce, instigate, induce, conspire with, or encourage any person to interfere with or prevent, by lock-out, strike, slow-down, concerted refusal to work, or other interruption, the operation of such properties, or (2) to aid any such lock-out, strike, slow-down, refusal, or other interruption interfering with the operation of such properties by giving direction or guidance in the conduct of such interruption or by providing funds for the conduct or direction thereof or for the

payment of any strike, unemployment, or other benefits to those participating therein. No individual shall be deemed to have violated the provisions of this subsection by reason only of his having ceased work or having refused to continue to work or to accept employment. Any individual who willfully violates any provision of this subsection shall be subject to a fine of not more than $5,000, or to imprisonment for not more than 1 year, or both.

(f) The powers conferred on the President by this section may be exercised by him through such department or agency of the Government as he may designate.

(g) As used in this section, the terms "employee," "representative," "labor organization," "commerce," "affecting commerce," and "labor dispute" shall have the same meaning as in section 2 of the National Labor Relations Act, as amended.

Amend the title so as to read: "An act to provide a means for supplying essential goods and services when labor disputes affecting commerce interrupt the supply of such goods and services to such an extent as seriously to impair the public interest."

Mr. LUCAS. Mr. President, I should like to make one remark, and then I shall take my seat. The amendment I propose would provide a means for supplying essential goods and services when labor disputes affecting commerce interrupt the supply of such goods and services to such an extent as seriously to impair the public interest. I may add that the amendment seeks to go to the core of the present coal strike emergency, and that one situation only.

I hope the Members of the Senate will find time to read the bill and study it before labor legislation comes to the floor of the Senate for consideration.

Mr. TAFT. Mr. President, I wish to say a word on the subject of the labor question and the Smith-Connally Act. I do not know the contents of the amendments submitted by the Senator from Illinois, but I do object to the claim which has been made here today that this problem is up to the Senate of the United States, above all other considerations.

In my opinion this problem is up to the President of the United States. We have granted extensive powers to the President of the United States. Greater power than that which is given by the Smith-Connally Act would be hard to provide in connection with the preparation and enactment of legislation. The President has not chosen to exercise his powers under the Smith-Connally Act. It seems to me that until he does do so or until he expresses some reason why he does not think that act is adequate, the whole problem of dealing with the labor question is an Executive problem. Primarily, the matter of dealing with a strike on an emergency basis is always an Executive problem, in the first instance.

I object to the argument and the presentation of the theory that Congress is in any way delinquent in the matter of dealing with the present coal strike. I think Congress has been delinquent in dealing with general labor legislation. But so far as the present coal strike is concerned, as regards anything to stop it, it seems to me that the Smith-Connally Act is adequate and, in the opinion of some persons, perhaps even extreme.

That act provides very definitely that the President may seize the plant. It is suggested that perhaps the Smith-Connally Act may be open to question because it refers to seizing the plant as a part of the war effort, and that the war is actually over. But the act itself continues, and says that possession shall not be taken after the termination of hostilities in the present war is proclaimed by the President. So it seems to me that in all probability the act certainly is actually in force until hostilities are declared to be ended. They have not been declared to be ended. If there were any doubt about that, the act could very easily be amended. But I have not heard any serious point made that that act is not still in effect.

Certainly, Mr. President, if the President of the United States chose to act under the Smith-Connally Act, it is hard to see how anyone could question his power to act under it. So the power is there.

So far as punitive sections are concerned, a more punitive section than the existing punitive section of the Smith-Connally Act could hardly be conceived. It provides:

SEC. 6. (a) Whenever any plant, mine, or facility is in the possession of the United States, it shall be unlawful for any person (1) to coerce, instigate, induce, conspire with, or encourage any person, to interfere, by lock-out, strike, or slowdown, or other interruption, with the operation of such plant, mine, or facility, or (2) to aid any such lockout, strike, slowdown, or other interruption interfering with the operation of such plant, mine, or facility by giving direction or guidance in the conduct of such interruption, or by providing funds for the conduct or direction thereof or for the payment of strike, unemployment, or other benefits to those participating therein.

So, Mr. President, insofar as the matter of extreme legislation is concerned, we could not pass a more extreme measure than the Smith-Connally Act, unless we chose to say that those penalities should apply before the Government assumed to take over the plant.

Mr. President, with that law on the statute books, I cannot understand the claim that we are delinquent in providing means for the President to act. Clearly, to my mind, the responsibility for acting is on the President of the United States.

I do not say that we should not proceed with labor legislation. I have thought for a long time that we should do so, and I am glad we are going ahead to deal with the general question. But I object to the claim that this strike can be handled by means of strong legislation which we can enact at this time. No one has suggested anything that I know of, to deal with this particular emergency, that is any stronger than the Smith-Connally Act; and I do not know that anyone has suggested anything which is, it seems to me, a very practical method for dealing with that subject.

So I merely wish to answer the claim which was made in the Senate some time ago that the Senate or Congress is delinquent in dealing with this particular situation. It may have resulted from a long course of legislation and a long course of court interpretations. Some of those have gone too far, I think, and should be corrected by means of the adoption of amendments to the proposed Case bill, so as to deal with various features of the labor law which I think today are unjust and perhaps build up too much power—excessive power—in the hands of labor unions.

But certainly the basis for dealing with the present emergency must rest with the Executive. Five hundred and thirty-one men in the Congress cannot deal with these matters. We are not an executive body. We must carefully consider the principles underlying legislation. So I would object to having the Senate pass at this time permanent legislation which might be proposed to deal with this particular emergency.

Mr. President, we have an emergency law on the statute books. If it should be amended so as to bring it up to date, let us do that. But I think the basic responsibility for dealing with the present problem—and it is a very difficult problem—must rest on the President of the United States.

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.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont [Mr. AIKEN].

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

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

Mr. HOEY (when Mr. BAILEY's name was called). The senior Senator from North Carolina [Mr. BAILEY] is absent because of illness. If present he would vote "nay".

Mr. MORSE (when Mr. CORDON's name was called). Mr. President, I announce the absence of the senior Senator from Oregon [Mr. CORDON], who is away on official business of the Senate.

Mr. MURDOCK (when the name of Mr. THOMAS of Utah was called). The Senator from Utah [Mr. THOMAS] is unavoidably detained on public business. If present he would vote "nay".

The roll call was concluded.

Mr. HATCH. My colleague, the junior Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained on important public business. If present he would vote "nay."

Mr. BARKLEY. The Senator from Arizona [Mr. HAYDEN] is unavoidably detained from the Senate. If present he would vote "nay."

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

The Senator from Mississippi [Mr. BILBO], the Senator from Nevada [Mr.

CARVILLE], the Senator from Idaho [Mr. GOSSETT], and the Senator from Louisiana [Mr. OVERTON] are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Montana [Mr. MURRAY], and the Senator from Texas [Mr. O'DANIEL] are detained on public business.

The Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], the Senator from Oklahoma [Mr. THOMAS] and the Senator from Tennessee [Mr. STEWART] are absent on official business at various Government Departments.

The Senator from TEXAS [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

I wish to announce further that if present and voting, the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], and the Senator from West Virginia [Mr. KILGORE] would vote "nay."

Mr. WHITE. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. If present he would vote "nay."

The Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The result was announced—yeas 19, nays 54, as follows:

YEAS—19

| | | |
|---|---|---|
| Aiken | Johnston, S. C. | Taft |
| Brooks | La Follette | Walsh |
| Bushfield | Langer | Willis |
| Butler | Millikin | Wilson |
| Capper | Moore | Young |
| Ferguson | Revercomb | |
| Johnson, Colo. | Shipstead | |

NAYS—54

| | | |
|---|---|---|
| Austin | Hatch | Murdock |
| Ball | Hawkes | Myers |
| Bankhead | Hickenlooper | O'Mahoney |
| Barkley | Hill | Pepper |
| Bridges | Hoey | Radcliffe |
| Briggs | Huffman | Reed |
| Buck | Knowland | Robertson |
| Byrd | Lucas | Saltonstall |
| Donnell | McCarran | Smith |
| Downey | McClellan | Stanfill |
| Eastland | McFarland | Taylor |
| Ellender | McKellar | Tobey |
| Fulbright | McMahon | Tunnell |
| Gerry | Magnuson | Tydings |
| Green | Maybank | Wagner |
| Guffey | Mead | Wheeler |
| Gurney | Mitchell | White |
| Hart | Morse | Wiley |

NOT VOTING—23

| | | |
|---|---|---|
| Andrews | Cordon | Overton |
| Bailey | George | Russell |
| Bilbo | Glass | Stewart |
| Brewster | Gossett | Thomas, Okla. |
| Capehart | Hayden | Thomas, Utah |
| Carville | Kilgore | Vandenberg |
| Chavez | Murray | Wherry |
| Connally | O'Daniel | |

So Mr. AIKEN's amendment was rejected.

Mr. LANGER. Mr. President, I send forward to the desk an amendment, which I ask to have read.

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

The CHIEF CLERK. At the end of the joint resolution it is proposed to insert the following new section:

SEC. —. Notwithstanding any other provision of law, no loan made after the date of enactment of this joint resolution, by any department or agency (including government-owned or controlled corporations) of the Federal Government, to any person who served honorably in the armed forces of the United States during World War II, shall bear interest at a rate in excess of 1 9/10 percent per annum, and no interest shall accrue or be payable on any such loan for a period of 5 years from the date of the making of such loan.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota.

Mr. LANGER. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LANGER. Mr. President, I desire to consume some time on this amendment.

First of all, I wish to say that in my opinion the treatment given by the American Government to veterans of World War II has been very shameful. For example, after we declared war, on this very floor I asked that the pay of a private be increased to $100 a month. That request was not agreed to. I also asked that each private be automatically insured when he entered the service. I know that the Senate will be interested in learning just what kind of a raw deal the veterans have received in connection with the matter of life insurance.

The National Service Life Insurance Act was enacted on November 19, 1940, just prior to the time that the draft law went into effect. Prior to that time insurance was granted under the World War Veterans Act of July 7, 1924, as amended. The act continued in effect the original insurance act of October 6, 1919, which granted insurance to members of the armed forces during the period of the First World War. Such insurance was available to all men serving in the Army and the Navy until the National Service Life Insurance Act was enacted in October 1940.

Mr. President, there is a vast difference between the insurance which was available under the two acts, that is the insurance available to veterans of World War I and insurance available to veterans of World War II. I congratulate the insurance companies for what they put over on the poor veterans of World War II.

The National Service Insurance Act, that is the act in connection with World War II, does not pay one penny for permanent and total disability, while the other act provides for such payments. When the United States entered World War II there were thousands of men who had served in the peacetime army, who were insured under the World War Veterans Act. But the man who entered the service for the first time after the declaration of war in 1941 was required to obtain his insurance under the National Service Life Insurance Act.

Of those who went into the Army, a percentage were insured under the old act which gave the men full protection for death, total disability, and permanent disability. Under the National Service Life Insurance Act, benefits are payable in the event only of death. But the men are required to pay the same rates for both kinds of insurance.

Mr. President, I wish to repeat that statement. Of those who went into the Army, a percentage were insured under the old act which gave them full protection for death, total disability, and permanent disability. That was under the old act. It included every man listed in the peacetime Army up to the declaration of war in 1941. Under the new life insurance act called the National Life Insurance Act, benefits are payable in the event of death only. A man must die before his relatives receive one penny, but if he is disabled he receives nothing. If he loses a leg or two legs, one arm or two legs, or an eye or two eyes, it is his bad luck. That is the kind of insurance the Congress provided for the soldier in 1941 in spite of what some of us endeavored to do to prevent it.

Mr. President, allow me to illustrate. A peacetime soldier and a drafted man in World War II were fighting side by side. One went into the armed forces during peacetime and the other went in as a result of being drafted. Both are paying the same premium on their policies. They are hit by the same shell. As a result they become permanently and totally disabled. The one insured under the World War Veterans Act gets payments of $57.50 a month, that is, the man who got in during peacetime, but the man who was drafted under the National Service Life Insurance Act does not get $57.50 a month; he gets nothing.

In fact, there are cases in which men have been insured under the World War Veterans Act, and a part of their insurance is under the National Life Insurance Act, and they are being paid under the World War Veterans Act contract and not being paid under the other.

Mr. TOBEY. Mr. President——

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from South Dakota yield to the Senator from New Hampshire?

Mr. LANGER. I prefer not to yield.

Mr. TOBEY. I am surprised at what the Senator has brought out, and will he confirm to me that he is correct in the statement that if I had happened to be a GI in this war and had life insurance of $10,000, on which I paid the $66 a year, and got the option of continuing it with term insurance, if I were injured and totally disabled in this war, and were so adjudged by the Veterans' Bureau, I would not draw total disability from the Veterans' Bureau?

Mr. LANGER. The Senator would not, under the National Life Insurance Act.

Mr. TOBEY. Would I not get it from the Veterans' Bureau? Would I have no recourse at all? Would the Government pay me nothing at all if I were totally disabled?

Mr. LANGER. I am talking about the Life Insurance Act.

Mr. TOBEY. Would I not get it from the Government through the Veterans' Bureau?

Mr. LANGER. The Veterans' Bureau makes certain provisions. A man goes in and gets rated, but he does not get payments under the Life Insurance Act.

Mr. TOBEY. We provided, for veterans of the First World War, that one totally disabled would get $100 a month.

Mr. LANGER. He would get it——

Mr. TOBEY. Would he not get it through the Veterans' Bureau?

Mr. LANGER. No; he might get 5 percent or 10 percent.

Mr. TOBEY. If he were totally disabled he would get total disability payments, would he not?

Mr. LANGER. He might not.

Mr. TOBEY. He would if he were adjudged totally disabled.

Mr. LANGER. Under this life insurance policy, by paying a definite insurance premium, he would be provided for.

Mr. TOBEY. Being a World War veteran and being disabled, he would get it from the Veterans' Bureau, would he not?

Mr. LANGER. No. If a veteran goes to the hospital and is examined——

Mr. TOBEY. An examination for life insurance is one thing, but the Veterans' Bureau also examines them, and if a man were totally disabled he would get insurance, would he not?

Mr. LANGER. He would get it there, but under the life-insurance policy he would not.

Mr. TOBEY. He would not get it under his life insurance, but he would get it from the Veterans' Bureau?

Mr. LANGER. He might not.

Mr. TOBEY. If he were totally disabled, would he not?

Mr. LANGER. He would not.

Mr. TOBEY. Why not? Total disability is total disability, is it not? The Senator says he might not. He does not say he would not, he says he might not.

Mr. LANGER. That is exactly what I said, he might not.

The PRESIDING OFFICER. Senators will suspend while the Chair seeks to obtain some semblance of order. The Chair reminds Senators that they must address the Chair and ask the Senator having the floor to yield, and only one talk at a time.

Mr. TOBEY. Perhaps I have exhibited an excess of zeal this afternoon, but I did not like to have it stand in the RECORD that this Nation, which is paramount, would allow any citizen to fight in the World War and be totally disabled and receive no remuneration. The Senator from North Dakota says he would not get it from the insurance company, and I accept that, but he would get it from Uncle Sam's Veterans' Bureau if he were totally disabled.

Mr. LANGER. I say——

Mr. TOBEY. One word more. The Senator used the word "might." The Senator and I might die before tomorrow morning, but the chances are we will not. We might do this or do that, but I insist that if there is any man in the service who is totally disabled he will get total disability compensation.

Mr. LANGER. I say he may and he may not.

Mr. TOBEY. I say he will.

Mr. McFARLAND. Will the Senator from North Dakota yield?

Mr. LANGER. In a moment, after I finish this thought. I might enlighten the distinguished Senator by saying that there are cases where men have been insured under the World War Veterans Act and a part of their insurance is under the National Service Life Insurance Act where they are being paid under the World War Veterans Act contract and not being paid on the other. The World War Veterans Act defines what is known as a statutory permanent and total disability. It includes in this definition, those who have lost both hands, both legs, both eyes, one arm and one leg, and total deafness in both ears. There are several thousand of these boys who are afflicted with these disabilities in Walter Reed Hospital and other hospitals of the Government who should be paid insurance benefits and who would be receiving insurance payments under the World War Veterans Act. If the distinguished Senator from New Hampshire will visit Walter Reed Hospital he can find those boys at that hospital, and can ascertain how much insurance they get.

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

Mr. LANGER. I yield.

Mr. McFARLAND. As I understand what the Senator from North Dakota is complaining of, is that there is a difference between the insurance of World War I veterans got and the insurance the World War II veterans get. I agree with the Senator that it is not right and that it should be corrected, that the insurance of GI's in World War II should have disability provisions contained in it. I introduced legislation to correct that condition quite a while ago, and my suggestion has not been acted on. The Senator from Colorado and I have introduced a second bill to correct it. I wish to commend the Senator for his remarks in that regard. I think he is entirely correct that the World War II insurance should be just as good as the World War I insurance.

Mr. LANGER. I thank the distinguished Senator. There are thousands of service men and women who are physically and mentally disabled who should receive benefits if the National Service Life Insurance Act was amended to grant insurance benefits as was given to the veterans of the First World War. Included in this class are the insane veterans or those suffering from far-advanced tuberculosis. There is no reasonable excuse for this unjust discrimination.

The American Legion, in its national convention for the last 4 years, has recommended to the Congress of the United States amendments to the National Service Life Insurance Act, removing this unjust discrimination in the matter of granting insurance benefits. The bill has been before the World War Veterans' Legislation Committee in the House and the Finance Committee of the Senate for more than a year last past. No committee hearings have yet been had.

In the name of justice and right, I demand that the Congress do something to remove this unjust discrimination against the veterans of this war, who have lost their limbs, their eyesight, or who suffered the ravages of disease to such an extent that they may never again work.

I call upon General Bradley to reverse the position of the Veterans' Administration so that all service men and women shall be equal in the matter of insurance protection. I hope the committees in which the bills are now pending will do something to bring them immediately before this body. This long-awaited act of justice is long overdue.

Mr. President, I am very sorry that the distinguished minority leader, the Senator from Maine [Mr. WHITE], is not present. Last week I made the statement that Winston Churchill fought on the side of Spain against the United States of America. From the State of our minority leader comes an editorial which denies that, and says it is not true, that I am entirely in error.

Mr. President, before I made my statement I looked the matter up. I might say that this newspaper, called the Telegraph and Press-Herald, of Portland, Maine, says that Churchill enlisted in 1895, and was not fighting against the United States, that he had left before the American boys got to Cuba.

Mr. President, I have in my hand International Who's Who for 1943 and 1944, and I wish to read from the sketch of Mr. Churchill. I presume Mr. Churchill prepared this article himself, because that is customary, as every Senator on this floor knows. I read from Who's Who:

> Rt. Hon. Winston Spencer Churchill, C. H., M. P., Hon. LL. D. (Harvard), F. R. S., F. R. C. S.; British politician and writer; son of Lord Randolph Churchill; born 1874, educated Harrow and Sandhurst.

It says he entered the army in 1895, and served in Cuba with Spanish forces against the Americans. That is right here in International Who's Who. He served in the Spanish-American War against the Americans. If any Senator doubts that, I wish to show the article to him. Any Senator can come to my desk here and read it.

From there he went to Africa, fought in the Boer War, and did everything he possibly could against those poor Dutch in the Boer War, did everything he could to wreck them. He has been fighting on the side of aristocracy and fascism all his life, and did all he could to wreck this country, going to Cuba and fighting against it. That is the man the Senate invited to come here and address the Senate. If there had been a Spanish-American War veteran in the Senate, Winston Churchill would have been trying to kill him while he was fighting under the Spanish flag. I say again, that is the record. A record is a very good thing to have at hand at times when a newspaper criticizes a Senator. We are used to criticism. I do not mind it a bit. I have taken my share of it. The statement in the Maine newspaper is:

> Senator LANGER for perhaps the first time in his life is in error.

I will tell the editor that, so far as I know, I have never yet been in error. [Laughter.]

Mr. President, it is interesting to note what the Irish think about this measure

upon which we are going to vote. I have in my hand an advertisement which appeared in the Gaelic-American, which was placed in that publication by the Amalgamated Irish-American Organizations of Boston, Chicago, New Haven, Conn., New York and San Francisco. That takes in cities from one end of the United States to the other. The advertisement says:

(Advance proof of page advertisement which will appear in the next week's issue of the Gaelic-American.

LET THE AMERICAN PEOPLE DECIDE

The man who put across with the late Frank Delano Roosevelt the idea of the proposed $4,400,000,000 grant was the late John Maynard Keynes.

For earlier services to the British Empire (well described as disservices to the United States of America), he had previously been accorded title honors by the King of England. So we speak of him as Lord Keynes.

* * * * *

But here is what Lord Keynes wrote—

I ask unanimous consent that the entire advertisement may be printed in the RECORD at this point as a part of my remarks.

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

(Advance proof of page advertisement which will appear in next week's issue of the Gaelic-American)

LET THE AMERICAN PEOPLE DECIDE

The man who put across with the late Franklin Delano Roosevelt the idea of the proposed $4,400,000,000 grant to Britain was the late John Maynard Keynes.

For earlier services to the British Empire (well described as disservices to the United States of America), he had previously been accorded title honors by the King of England. So we speak of him as Lord Keynes.

It follows that no man should be better qualified to speak of the proposed grant of American money than was Lord Keynes. The idea was his baby.

But here is what Lord Keynes wrote.

In describing the American viewpoint and in describing the British viewpoint—

He refers to it as "the immeasurably remote public opinion of the United States."

He says: "They wanted to understand the size of our immediate financial difficulties, to be convinced that they were temporary and manageable, and to be told that we intended to walk without bandages as soon as possible."

He admits: "No comparable credit in time of peace has ever been negotiated before."

He graciously concedes: "And it is not for a foreigner to weigh up the cross-currents, political forces, and general sentiments which determine what is possible and what is impossible in the complex and highly charged atmosphere of that great democracy of which the daily thoughts and urgent individual preoccupations are so far removed from ours."

And he realizes too: "The total demands for overseas financial assistance crowding in on the United States Treasury from all quarters whilst I was in Washington were estimated to amount to between four and five times our own maximum proposals."

He says: "Four good reasons arising out of the past they owe us something more than they have yet paid."

He concedes: "We accepted in the end more cut and dried arrangements in some respects than we ourselves believed to be wise or beneficial."

And he adds: "In my own judgment, it is cut somewhat too fine, and does not allow a margin for unforseen contingencies."

But he admits: "It represents about as large a cumulative adverse balance as we ought to allow ourselves in the interval before we can get straight."

He confesses: "I shall never so long as I live cease to regret that this is not an interest-free loan."

As to the demands of other of the associates in the late war, he says: "Not all of them have had out of Uncle Sam the same relative measure of assistance up to date."

The later Lord Keynes thought, spoke, and wrote as an Englishman—always for his country—the British Empire.

From the standpoint of his countrymen, Lord Keynes pictured the alternative to the grant from the United States in the following words:

"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. We have to admit it is an alternative full of problems."

What the late Lord Keynes either did not know or could not seem to realize was that the makers of the English budget for the coming fiscal year were to, and did, calculate upon the proceeds of the projected grant from the United States of America in order to reduce the income-tax rates of the British taxpayers.

In other words each American taxpayer subsidizes three or more English taxpayers. Shades of the Boston Tea Party.

Perhaps it is only because the Irish people have suffered from these same schemes and robberies by the British ruling classes for more than 800 years that the citizens of Irish blood amongst us seem to be most thoroughly awake to the plottings and plannings which threaten our beloved country.

Even today, men and women of Irish blood are kept keenly conscious of the inroads of the British Empire because the Robber Baron, by force and fraud, maintains an alien foothold upon part of the sacred soil of Ireland.

A high-school student of ordinary intelligence, carefully reading Lord Keynes comments can easily see that there is no intent to ever repay the proposed British loan. The alibi has been well prepared in advance for its early and ignominious default. Such was the history of the past. Such will be the history of the future if the grant be made.

Senators of the United States would be well advised to read and ponder the political history of the late Lord Keynes. His concept of duty was to serve the British Empire. The fact that such service caused injury to the United States of America and multiplied many-fold the tax burden upon each American citizen was no concern of Keynes. He served his master as he knew his master.

Let each American Senator serve his constitutents now—in the same spirit and in the same loyalty, but to his own country, the United States of America.

There are those of us, and there are many veterans and fathers and mothers of veterans amongst us, who are well convinced that any elected official who gives away the substance and wealth of our country to any foreign power is writing the certificate of election for his opponent at the next electoral contest.

The British Empire cannot rescue itself from its difficulties by continued borrowing.

Our Federal Government has no mandate to give away the substance of the American people.

Let the question of this proposed grant of $4,400,000,000 to Britain be submitted to the voters of all of the States at the coming election.

AMALGAMATED IRISH-AMERICAN ORGANIZATIONS

Mr. LANGER. I now wish to read a few paragraphs from this advertisement:

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The British Empire cannot rescue itself from its difficulties by continued borrowing.

Our Federal Government has no mandate to give away the substance of the American people.

Mr. President, I also wish to bring to the attention of the Senate some things which have not heretofore been commented upon on the floor of the Senate. In 1932 Mr. Lloyd George wrote in his book, Reparations and War Debts, that:

Though the peace treaties were signed, and a League of Nations was set up to keep the peace, some of the nations never abandoned their wartime mentality. The first reaction of any calamity is to create an intense desire to prevent its repetition and to concentrate all thought and energy on that particular kind of disaster to the exclusion of all other possible or probable mishaps. The danger of

that state of mind is that it is apt to be neurotic and unbalanced and that its energies are misdirected. It is haunted with the spectre of symptoms and secondary causes, and not with the root cause of the evil.

Mr. President, no one could more graphically or more prophetically have described the foundation of world relationships that underlies this present legislation than Mr. David Lloyd George, and it is the recognition of the anarchic forces of conflict which underlie present world relationships that marks the distinction between the British and the American approach to this alleged British loan. If for no other reason than the fact that this loan does not begin to go to the root of their problems, the British are themselves almost unanimously opposed to the terms and the implications of these present financial arrangements.

On December 15, 1945, at a time when England was debating both the Anglo-American loan and Bretton Woods agreements, Mr. Mallory Browne cabled the New York Times from London that—

In London this week all the signs pointed to the possibility that acceptance by Britain of the Anglo-American loan agreement has opened a period of unprecedented Anglo-American disagreement.

Shakespeare had a word for it, of course. "Loan oft loses both itself and friend," he said. And that's certainly the way it looks over here in England at the moment.

Not for many years, not since the British defaulted on the last war loan, and perhaps not even then, has there been so much resentment, such widespread bitterness against the United States—

This was on December 15, 1945, Mr. President.

Such widespread bitterness against the United States as one finds expressed in Parliament, in the press, and by the general public in Britain today.

The hostile reaction in Britain to the Anglo-American loan agreement is no passing mood of the moment.

First, Mr. President, we ought to enter into the RECORD the editorial reaction of the British press. In the same week the London Economist, which never fails accurately to express the attitude of British business circles generally, stated that—

It certainly requires a very compelling necessity to secure the swallowing of such a very bitter pill.

If the purpose of the American Congress which decides American policy is, as it often seems to be, deliberately to wound and afflict the British people, it has certainly succeeded.

It is aggravating to find that our reward for losing a quarter of our national wealth in the common cause is to pay tribute for half a century to those who have been enriched by the war.

So it can be seen, Mr. President, that already they are getting ready to cry, "Uncle Shylock, Uncle Shylock, Uncle Shylock."

The left-wing weekly Tribune, which always reflects the attitude of the belligerent wing of the Labor Party, stated that:

American capitalism has driven a savage bargain. After a war in which Britain has fought longer than America, in which we have mobilized more fully, in which we have seen our cities ravaged while America augmented hers, a loan is offered to extricate us from difficulties arising entirely from our contributions to the common cause—a loan which means that our great-grandchildren will still be paying a tribute almost double the total of exports which went from here to the United States every year before 1939.

That is what the labor newspaper said.

Mr. President, I wonder how some Senators who are going to vote for this loan can sleep at night with a clear conscience. I obtained from the Bureau of the Census the assessed valuation of all the property in a number of States.

I see sitting before me the distinguished Senator from Oklahoma [Mr. THOMAS]. I do not know how he is going to vote on this loan. I rather think he is going to vote against it, because he is a man of extraordinarily good judgment. The assessed valuation of the State of Oklahoma—including every horse, every cow, all the oil fields, all the land, all the money, and everything that everyone in Oklahoma pays taxes on, according to the Bureau of the Census, is $1,224,123,000. So if my distinguished colleague from Oklahoma votes in favor of this bill he will be voting to give away three times the assessed value of every acre of land and every bit of property in the State of Oklahoma.

I think it would be interesting to consider the State of Arizona. The distinguished Senator from Arizona [Mr. MCFARLAND] tried desperately to save property in Arizona. The assessed valuation in Arizona in 1939 was $388,907,000. The distinguished Senator from Arizona apparently would not vote to give away to England nearly 15 times as much as the value of everything that is owned by all his constituents in the State of Arizona.

Another great State in this Union is the State of New Mexico. That State has produced some very great men who have graced this hall. At the present time it has two very distinguished Senators. I should be very much surprised indeed if those two Senators should vote for the loan, in view of the fact that the assessed valuation of New Mexico in 1939—every acre of land, every cow, every horse, every sheep, every burro, every mule, and everything they have—was $314,121,000, according to the Bureau of the Census. If these figures are not accurate I do not wish to be blamed for it, for they are the figures which the Bureau of the Census furnished me, and 1939 was the last year for which it had figures. So we are making a gift to Great Britain of approximately 15 times the assessed value in the State of New Mexico.

I see present my friend the distinguished Senator from South Carolina [Mr. JOHNSTON]. The State of South Carolina is a great State. But every bit of property in South Carolina, including all the land, horses, machinery, and everything else, is assessed at $365,354,000. I can understand now why the distinguished Senator from South Carolina made such an eloquent speech the other day against the loan. He realized that we were making a gift to England of 15 times the value of everything his constituents own in the State of South Carolina. He is too intelligent a man to vote to give it away to a foreign country. I was confirmed in that belief when he made his eloquent speech a few days ago.

We come next to the State of Texas. We have heard a great deal about the great State of Texas. It has the best of everything. I remember that upon one occasion our chamber of commerce at Bismarck, N. Dak., sent for a Texas man to give us a talk. All the citizens of the city of Bismarck were invited. This Texas man was a real booster. When he came to Bismarck, N. Dak., the committee from the Commercial Club thought they would take him out and show him the country. So he was taken in an automobile and driven about the countryside. He was shown a very fine field of corn. He said, "Yes, that is a pretty nice field of corn, but it does not begin to compare with the corn in Texas. Our corn is more than twice as high." The committee from the Commercial Club took this man over to the edge of a lake and asked him, "Is not this a beautiful lake?" The Texas man said, "Yes; it is a very nice lake, but it does not begin to compare with the beautiful lakes in the State of Texas." The committee was rather disgusted. In that lake there was a large turtle, which was pointed out to the Texan. He was told, "That is a North Dakota bedbug." He looked at it for a few minutes, and then said, "It must be a very young one." [Laughter.] That is the kind of State that Texas is. In Texas everything is better than it is in any other State—including the race horse which won the Kentucky Derby a few days ago.

What is the assessed value of the entire State of Texas, including everything that Jesse Jones owns down there, everything that SAM RAYBURN owns, everything owned by the distinguished Senators from that State, and by the State's 21 Representatives in the House? The assessed valuation is less than the amount it is proposed to give away to England. The whole State of Texas—the old Republic of Texas—every piece of land, and everything else in it, was assessed in 1939, according to the Bureau of the Census, at $4,145,625,000.

I see present in the Chamber the distinguished Senator from Kansas [Mr. REED]. I wonder what his constituents would think if it should develop that he might possibly vote for the loan to give away $4,400,000,000. My distinguished colleague has been governor of that State. He knows how the pioneers went there and fought the Indians in order that they might have a place to live and to make a future for their children where they could have real liberty. The great States of Kansas, together with Maine and North Dakota, think more of the youth, the children who are reared within their borders, than does any other State in the Union. For years one could not buy a cigarette in the State of Kansas. It was a violation of the law to sell cigarettes. For years one could not get a drink of liquor in Kansas. It was the home of Carrie Nation. It is a great State, if there ever was a great State in the United States. The State of Kansas has produced great men. In that State great pioneers put everything they had in the world into the soil. Yet today we are asked to give away almost twice as much as the value of everything in Kansas. In 1939, according to the Bureau of the Census, Kansas had an assessed

valuation of $2,801,406,000. I wonder if the advertisement by the Amalgamated Irish Society, which says that men who vote to give their property away are not worthy of reelection, is not true. So much for Kansas.

We now come to the State of Iowa. A few years ago we were unable to get any loans on our real estate in North Dakota. The Federal land bank withdrew from our State because we enacted an anti-deficiency-judgment law, which said that the last drop of financial blood could not be squeezed out of a poor man who had worked all his life, merely because he had signed a note and given a mortgage on his farm. I went to some insurance companies to see whether I could get them to lend money on North Dakota real estate. I went to the president of the Equitable Life Insurance Co. He said, "No, the only State out West in which we like to lend money, the only State in which, on the whole, we have never had a loss, is the State of Iowa." According to the president of the Equitable Life Insurance Co., Iowa is the best State in America. He told me that the "little brown hen" alone had paid off mortgages.

The assessed valuation of Iowa, the best agricultural State in the Union, according to the life-insurance loan agents, had an assessed valuation of $3,219,977,000, which is nearly $1,000,000,000 less than we are asked to give away to England. If either Senator from the State of Iowa wishes to vote to give away more than the assessed valuation of Iowa—more than all the constituents who elected him are worth—I suppose he has our consent to do it. We cannot stop him from doing it. But I refer to the advertisement by the Amalgamated Irish Society, saying that that kind of a man is not worthy of reelection by his constituents.

Now we come to the great State of Connecticut. Mr. President, from the time when I was a little fellow I heard about the great, great State of Connecticut. All the great fire-insurance companies in this country have congregated there. There was nothing but wealth and prosperity there. We heard a great deal about its proximity to the State of New York and the city of New York, and how men from New York moved there. We heard how they moved into Connecticut so as to evade the income tax; we heard how they went there and built great palaces. We are all familiar, I believe, with the trouble the United Nations is having in trying to get a home established in a part of the great State of Connecticut. Mr. President, although hundreds and hundreds of men left New York and moved into Connecticut, although they built very fine homes there, yet the assessed valuation of the State of Connecticut in 1939, according to the Census Bureau, was less than the amount of the proposed loan. At that time the valuation of the State of Connecticut was $3,072,460,000. So any Senator from Connecticut who votes for this loan—this gift, because it is not a loan and everyone on the floor of the Senate knows that—is voting to give away more property than is owned by all his constituents in the State of Connecticut.

Mr. President, I come now to the State of Arkansas. If there has been anyone upon the floor of the Senate who has spoken more eloquently in favor of the proposed British loan than has the distinguised junior Senator from Arkansas [Mr. FULBRIGHT], I do not know who it could possibly be. In fact, he has spoken so well and so often and has said so much about making a gift to England that, one of these days, I am going to write a letter to the King over there in England and ask him if he cannot give a title of some kind to my distinguished friend and colleague from the State of Arkansas, because he is certainly worthy of it, in view of all the great things he has done for the United Kingdom.

Mr. President, what do they have in Arkansas? In 1939 the total assessed valuation of all property, personal and real—everything there—was $442,109,000—roughly one-tenth of the $4,400,000,000 we are giving to England. If my distinguished colleague, the junior Senator from Arkansas, votes for this loan he will be voting to give away ten times the value of everything that his constituents own. Is it any wonder that the Irish societies in New York, New Haven, San Francisco, Boston, and other places put in the newspapers full-page advertisements protesting against the loan? Mr. President, we have to give it to the Irish: They know how to fight. It is no wonder that almost all the Irish who live in New York City are policemen at some time or other after they go there. The advertisement to which I have referred is beautifully written. It says that in their opinion any man who votes to give away their property is not worthy to be reelected by his constituents. Mr. President, I shall not say whether I agree with them; I shall let you guess whether I do.

Now we come to the State of Alabama, which is so ably represented upon this floor by the Democratic whip. Do you know, Mr. President, that the Democrats have a Republican from North Dakota, at least—I would say from the West—guessing. They have been in power now since 1932. If ever a group of men have shown that they should not be in power, it is the group made up of Democrats of a certain type—not all of them. I refer to a certain type of Democrat. It happened that I was Governor of my State, elected in the same year that the Democratic Party came into power in 1932. At that time I was one of the two Republican Governors elected in the entire United States. I had been in office only a short time when the man who now is Secretary of Commerce, Mr. Wallace, became Secretary of Agriculture. From the time when I was a little bit of a tyke I have been taught by my father and mother that the way to make money was to go out and work for it. The theory was that the harder you worked, if you had any kind of even break with luck, the more you made; that a farmer should raise all the cattle he could raise and all the hogs and all the wheat he could raise and sell at a profit, and that that was the way to make money. But Mr. Wallace gave us an entirely new theory of life when he became Secretary of Agriculture. It happened that I had a nice herd of cattle. For some of those cattle I had paid $70 apiece. Lo and behold, Mr. President, one day I was told by agents of the Federal Government that some of my cattle had to be killed. The distinguished Secretary of Commerce, I understand, is a great Bible student. He knew all about droughts. He knew all about storing up grain and storing up meat because some day famine would come. But what did he do? My cattle were taken to a sand pit and shot, covered with a little bit of sand, and some months later I got a check amounting to $17 apiece for them. Thousands of our farmers in the Northwest were paid for not raising pigs. If they did not raise pigs, they were paid for not raising them. Believe me, Mr. President, thousands of farmers did not raise them. Today the authorities are yelling for meat.

Mr. President, how responsible is a Democratic leader of that kind—this man who now is saying that he is fit to lead the CIO and the PAC, the man who advocated plowing under the cotton of the South? In North Dakota we have some fine land. I was born there. We like to raise good crops. It is nice, fine, level land. In fact, there is no land anywhere else in the world that equals the Red River Valley land, Mr. President. It is better than the land in the Nile Valley. But all of a sudden our farmers were told they had to leave a certain amount of the land unplanted; they were told they could not produce crops on a certain amount of their land. They were told that in a section of 640 acres, they might plant 160 acres. Those representatives of the Federal Government did not know enough to take wheat and store it up. Today they come to North Dakota, crying for more wheat. Mr. LaGuardia and the Secretary of Agriculture went there several weeks ago and said to the farmers there: "Get in your wheat. In Europe people are starving; people all over the world are starving."

Mr. President, when the next national election rolls around, in 1948, although I am not familiar with what some of the citizens in some of the other States may do, I venture the prediction that in the State of North Dakota the intelligent farmers there, men who know their economics, will express themselves in no uncertain terms. They will remember that in January the Secretary of Agriculture pleaded with them to bring in their wheat, and those Christian, patriotic farmers, those men and women who do not want to let people anywhere on this earth suffer, went through the mud and through the snow and got it in, and then on April 18 those who had not gotten their wheat in were suddenly given a 30 cents a bushel bonus for not taking it in; and on yesterday it was announced that they are to be given an additional 15-cent bonus for wheat, making a total bonus of 45 cents a bushel for not delivering it, and the agents of the Federal Government are giving an additional bonus on corn and a 5-cent bonus on oats and a 10-cent bonus on rye.

Oh, Mr. President, what is being done on the part of the present Secretary of Agriculture and his officers, is just as

dumb as what was done by former Secretary of Agriculture Wallace when he instructed the cotton farmers to plow under every third row of cotton, and told the farmers not to raise as many hogs as they had been raising, to kill off the little pigs, and not grow as much wheat as they had been growing.

Just as soon as the next wheat crop matures, Mr. President, what will be the psychology? The farmer will sell only enough wheat to pay for his threshing bill, his combine bill, a small grocery bill, and perhaps a doctor's and dentist's bill. The rest of the wheat will be put into storage. Why? Because he saw Tom Campbell, the great wheat king of Montana, who had more than 400,000 bushels of wheat, keep it on his farm. Now there is being paid a bonus of 45 cents a bushel, and Mr. Campbell is delivering his wheat. A profit of 45 cents a bushel on 400,000 bushels is a great deal of money. We have farmers who raise only 3,000 or 4,000 bushels of wheat a year. Those farmers need every penny they can accumulate in order to send their children to school.

Mr. President, North Dakota stands first in literacy of any State of the Union. We believe in the education of every child in North Dakota. We send our boys and girls to colleges. We have more normal schools in North Dakota than are located in Iowa. I see my distinguished colleague and friend, the senior Senator from Iowa [Mr. WILSON], sitting in the Chamber. I wish to tell him that although North Dakota has an assessed valuation of less than a billion dollars, and Iowa has an assessed valuation of more than three times as much, we have more normal schools in the State of North Dakota than there are in the State of Iowa. We are proud of that fact. I do not mean to reflect on Iowa because Iowa has a magnificent educational system. However, we have one of the best agricultural colleges in the country. We have one of the outstanding State universities in America. We have a school of science which is of such high standing, Mr. President, that at that school 7 years ago there was discovered the chief component of what is now used in the atomic bomb. Professor Lawrence discovered it.

Mr. President, let us go to Maine for a moment. The distinguished minority leader was not present when I read an editorial from a newspaper published in Maine. I advised him to read the RECORD tomorrow and see what the editor of that paper has stated. I had said that Winston Churchill fought against the Americans in Cuba. The Senator said that I was in error. I was required to refer to Who's Who. I now take the record over to the desk of the distinguished Senator from Maine so that he may advise the distinguished editor of the newspaper that in Who's Who it is stated that Winston Churchill took up arms against the Americans in the Spanish-American War. I was surprised at the statement in the editorial, because I always held a very high opinion of the intelligence of the people of Maine. I have known only four persons from Maine. Most distinguished of them all, of course, is my distinguished colleague, the senior Senator from Maine [Mr. WHITE], who is now gracing the same seat that his distinguished grandfather once graced before him.

Of course, I know the junior Senator from Maine [Mr. BREWSTER], who is also an outstanding citizen. Some years ago I met the Governor of Maine, Mr. Sewall, who was a very high-class citizen. But the man whom I remember best as coming from Maine was Wallace Grover who, when I was a small boy, lived in the adjoining block. He had the largest house in town. He had paid for it $75,000. It contained a ballroom located upstairs. It had been decorated by a Minneapolis decorating concern. Knowing Mr. Wallace Grover as I did, I learned to have the highest regard for the people of the great State of Maine.

Mr. President, I now come to the pending joint resolution. I find that according to the Bureau of the Census the assessed valuation of all property in Maine in 1939 was $661,209,000. That was the assessed valuation of every acre of land in Maine, every horse, every cow, all bank deposits, and everything else in that State in 1939. I repeat the figure, $661,209,000. I cannot conceive, Mr. President, of either Senator from Maine ever voting to make a gift of more than six times the assessed valuation of their State.

I recall an occasion when the distinguished Senator from Georgia was making a report on a bill. It was a very fine report. I interrogated him with regard to it and asked him if he would vote for a loan to Russia of $4,000,000,000 or $5,000,000,000. I shall never forget the answer of the distinguished Senator. He said, and the RECORD so shows, "I would not loan any country more than $1,000,000,000." Those were the words of the distinguished Senator from Georgia. I admired him for his assertion because he had lived in Georgia among the farmers there for years and years. He is a farmer himself and is proud of it.

Mr. President, what is the assessed valuation of Georgia? In 1939, according to the Bureau of the Census, every acre of land in Georgia, every item of personal property in Georgia, and everything else in the State was assessed at a total value of $1,392,647,000. And yet, Mr. President, the distinguished Senator from Georgia who said he would not loan more than a billion dollars to any country, is being asked to make what virtually amounts to a gift of three times the value of everything which his constituents owned in Georgia in 1939. In Georgia there live some of the finest citizens of any State of the Union. I know, because I have been in Georgia.

We have as a Members of this body the distinguished Senator from California. Mr. President, men and women have come from California and with pride have told me that the tires of their automobiles were filled with California air. They were proud of the fact that they had at least that much with them from the State of California. I have heard men from California boast of what they were worth. I do not blame them for doing so. I went through California last year in an automobile. I spent 4 days in that State. I never saw its like. It has everything. If I were not a resident of the State of North Dakota, next to Idaho I would choose California. But the entire assessed valuation of California, where there is located the biggest bank in America, bigger than any bank on Wall Street, is $8,274,256,000, which is roughly twice the amount we are asked to give to England.

So, Mr. President, if either of the distinguished Senators from California votes for the proposed loan he will be voting to give away an amount of money equal to one-half of the property of all his constituents in the State of California.

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

Mr. LANGER. I yield.

Mr. LUCAS. Does the Senator believe there is any California air in the assessed valuation which he has read?

Mr. LANGER. I beg the Senator's pardon?

Mr. LUCAS. Does the Senator believe there is any California air in that assessed valuation?

Mr. LANGER. I do not presume there is. I assume that the assessments made in that State were made in the same way that they are made in other States.

Mr. President, while I was in California I saw beautiful orange groves. I saw a field in which a remarkable job was done in raising rubber. I went and looked at it. I saw the rice fields at Willows. I was proud of the fact that I was an American when I got to Willows, Calif., and saw Californians raising rice.

Mr. President, this is how they got their rice in California. They had thousands upon thousands of acres of alkali marsh fields which were absolutely worthless. They were not assessed for anything; they were valueless. The heat in the Imperial Valley and some other places in California was terrific in the summertime. So they had these worthless alkali marshes.

What did the Californians do with that worthless land? They got some Indians to come to California, about 3,000 Indians from India who knew how to raise rice, and the California people let them plant the rice. Those Indians knew they would not get a crop the first year, so they were allowed to reseed the land a second time, and just a little bit of rice came up. They reseeded it a third time. Finally that worthless land became worth between $300 and $400 an acre.

The Californians then thought those Indians had had the land long enough, that it was about time the white men got hold of it, when it got to be worth three or four hundred dollars an acre. So they brought a lawsuit. They said, "These Indians are not citizens and they cannot become citizens." They passed a law that only a Negro or a Caucasian could hold land in California.

Those Indians took their case to the Supreme Court of the United States and in an opinion by Justice Sutherland it was held the Indians were not white people and were not black, they were not Negro and were not Caucasian. It was just too bad, but they could not hold that land in the State of California.

Naturally, the white men got this land which the Indians had taken from

nothing. They got title to it and today an Indian cannot hold any property there. But regardless of that, the fact remains—and I must hurry along, because I wish to get through—that the property in that State is assessed at approximately twice as much as it is proposed we give to the United Kingdom.

Let us take the State of Illinois. I see my distinguished friend the senior Senator from Illinois [Mr. LUCAS] in the Chamber. I remember the city of Chicago from the time when I was knee high to a grasshopper. I was living on a ranch, and we used to have as high as 100 or 150 men working for us. Toward the end of the season they would say, "We are going to Chicago to spend our money. It is a great place to spend our money."

I remember later when we built a house in town, my father and mother went to Carson, Pirie, Scott & Co., a great big store in Chicago, and bought their furniture there, brought it to North Dakota, and furnished their large house.

Mr. LUCAS. If the Senator will yield, it is Carson, Pirie & Scott.

Mr. LANGER. Is that the name of it?

Mr. LUCAS. Yes.

Mr. LANGER It is a very fine store, or was at that time, anyway.

Mr. LUCAS. It still is, and it is still getting money from North Dakota.

Mr. LANGER. Fine; as I have said, that was a long time ago. Then I went to Chicago and saw all those beautiful buildings, and later from a plane I saw it. There is not a more beautiful community one can fly over than the city of Chicago. Some folks do not like parts of it, where the packing plants are located, and that sort of thing, but it is a glorious industrial city. Yet there is very fine land around Kankakee, and some of the other places in Illinois. When we sum it all up, the assessed valuation of all the State of Illinois in 1939, according to the Bureau of the Census—and I got these figures day before yesterday—was $5,159,678,000. So if this loan is made, we are giving away approximately four-fifths of everything that is owned by the taxpayers and nontaxpayers in the State of Illinois.

Take the State of Kentucky, where the distinguished majority leader lives. The assessed value of property in that State is $2,737,000,000. So if the distinguished majority leader votes as he has indicated he is going to vote, he is giving away nearly twice as much as the assessed valuation of everything owned by all his constituents in the State of Kentucky.

The assessed valuation of Louisiana is $1,189,198,000.

I notice here my distinguished colleague, the junior Senator from Delaware [Mr. BUCK]. He has been Governor of his State twice. He has been highway commissioner. He is now United States Senator. He has been honored with nearly everything the people of that State can give to one citizen, and I do not suppose there is a man in Delaware more familiar with that State than my distinguished colleague here. He is asked now to give away $3,375,000,000, yet according to the Bureau of the Census, the assessed valuation in 1939 of everything in Delaware, everything the people have there, was $312,811,000. He is asked to give away nearly 14 times as much as is owned by all of his constituents.

So, Mr. President, I refer back to the advertisement inserted by the Irish in the Gaelic American, and I very respectfully refer my distinguished friend to that advertisement.

Mr. President, we live here in the city of Washington. We ride around in our automobiles and see this beautiful town. It is true that some of the Government buildings are not included in the assessed valuation, but there are great stores here, and much valuable property. The assessed valuation is only $1,847,489,000. So, if we are going to give this money to England, we are giving them twice and a half everything, all real and personal property, in the District of Columbia—making them a present.

The assessed valuation of Idaho was $389,458,000.

I shall now give the assessed valuation, in round figures, of a number of States, Mr. President.

Arizona, $388,000,000; Delaware, $312,000,000; Idaho, $389,000,000; Montana, $330 000,000; Nevada, $185,000,000; New Mexico, $314,000,000; North Dakota, $990,000,000; South Carolina, $365,000,000; South Dakota, $990,000,000; Vermont, $353,000,000.

And we throw in Hawaii for good measure, $266,000,000.

Mr. President, that makes a total of 10 States, not counting Hawaii, and their total assessed valuation does not amount to $4,400,000,000. But we are asked to make a present to England of those 10 States out of our 48. We are going to make England a present of them.

Mr. President, a few day ago I picked up this little pamphlet put on my desk by the Carnegie Endowment for International Peace. I understand they do not pay any taxes. They go around trying to influence everybody they can through an endowment fund they have. I checked up on these foundations a while ago and found that out of billions of dollars which are accumulated, some of them have just a lot of relatives on the payroll, and they escape the payment of income tax that way, using the money for propaganda.

Mr. President, I was amazed when that pamphlet was laid upon my desk. It is entitled "We Quote." I want to read what Walter Lippmann said, as it appears on page 34 of the pamphlet, under the heading "XI. Columnists." He says there that he is in favor of the loan, that he wants the loan made. But I call attention to the date of this statement, December 8, 1945. His statement is as follows:

> Many men find it hard to believe that there can be an international arrangement by which everyone gains. This is, however, such an arrangement. There is nothing that either government has conceded which it would have been more profitable to its people not to concede.
>
> There is no doubt that the benefits of the agreement go far beyond the immediate financial effects of the credit itself. The arrangement makes it possible to open up trade between and within the regions of the world where the dollar and sterling are international money. These regions do at least half of all the international business of the world. This is enough to make it reasonably sure that a relatively free rather than closely and narrowly regimented system of trade shall survive and flourish well enough to hold its own, and in the end to prevail.
>
> If Britain and America went their separate ways, which would have to happen if this agreement failed, then there would be no conceivable way of maintaining any kind of free economy in the world. The world would become divided into small economic regions, bureaucratically controlled and no amount of speech making about free enterprise would then save free enterprise.
>
> In the last analysis, though the money goes to the British Government and will help the British people through some of their immediate difficulties, it is an investment by the United States to restore and perpetuate that system of world trade which we believe in.

That was what Walter Lippmann said on December 8, 1945. What did he say day before yesterday, December 7? I have in my hand a copy of the Washington Post. I will read from Walter Lippmann's statement as it appears in the Post, what he thinks of Mr. Byrnes now. I will read what he thinks of our State Department now. And I call attention, Mr. President, to the fact that two Senators on this floor have said that the only reason they are voting for the loan is because they know Jimmie Byrnes and have confidence in him. They say that, "Jimmie Byrnes sat on the Senate floor with us, and we go by anything Jimmie Byrnes says." This is what Walter Lippmann said on May 7:

> The European reaction to his disarmament treaty should be enough to convince Mr. Byrnes that his advisers have not supplied him with a true picture of the German situation. The proposal was still a top secret when I left Paris a week ago Monday; when I read the text in the New York newspapers the next morning, I would have bet right then and there that the Russians would be rude and angry and that the British would brush it off with frigid politeness. For the proposal, which would have been well received in 1944, is based on a radical misunderstanding of what is happening in Germany. It takes no account of, and indeed runs afoul of, the evolution of Soviet and British policy. That is why it has met such a rebuff.
>
> The proposal assumes, quite mistakenly, that the paramount objective of our two allies is to keep Germany disarmed. In fact, they are maneuvering for position in anticipation of a war which they regard not necessarily as inevitable, but as probable.

They are going to have a war now, a probable war.

> In such a war Germany would be not only a battlefield. The Germans would play an enormous part. Though battered, the Germans are still by all odds the strongest nation in Europe. A duel is in progress between London and Moscow for the control of the German population, and its high military potential.
>
> The grim reality of this Anglo-Soviet duel is not altogether hidden from the Americans. But it is obscured for them even in Germany, and apparently its significance has not been appreciated at all in Washington.

In other words, our Secretary of State knows nothing about it.

> There is an important reason why the American Government is basically misinformed, why it has lost touch with the realities.

The Secretary of State says we should give Britain $4,400,000,000. Two Senators have said on the floor of the Senate that they are voting in favor of the loan because Mr. Byrnes says it should be made. Mr. President, I remember very well when my distinguished colleague the Senator from Georgia [Mr. GEORGE] quoted in respect to some financial matters the testimony of Bernard Baruch and Jesse Jones and some others. The testimony of Jesse Jones and Bernard Baruch and Leo Crowley today is not to make the loan. We do not hear that mentioned now.

Mr. President, months ago we found Dean Acheson of the Department of State saying we had to make this loan. Bill Clayton of the State Department, traveling around the country, said we have to make this loan. Henry Wallace, who killed our 5,000,000 little pigs and plowed under our cotton and persuaded us not to raise wheat, that great financial expert, said, "You have got to make this loan. You have got to make this gift." Mr. Vinson said, "You have got to make the loan." All these men, appointed by the President, and drawing large salaries, who are in high places, say we must make this loan. But Leo Crowley says we should not make it. Bernard Baruch and Jesse Jones say we should not make it. They are three pretty level-headed businessmen. They are men who have been all over the world. That elder statesmen, Bernard Baruch, by reason of his experience in World War I, in my judgment, knows better than any other man in the United States of America whether the loan should be made.

Mr. JOHNSON of Colorado. Mr. President——

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Does the Senator from North Dakota yield to the Senator from Colorado?

Mr. LANGER. I yield.

Mr. JOHNSON of Colorado. Winston Churchill said not to make it, too, and Herbert Hoover said not to make it. Other distinguished men say we should not make it.

Mr. LANGER. Winston Churchill changed his mind. As a member in Parliament he voted against it, but he has changed his mind.

Mr. JOHNSON of Colorado. But Winston Churchill said in Parliament that the sterling credits should have been brought into the picture at the time the agreement was made.

He said that the sterling credits should have been scaled down and a final settlement made on the sterling credits along with the settlement with us on lend-lease. It seems to me that Winston Churchill was very sound in that respect.

Mr. LANGER. When Mr. Churchill came over here he saw Mr. Bernard Baruch down in Florida. There they discussed the question. Up to that time it had been planned to call Bernard Baruch before the committee. Mr. Winston Churchill tried to talk Mr. Bernard Baruch into saying that the loan was going to be all right.

Let us see what Mr. Walter Lippmann has to say about Mr. Byrnes now.

There is an important reason why the American Government is basically misinformed, why it has lost touch with the realities. It is that the Americans abroad are not dealing at first hand with the main elements of the German situation.

I ask unanimous consent to have printed in the RECORD all of the editorial appearing on page 1, and the first three paragraphs on page 2.

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

Mr. GURNEY. I object.

The PRESIDING OFFICER. Objection is heard.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

| | | |
|---|---|---|
| Aiken | Hayden | Pepper |
| Austin | Hickenlooper | Radcliffe |
| Ball | Hill | Reed |
| Bankhead | Hoey | Revercomb |
| Barkley | Huffman | Robertson |
| Bridges | Johnson, Colo. | Russell |
| Briggs | Johnston, S. C. | Shipstead |
| Buck | Knowland | Smith |
| Butler | La Follette | Stanfill |
| Byrd | Langer | Stewart |
| Capper | Lucas | Taft |
| Donnell | McCarran | Taylor |
| Downey | McClellan | Thomas, Okla. |
| Eastland | McFarland | Thomas, Utah |
| Ellender | McKellar | Tobey |
| Ferguson | McMahon | Tunnell |
| Fulbright | Magnuson | Tydings |
| George | Maybank | Wheeler |
| Gerry | Millikin | White |
| Green | Mitchell | Wiley |
| Guffey | Moore | Willis |
| Gurney | Morse | Wilson |
| Hart | Murdock | Young |
| Hatch | Myers | |
| Hawkes | O'Mahoney | |

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

The Senator from North Dakota.

Mr. LANGER. Mr. President——

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

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. I wish to inquire what the pending amendment is.

The PRESIDING OFFICER. The pending amendment is amendment No. 1 of the Senator from North Dakota.

Mr. LUCAS. Under the rule, how many times may the same Senator speak on the same amendment?

The PRESIDING OFFICER. A Senator may make two speeches on the same question on the same day.

Mr. LUCAS. Do I correctly understand that the Senator from North Dakota has now made one speech on the pending amendment?

Mr. LANGER. No, Mr. President; this is still the first speech.

The PRESIDING OFFICER. The Chair understands that it is the first speech the Senator from North Dakota has made on this question.

Mr. LUCAS. Mr. President, the Senator from North Dakota has completed his first speech, under the rule, and he is entitled to another speech, under the rule. Am I correct?

The PRESIDING OFFICER. The Senator from North Dakota is entitled to another speech, under the rule.

The Senator from North Dakota is now recognized.

Mr. LANGER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LANGER. Am I entitled to another speech after this one?

The PRESIDING OFFICER. If any Senator makes the point of order, the Chair will state to the Senator from North Dakota, the Chair will rule that the first speech of the Senator from North Dakota on the pending question has terminated.

Mr. LANGER. Mr. President, I have not yet completed my first speech.

Mr. LUCAS. Mr. President, now I make the point of order, if I am required to do so, I wish to protect the Senator from North Dakota; I do not wish him to talk too long.

Mr. LANGER. Mr. President, I wish to say to the Senator that I have three amendments, and I wish to talk on all three of them and thereafter I shall wish to talk on the bill, in addition.

Mr. LUCAS. I understand that.

The PRESIDING OFFICER. The point of order of the Senator from Illinois is well taken. The quorum call terminated the first speech of the Senator from North Dakota; and under the Senate rule he is entitled to make another speech on the same subject.

The Chair recognizes the Senator from North Dakota.

Mr. LANGER. I thank the Chair.

Mr. President, in view of the fact that my request for unanimous consent to have the editorial to which I was referring printed in the RECORD, without reading, was refused on objection by my distinguished colleague the Senator from South Dakota [Mr. GURNEY] I shall now proceed to read it.

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

Mr. LANGER. I yield.

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senator from North Dakota may have the editorials printed in the RECORD, without reading.

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

Mr. LANGER. Mr. President, I did not understand the Senator's request.

Mr. LUCAS. I have asked unanimous consent that the editorials may be printed in the RECORD, without reading.

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

Mr. GURNEY. Mr. President, reserving the right to object, let me say it is very expensive to print whole pages of material in the CONGRESSIONAL RECORD. I was hoping that we could cut down the number of pages which might go into the RECORD for today. If the Senator from North Dakota would like to read the editorial, I should like to sit here and listen to it.

Mr. BARKLEY. Mr. President, if the Senator will permit me to make a statement at this time, let me say that it will cost just as much to print the editorial in the CONGRESSIONAL RECORD if it is read as to print it under a unanimous consent request without reading, whereas there would be some economy of time if we were not required to listen to it. In other words, Mr. President, if the editorial is to appear in the CONGRESSIONAL RECORD, the same number of pages will be required for the printing of it in the RECORD, regardless of whether it is read or whether it is printed in the RECORD under a unanimous consent agreement that it be printed without reading.

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

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

[From the Washington Post of May 7, 1946]

THE GERMAN DRAMA

(By Walter Lippmann)

The European reaction to his disarmament treaty should be enough to convince Mr. Byrnes that his advisers have not supplied him with a true picture of the German situation. The proposal was still a top secret when I left Paris a week ago Monday; when I read the text in the New York newspapers the next morning, I would have bet right then and there that the Russians would be rude and angry and that the British would brush it off with frigid politeness. For the proposal, which would have been well-received in 1944, is based on a radical misunderstanding of what is happening in Germany. It takes no account of, and indeed runs afoul of, the evolution of Soviet and British policy. That is why it has met such a rebuff.

The proposal assumes, quite mistakenly, that the paramount objective of our two allies is to keep Germany disarmed. In fact, they are maneuvering for position in anticipation of a war which they regard not necessarily as inevitable but as probable. In such a war, Germany would be not only a battlefield. The Germans would play an enormous part. Though battered, the Germans are still by all odds the strongest nation in Europe. A duel is in progress between London and Moscow for the control of the German population, and its high military potential.

The grim reality of this Anglo-Soviet duel is not altogether hidden from the Americans. But it is obscured for them even in Germany, and apparently its significance has not been appreciated at all in Washington.

There is an important reason why the American Government is basically misinformed, why it has lost touch with the realities. It is that the Americans abroad are not dealing at first hand with the main elements of the German situation. In the division of these zones of occupation the United States got that part of Germany where nothing that really matters is happening, or can be made to happen. Our people are conscientiously doing the best they can, and in General Clay they have a chief who in character, bearing, and competence represents the very best of the American tradition. But as to running Germany, and determining its destiny, the Americans are not in the driver's seat. They are passengers and back-seat drivers.

President Roosevelt must have guessed that this would happen if the United States was relegated to southern Germany. He argued for a long time against Mr. Churchill's insistence that Britain should have the zone which, because it contains the oceanic ports and the Ruhr, is the key position in Germany, and indeed in Europe. President Roosevelt had to give in. As a result it is only nominally true to say that Germany has been divided into four zones of occupation.

The more revealing way to describe the arrangement is to say that the Soviet Union and Britain have divided Prussia between them, leaving the south German states to be divided between France and the United States. Now since 1866, when Bismarck defeated the south German state, Prussia has dominated Germany. Prussia contains all the essential elements of the German power; the strategical gateways into the Low Countries and France, the oceanic ports, the primary resources, the basic industries, the strongest and most numerous population, the political party machines and their bosses, the headquarters of the trade unions, of the banks, of the cartels, of the communications, the main markets, the appartus of publicity, the Lutheran church, the homeland of the military caste, the centralized bureaucracy, and, last but by no means least, the capital city of Berlin.

Whoever rules Prussia has for the past 80 years ruled Germany. The Americans are not ruling in Prussia. The British and the Russians have divided it between them, and the inner drama of Germany is the contest between them for the control of Prussia. The outcome of that contest is bound to determine the destiny of the whole of Germany, and of Europe, and of the world.

If the reader now asks how all this is to be reconciled with the spirit of the Allied pledges to disarm and demilitarize Germany, I am afraid the answer is that only among the Americans and the French is the avowed policy the real policy. The real policies of the British and of the Russians are disclosed by their actions rather than by their formal statements. They may be described, I think, as a reversion, gradual but accelerating, by drift rather than by clear intention, to their prewar illusions about Germany; namely, to the notion that each can find a way to use a united Germany. The British, who like to think of the continuity of their foreign policy even when it is wrong, are reverting to the notion of Neville Chamberlain—that Britain can turn Germany against Russia. The Soviets, who also have a remarkable continuity, are reverting toward the basic conception which produced the Molotov-Ribbentrop pact of 1939—that Germany can be turned away from Russia against the west.

Much of this Anglo-Soviet duel is hidden from view, yet not so much but that we know that much is hidden. The German officers who were captured at Stalingrad, and were for a time used to make propaganda against Hitler, have disappeared behind the famous iron curtain. But it would be naive to suppose that they do not continue to form an important connection with important elements of the German army.

There is also a German army, a large and good one, which surrendered to the British. The story of that surrender has still to be told in detail. The story of what happened to that German army after the surrender is still hidden behind a silken curtain. Enough is, however, known to warrant the statement that the corps of officers in this particular army were treated with exceptional consideration, with enough chivalry to justify them in feeling that their careers as professional soldiers were not necessarily and finally terminated. Their treatment may have been in fact merely sportsmanship to a loser and chivalry to the vanquished. But it has suited remarkably what these German nationalists most want to believe—namely, that they will live to fight another war in which Germany will recover her territory and her greatness.

What is happening on the surface confirms in every way what can only be inferred about what is happening under the surface. In the open the Anglo-Soviet duel is being fought out through the German political parties. The Russians, of course, are sponsoring and promoting the Communist Party. Its most prominent leader is Wilhelm Peick; its director, I am reliably informed, is Walter Ulbricht, a former officer on Marshal Zukov's staff, whose wife has been one of the marshal's secretaries. The object of the Communist Party is to swallow the Socialist Party, and thus to unite under one command the whole German working class. In the Soviet zone and in Berlin, this has been accomplished. The British, on the other hand, are sponsoring the Social Democratic Party under the leadership of Dr. Schmacher, who resists the fusion of the Socialists with the Communist Party. They appear to be thinking wishfully that the British Labor Party can resurrect the second Socialist International to combat the third Communist International.

The most noteworthy fact about this political contact is that it is turning into an auction to gain the favor of patriotic German nationalists. The Russians, bidding among the Germans for popular support of the Communists, are having to take the position that Germany should not be dismembered, certainly not in the west, and that the unity of Germany must be restored. This is, of course, a bit difficult to reconcile with the annexation of German territory by Poland. But the German Communists, who are now as always German nationalists, have a very good private answer to this anomaly. It is that in the end a Soviet Germany and a Soviet Russia will once again partition Poland, and that this will happen when war with the western powers is imminent.

The British, bidding for German support of their Social Democrats, are also having to offer unity to the Germans. They are meeting the Russian bid. As a result, the political reeducation of Germany, about which we have heard so much, now consists in teaching the Germans that by exploiting the competition between Britain and Russia, making the two rivals bid against each other, they can recover the unity of Germany and make themselves the decisive military factor in the European and world balance of power. The walls of Berlin are covered with Communist posters, ostensibly calling for the unity of the Socialists and Communists, which have as their slogan, "Durch Einheit Sieg" (through unity victory). These are the very words, and were chosen because they were the very words—the trumpets and the banners—of German nationalism, pan-Germanism, and indeed of nazism.

Our friends in Moscow and in London are acting as if they had learned nothing about Germany. For here they are returning to the very policies which brought them to the very edge of disaster. One would think the British foreign office would know by this time that in a contest with the Russians for Germany, the Germans will play one against the other till Germany has recovered her power; that then Germany will turn first against the west, because the western powers are weaker. And one would think the Russians would have realized by this time that German Communists are Germans, and that after they have turned against the west, they will turn against Russia.

After all, if London and Moscow revert to their prewar policies, they are foolish indeed if they do not realize that the Germans will also revert to their prewar policies. And we shall commit the greatest folly of all if, instead of exposing and denouncing this mad Anglo-Soviet contest—and intervening to liquidate it—we let ourselves be sucked into it, blindly following the leadership of the blind.

This, as I was able to observe it, is the German drama today. In my next article I shall try to indicate how we, given the curious position we have in Germany, can best obtain

a leverage to intervene in order to avert what will otherwise most certainly be a catastrophe for the whole world.

Mr. LANGER. Mr. President, I now wish to call the attention of the Senate to an article written by Harold L. Ickes which appeared in the Washington Evening Star of Wednesday, May 8—yesterday afternoon. This columnist's article is interesting, insofar as what he has to say about Mr. Byrnes, the Secretary of State. His article explains the apparent reason why Mr. Lippmann apparently changed his mind between the 8th day of December and now. Mr. Ickes perhaps knows Mr. Byrnes as well as anyone does, having served in the Cabinet with him. Here is what Mr. Ickes said in his column printed in last night's newspaper, in the column entitled "Man to Man." The headline is:

State Department Gets Fewer Facts Than Newspaper Reader, Says Writer.

Mr. President, I now call the attention of the Senate once more to the fact that two Senators said they were going to vote for the pending joint resolution because Mr. Byrnes wanted it. Here is what Harold Ickes says about Mr. Byrnes and about his knowledge of affairs of State:

It would be interesting to know why Secretary James F. Byrnes chose recently to reverse himself regarding the functions and organizational structure of the State Department's intelligence unit.

Last fall Col. Alfred McCormack, the State Department's chief of intelligence, was charged with the responsibility of organizing a separate and permanent intelligence unit. It was to serve as a research and analysis section on intelligence matters, reporting to the State Department and comprising one section of the President's recently ordained Central Intelligence Authority.

Secretary Byrnes has now performed a left about-face. He has discarded this plan and divided the intelligence work among five musty old-line divisions. By this move Secretary Byrnes has, for all practical purposes, dismembered and disemboweled the intelligence section. As might have been expected, Colonel McCormack has resigned in indignant protest.

BAT-IN-THE-BELFRY CHARGE

There has been an unsubstantiated bat-in-the-belfry charge by the House Military Affairs Committee that the State Department's intelligence division contained 15 "pro-Soviet" sympathizers brought to the Department by Colonel McCormack. Colonel McCormack vehemently met these charges with documented evidence and challenged the committee to hold an investigation to prove its allegations. The committee, in the Dies tradition, failed to do so. Apparently it doubted its ability to hit above the belt.

Secretary Byrnes, distinguished jurist of the Supreme Court that he has been, surely was not influenced by such "evidence." Perhaps the denial of funds by the House prompted his decision. If so, he is unhappily fainthearted. It seems more reasonable to believe that the Secretary of State was influenced by the career diplomats whom he inherited when he assumed his present post. In any event, his abandoning of the vitally important intelligence duty to the various "geographical desks" is regrettable and at variance with our national welfare. Mr. Byrnes is naive, indeed, if he supposes that the common good will be served by such a plan.

In the prewar years this country was almost solely dependent upon the "tea party" intelligence provided by its diplomatic "observers" in foreign lands. Hampered by diplomatic protocol and time-consuming social functions, diplomatic observers abroad found it possible to provide their Government with little more than the news gathered during a dance with the Australian military attaché's wife, and the tidbit wafted over a cup of tea or a highball. The result was that responsible newspaper correspondents were almost inevitably better informed on conditions within the country of their assignment than the American ambassador. Particularly was this true as regards the public opinion of the country in question and the propaganda and other activities of other nations therein.

Mr. President, I invite the attention of the Senate to the fact that one Senator has said that he would vote for the joint resolution because the Secretary of State wanted it to be passed, and that he had confidence in Mr. Byrnes. Mr. Ickes does not share such views. Mr. Ickes said:

All diplomatic reports from around the entire world, excepting only Central and South America, are, according to my information, funneled to the Secretary of State through Assistant Secretary James C. Dunn, the patent-leather diplomat who distinguished himself by marrying into the Armour Co. millions.

That is what Mr. Ickes has said:

This one man, conservative and reactionary, and of no outstanding ability, controls complete the flow of information upon which this country predicates much of its foreign policy.

If Mr. Byrnes is acting in connection with the proposed loan upon the basis of Mr. Dunn's suggestions, if all the information coming to Mr. Byrnes with regard to the proposed loan of $4,750,000,000 is information which was funneled to him through Mr. Dunn, as Mr. Ickes has said, then the fact that Mr. Byrnes wants the joint resolution to be passed is not of very much help to the Senate. One Senator has said that he would vote for the joint resolution because Mr. Byrnes wanted him to do so.

Mr. Ickes further said:

A report at variance with Mr. Dunn's personal and limited views may be killed and never be seen by the Secretary of State.

Apparently the only information which the Secretary of State received as to whether the loan should be made came through Mr. James C. Dunn.

I repeat.

A report at variance with Mr. Dunn's personal and limited views may be killed and never seen by the Secretary of State, his Under Secretary, or any other Department official of high rank.

In other words, Mr. Dunn keeps the information away from the Secretary of State.

As the result of this unfortunate state of affairs, the average businessman, who diligently pursues his daily papers, is better informed on world events and conditions than is the Secretary of State.

Think of that, Mr. President. A businessman in the State of Iowa may be operating a dairy, another man may be digging in a quarry somewhere in Indiana, another man may be running a lot of stock on the plains of Oklahoma, a farmer may be raising wheat upon the prairies of North Dakota, a banker may be operating a bank in some little town in Texas, another man be operating a fishing business in Seattle, Wash., and all those men, according to Mr. Ickes, are better informed than is Jimmy Byrnes with regard to what is taking place. Yet Senators have said that they would vote for the pending joint resolution because Jimmy Byrnes wanted the joint resolution to be passed. Harold Ickes—Honest Harold—the only Republican out of 25,000,000 or 26,000,000 who was first selected by President Roosevelt to be the one man whom he could trust, and the one man in whom he could have confidence, said:

As the result of this unfortunate state of affairs, the average businessman, who diligently peruses his daily papers, is better informed on world events and conditions than is the Secretary of State. At least the newspaper reader is presented with diversified opinions and views on international affairs that are not afforded to the Secretary of State by such official documents that he may be permitted to see.

According to Ickes, Jimmy Byrnes does not even see the official documents. They go to a man named Dunn. The Under Secretary does not see them. Mr. President, imagine a man operating a bank and all of the business of the bank being handled by the bookkeeper without the cashier, the president or vice president of the bank ever seeing, for example, the paper on which money is being loaned. Here we have the Secretary of State for the United States seeing nothing which Jimmy Dunn does not want him to see.

Mr. President, I do not know much about this man Dunn. I have heard much about him. I remember that when once the poor Jews of Europe were trying to get away from Hitler and get into some of the other countries, it was James C. Dunn who so changed a cablegram as to result in the death of scores upon scores of those Jews. I have copies of that cablegram in my office.

Just think of Harold Ickes, who served in the Cabinet for many months with Jimmy Byrnes, saying that because of the fact that James C. Dunn, who is a conservative, a reactionary, and of no outstanding ability, determines whether important documents shall come under the observation of the Secretary of State, the Secretary of State knows only what Jimmy Dunn allows him to know. Yet, Mr. Ickes say that Mr. Dunn does not know much.

Mr. Ickes says:

This one man, conservative and reactionary, and of no outstanding ability, controls completely the flow of information upon which the country predicates much of its foreign policy.

Mr. President, think of that. The position this country may take with regard to Iran, the position this country may take with regard to the question of whether Russia is to have the Dardanelles, the position this country may take with reference to a free election being held in Greece, the position this country may take with regard to what Great

Britain is doing in India, the position this country may take with regard to what happens in Argentina, are all dependent upon what Mr. James C. Dunn brings to the attention of the Secretary of State. Mr. President, I mentioned Argentina. Heaven knows something was wrong there, because according, to my good judgment the Secretary of State's office never did a poorer job than when it prepared the white paper on Argentina which was released just before the Argentine elections. If a 10-year-old child in the State Department had undertaken to do the work in connection with that white paper, he could not have done any worse than was done. The people of Argentina resented the United States Government sticking its long nose into their political matters, and in no uncertain terms said so at the election.

Harold Ickes said:

All diplomatic reports from around the entire world, except only Central and South America, are, according to my information, funneled to the Secretary of State through Assistant Secretary James C. Dunn, the patent-leather diplomat who distinguished himself by marrying into the Armour Co. millions. This one man, conservative and reactionary, and of no outstanding ability, controls completely the flow of information upon which this country predicates much of its foreign policy.

A report at variance with Mr. Dunn's personal and limited views may be killed, and never be seen by the Secretary of State, his Under Secretary or any other department official of high rank.

Mr. President, how many people in America know that? How many Gold Star Mothers in America know it? The American people believe that they have as a part of their Government a real Department of State, and a real Secretary of State. The soldier on the battlefield went bravely into battle, Mr. President, because he was fighting for his country. He, of course, thought that his country had a Secretary of State who knew what was taking place, a Secretary of State whom England could not take by the nose and lead around and around and around the stump. This is Harold Ickes talking now, a man who has been in the Cabinet for over 12 years. This is not any ordinary columnist. This is a man who knows more about the Government than perhaps 135,000,000 people in America know about it, because he has been a part and parcel of this Government for nearly 13 years. He tells what kind of a Secretary of State and Department we have here. He says:

The average businessman, who diligently peruses his daily papers, is better informed on world events and conditions than is the Secretary of State.

In other words, Mr. President, the GI who was able to get hold of a newspaper knew more about what was going on in the world than did the Secretary of State of the United States Government, and our GI boys were risking their lives depending upon the knowledge of the Secretary of State. Mr. Ickes proceeds:

At least the newspaper reader is presented with diversified opinions and views on international affairs that are not afforded to the Secretary of State by such official documents as he may be permitted to see.

Just think of a situation where a man in the office of the Secretary of State says what may or may not be seen by the Under Secretary, or what may or what may not be seen by the Secretary of State of this country. That man is Mr. James C. Dunn. Says Harold Ickes:

Our State Department should have up-to-date facts—hard, concrete intelligence—not suppressed or culled by mediocre men whose opinions jelled three decades ago. Our national interests are not being served by keeping an underdone man in an important position to which he is not equal.

Mr. President, if the directors of a bank find that a cashier is no good, they fire him. No matter how small a business may be, if the directors find it is not making money, they get rid of the officials. But here, Harold Ickes says that this man's opinions jelled three decades ago. He continues:

Our national interests are not being served by keeping an underdone man in an important position to which he is not equal. One of the most disappointing and disturbing facts about Mr. Byrnes as Secretary of State has been his coddling of Assistant Secretary Dunn, who should have been handed his visa from the Department of State a long time ago.

Mr. President, some may wonder why Secretary Hull kept him. After a while truth will come out. We see men in public office, a head man keeping another man on, and we may not like the subordinate and just wonder why he is being kept. A year may go by, or 2 years, or 3 years, or 4 years, but finally the people find out why Secretary Hull kept a fellow like this one, who Ickes says is no good, whose mind jelled 30 years ago. Ickes says:

It is easy to understand why Secretary Hull kept him on. He played a wicked game of croquet.

Apparently the reason why the Secretary of State of the United States kept Mr. Dunn, according to Harold Ickes, was because Mr. Dunn could play a good game of croquet. Ickes proceeds:

But I have never understood that Secretary Byrnes is an addict of that game.

That, Mr. President, is an article written by Mr. Ickes, for 13 years a member of the Cabinet, and published only yesterday.

I call attention to the fact that all I am asking is that the American veterans get the same kind of deal England gets. England is to get $3,750,000,000, which is the assessed valuation of 10 of the 48 States of this Union. All I am asking is an amendment to the joint resolution providing:

That notwithstanding any other provision of the law, no loan made after the date of the enactment of this joint resolution by any department or agency, including Government-owned or controlled corporations of the Federal Government—

That would include the Housing Administration—

to any person who served honorably in the armed forces of the United States during World War II shall bear interest at a rate in excess of 1.6 percent per annum. No interest shall accrue or be payable on any such loan for a period of 5 years from the date of making such loan.

Mr. President, that is a kind of a deal England is getting. Our taxpayers are putting up $3,750,000,000. England can borrow that money without interest for 5 years, and get the balance at 1.6 percent. Why should not an American boy who lost his legs, an American boy who went out and fought 2, 3, or 4 years in the fox holes, get as good a deal as England is getting?

Mr. President, it is shameful the way the American veteran has been treated by this administration. I repeat, when the war broke out President Roosevelt tried to do something about it. President Roosevelt wrote a letter to the Congress and said:

Here are two brothers.

Some Republicans wonder why Roosevelt's name is so great, some of those fellows who go traveling all over the country making fun of Mrs. Roosevelt. I have listened to some of them. I am not talking now about the Republican Members of the Senate. I am talking about some Republicans who come to Senators when they reach home, who come to us on the street corner, who, when President Roosevelt was alive, made fun of him. Many a time on this floor I have heard Senators in our discussions wonder why the President was so popular. I said, "You made him popular with the soldier boys."

I repeat, when the war broke out, President Roosevelt wrote us a letter stating:

Here are two brothers. The Government drafts one, and the other one does not go into service. The Government pays the one who is taken away from his home, the one who may be sent to his death, $50 a month, $600 a year.

President Roosevelt said in his letter to the Senate, "I believe that the brother who stays home, who makes $67,200, and who after he pays his income tax has $25,000 remaining, has enough of an income." He wanted the net salary of the brother who stayed at home limited to $25,000 a year. Many and many a soldier wrote me that he thought the $25,000 salary limitation was a just limitation; that $25,000 was sufficient. One of the things I was proud to write back to those soldiers from North Dakota was that I had voted for the $25,000 salary limitation.

Now when the war is over and the boys come back we find the spectacle against which I protested a week or 10 days ago of a lady's garment store in New York City, Gimbel's, selling 600 new trucks at a time when 13,000 veterans with certificates and priorities could not obtain a single truck. The outfit that got the trucks from the War Assets Corporation in Indiana got them at $1,900 apiece, and Gimbel's advertised the trucks for $2,900, a profit of a thousand dollars on each truck, or a total of $600,000 profit on one little deal. The veterans will have to help make up whatever deficit there may be by taxes. If a veteran succeeds in getting hold of a piece of property he will be obliged to pay his share of taxes on that $600,000 transaction. That is the kind of deal the veteran has been receiving from the administration.

Mr. President, the farmer does not get any better deal. A North Dakota veteran, a farmer in my State, who wants to get a Diesel engine cannot buy it in Bismarck, N. Dak., he cannot buy it in Fargo, N. Dak., or in St. Paul, Minn., in Minneapolis, Minn., or anywhere in the State of Wisconsin. He is obliged to go to Chicago to get it, nearly 1,000 miles away from some parts of North Dakota. The veteran must travel that great distance to buy a Diesel engine or a tractor. His round trip totals 2,000 miles. He must leave his work, perhaps leave in his place an old father or mother 60, 70, or even 75 years old to milk the cows and do the heavy work around the farm. Senators on this floor know what kind of a deal the farmers have been getting under the draft law. We have one North Dakota farmer whose two sons were drafted and were killed in the war. The Government drafted the third boy and left that man, 65 years old, to get along the best way he could with nearly 640 acres of land. How would any Senator like to have his old father go out in subzero weather and milk cows?

Mr. President, I described a little while ago the sort of deal the veterans have been getting with respect to life insurance. The veterans have two kinds of life insurance. There is the national service life insurance which insures the boys who went into the Second World War. Then there is the World War Veterans Act which insured the boys in World War I. Let me illustrate. A soldier insured under the World War Veterans' Act and a man drafted during the present war are fighting side by side. Both are paying the same premiums on their policies. They are both hit by the same shell and as a result both become permanently and totally disabled. The one insured under the World War Veterans' Act receives payments of $57.50 a month while the other one who was drafted in this war receives nothing. In fact there are cases of men who have been insured under the World War Veterans' Act, and a part of their insurance is under the National Service Act, who are now being paid under the World War Veterans' Act, but are receiving nothing under the other act. The distinguished Senator from Arizona [Mr. MCFARLAND], who introduced bills for the purpose of trying to correct this situation, a while ago said that they had been in committee for over a year, and he has been unable to get the bills out of the committee. They are still pending in committee.

Mr. President, if any Senator has any doubt in his mind on this subject, let me say that the American Legion in its national convention for the last 4 years has recommended to the Congress of the United States amendments to the National Service Insurance Act removing this unjust discrimination in the matter of granting insurance benefits.

A bill which would remove the discrimination has been before the World War Veterans' Committee in the House and before the Finance Committee of the Senate for more than a year, but no committee hearings have as yet been held. I wish every GI in America could know that. If they all knew it, the administration would not get enough votes from among them to bother to count in the next election. Boys in the last war have lost arms and legs, have become mental cases, and yet the bill has been in committee for over a year and nothing has been done about it.

I come now to the housing program. I picked up a newspaper the other day and read that a $1,000,000 race track is being built in California. A veteran, however, cannot get any lumber to build a little home for himself, his wife and children. If any Senator knows of an apartment in New York, I wish he would let me know, because a son-in-law of mine who got out of the Navy a while ago cannot find a home for himself, his wife and his baby, and is living with his father and mother. He has called on every real estate agency he could think of and has gone through the telephone book time and again, but cannot find an apartment for rent. But a $1,000,000 race track can be built. And in one of the great gambling towns of the United States, a town out West, they are today building a large gambling place, which, I understand, will cost nearly half a million dollars.

All I ask is that for once the veteran be given a square deal. At least treat the veteran as well as the boys in England are treated. Our country is made up only of its citizens. The people of England, including their veterans, are taxpayers in their home country. It is proposed to give them $4,400,000,000, and they will pay no interest on that sum for 5 years, after which they are to pay 1.6 percent. But we here charge our veterans 4 percent on any money they borrow from the Government. When a Senator speaks on such a subject he is accused of filibustering.

I wish a committee of veterans could come and see how many empty seats there are in the Senate at this moment. I wish the veterans could see the empty seats of the Senators from their own States, and know how much interest they are taking in an insurance bill introduced by the junior Senator from Arizona who is trying to get some money for the boys who lost their arms, their legs, and their eyes. That bill, as I previously said, has been in committee for over a year, and the Senator cannot obtain a hearing upon it. Yet some wonder why the people of the country are mad at the Senate. That does not make any particular difference to me, because it happens that I am not supported by either the Republican or the Democratic gang in the State. I am just elected by the common people.

The distinguished Senator from New Hampshire [Mr. TOBEY] told me a little while ago that the veterans are taken care of; that they do get money. I have some papers in my hand dealing with the case of a veteran. I told the Senator I had some such cases. I am a peculiar sort of a fellow, for when I make a statement I like to prove it just as I did the statement respecting Winston Churchill. A Maine editor wrote an article in which he said I was mistaken. He said that Winston Churchill did not fight against America. The writer last week, after I had made a statement about Winston Churchill, said that I did not know what I was talking about. So I got the International Who's Who and looked up the item about Winston Churchill which he himself wrote.

Mr. Churchill wrote this himself. He tells all about himself. He says:

> I entered the army in 1895, served in Cuba with Spanish forces against the Americans.

That is the Winston Churchill who all of a sudden loves the people of the United States so much. He told us, "I am half American." He did not say which half. This is the man who fought against this country. He did everything he could to ruin it; and if Spain had defeated the United States he would have been happy. He is so proud of it that he puts it in his own biography. When he speaks anywhere we turn on all the radios in America to be sure not to miss a word of what Winston Churchill, the man who tried to wreck this country, is saying on any subject.

We have GI's who went over there and lost their legs or arms. When they speak over the radio it is not advertised. No one knows about it. They are only poor soldiers. What difference does it make if a GI cannot get a home to live in? If he cannot get a decent house, he can live in a shack. If he cannot find a shack he can live in a tourist camp. If he cannot find a place in a tourist camp he can live with his mother-in-law and father-in-law or stepfather. If the life-insurance law is not exactly right, and he has lost a couple of legs or a couple of arms, or lost his eyes, and does not receive any compensation through his life-insurance policy it makes no difference. The distinguished Senator from New Hampshire [Mr. TOBEY] said so. I have in my files the papers in a case from Fargo, N. Dak.

We are told that we take good care of our GI's and do everything for them. It is said that we give them $50, $60, or $70 a month. I suggest that anyone who believes that should go to the Congressional Library and look through the files of the Fargo Forum. Look up the case of the soldier boy who went to a veterans' hospital with a broken arm and sat there 8 hours before he could get attention. Take the case of another boy who went to the veterans' hospital and sat there until he died, without any doctor taking care of him at all. Look at those cases and then tell me that those boys are properly taken care of.

I am glad that this happened before Omar Bradley became head of the Veterans' Administration. It happened under the administration of his predecessor. I believe that General Bradley is trying to do a good job. I have no quarrel with Mr. Hines. He apparently did the very best he could.

I have received a letter, dated April 24, which reads as follows:

> For your information, and at the request of Dr. James R. Dillard, of Fargo, N. Dak., formerly lieutenant colonel, Medical Corps, United States Army, I am enclosing herewith copies of hearings, orders, and affidavits in the officers' retirement file of Dr. Dillard.
>
> You will note from this file that Dr. Dillard served for over a period of 4 years in

combat area in the South Pacific. You will note that he was discharged because of a disability of arthritis—

If anyone has ever had arthritis he knows how terribly painful it is. I know of young people who have had it. I know a doctor's wife in Bismarck, N. Dak., who has it. She is less than 30 years of age. She is hopelessly crippled, and must be carried around.

I continue with the letter:

and that when he was discharged he was brought before the Officers' Retirement Board and after a hearing [copy of which is enclosed marked "addendum"] that the retirement board recommended Dr. Dillard be given officers' retirement because of such disability of arthritis. You will further note from the file that the War Department refused to concur in the findings of the retirement board and ordered a new hearing. You will note further that Dr. Dillard procured an affidavit from Dr. Joel C. Swanson and from Dr. Trygve E. Oftedal and filed such affidavits with the second retirement board. You will also note the copy of Dr. Dillard's letter to the retirement board dated December 31, 1945.

The second retirement board had a hearing and the second board recommended that Dr. Dillard be retired under the Officers' Retirement Act, and again the War Department has now refused to concur in the findings of the second retirement board, as you will note from the copy of the letter dated April 12, 1946, addressed to Dr. Dillard and signed by the Adjutant General.

Congress has passed legislation giving to Reserve officers and National Guard officers the rights of retirement for disability the same as Regular Army officers, but the Adjutant General's Office, not only in this case but in most cases affecting a National Guard officer or a Reserve officer, refuses to concur in the findings of the Officers' Retirement Board.

Why am I interested in this case? Why did I say to the distinguished Senator from New Hampshire that these boys might get something? When I was Governor of my State I used to review the National Guard. There is not a finer group of citizens in the State than the National Guard. Here we have the case of a man in the National Guard.

Continuing with the letter:

This is just plainly a case of the War Department not carrying out the wishes of Congress and favoring Regular Army officers for retirement over National Guard and Reserve officers.

The distinguished Senator from New Hampshire stated that we had a law under which certain boys would get a certain amount of money each month. They do not get it, anymore than the selective-service boards in some of the States enforced the Tydings amendment. The Tydings amendment provides that if a farm boy has 16 units he may not be drafted. He is taken anyway. If they want him they take him, whether he has 24, 50, or 80 units. I know of one case in which a man had more than 80 units, and he was taken anyway.

When I asked a distinguished member of the Senate Committee on Military Affairs how the Tydings amendment could be ignored, he replied, "What can you do about it in case they do ignore it?" I asked, "Cannot the officials be impeached?" He replied, "How far would you get if you tried it?"

Today all over the Northwest, particularly in my State—and I know it is true in Montana and South Dakota—these boys are being drafted. I related the case of a family in which two boys were killed in the war, and the third one was taken. When anyone writes time and time again, as I have done, to the Selective Service Board, what answer does he receive? "Go to an employment agency and get a hired man." But when a farmer goes to the employment agency he cannot get a hired man. There are none available. So we have men 65, 70, 72, or 75 years of age, trying to farm, trying to raise a crop to feed the famished peoples of the world. They cannot obtain hired men. Their boys were taken away from them.

The farmers in my State had a little wheat left for seed. It looked as though a drought were coming. The other day Mr. LaGuardia and Mr. Anderson stated that they were going to take the wheat anyway. They tried it in World War I, when the distinguished senior Senator from Ohio [Mr. TAFT] was working with Mr. Hoover. They were going to take the wheat at that time. The officials said to the farmers, "If you do not sell your wheat in 30 days for $2.26 in Minneapolis, we will come out and take it." I am not blaming my distinguished friend from Ohio, because he was only Mr. Hoover's assistant. The regulation was promulgated to the effect that if a farmer did not sell his wheat for $2.26 at Minneapolis, the administration would take it. That was tried in North Dakota, but fortunately I was attorney general of the State at that time, and the minute they tried it I arrested the whole kit and kaboodle of them. I said, "We will let a jury in the United States court say whether you can take a man's property."

After the wheat was taken, what was done with it? Believe it or not, it was sold to a friend of the man who took it for $1 a bushel. All the man had to do was to load it up and send it to Minneapolis and get $2.26. The United States Government took wheat at Baldwin, N. Dak., and sold it for a dollar a bushel. I arrested some of the officials. If it had not been for the efforts of my distinguished friend, the senior Senator from Ohio, I would have put them all in jail. Senators know how diplomatic he is. I was pretty young at that time. I was only 26 years of age, although I was attorney general of the State. The Senator from Ohio had had much more experience than I had had, and he talked me out of it. He told me that, after all, they were pretty good fellows. He said, "What is the use of putting a county food administrator in jail?" I met the distinguished Senator from Ohio at that time, and I have liked him ever since. He was a fine, level-headed young man even in those days.

To return to the letter which I have been reading:

Dr. Dillard would appreciate it very much, and so would I, if you would take this matter up with the War Department and demand written reasons from the War Department why they refused to concur in the findings of the two retirement boards.

My friend the distinguished Senator from New Hampshire said they always got money, that they always were taken care of.

Mr. TOBEY. I said what?

Mr. LANGER. The Senator from New Hampshire said they always are taken care of and get $60 or $70 a month——

Mr. TOBEY. No, Mr. President—

Mr. LANGER. Depending on how badly they were hurt.

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

The PRESIDING OFFICER (Mr. REED in the chair). Does the Senator from North Dakota yield to the Senator from New Hampshire?

Mr. LANGER. I yield.

Mr. TOBEY. I wish the Senator to have a complete understanding of what my position is. The Senator has complained that the veterans—the GI's, as he has referred to them—who are totally disabled are "gypped" by the Government and that it is a dishonest deal, and so forth—those were the words he used—and that if they are totally disabled they get no benefits under the war insurance policy. Well, Mr. President, they do not; but they get equal benefits for total disability under the Veterans' Administration; and the Senator from North Dakota knows that as well as I do. Therefore, I do not wish to have my country and the Congress defamed and held up to ridicule as if we had not taken care of the veterans. We have; and the Senator from North Dakota knows it as well as I do.

Mr. LANGER. Mr. President, I am not going to get into an argument with the Senator from New Hampshire, but I shall not yield further.

Mr. TOBEY. Mr. President, the Senator from North Dakota knows as well as I do that what I have just said is true, and he knew it before he started to speak.

Mr. LANGER. Mr. President, I am not going to yield further and I am not going to get into an argument. But here is a letter signed by the Commissioner of Veterans Affairs of the State of North Dakota. Although I have the greatest respect for my distinguished colleague from New Hampshire, I must also state that I know this commissioner well and I have known him for a great many years. When I was Governor of North Dakota he was adjutant general. He, Mr. Romanus J. Downey, would not write me a letter that did not tell the truth. The distinguished Senator from Arizona said that he had tried repeatedly to get the law amended and that an amendment to it had been pending a year before the Senate committee, but he could not get a hearing. I suggest that my friend the distinguished Senator from New Hampshire whom I love so much, write the veterans commissioner of his own State of New Hampshire, because then I know he will find out what the situation is, and, as a result, will join me in my endeavor in this connection. I know the Senator from New Hampshire so well and I know the big heart he has, and I know he will join me in seeing to it that this bill is reported by the committee, because certainly it is not fair

that a man who has served in both world wars and who holds an insurance policy for service in the First World War and also an insurance policy for service in the Second World War is paid under his insurance policy issued for service in the First World War but is not paid under the policy issued to him for service in the Second World War. Furthermore, certainly it is not fair that a man who enlisted in peacetime should be paid $57 a month, or whatever the amount may be, for disability resulting from being wounded by an exploding shell, whereas a man who was drafted for service in the recent world war and was hurt by the same shell explosion which hurt the other man receives nothing by way of disability payments.

Mr. President, I know the distinguished Senator from New Hampshire too well to doubt that he would think of such a situation is fair, and I know that he will join me in going before the committee and seeing to it that action is taken on that measure. The American Legion urges that such action be taken. I know that no one has a greater admiration for the American Legion than does my distinguished colleague, the Senator from New Hampshire. The American Legion in its national conventions for the last 4 years has recommended to Congress of the United States amendments to the National Selective Service Life Insurance Act so as to remove this unjust discrimination in the matter of granting insurance benefits. A bill for that purpose has been before the World War Veterans' Committee of the House of Representatives and before the Finance Committee of the Senate for more than a year last past. As the distinguished junior Senator from Arizona has said, he has tried his best to have that bill reported from the committee and passed by the Senate; and I know the Senator from New Hampshire will help us and some other Members of the Senate to secure its passage.

Mr. President, I read further from a letter which I have received from the commissioner of veterans' affairs of my State:

> Dr. Dillard would appreciate it very much and so would I if you would take this matter up with the War Department and demand written reasons from the War Department why they refuse to concur in the findings of the two retirement boards.

Mr. President, one reason why I am reading this letter on the floor of the Senate is because the writer of the letter, the commissioner of veterans' affairs of the State of North Dakota, has asked me to do so. He says in his letter:

> I might also suggest to you, Senator, that it would not be a bad idea for you to take this matter up on the Senate floor.

Mr. President, these veterans' affairs commissioners are desperate—and rightly so, I think. In order that the Senator may understand the situation, I say that I was amazed when I was told about it.

I read further from the letter:

> We have had many cases in North Dakota of National Guard and Reserve officers who have been seriously wounded and who have not been granted retirement benefits because the War Department has refused to concur in the finding of the officer medical boards and the retirement boards. * * * But we do have many National Guard and Reserve officers who would appreciate your bringing this matter to the attention of the Senate and of the public.
>
> With kind personal regards,
>
> Very sincerely yours,
>
> ROMANUS J. DOWNEY.

Mr. President, as I have said, Mr. Downey is an outstanding man. He has attached to his letter the affidavits, and I have them here in case any Senator wishes to look at them. The addendum gives the entire record of this man, and it is a very good record. He served 4 years in the South Pacific area. There are half a dozen affidavits accompanying the letter. I shall be glad to show them to anyone who is interested in seeing them. I shall not read them in the RECORD at this time and I shall not ask unanimous consent to have them printed at this point in the RECORD; I do not believe I wish to have that done at this time. But I will send the letter and the attached papers to the War Department. Perhaps I should take the time to read the affidavits now. I may do so later, but for the time being I shall lay this letter aside, because I wish to refer again to the little pamphlet which I have previously mentioned. It is the pamphlet which was prepared, according to the statement on the outside, by the Carnegie Endowment for International Peace.

Mr. President, it happens that I have known the president of that outfit, of that crowd—and they have done a lot of good; I am not criticizing them too much—for 35 years. It is all part of the same pattern. I hold in my hand a book entitled "Triumphant Democracy," by Andrew Carnegie himself, a man who came to the United States and made his millions over here, and then went back to Scotland. I now hold in my hand a copy of his book, and it is a copy which includes the last chapter. But, Mr. President, just try to buy a copy of that book with the last chapter in it; just try to find one. Andrew Carnegie went back to Scotland with the millions he made in the United States, and in Scotland he was entertained by the King of England. He also entertained the King of England at Skibo Castle, and the American flag and the English flag were flying over it. He said to the King, "The day is coming when we shall have the English flag for both countries. We are going to take America back where it belongs."

Mr. President, I wish to read certain parts of the last chapter of the book written by the man who organized the Carnegie Endowment for International Peace, of which Nicholas Murray Butler was the head. In the last chapter of the book, Andrew Carnegie prophesied just exactly what they are trying to put over in the Senate. He closed his book with a chapter entitled, "A Look Ahead," Andrew Carnegie himself wrote this. If it were not for the fact that I had an unusually good friend in New York, I doubt whether I could have gotten this copy of the book. But my friend was fortunate enough to get hold of a carbon copy of the original, in Mr. Carnegie's own handwriting, showing the interpolations.

I shall now read the last chapter of the book, beginning at paragraph 5:

> There are higher though perhaps no more powerful considerations than the material benefits involved in reunion.

Mr. Carnegie is now speaking about the United States and England uniting as one country under one flag. He would set aside everything that took place during the Revolutionary War.

I continue reading:

> Regarding these, I should like Britain to consider what the proposed union means. Not the most sanguine advocate of "Imperial Federation" dares to intimate that the federation he dreams of would free the markets of all its members to each other. This question cannot even be discussed when Imperial Conferences meet. If it be introduced it is judiciously shelved. But a British-American reunion brings free entry here of all British products as a matter of course. The richest market in the world is open to Britain free of all duty by a stroke of the pen.

That is what he is telling the British people. Andrew Carnegie said further:

> The richest market in the world is open to Britain free of all duty by a stroke of the pen.

I wonder what the farmers of the Northwest would think of that statement.

> No tax can be laid upon products of any part of the union even for revenue, although under "free trade" such taxes might still exist.

Andrew Carnegie was a smart man.

> What would not trade with the Republic "duty-free" mean to the linen, woolen, iron, and steel industries of Scotland.

Senators who are for America are now listening to the advice of an expert. Some Senators who voted for reciprocal trade agreements might not have voted for them if they had first read this book by Andrew Carnegie, the man who made a fortune in America.

I repeat:

> What would not trade with the Republic duty free mean to the linen, woolen, iron, and steel industries of Scotland, to the tinplate manufacturers of Wales; to the woolen and cotton, coal, iron, cutlery, and steel industries of England? It would mean prosperity to every industry in the United Kingdom, and this in turn would mean renewed prosperity to the agricultural interests now so sorely depressed.

Andrew Carnegie here was speaking to England.

> Few except those engaged in manufacturing—

I wish to call this particularly to the attention of the distinguished Senator from Pennsylvania. It is Carnegie who is now speaking, the man who loved America but loved England more.

> Few, except those engaged in manufacturing realize the position of Britain as a manufacturer in regard to the American market. The ocean, which many are still apt to consider a barrier between the two countries, is the very agency that brings so close and will ultimately bind them together. Coal, iron, steel, and all kinds of merchandise from Britain reach American ports more cheaply than American manufactures produced within a hundred miles of these ports.

Mr. President, I ask Senators to listen to this:

Thus, the coal, iron, and steel from Glasgow, Hull, New Castle, or Liverpool reach the cities of New Orleans, Charleston, Savannah, Richmond, Baltimore, Philadelphia, New York, Boston, and Portland more cheaply than the same articles mined or manufactured in Pennsylvania.

Mr. President, let the Senator from Pennsylvania face that statement in his next campaign if he wants to. Let any Senator who wants to vote to give $4,750,000,000 to build up England against America also take note. Let Senators face the statement which I have read.

Mr. FULBRIGHT. Mr. President——

Mr. LANGER. I do not yield.

Mr. FULBRIGHT. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. A few moments ago I obtained a transcript of a statement which was made by the Senator from North Dakota, and which I believe to be a violation of paragraph 2 of rule XIX of the rules of the Senate. The Senator made the following statement, as shown by the transcript which I have just obtained from the official reporter:

In fact, he has spoken so well and so often, and has said so much about making a gift to England that, one of these days, I am going to write a letter to the King over there in England and ask him if he cannot give a title of some kind to my distinguished friend and colleague from the State of Arkansas, because he is certainly worthy of it, in view of all the great things he has done for the United Kingdom.

Mr. LANGER. Mr. President, the language which the Senator from Arkansas has just read was intended by me as a compliment, but if he objects to it I will withdraw it and regret that I said it. I intended it as a compliment to the distinguished Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, the implication of the statement is clearly in violation of rule XIX, which reads in part as follows:

No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

The implication of the statement of the Senator from South Dakota is very clear that a speech which I made in support of the pending measure was made in behalf only of the United Kingdom and not the State of Arkansas, or any other State.

I read further from rule XIX:

If any Senator, in speaking or otherwise, transgresses the rules of the Senate, the Presiding Officer shall, or any Senator may, call him to order, and when a Senator shall be called to order he shall sit down and not proceed without leave of the Senate—

(Manifestations of applause in the galleries.)

The PRESIDING OFFICER. Visitors in the galleries will maintain order. They are here as guests of the Senate, and if there is any further disturbance, the galleries will be cleared.

Mr. FULBRIGHT. Mr. President, I continue reading:

which, if granted, shall be upon motion that he be allowed to proceed in order, which motion shall be determined without debate.

Mr. President, it seems to me that the statement which the Senator made clearly violated rule XIX of the Senate and that the Senator should not be allowed to proceed.

Mr. LANGER. As I have already said, Mr. President, I intended my statement to be a compliment to my distinguished brother. He is a fraternity brother of mine. He is a brother in the Sigma Chi. [Laughter.]

That order has decorated some of our great generals. I will certainly withdraw the remarks if the Senator objects to them.

Mr. HATCH. Mr. President, I make the point of order that there is no order in the Chamber. The Senator from Arkansas has presented a serious matter, and the Senate should rule upon it.

I also make the point of order that the remarks which the Senator made may not be withdrawn except by unanimous consent.

The PRESIDING OFFICER. The Senator from North Dakota will take his seat. The Chair does not understand that he must determine whether the remarks of the Senator from North Dakota involved a violation of the rules. The question is one for the Senate to decide. Is there a motion?

Mr. FULBRIGHT. Mr. President, do I understand that it does not lie within the province of the Chair to determine whether the statement which I read imputes an unworthy motive to another Senator?

The PRESIDING OFFICER. The Chair does not determine the question. It is for the Senate to determine.

Mr. BARKLEY. Mr. President, I think the rule is that when a Senator calls the attention of the Senate to remarks which are presumed to be improper or in violation of the rules, under the rule the Senator who has made the remarks should take his seat, whereupon the Senate shall determine whether the remarks are out of order, and whether he shall be permitted to resume in order.

The PRESIDING OFFICER. The usual method of determining that is for a motion to be made that the Senator who is alleged to have offended may be permitted to proceed in order.

Mr. BARKLEY. Mr. President, would it be in order for the Senator from North Dakota to ask unanimous consent that he be permitted to withdraw the remarks to which the Senator from Arkansas objects?

The PRESIDING OFFICER. The Chair would think that anything is possible in the Senate by unanimous consent.

Mr. LANGER. Mr. President, I certainly had no intention of reflecting on my distinguished colleague, and I ask unanimous consent of the Senate to withdraw the remark.

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

Mr. LANGER. I thank the Senate. As I was saying, this is Andrew Carnegie, an expert, a man who knows all about iron and steel and all that sort of thing. Andrew Carnegie says:

Coal, iron, steel, and all kinds of merchandise from Britain reach American ports more cheaply than American manufacturers produce within a hundred miles of these ports. Thus the coal, iron, and steel from Glasgow, Hull, Newcastle, or Liverpool reach the cities of New Orleans, Charleston, Savannah, Richmond, Baltimore, Philadelphia, New York, Boston, and Portland more cheaply than the same articles mined or manufactured in Pennsylvania, Ohio, Tennessee, or Alabama, the land carriage from these States being far greater than the ocean carriage from Great Britain. To the whole Pacific coast Britain is so much nearer in cost as to give her under reunion the complete command of that market.

I am particularly anxious to have the Senators from Pennsylvania, Ohio, Tennessee, and Alabama listen to this.

Andrew Carnegie says:

Coal, iron, steel, and all kinds of merchandise from Britain reach American ports more cheaply than American manufacturers produce within a hundred miles of these ports. Thus the coal, iron, and steel from Glasgow, Hull, Newcastle, or Liverpool reach the cities of New Orleans, Charleston, Savannah, Richmond, Baltimore, Philadelphia, New York, Boston, and Portland more cheaply than the same articles mined or manufactured in Pennsylvania, Ohio, Tennessee, or Alabama, the land carriage from these States being far greater than the ocean carriage from Great Britain, To the whole Pacific coast Britain is so much nearer in cost as to give her under reunion the complete command of the market.

He is talking now about the Pacific coast. This is Andrew Carnegie talking.

Mr. TOBEY. He is dead. [Laughter.]

Mr. LANGER. I am reading from his book.

To the whole Pacific coast Britain is so much nearer in cost as to give her under reunion the complete command of that market.

That may not mean very much to some people, but to me it means a tremendous lot. Andrew Carnegie says:

In the event of reunion the American manufacturers would supply the interior of the country, but the great populations skirting the Atlantic seaboard and the Pacific coast would receive their manufactured articles chiefly from Britain. The heavy products are taken from Britain to the United States in many instances as ballast for nothing. The freight charge is generally trifling. I do not hesitate to say that reunion would bring with it such demand for British products as would tax the present capacity of Britain to the utmost, for the products of continental nations, which now compete so seriously with Britain, would be almost excluded even by a tariff strictly for revenue.

How much greater can anybody make it?

There would not be an idle mine, furnace, or factory in the land.

He is talking about Britain.

The consumption of coal in the United States is already greater than in Britain; of iron and steel it is now fully double. Our consumption of tin plate exceeds that of all the rest of the world. The imports

of British textile fabrics grow year after year. These never were so great as at present. The only nation which is taking more and more of British products is the Republic.

He ought to know. He was here a long time.

The American market is enormous and constantly expanding. It is in vain that people in Britain hope for any radical change in the tariff laws. No party in the United States can or will make many material changes in these. Revenue will continue to be raised by duties upon imports as at present, and chiefly upon the fine textile fabrics—the luxuries of the rich. There can be little question that nothing would so certainly insure the permanent prosperity of Britain as free access to the American market, which can be effected so easily through a reunion, which would also bring with it enhanced value to land as the result of prosperity in all branches of British trade and industry; and were Britain and America again one, the American would find the former the best summer home within his reach.

We would have a place to go for the summer.

Many would purchase such homes there, and secure for themselves the delights of a beneficial change of climate.

That is what we are going to get—

And contact with a thousand sources of sweet influences only to be gained in the old home of the race. The prophecy of the Spectator, made many years ago, and just repeated, would be fully realized, that the British-American would find the old home his "restful park." It is not going too far to say that every kind of property in the sceptered isle and every business interest would be permanently benefited in value by reunion.

I do not shut my eyes to the fact that reunion, bringing free entrance of British products, would cause serious disturbance to many manufacturing interests near the Atlantic coast, which have been built up under the protective system. But, sensitive as the American is said to be under the influence of the dollar, there is a chord in his nature—the patriotic—which is much more sensitive still. Judging from my knowledge of the American manufacturers, there are few who would not gladly make the necessary pecuniary sacrifices to bring about a reunion of the old home and the new. There would be some opposition, of course, from those pecuniarily interested, but this would be silenced by the chorus of approval from the people in general. No private interests or interests of a class, or of a section of what would then be our common country, would or should be allowed to obstruct a consummation so devoutly to be wished.

In other words, if it does not suit the Atlantic coast and does not suit the Pacific coast, who want to deal in the interior, it is just too bad.

If the question be judged in Britain by the material benefits certain to flow from it, never in all her history was such enormous material gain within her reach, and never as much as now has the future position of Britain so urgently required just such an assurance of continued prosperity. The development of manufactures in other lands seriously menaces her future. She has already lost much in cotton manufacture, which I fear is never to be regained. The production of iron has fallen from nearly nine to less than seven million tons. We see decreases written too often in her trade statistics, which might be charged to the ebb and flow of industrial affairs were they not accompanied by startling increases in like branches on competing nations.

This is what he says about Great Britain:

Her position is the most artificial of all nations.

This is what Carnegie says about England:

Islands that cannot grow half enough of food to feed her people, but which produce double the amount of manufactured articles they can consume. Such a nation, in order to be secure of her future, must have a market for these surplus articles, and more land from which to draw food for her people. This is precisely what reunion offers—the most valuable and the most rapidly increasing market in the world for her manufactures, and the richest soil for the production of the food she requires. Reunion restores her to ownership in hundreds of millions of acres of fresh, fertile soil, the like of which is elsewhere unknown, and reopens a market for her manufactures sufficient even today to absorb all her surplus.

Mr. Carnegie continues:

Reunion will further benefit the United Kingdom in regard to debt and taxation, potent factors in the industrial race of nations. The national debt per capita of the United States amounts to $14, that of Britain to $88, that of Canada to $48.

Mr. President, I have here statistics showing exactly what the per capita debts are today. I repeat what Mr. Carnegie said at the time he wrote this book:

The national debt per capita of the United States amounts to $14, that of Britain to $88, that of Canada to $48.

Today the land area of the British Empire is 13,655,393 square miles. Her debt is $67,334,000,000. Her population is 495,998,880. Her debt is $136 per person.

The United States land area is 3,735,993 square miles. Her population is 150,621,331. Her debt, even estimated at the figure of $200,000,000,000, which certainly is liberal enough, shows a per capita debt of $1,998. That is $1,998 per person.

So that while at that time the national debt per capita of the United States amounted to $14 and Britain's per capita debt amounted to $88, or more than six times as great in Britain as in the United States, today the debt in the British Empire is $136 per person, while in this country it is $1,998 per person. In other words, for a GI who is married and has one child, the total debt would be around $6,000, while in England a veteran with a wife and child would have a total debt of about $450.

I come back to my amendment, Mr. President. We find an average debt in Great Britain of $136 per capita and in America of $1,998, and I ask Senators under such conditions whether my amendment should not be adopted. My amendment is to insert a new section at the end of the joint resolution, as follows:

SEC. —. Notwithstanding any other provision of law, no loan made after the date of enactment of this joint resolution, by any department or agency (including Government-owned or controlled corporations) of the Federal Government, to any person who served honorably in the armed forces of the United States during World War II, shall bear interest at a rate in excess of one and six-tenths per centum per annum, and no interest shall accrue or be payable on any such loan for a period of 5 years from the date of the making of such loan.

Why should not the American veteran be treated as well as the English veteran is treated? What sense is there in giving away $3,750,000,000 to a country in which the average debt is $136, when we, who are asked to give it, have an average debt of $1,998 per person? That simply does not make sense to me. Maybe I am just from a small farm State, so-called, the State of North Dakota, where we do not do things on the magnificent scale that things are done in some other States of the Union. But in North Dakota, where a farmer has 160 acres or 640 acres or a couple of thousand acres, he would consider the proposed loan, if it can be called a loan, in just the same fashion as if a man had furniture worth $5,000, and he gave a bum $5,000 in cash and said, "I will give it to you on condition that you buy my furniture." That is just the way it works. We are going to give the people of Britain the money so they can buy our stuff. That is the theory of it. Why not give them the stuff originally? Why give them any money at all?

Mr. Carnegie said reunion would result in our manufacturers being located only in the interior. The four States of Pennsylvania, Ohio, Tennessee, and Alabama, for example, would not be able to ship goods to New Orleans, or Charleston, or Savannah, or Richmond, or Baltimore, or Philadelphia, or New York, or Boston, or Portland, because England could put goods down more cheaply at those ports than could the manufacturers of those four States.

Mr. President, I do not care what any other Senator may think about this matter, but I conceive it to be my duty to bring it to the attention of the Senate. All that any Senator can do upon the Senate floor is to do his duty as he sees it, and I certainly want to bring this matter to the attention of the Senate because I am interested in the manufacturing plants of every town, village, city, and hamlet everywhere in the United States of America.

Mr. HATCH. A parliamentary inquiry. Who has the floor?

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

Mr. LANGER. I read further from Mr. Carnegie's book:

The percentage of taxation in the United States—National, State, and local—to earnings was 5.04 last decade; in the United Kingdom, 9.03—nearly double. When the union is restored it will be upon the basis of uniting also the national debts as they stand, and making all a common obligation of the union, so that the United Kingdom will be relieved at once of the greater portion of its national debt.

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

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

Mr. BARKLEY. Mr. President, the Senator from Ohio [Mr. TAFT] has pending an amendment to the bill. I understand that the Senator from Ohio would like to dispose of it in order that he may leave the city. I wonder if the

Senator from North Dakota would yield to the Senator from Ohio in order that he may offer his proposal and that we may have a vote on it, if it is understood that the Senator from North Dakota will not lose the floor by that procedure?

Mr. LANGER. I will be glad to yield.

Mr. BARKLEY. I ask unanimous consent then, Mr. President, that the Senator from Ohio be permitted to offer his amendment, and that the Senate may proceed to vote upon it, without taking the Senator from North Dakota from the floor.

The PRESIDING OFFICER. The Chair will inform the Senate that it is his understanding that the amendment of the Senator from Ohio has already been offered.

Mr. BARKLEY. Yes.

The PRESIDING OFFICER. And has been held in abeyance pending the perfecting amendments to the joint resolution.

Mr. ELLENDER. Mr. President, reserving the right to object, I understood that the amendment of the Senator from Ohio was in the nature of a substitute. I have a pending amendment which I should like to submit, and I ask what would become of it in the event that the Senate should agree to vote on the substitute of the Senator from Ohio?

The PRESIDING OFFICER. If the amendment in the nature of a substitute offered by the Senator from Ohio should be adopted, it would not be subject to further amendment.

Mr. TAFT. But if the amendment should be rejected the joint resolution would be open to further amendment. I think the Senator from Louisiana would be satisfied if this amendment were adopted. If it were defeated, he would still have the right to offer his own amendment. So I do not see that the Senator would lose anything by permitting the Senate to proceed with my amendment.

The PRESIDING OFFICER. Is there objection to the request that the amendment of the Senator from Ohio be considered at this time? The Chair hears none.

Mr. TAFT. Mr. President, the substitute which I offered, for the consideration of which at this time, ahead of the pending amendment, unanimous consent was granted, reads as follows:

Strike out all after the resolving clause and insert:

"The President of the United States is authorized to pay to the United Kingdom not to exceed the sum of $1,250,000,000 upon the agreement of the United Kingdom that said sum will be used for purchases of goods and services in the United States during the years 1946, 1947, and 1948: *Provided*, That the character of such purchases shall be subject to restriction under the provisions of the Export Control Act, and the President in his discretion may extend the time in which such purchases may be made."

I may say that the latter proviso is merely to emphasize the fact that we still have control over what goods may be bought in this country. If the President finds that this sum is not exhausted, there will be no pressure to spend it all at once in 1948, but he may extend the time until the entire sum is used up.

This amendment differs from the amendment offered by the distinguished Senator from Indiana [Mr. CAPEHART], who proposed to reduce the $3,750,000,000 to $1,500,000,000. He proposed to retain the contract, and still ask the British to make the same undertaking which they had agreed to make in consideration of the larger loan. That amendment would require renegotiation with the British; and whether they would agree to that or not, I do not know. My amendment requires no renegotiation with the British. The British are simply offered an outright grant of $1,250,000,000, to be spent in this country for the purchase of the goods which they need.

I have placed the sum at $1,250,000,000, because it is intended to cover the entire deficiency which the British are in any way likely to have in the balance of trade with this country during the next 3 years. That is to say, I am proposing to say to the British, "We will finance and permanently grant to you all the goods which you desire to purchase in this country during these 3 years, over and above what you export to us." The British deficiency in imports and exports, taking into consideration insurance and all other services during the prewar years, averaged $140,000,000 a year. This amendment would permit it to average $416,000,000 a year during the 3 years; and we would undertake to finance that operation for the British.

It seems to me that there can be no lack of generosity in our performance under such an agreement. It is in effect an extension of the lend-lease program into the peace era, to permit the British to make up deficiencies which have resulted from the war. The British cannot say that we are responsible for cutting their ration, or in any way refusing to do anything we can do from a physical standpoint in supplying the goods which they need for the next 3 years.

The other two and a half billion dollars of this loan is not to be spent by the British in this country. It is to be spent by them all over the world, to obtain goods from all the other countries in the world. It is an attempt, in theory, to stabilize the world exchange by our providing two and a half billion dollars for the British to go out and buy goods from their own colonies, and all over the world; for the British to transport their troops home from India and other points in the world, and to receive goods which it seems to me the rest of the world ought to finance if they are going to supply them.

Incidentally, the two and a half billion dollars is just so many dollars which we would cast upon the waters of the world. They would gradually drift back here again, to build up a tremendous demand in this country for goods, beyond what we could possibly supply. It seems to me that we are doing over again, with this two and a half billion dollars, over and above what the British really need in this country, exactly what we were told we were doing under the Bretton Woods agreements. We are apparently trying to stabilize exchange throughout the world. That was the purpose of the Bretton Woods agreements. The Bretton Woods fund distributed $2,750,000,000 of our money throughout the world in order to stabilize exchange, so that pounds could be exchanged for dollars and other currency.

Furthermore, under the Bretton Woods agreements we are putting $3,000,000,000 into a bank, which is intended to finance loans to countries throughout the world. In my opinion one and a half billion dollars is sufficient to deal with the present British situation, so far as we can reasonably see in advance. All the figures show that they already have available in gold, cash, and dollars in this country $2,300,000,000, to which we would add one and a quarter billion dollars to enable them to finance what they actually have to buy here.

In addition, if the one and a half billion plus the $2,300,000,000 which they already have is not enough to finance them, they can make a commercial loan from the Export-Import Bank or from the RFC, where they have $900,000,000 of securities today, against which they now have loans of only about $200,000,000. They can borrow on reasonable commercial terms from the RFC. If this total sum should prove to be insufficient they could borrow $700,000,000 from the RFC on reasonable commercial terms. It would be a commercial loan, and they would have to pay the interest; but those securities are self-liquidating. The British loan has already been reduced by applying the income derived from those securities. The British loan from the RFC has already been reduced from something like $500,000,000 down to about $200,000,000. It would be a self-liquidating loan which could be taken care of. So if they get this additional help, with the cash they already have, and if they have the right to borrow from the RFC and the Export-Import Bank, if they can get the World Bank to underwrite the sale of British securities in the United States—and that is its very purpose—I cannot see how the British Commonwealth is ever going to run short of funds to meet the situation which it has to meet.

Incidentally, the two and one-half billion dollars would add approximately $20,000,000,000 to the great flood of dollars which we are making available throughout the world, if all these agencies were to operate. It would simply add to the amount which would come here and be paid for American goods, to build up a vast export trade on a wholly artificial basis. It is bound to collapse when the lending comes to an end, exactly as the system collapsed in 1929 when the private lending suddenly came to an end. To build up an artificial export trade is artificial inflation. That is what inflation is.

The question that is asked me is, Why give it? Why do we not lend it to Great Britain? Why do we not make this a loan? In the first place, it seems to me that with this vast lending the British are most unlikely to pay this loan. It seems to me that what the joint resolution is proposing to do is, in effect, a gift. It is admitted that it is not on a commercial basis. The interest is forgivable. Probably the interest never will be paid. That certainly is a gift of the

interest. I do not see that this amendment varies, in a constitutional way or in a practical way, from the proposal actually made in this particular loan agreement. I think it would be far better for us if we were to recognize that fact.

After all, it is merely an appendage to lend-lease, in which we have already expended approximately $20,000,000,000 for assistance to England in the war. The President could have let the lend-lease run on for 2 or 3 months, probably over protest, but still it could have been done, and he could have supplied the one and one-quarter billion dollars in that way if he had wished to do so. He felt that he should comply with the clear intent of Congress, and he therefore cut it off sharply. But I think that this is no more than a continuation, a hangover, of that policy, just as we are liquidating many of our war agencies.

It seems to me also that we might as well recognize that this is in fact a gift. Let us go back to the First World War, when we were told that the operation was a loan. We have found out now that it was largely a gift, and had to be a gift. We were told when lend-lease was before us that we were only lending the money and equipment. It will be remembered that we were to lend our neighbor a fire hose, and that when the fire was out we were to get the hose back and use it for our own purposes. We now know that we might just as well have recognized then that lend-lease was a gift. When we are, in effect, lending between $10,000,000,000 and $20,000,000,000 to foreign nations, I think we might as well recognize that most of it is a gift.

I concede that I am throwing away the consideration which is alleged to exist under the proposed arrangement. I am saying to the British, "You do not have to remove all these controls. You do not have to comply with these agreements." In the first place, I do not believe that the British are very likely to be able to comply with most of those agreements. Many of the British feel that they would be far better able to work out their own problem if they were not bound hand and foot by the agreement to make sterling absolutely convertible into dollars.

I have before me a very interesting speech made to the members of the American Chamber of Commerce in London by the Right Honorable L. S. Amery, who was connected with the Conservative government, in which he protested vigorously that the policy of this loan, of tying Britain's hands, of requiring Britain to give up imperial preferences, of requiring her to make sterling everywhere convertible, is one which will seriously interfere with the prosperity of Great Britain and make it most unlikely that they can pay the loans.

I do not say that he is right, but I ask unanimous consent that Mr. Amery's speech be printed at the conclusion of my remarks.

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

(See exhibit A.)

Mr. TAFT. Mr. President, I shall read part of what he said:

> I have no doubt whatever myself that we can repay the loan now proposed, and in far less than 50 years, if we remain free agents. That is to say, if we are free to control our external trade so as to suit the needs of employment and production in this country; if we are free to maintain and develop the fruitful expansionist policy of imperial preference and of the sterling system within our own family of nations; if we are free to make mutually profitable trade arrangements with foreign countries, and not least with the United States. If, on the other hand, we are to be bound hand and foot by what I regard as out-of-date, theoretical schemes under which we are to sacrifice the control over our own home market, eliminate preference, abolish the sterling, and abandon all hope of something better in foreign-trade agreements than the obsolete and restrictive most-favored-nation clause, then I say, with all the earnestness that I can command, that we shall not be able to pay our way at all and shall most certainly not be able to repay the loan.

In short, Mr. President, it seems to me that what we are requiring from the British may be of advantage to us and may be of advantage to the British, or it may not be of advantage to the British. Certainly we are assuming to tell the British how they shall operate their internal trade and their external trade. We are requiring that as a condition of this vast loan of $3,750,000,000. I simply do not think a nation will conform its policies to that kind of an agreement. Even with the best will in the world they would not do so, and in this case there is not the best will, because one party has absolutely refused to go along with the plan at all. The Conservative Party refrained from voting. The others are in no way enthusiastic, and I question very seriously whether we are actually going to get what it is assumed that we shall get. Mr. President, it is better to try to work out these problems from day to day with the British, as we have done in the past.

Finally, Mr. President, let me say that it seems to me that it is better to make a gift rather than a loan, because I think the making of a gift will remove a serious source of friction between Great Britain and the United States. I feel very strongly that if the proposed loan is made, to be repaid over a period of 50 years, until the year 2001, the British, every year they have to dig up $140,000,000, or at the least, $105,000,000, and pay it to the United States, will groan; there will be a groan every time the payment comes due, and the British newspapers will accuse us of having exacted a bargain under harsh conditions at a time when the British were unable to do anything about it. We shall be "Uncle Shylock" to the world; and not only will the British be violently critical but in this country there will be a constant criticism if they do not pay the interest; and for many years they will not have to pay interest. The result will be that we shall have stirred up a lasting and bitter feeling against the British.

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

Mr. TAFT. I yield.

Mr. McFARLAND. I appreciate the objective the Senator from Ohio is trying to reach. But let me ask how far does the Senator think we are entitled to go in giving away the people's tax money? They have to pay it. Under the public-welfare clause, just how far are we going in giving away the people's money?

Mr. TAFT. Mr. President, we have already given away the people's money to the extent of $2,750,000,000, for UNRRA, for the relief of Europe. I voted for it and I think probably the Senator from Arizona voted for it.

Mr. McFARLAND. Yes; but I——

Mr. TAFT. It seems to me that, to a large extent, this is a hang-over of the war. I have always thought we should extend reasonable credits or grants to help Europe get on its feet. My objection to the program which has been presented is that it is far beyond the amount of money needed to help England and Europe get on their feet. It is a vast sum based on some theoretical idea about what trade should be, about doubling and trebling world trade and going back, I may say, to the nineteenth century idea of free trade, which I do not think ever will exist again.

But I have always felt that we should make reasonable advances. We did so during the war. We have given $20,000,000,000 in connection with lend-lease for the purpose of winning the war; and to liquidate the war I see nothing inconsistent in the principle of extending that grant to what it seems to me to be necessary in order in a proper way to assist Great Britain. It seems to me the so-called loan is just as much a gift as the proposal under the amendment of giving England $1,250,000,000. If we make the gift proposed by the amendment, I think it will exceed in results anything which could result from the proposed loan of $3,750,000,000.

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

Mr. TAFT. I yield.

Mr. McFARLAND. Let me say that I shall vote for the Senator's amendment; but I think the Senator from Ohio will agree with me that in the early days of our country the Congress would not have felt that it had authority to give away money in this manner.

Mr. TAFT. I think the Senator is correct. But I say to him and to those Senators who feel that they should vote against the amendment because it is in the form of a gift to Great Britain, that it seems to me is just recognizing one-third of what is already recognized in the loan proposal itself. Whether it is a gift or a loan it seems to me is an inconsequential question. Probably there is the same constitutional objection to the gift of $1,250,000,000 proposed by the amendment that there is to the $3,750,000,000 loan. I agree with the Senator that in the beginning of this Republic it would have been considered unconstitutional. However, I think that today the practice and the custom have been such that I doubt very much whether any court would hold it to be unconstitutional.

Mr. McFARLAND. Mr. President, I concede what the Senator from Ohio has said, namely, that the modern trend has been that if Congress votes money in connection with what it says is the public welfare, then that ends the matter. But personally I feel that we have a grave responsibility in voting away or

giving away the people's money even under the guise of doing it in the public welfare, especially when we are giving it to another country. But on the theory which the Senator from Ohio has just stated, I shall, with reluctance, vote for his amendment.

Mr. TAFT. Mr. President, I only say to the Senator that it seems obvious to me that in the long run the amendment will cost the people of the United States $2,500,000,000 less than if the amendment fails to carry.

EXHIBIT A

"LOAN O. K., BUT TRADE SCHEMES CRIPPLING," BRITISH COMMONWEALTH CHAMPION SAYS

At their March 19 luncheon at the Savoy Hotel, members of the American Chamber of Commerce in London honored the Right Honorable L. S. Amery, C. H., and heard the foremost exponent of a free hand for Britain say why he urges it, while endorsing the usefulness of the proposed American loan and the necessity for close economic ties with the United States.

Among his activities, Mr. Amery helps direct the branch plant in Britain of the Goodyear Tire & Rubber Co., of Akron, Ohio. He has been Secretary of State for the British colonies, the dominions, and, at the time the Churchill government fell last year, he was Secretary of State for India and Burma.

The chamber's second vice president, Francis L. Harley, as chairman, introduced the speaker:

"Members of the American Chamber of Commerce and our distinguished guests, before I make the few remarks which I intend to make to introduce our principal guest, Mr. Amery, I would like to make a confession to all of you. I am not very comfortable standing here today for the first time to preside over one of these lunches, having in mind the sparkling ability of Mr. Phillips, your president, and also the great capacity of Mr. Carr, both of whom are out of the country on this occasion. Mr. Phillips is progressing very well, I understand; he is well out of the woods and it is only a question now, as I understand it, of learning to walk again after his very unfortunate accident; so I hope we will see him here all in good time.

"At our last luncheon we heard Mr. Harry Hawkins give the American view on the proposed loan to Great Britain, and arising out of that luncheon we today are to have the privilege and honor of hearing the views of Mr. L. S. Amery, who is here to talk to us about his own personal views, which have no connection whatsoever with the policy of the British Government, insofar as how he feels about the proposed loan and how it affects the various aspects of the Anglo-American situation. Mr. Amery comes to us prepared to speak on his own behalf on this most important and vital problem. Quite apart from being a public and political figure in Great Britain for many years past, I think it is safe to say that, at least, for the past 40 years he has been a very astute student of economics, and also has made a real fundamental study of the relationships in the British Empire, and the relationships between Great Britain itself and the dominions. Not only has he made a study of it, but has had many years of personal contact with the various countries which he has visited and has, by reason of this experience, been able to formulate some most important conclusions. Therefore, I think we are very fortunate in having him come to give his views, which may be controversial to those who were present at our last luncheon. Mr. Amery has also the distinction of being associated with American interests by reason of the fact that he is a director of the British Goodyear Co., and he has also had much contact and experience with Canadian interests through the years."

The Right Honorable L. S. Amery, C. H.: "Mr. Chairman, ladies, and gentlemen, last month I had the privilege of sitting next to your chairman and hearing a most interesting address by Mr. Hawkins on the subject of the Washington loan agreements and of the monetary and commercial policy to which the United Statets administration attach such great importance. Somewhat rashly, at the end of Mr. Hawkins' speech, I ventured to whisper to Mr. Carr that I disagreed entirely with Mr. Hawkins' economic arguments. I was promptly countered by an invitation to come here today and lay my point of view before you. So here I am, a Daniel among 300 lions, and I can only hope that, sated with a good lunch, you will not think me worth devouring when I have finished.

"Let me, at the outset, assure you that no one believes more profoundly than I do in the necessity of Anglo-American cooperation, in trade at least as well as in other fields of policy. The world's best hope, as well as the peace and prosperity of both of us, lies in our understanding each other and working together. That can only be on the basis of consideration for each other's interests and outlook, and also of complete frankness in stating each our own point of view and defending our own rights. I am sure, therefore, that you will not misunderstand me if I say exactly what I think, without beating round the bush."

LOAN AND CONDITIONS

"Let me make it quite clear, to begin with, that I am not criticizing the loan itself. That seems to me a perfectly fair and reasonable business deal, equally in the interest of both parties. We are faced with a difficult time before we can readjust our economy after the tremendous distortion to which—as Mr. Hawkins generously acknowledged—we submitted it for the sake of the common cause. During that time it will be a valuable help to us to be able to secure, without immediate payment in the shape of exports, large quantities of American goods of all kinds. America, on the other hand, is ready to sell those goods. But she cannot sell them unless others have secured the requisite dollars. In the long run those dollars can only be acquired by selling goods to the United States, but as a temporary measure they can be secured if the United States is willing to lend them. At this moment neither we, nor anyone else in the world, are yet in a position to export on a really substantial scale. America will have to lend, through public or private channels, if she wants to export, whether she lends to the public or through private channels. She will lend, if she is wise, to those who are, by their resources and their character, most likely to repay, and will avoid imposing conditions which will make repayment difficult or impossible.

"I have no doubt whatever myself that we can repay the loan now proposed, and in far less than 50 years, if we remain free agents. That is to say, if we are free to control our external trade so as to suit the needs of employment and production in this country; if we are free to maintain and develop the fruitful expansionist policy of imperial preference and of the sterling system within our own family of nations; if we are free to make mutually profitable trade arrangements with foreign countries, and not least with the United States. If, on the other hand, we are to be bound hand and foot by what I regard as out-of-date theoretical schemes under which we are to sacrifice the control over our own home market, eliminate preference, abolish the sterling system, and abandon all hope of something better in foreign trade agreements than the obsolete and restrictive most-favored-nation clause, then, I say, with all the earnestness that I can command, that we shall not be able to pay our way at all and shall most certainly not be able to repay the loan."

THE VIEW AHEAD

"Let me remind you of the position which this country will have to face in the years ahead of us. We have, as Mr. Hawkins reminded you, lost more than half of our income from overseas investments. Much of our income from shipping, insurance, and finance has gone. It is estimated that, if we are to keep our heads above water at all, we must in future increase the volume—not merely the value—of our exports by some 75 percent over the immediate prewar years. As our exports of foodstuffs and raw materials are a small and I fear stationary element in the whole, it means that we shall have at least to double our exports of manufactures. Where and how are we to do this? The European market is not exactly promising or likely to be what it was for many long years to come. Elsewhere there are many once-profitable markets where we shall find ourselves increasingly replaced by local production. We have, I am sorry to say, long ceased to be the world's cheapest producers over the field of industry taken as a whole. Our relatively small-scale industries cannot compete easily with the surplus of America's immense volume of production. On the other hand, our standard of living and our overhead of taxation are far higher than those of many other countries whose equipment and manual skill are no whit inferior to ours. It is perfectly true that the quality of British workmanship will always secure us a considerable market. But under sheer cut-throat open competition we cannot achieve that gross total volume of exports which we must have in order to secure those raw materials and foodstuffs essential to our life. Exports for us are not merely a convenience, a useful flywheel in our productive economy; they are the only way by which we can earn our daily bread."

A FREE HAND

"In these circumstances, we must have a free hand. Our first duty will be to exercise a strict economy over the expenditure of the line of credits now proposed, if that is granted, whatever credits we may earn in future by our exports. We cannot afford to admit any but essential imports. We must take whatever measures may be necessary to maintain our agricultural production at the highest level, regardless of mere price competition from outside. We must select carefully the manufactured goods that we can afford to let our people purchase. What is more, we must be free to exercise a measure of selection as to the source of our imports. In making trade agreements we have one outstanding bargaining asset, an asset on whose importance Mr. Hawkins, and more recently Mr. Clayton, have rightly laid stress, namely, the fact that we are, and always will be, an immensely important consumers' market. I can see no reason why favored access to that market should be given to those who are not prepared to give us equivalent help in return. I am well aware that this is what the present American administration calls discrimination, and is contrary to the interpretation of the most-favored-nation clause which the United States has adopted in recent years. All I can say is that the old American interpretation was much better calculated to promote trade expansion. The present rigid interpretation is a direct obstacle to the lowering of tariffs by mutual agreement. It means that concessions which might be given to the other party in a deal are not given at all because the whole world has to be let in on the same terms while the other party's concessions are hardly worth securing if they have to be shared with every competitor. In those circumstances the most paying thing for a country is to sit back and hope that someone else will make the concessions for you, or else to dodge the spirit of the clause by ingenious over-detailed classification."

ECONOMIC PREFERENCES

"Happily, we made it clear to the world nearly 50 years ago, and have done so in every trade agreement since, that the most-favored-nation clause does not apply to trade within the British family of nations. During that half century the preferential reduction of duties freely given by Dominion governments on British imports have been a most important standby in our whole economic life. They became even more important when, for the first time, this country reciprocated fully under the Ottawa agreements. Under those agreements our trade expanded remarkably in every direction. Over the 5 years, 1932-37, our exports to British countries rose by 52 percent, and our imports from British countries rose by 64 percent. This was not at the expense of our trade with the outside world, with which our exports, over the same period, rose by 35 percent and our imports by 37 percent. To suggest that the greater relative increase of our inter-Empire trade was at the expense of our trade with other countries implies a stationary conception of trade which has no justification whatever. Our foreign trade expanded because our producing and consuming power was increased by our inter-Empire trade. Indeed, if it had not been for the mutually expansionist effect of the Ottawa agreements, each country in the British Commonwealth would have been driven, as the European countries were, to much higher tariffs and to restrictive quota, barter, and exchange devices in order to meet the acute world situation. The total trade of the empire with foreign countries would have been less and not more, but for the Ottawa Agreements.

"Even before the war the British Empire, thanks very largely to preference, took more than half our total manufactured exports. We cannot possibly give up this market and its opportunities for further expansion and still pay our way in the world under conditions of promiscuous cut-throat competition. Given our freedom to pursue the policy of balanced, cooperative expansion which I have outlined, we can also conduct a steadily increasing trade with the United States as well as with other countries and, as I have said already, should find no difficulty in repaying the loan."

POLITICAL PREFERENCES

"I have dealt with this question of preference purely on the economic side. But it is also essentially a political question. To deny the right of the British countries to give each other whatever preference they choose is to deny the right to the British Commonwealth to exist as an entity. We are just as much entitled to reduce our tariffs to each other, or to have free trade with each other, if we choose, as the various States of the American Union are to have free trade with each other or, if it suited them, to set up interstate tariffs. We are as entitled, and as bound morally, to give each other help and support in trade as we are in defense. The preferences we give here are of great importance to many industries in the dominions and mean life or death to many colonies for whom we stand in the position of trustees. These are responsibilities and duties which cannot be bargained away for lower tariffs in the United States or anywhere else. In any case, they are our own concern and no one else's. Forgive my speaking very plainly, but I am only voicing the resentment which millions of my fellow countrymen here, and in other parts of the British Commonwealth, are feeling at the pressure which has been put on us, in our immediate difficulties, to induce us to acquiesce in the abandonment of our right to help each other within the British family."

STERLING

"What I have said about the economic aspect of preference equally holds good about sterling. Unlike gold, the quality of which is fixed at any given moment, sterling is an elastic currency which expands to meet the needs of trade and production—a much better currency than gold. It was a vital factor in our recovery after 1931. It played no small part in seeing us through the war. If sterling is left to adjust itself over the next few years it can be an immensely important factor in stimulating productive energies over the whole sterling area, and so increasing the trade of that area with the outside world. Instead of that, the American Treasury seems determined to wreck sterling. They have made it part of the loan agreement that within a year of the effective date all sterling arising from current transactions within the sterling area are to be released—in other words, freely exchanged for gold and dollars. What does that mean? It means that we shall be bound to pay gold or dollars for whatever we buy in the sterling area, and shall, therefore, have so much less available for our purchases in the United States.

"America will not get one cent more in the way of exports, but our power of recovery and of repaying the loan will be seriously weakened. Again, if vast quantities of sterling are in this way thrown on the world market, sterling will depreciate. An inevitable invisible tariff will thus be set up in all sterling countries against American exports, and Bretton Woods will be in difficulties from the start. If the American administration had deliberately wished to make repayment of the loan difficult—and in my opinion impossible—they could not have done better than tie to it all the strings they have done.

"I know that there are those, not only on the other side of the Atlantic, who will say that my fears are unwarranted. They suggest that under the policy which the United States is pressing upon us there will be such an expansion of world trade that there will be room not only for that trebling of American exports which President Roosevelt spoke of, but also for that doubling of our manufactured exports which are essential to our existence. I believe those who hold that view to be grievously mistaken both as regards the advantages America or the world might gain from that policy, and as regards the likelihood of the world, as a whole, seriously adopting it."

INTERNATIONALIST ECONOMY

"That policy is associated in America with what is known as the New Deal. It was a New Deal once. It was the British New Deal of the year 1846, when the world economic situation and social and economic conditions were much more favorable to its successful working than they are today. We thought then that we were giving a lead which all other nations would follow. They knew better. The United States was among the first to reject a purely competitive price policy and to concentrate on the development of their immense latent human and material resources in order to protect that development from competition by the lower-paid labor of the outside world. Look at the amazing result. Germany grew to industrial greatness by a similar policy of deliberately fostering production. More and more other nations followed their lead, whether for the sake of expanding production or of maintaining the standard of living of their working class or the stability of employment.

"All the same, after the First World War the attempt was made under American and British influence to restore the internationalist economy, at any rate so far as the gold standard and the most-favored-nation clause were concerned. Things went reasonably well for a time, but only because the excess of American exports was counterbalanced by lavish American investment and by vast sums spent by Americans abroad. When the domestic boom in the States was succeeded by slump, Americans stopped investing abroad and stopped traveling. The world's gold was sucked into America, credit was everywhere restricted, prices fell, and the great world depression set in. The story is told with admirable clarity in the report published in 1943 by the United States Department of Commerce under the title, 'The United States in the World Economy.' If only time allowed I should like to quote freely from that report, but I may mention that it was reprinted by the British Stationery Office and can be secured here at the price of 2s.

"Now two things stand out clearly from that report. One is that it was the linking up of the rest of the world with the immense dynamic momentum and the violent internal fluctuations of the American economy that brought about the world depression. The other is that the various measures taken by the nations to protect themselves did effect their purpose and brought about world recovery, and the recovery of the countries of the sterling bloc are referred to in the report as being outstanding. The recovery of the United States was slow. Yet somehow or other, the powers that be in the United States have got the story upside down. They have persuaded themselves that the world depression was caused by the measures which the world took to cure it, and that all the world needs today is a stronger dose of the poison that nearly killed it 15 years ago."

THE DOLLAR PROBLEM

"I have already expressed my conviction that if we and the world followed the policy which the present American administration is trying to force upon us, we, at any rate, could not pay our way or repay the loan. But I would add that if the world were foolish enough once again to repeat the experiment of reestablishing the internationalist economy of 20 years ago, the result would be disastrous for the world and, not least, disastrous for the United States, which were the worst sufferers from the after-effects of the world depression. The only way, indeed, as the report points out, in which such an economy could work is if the United States internal economy remained entirely free from serious fluctuations and if the United States were prepared to supply quite steadily all the dollars required to make it work. Who is going to guarantee that? No administration in the United States; still less a British Government here.

"Moreover, that policy can only be made to work in the long run by America importing more from the outside world than she exports. Lending can only postpone that necessity for a time, for interest and repayment have eventually to be made in goods. That means that America, if she really means business with her policy, must not merely lower her tariffs as a gesture to others, but lower them so effectively, regardless of the effect on the balance of American internal production of the level of American wages, as to make sure that her imports will steadily outstrip her exports and insure the interest and repayment of the loan. That is what we did, and we did it to the destruction of our agriculture and the gradual weakening of our industries until, at last, after 1931 we realized that only a change of policy could avert complete and final disaster. I wonder if the American public realize what their official policy would involve if it were ever carried out?"

ALTERNATIVE POLICY

"You may ask me, if I criticize the policy which the United States administration has put forward and to which our Government here has pledged its support, what alternative policy have I to put in its place? The policy I would commend is, first, to leave it to every nation to secure the maximum of balanced and stable expansion within its own boundaries by whatever measures are best suited

to its social and political structure, including the control of its own monetary policy. Secondly, to leave every nation free to make mutually advantageous arrangements for the expansion of trade and production with other individual nations and more particularly within groups of nations whose resources supplement each other and which, for one reason or another, wish to work in permanent association with each other.

"To put it more particularly, I would ask America to approve and support, instead of denouncing, British Empire and sterling policy and to look to securing a growing share in the expansion of trade and production which will follow. She can do so all the more effectively if she will revert to her former and, at the moment, more sensible interpretation of the most-favored-nation clause and make specific and, in effect, preferential trade arrangements with the various members of the British Commonwealth for the expansion of their mutual trade. She can also find a fruitful outlet for her capital by direct investment inside the British Empire, as she has already done in the motor industry in Canada and in many industries in this country. You, Mr. Chairman, have referred to the Goodyear Tire Co., with which I have the honor to be associated. That same report, to which I have already referred, shows how much better this type of investment is than direct dollar loans. It creates, so the report points out, an international business community making for cooperation. Being mostly investments in equities, it means that America is directly interested in the prosperity of the countries concerned; she becomes a member, not merely a creditor; and, unlike loans, direct investment automatically does not call for payment at times of serious depression. Your own Chamber, I may remind you, issued in May last an admirable little pamphlet on American participation in British industry, giving good advice as to the lines that American finance and industry might follow in this country."

EUROPEAN TRADE BLOC

"What I urge America to favor in regard to the British Commonwealth I would equally urge her to follow with regard to Europe. Let her waive the most-favored-nation clause and encourage the European nations to form a preferential union among themselves. That is by far the best hope for European recovery. The other policy is bound to lead, sooner or later, to depression, repudiation and, eventually, by reaction, as it did before, to extreme autarchy and totalitarianism.

"I shall be told that I am advocating a policy of economic blocs, and that economic blocs mean economic conflict and eventually war. If you will forgive me, that is pure moonshine. If economic blocs, as such, are a danger to the peace of the world, what about by far the most formidable economic bloc in the world, which is composed of the 48 States of the American Union? If economic blocs are a danger to world peace, should not the first step toward assured world peace be to disband the United States as an economic unit? But I would go further. There is a real danger to the peace of the world today, and that is if two predominant economic blocs, one of them practicing a totalitarian economy and the other preaching and pressing for the restoration of the nineteenth century unregulated competitive price economy, compete for mastery over an unorganized world of small economic units, forcing them, in practice to join one side or the other. The true interest of world peace, in the economic as in the political field, lies precisely in the formation of nation groups or families which can deal on a footing of equality with either the United States or Russia, and which need not follow exactly the economic policies of either but can cooperate in friendly independence with both."

AMERICAN TRADE PROPOSALS

"That, I believe, is the natural line of evolution to match modern world conditions. The United States administration are, in my opinion, pursuing a policy which is reactionary and will lead them nowhere. Our own Government here have, I know, very reluctantly promised to support the policy, which is disliked equally by their Socialistic followers and by their individual Conservative opponents. They will, I strongly suspect, feel much more doubtful even than they are today about being able to see their way to eliminating empire preference after they have discussed the matter next month with the other partners in the British Commonwealth. I no less strongly suspect that when it comes to an international conference, the American proposals will be welcomed with so many qualifications and reservations that nothing will be left of them except a few pious platitudes. Well, in that case, very little harm will have been done. The commercial proposals will fade out and we shall all go ahead with such economic policies as suit our several needs. Trade between Britain and the United States will flourish; it will, of course, flourish because it is in the interests of both. We shall repay; we can do it in our stride, whatever America finds it good business to lend us, whether through Congress or through private finance. If, on the other hand, America does not want to advance the necessary dollars, we shall have to manage somehow without the American goods which we badly need, and American export interests will have to manage without doing the good business to which they are very properly looking forward. That will be just too bad for both."

Mr. BARKLEY. Mr. President, I do not intend to detain the Senate. I think the Senate thoroughly understands what the amendment by way of a substitute is. It proposes to make an outright gift of a billion and a quarter dollars, in lieu of the loan which has been worked out after careful, tedious negotiations, and which we who are supporting it believe is a well-balanced arrangement under which we obtain something in addition to the repayment of the loan itself; we obtain the resumption of conditions in the world from which our Nation will benefit and the world at large will benefit.

It seems that the Senator from Ohio thinks this is a good-will offering to be made and that it will engender greater friendship. I doubt that very much. The amendment provides that the billion and a quarter dollars shall be expended for goods in the United States, but it provides also that the character of such purchases shall be subject to the restrictions under the provisions of the Export Control Act. In other words, we would be giving England a billion and a quarter dollars with which to buy goods in the United States and we would be telling her what she should buy in the United States.

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

Mr. BARKLEY. I yield.

Mr. TAFT. I merely wish to point out that the Senator's $3,750,000,000 loan is subject to exactly the same condition.

Mr. BARKLEY. I understand that. But, in the first place, the $3,750,000,000 covers a longer period of time in which the purchases may be made; and, although the purchase of goods and services in the United States is the first objective, the agreement provides that other things shall be accomplished by the use of this fund, and it will not create the inflationary situation which the Senator from Ohio has feared all along. Certainly it will not create good will for us to give to England a billion and a quarter dollars and then say to her, "That is all we are going to let you use, and we will say what you may buy."

Mr. President, I hope the amendment in the nature of a substitute will be rejected.

Mr. McMAHON. Mr. President——

Mr. TAFT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from Connecticut asked for recognition by the Chair before the Senator from Ohio requested the yeas and nays.

Mr. TAFT. Mr. President, let me inquire whether the Senator from Connecticut will yield, so as to permit me to request the yeas and nays.

Mr. McMAHON. I yield.

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

The yeas and nays were ordered.

Mr. McMAHON. Mr. President, this debate has been going on for 2 or 3 weeks. With the exception of asking several questions during that time, I have taken no part in the discussion. I am constrained to make a few remarks at this time—and a very few—by reason of the observations of the Senator from Ohio as to whether this loan is going to be paid back. I have finally decided, in fact, I decided 3 days ago, that I shall vote for this loan; and I want the RECORD to show now that I am one Senator who expects the British Government to keep its plighted word in the agreement which it has signed. I do not believe it to be the part of wisdom for any Member of the United States Senate to assert that the repayment of this loan is not to be expected. I care not that the British Conservative Party refrained from voting. The agreement was ratified by the British Government, and I accept such action as the word of the British Government. If I am a Member of this body when the installments on the loan become due I shall do everything I can to press upon the officials of our Government the necessity of calling upon the British Government to keep its word.

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

Mr. McMAHON. I yield.

Mr. TAFT. Does the Senator realize that there is $4,000,000,000 worth of notes in the United States Treasury which were signed by the British Government and which are not being redeemed, and which no one, including the British Government, expects to be redeemed?

Mr. McMAHON. I presume that all the lend-lease obligation is in that category.

Mr. TAFT. No; there is no expectation of lend-lease being paid. The notes to which I refer were written and signed by the British Government. I do not believe it is intended that they shall be paid, and we are not asking that they shall be paid.

Mr. McMAHON. Is the Senator referring to the loans which were made following the First World War?

Mr. ELLENDER. Mr. President, does the Senator realize——

Mr. McMAHON. Mr. President, will the Senator from Louisiana desist so that I may reply to my friend from Ohio?

Mr. ELLENDER. Very well.

Mr. McMAHON. Then I shall be glad to deal with my friend from Louisiana.

So far as the loan which was granted following World War I, the Senator from Ohio realizes only too well that at the time repayments on the loan were discontinued, no more reparations were being received from the German Government, and the debt moratorium agreement was entered into. It is too late to get into a discussion with the Senator from Ohio with reference to the default on the first loan. I only say that, so far as the proposed loan is concerned, I think it is bad practice for any Senator to make a statement before the loan is even granted that repayment will not be expected. The Senator can waive repayments on the loan if he wishes to, but I say that when I cast my vote I want the RECORD to show that I expect the British Government to keep its agreement.

SEVERAL SENATORS. Vote, vote.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Ohio [Mr. TAFT]. On this question the yeas and nays having been previously demanded and ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOEY (when Mr. BAILEY's name was called). The senior Senator from North Carolina [Mr. BAILEY] is absent because of illness. If present he would vote "nay."

Mr. HATCH (when Mr. CHAVEZ' name was called). My colleague the junior Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained on important public business. If present he would vote "nay."

Mr. MORSE (when Mr. CORDON's name was called. The senior Senator from Oregon [Mr. CORDON] is absent because of official business in connection with the Commerce Committee of the Senate.

Mr. MEAD (when his name was called). I announce that my colleague the senior Senator from New York [Mr. WAGNER] is unavoidably detained. If present he would vote "nay."

Mr. MURDOCK (when the name of Mr. THOMAS of Utah was called). My colleague the senior Senator from Utah [Mr. THOMAS] is unavoidably detained on public business. If present he would vote "nay."

The roll call was concluded.

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

The Senator from Mississippi [Mr. BILBO], the Senator from Missouri [Mr. BRIGGS], the Senator from Nevada [Mr. CARVILLE], the Senator from Idaho [Mr. GOSSETT], and the Senator from Louisiana [Mr. OVERTON] are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Montana [Mr. MURRAY] and the Senator from Texas [Mr. O'DANIEL] are detained on public business.

The Senator from Georgia [Mr. GEORGE] and the Senator from Tennessee [Mr. McKELLAR] are unavoidably detained.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

I also announce that the Senator from Tennessee [Mr. McKELLAR] has a pair with the Senator from Wyoming [Mr. ROBERTSON]. If present, the Senator from Tennessee would vote "nay."

I wish to announce further that if present and voting, the Senator from Missouri [Mr. BRIGGS], the Senators from Texas [Mr. CONNALLY and Mr. O'DANIEL], the Senator from Georgia [Mr. GEORGE], and the Senator from West Virginia [Mr. KILGORE] would vote "nay."

Mr. TAFT. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. He is paired on this question with the Senator from Illinois [Mr. BROOKS]. If present, the Senator from Michigan would vote "nay" and the Senator from Illinois would vote "yea."

The Senator from Maine [Mr. WHITE] has a pair with the Senator from Indiana [Mr. WILLIS].

The Senator from Wyoming [Mr. ROBERTSON] has a pair with the Senator from Tennessee [Mr. McKELLAR]. If present, the Senator from Wyoming would vote "nay."

The Senator from Delaware [Mr. BUCK], who would vote "nay," if present, has a pair with the Senator from North Dakota [Mr. YOUNG], who would vote "yea," if present.

The Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The result was announced—yeas 16, nays 50, as follows:

YEAS—16

| | | |
|---|---|---|
| Bushfield | Langer | Taft |
| Byrd | McFarland | Tydings |
| Ellender | Millikin | Walsh |
| Johnson, Colo. | Moore | Wheeler |
| Johnston, S. C. | Russell | |
| La Follette | Shipstead | |

NAYS—50

| | | |
|---|---|---|
| Aiken | Hawkes | Myers |
| Austin | Hayden | O'Mahoney |
| Ball | Hickenlooper | Pepper |
| Bankhead | Hill | Radcliffe |
| Barkley | Hoey | Reed |
| Bridges | Huffman | Revercomb |
| Donnell | Knowland | Saltonstall |
| Downey | Lucas | Smith |
| Eastland | McCarran | Stanfill |
| Ferguson | McClellan | Stewart |
| Fulbright | McMahon | Taylor |
| Gerry | Magnuson | Thomas, Okla. |
| Green | Maybank | Tobey |
| Guffey | Mead | Tunnell |
| Gurney | Mitchell | Wiley |
| Hart | Morse | Wilson |
| Hatch | Murdock | |

NOT VOTING—30

| | | |
|---|---|---|
| Andrews | Briggs | Capehart |
| Bailey | Brooks | Capper |
| Bilbo | Buck | Carville |
| Brewster | Butler | Chavez |
| Connally | McKellar | Vandenberg |
| Cordon | Murray | Wagner |
| George | O'Daniel | Wherry |
| Glass | Overton | White |
| Gossett | Robertson | Willis |
| Kilgore | Thomas, Utah | Young |

So Mr. TAFT's amendment was rejected.

Mr. BARKLEY. Mr. President, I ask unanimous consent that not later than 3 o'clock tomorrow afternoon, the Senate proceed to vote on the pending joint resolution and all amendments thereto, without further debate.

Mr. President, the yea-and-nay vote on the amendment which has just been rejected by the Senate would have the effect of a quorum call. In view of that fact, I ask that the technical requirement of the calling of the roll be waived.

The PRESIDING OFFICER. Without objection, the calling of the roll will be waived.

Is there objection to the unanimous-consent request of the Senator from Kentucky?

Mr. MORSE. Mr. President, reserving the right to object, I wish to say that under ordinary circumstances I would object, because I believe, as I have said in the past, that every possible opportunity and ample time should be given to Members of the Senate who wish to discuss the merits of an issue.

I recall that while I was not in the Chamber the other day a unanimous-consent agreement was reached in connection with the airport bill. I believe that the time allowed under that unanimous-consent agreement for the discussion of the bill was most inadequate. As that debate developed into its closing minutes, it was perfectly clear that there were many questions which should have been cleared up before the vote was taken. However, because of the automatic application of the rule some of us found is necessary to vote while questions were still pending in our minds with reference to the merits of the measure. In this instance, the joint resolution has been under discussion and debate for approximately a month. I cannot imagine much more which could possibly be said on the pros and cons of the joint resolution than have been said during that time.

I am also cognizant of the fact—and the RECORD will speak for itself—that there has been some obvious, deliberate delay in getting to a vote on this question. Hence I think the application of a principle I most sincerely support, and so long as I am in the Senate shall be inclined to support on most occasions, namely, the principle that debate should not be limited while there is legitimate discussion on the merits of any issue, must be made in light of certain circumstances which from time to time may justify an exception to its application.

Therefore, if I do not object to this unanimous-consent request, nevertheless, I want the RECORD to be perfectly clear that it is only in such exceptional circumstances as these that the junior Senator from Oregon will be found not objecting to an attempt to limit debate on the merits of any issue before this body.

As I have said before, I shall at all times sign a cloture petition whenever I am satisfied that a filibuster is in

progress, but I shall not, unless circumstances as strong as those I believe present in this case, agree to any limitation of debate by way of unanimous-consent agreements to vote as of a certain hour.

Furthermore, I shall not agree to the practice which was followed a few days ago in regard to the airport agreement, of permitting the majority leader and the minority leader, or any other two Senators on the floor of the Senate, to parcel out the time among Senators on the two sides of the aisle because I do not think it is consonant with keeping this an open forum at all times for the people whom we represent.

I am also exceedingly sorry that the circumstances of time call for a unanimous-consent agreement that makes it necessary to vote tomorrow afternoon at 3 o'clock. I think, however, that it would be quite improper for me to ask for a further extension simply to meet my own pleasure in the matter, because it involves a decision I shall have to make between now and midnight as to my own course of action.

I find, however, because of what I understood was going to be the action of the Senate today, namely, to remain in session until a vote was taken upon the British loan, that, through my office, I accepted an invitation to make a very important speech in Chicago, Ill., tomorrow noon, and I cannot get back in time to vote tomorrow afternoon. However, my inconvenience is not a matter which should be imposed on the Senate as a whole.

Nevertheless, Mr. President, I am in a very difficult parliamentary situation, because my colleague, the senior Senator from Oregon (Mr. CORDON), as I have announced on several votes today, is out of the city on official business of the Commerce Committee. He would not have missed this vote, I want the RECORD to show very clearly, unless he could have arranged a live pair with some Member of the Senate. So when my colleague asked me if I would pair with him, as, if he were here, he would vote against the loan and if I were permitted to vote I would vote for the loan, I told him I would extend to him the courtesy of such a pair. It is now going to be necessary for me to take the matter up with his office and determine what the pleasure of his office is under the circumstances.

I wish it were possible that we could have an agreement that would permit us to proceed with other business after 3 o'clock tomorrow afternoon and then vote on the British loan at a later hour, not for my convenience, but in order to accommodate my colleague, who I think certainly is entitled to the protection I took it upon myself to give to him by the agreement we entered into, but which will not be extended to him, of course, if I am not here to vote. It is true that the tally result will be the same, but there is quite a difference between the tally vote and the principle which I think is involved in the pair, because the pair will not then be a matter of record.

Hence, I should like to ask the majority leader, because I think I can get back by plane in time to vote later tomorrow afternoon, if he would be willing to suggest to the Senate a unanimous-consent agreement providing that the debate on the joint resolution shall close at 3 o'clock tomorrow afternoon, but that the vote on it shall be taken at 6 o'clock.

Mr. BARKLEY. Mr. President, I appreciate the situation described by the Senator. It is not different from that which exists with respect to other Senators. I have been trying to work out an agreement by which we could fix the time for a vote finally upon the joint resolution and all amendments, and this is the only agreement I have been able to work out, and I am not in a position to change it. I am sorry, but I think the Senator should not raise any objection. I hope he will not object to the unanimous consent request I have made.

Mr. BALL. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I do not have the floor. The Senator from Kentucky has the floor.

Mr. BARKLEY. I yield to the Senator from Minnesota.

Mr. BALL. I know of at least three Senators who have to leave about 4 o'clock tomorrow afternoon to keep long standing engagements, and it seems to me they would all be very seriously inconvenienced if the vote were at 6 o'clock.

Mr. BARKLEY. It is impossible ever for us to arrive at a unanimous-consent agreement to vote at any hour which does not inconvenience some Senators. The time will never come when it will be possible to have all Senators here, and one of the logical reasons for the existence of pairs, which are private arrangements between Senators, is the consideration of the fact that they may be recorded as if they were present. I am sorry, but I cannot possibly feel that we can work out any better arrangement than the one I have submitted to the Senate, and I hope it will be agreed to.

Mr. KNOWLAND. Mr. President, reserving the right to object, I should like to ask the majority leader whether immediately upon the vote being taken on the pending measure, Order of Business 1196, House bill 4908, will then be taken up for consideration.

Mr. BARKLEY. If the Senator is referring to the labor legislation, immediately upon the disposition of the pending joint resolution it will be in order to move to make that measure the unfinished business of the Senate, and if no other Senator makes such a motion, I shall do so.

Mr. MORSE. Mr. President, still reserving the right to object, I ask the majority leader whether he can inform me what amendments are still pending to the British loan joint resolution.

Mr. BARKLEY. The Senator from North Dakota [Mr. LANGER] has three, the Senator from Colorado [Mr. JOHNSON] has one, and the Senator from Louisiana [Mr. ELLENDER] has one. Whether there are any others I do not know. Those are all I know about.

Mr. MORSE. What time does the majority leader contemplate having the Senate convene tomorrow?

Mr. BARKLEY. At 12 o'clock.

Mr. MORSE. What time does the majority leader contemplate adjourning the Senate tonight?

Mr. BARKLEY. As soon as I can get this agreement through.

Mr. MORSE. Mr. President, with five amendments pending, and the debate still to be proceeded with on five amendments, I cannot in good conscience, in view of my convictions as to ample time for the discussion of amendments, agree to a unanimous-consent request for a vote at 3 o'clock tomorrow afternoon, convening at 12 o'clock, and with five amendments to be discussed.

Mr. BARKLEY. If the Senator will permit me to make an observation, I am perfectly willing that the Senate meet at 11 o'clock tomorrow, which will not accommodate the Senator, however, who will not be here.

Mr. MORSE. I can assure the Senator that I have already made up my mind to be here.

Mr. BARKLEY. I did not catch the Senator's remark.

Mr. MORSE. I can assure the Senator that I have made up my mind to be here.

Mr. BARKLEY. I am happy to know that.

Mr. MORSE. I hope that other Senators will also be willing to sacrifice as much in the interest of keeping the Senate an open forum.

Mr. BARKLEY. I will say to the Senator from Oregon that the Senator from Colorado has informed me that he does not desire more than 10 minutes on the amendment he will offer, and the Senator from Louisiana [Mr. ELLENDER] has assured me that he does not want to debate his amendment more than 15 minutes. The Senator from North Dakota, who has three amendments, one pending and two others in the offing, has assured me that the hour suggested for a final vote will afford him ample time. I am sure that by 3 o'clock tomorrow, if the Senator from Oregon has an amendment he desires to offer, we will have ample time to discuss it, and if we cannot discuss it from 12 to 3, I am perfectly willing that we meet at 11 o'clock tomorrow.

Mr. MORSE. Does the Senator think it would be possible for us to get the Senator from North Dakota to continue tonight for such length of time as would be necessary to dispose of his amendments?

Mr. BARKLEY. I cannot read the mind of the Senator from North Dakota. The Senator from North Dakota has been on his feet for some 3 hours or more and inasmuch as he has yielded in order that we may reach this agreement, I am not disposed to punish the Senator from North Dakota by requiring him to speak further tonight, and I do not think the Senate should do so. The Senator has been very reasonable about this matter.

If it will accommodate the Senator from Oregon and give him more time, I shall move that we recess until 11 o'clock tomorrow instead of 12.

Mr. MORSE. It is no accommodation to me. I am merely a listening Senator in the matter.

Mr. BARKLEY. I thought the Senator was fearful that from 12 to 3 would not give enough time to discuss the amendments to be offered.

Mr. MORSE. I have not the slightest idea of what arguments will be advanced

in regard to these amendments, but I certainly want to listen to the arguments which may be made upon the amendments, so I may be able to pass on their merits. I certainly will not know what their merits are, however, until I hear the arguments.

Mr. BARKLEY. I think 4 hours' time will be sufficient in which to consider three or four amendments, and will give every Senator an opportunity to discuss them as long as he wishes.

Mr. MORSE. I object, Mr. President.

The PRESIDING OFFICER. Objection is heard.

SEVERAL SENATORS. Vote! Vote!

Mr. BARKLEY. Mr. President, I ask unanimous consent, under the same circumstances, that the Senate proceed to vote tomorrow not later than 4 p. m. on the bill and all amendments thereto.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Reserving the right to object, if the Senator wishes to set the hour at 5 o'clock, I will agree to it.

Mr. BARKLEY. Mr. President, in order to accommodate the Senator——

Mr. TAFT. Mr. President, I object. I am not able to be here at 5 o'clock tomorrow under any circumstances, and I think it is just as important that I should be here as that the Senator from Oregon should be here.

Mr. BARKLEY. I appreciate the fact, and I emphasize the fact that it is impossible to fix any hour that will not discommode some Senators.

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

Mr. BARKLEY. I yield.

Mr. MORSE. Let the RECORD be made perfectly clear that the Senator from Oregon will be here all day tomorrow.

Mr. BARKLEY. I appreciate that, and I am happy to know that, but tomorrow's RECORD will be the best evidence of who will be present.

SEVERAL SENATORS. Vote! Vote!

Mr. BARKLEY. Mr. President, I have no further request to make at this point.

Mr. TAFT. Would the Senator from Kentucky not suggest a time limitation on amendments again? It seems to me that a 15-minute limitation would dispose of these amendments.

Mr. BARKLEY. I appreciate the suggestion of the Senator from Ohio. I had heretofore made that request, to which objection was made. I will now ask unanimous consent that during the remainder of the discussion of the joint resolution no Senator shall speak more than once nor longer than 15 minutes on the joint resolution or any amendment thereto.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Mr. President, I object.

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the remainder of the consideration of the joint resolution no Senator shall speak more than once nor longer than 30 minutes on the joint resolution or any amendment thereto.

Mr. MORSE. Mr. President, I object.

SEVERAL SENATORS. Vote! Vote!

Mr. BARKLEY. Mr. President, I have no further suggestion to make for the present.

The PRESIDING OFFICER. The question before the Senate is on the amendment of the Senator from North Dakota [Mr. LANGER]. The yeas and nays have been ordered. The clerk will call the roll.

Mr. AIKEN. Mr. President, may the amendment be read? I understand the Senator from North Dakota has three amendments.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. It is proposed to insert a new section at the end of the joint resolution, as follows:

Sec. —. Notwithstanding any other provision of law, no loan made after the date of enactment of this joint resolution, by any department or agency (including Government-owned or controlled corporations) of the Federal Government, to any person who served honorably in the armed forces of the United States during World War II, shall bear interest at a rate in excess of one and six-tenths percent per annum, and no interest shall accrue or be payable on any such loan for a period of 5 years from the date of the making of such loan.

Mr. AIKEN. Mr. President, may I ask one question of the Senator from North Dakota? Would his amendment cover RFC loans to veterans?

Mr. LANGER. Yes.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOEY (when Mr. BAILEY's name was called). My colleague the senior Senator from North Carolina [Mr. BAILEY] is absent because of illness. If present he would vote "nay."

Mr. HATCH (when Mr. CHAVEZ' name was called). My colleague the junior Senator from New Mexico [Mr. CHAVEZ] is unavoidably absent because of important public business. If present he would vote "nay."

Mr. MURDOCK (when the name of Mr. THOMAS of Utah was called). The senior Senator from Utah [Mr. THOMAS] is unavoidably absent because of public business. If present he would vote "nay."

Mr. MEAD (when Mr. WAGNER's name was called). My colleague the senior Senator from New York [Mr. WAGNER] is detained unavoidably. If present he would vote "nay."

The roll call was concluded.

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

The Senator from Mississippi [Mr. BILBO], the Senator from Missouri [Mr. BRIGGS], the Senator from Nevada [Mr. CARVILLE], the Senator from Idaho [Mr. GOSSETT], and the Senator from Louisiana [Mr. OVERTON], are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Montana [Mr. MURRAY] and the Senator from Texas [Mr. O'DANIEL] are detained on public business.

The Senator from Georgia [Mr. GEORGE], the Senators from Tennessee [Mr. MCKELLAR and Mr. STEWART], and the Senator from Massachusetts [Mr. WALSH], are unavoidably detained.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

I wish to announce further that on this question the Senator from Tennessee [Mr. MCKELLAR] has a pair with the Senator from Wyoming [Mr. ROBERTSON]. If present the Senator from Tennessee would vote "nay."

I also announce that if present and voting the Senator from Missouri [Mr. BRIGGS], the Senator from Texas [Mr. CONNALLY], and the Senator from Georgia [Mr. GEORGE], would vote "nay."

Mr. TAFT. The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State. If present he would vote "nay."

The Senator from Maine [Mr. WHITE] is paired with the Senator from Indiana [Mr. WILLIS].

The Senator from Wyoming [Mr. ROBERTSON] is paired with the Senator from Tennessee [Mr. MCKELLAR].

The Senator from Maine [Mr. BREWSTER], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from Indiana [Mr. CAPEHART], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The result was announced—yeas 12, nays 56, as follows:

YEAS—12

| | | |
|---|---|---|
| Brooks | La Follette | Shipstead |
| Butler | Langer | Wheeler |
| Capper | McFarland | Wilson |
| Johnson, Colo. | Revercomb | Young |

NAYS—56

| | | |
|---|---|---|
| Aiken | Hatch | Morse |
| Austin | Hawkes | Murdock |
| Ball | Hayden | Myers |
| Bankhead | Hickenlooper | O'Mahoney |
| Barkley | Hill | Pepper |
| Bridges | Hoey | Radcliffe |
| Buck | Huffman | Reed |
| Byrd | Johnston, S. C. | Russell |
| Donnell | Knowland | Saltonstall |
| Downey | Lucas | Smith |
| Eastland | McCarran | Stanfill |
| Ellender | McClellan | Taft |
| Ferguson | McMahon | Taylor |
| Fulbright | Magnuson | Thomas, Okla. |
| Gerry | Maybank | Tobey |
| Green | Mead | Tunnell |
| Guffey | Millikin | Tydings |
| Gurney | Mitchell | Wiley |
| Hart | Moore | |

NOT VOTING—28

| | | |
|---|---|---|
| Andrews | Cordon | Stewart |
| Bailey | George | Thomas, Utah |
| Bilbo | Glass | Vandenberg |
| Brewster | Gossett | Wagner |
| Briggs | Kilgore | Walsh |
| Bushfield | McKellar | Wherry |
| Capehart | Murray | White |
| Carville | O'Daniel | Willis |
| Chavez | Overton | |
| Connally | Robertson | |

So Mr. LANGER's amendment was rejected.

Mr. BARKLEY. Mr. President, I ask Senators to remain in the Chamber. There are only two or three more amendments, and I think they will be very briefly discussed. I think we can dispose of the joint resolution tonight. I ask Senators to remain here and make the effort to do so.

The PRESIDING OFFICER (Mr. HATCH in the chair). The joint resolution is before the Senate and open to

further amendment. If there be no furthere amendment to be proposed——

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

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

The LEGISLATIVE CLERK. At the end of the joint resolution it is proposed to insert the following new section:

SEC. —. It shall be a condition on any payment made to the United Kingdom pursuant to the agreement dated December 6, 1945, that not less than 90 percent of the amount thereof shall be used for purchases by the United Kingdom of goods and services in the United States.

Mr. ELLENDER. Mr. President, it is not my purpose to ask the indulgence of the Senate to listen to me for any length of time on this amendment. I spent the greater part of 3 days in discussing the joint resolution at length. One of the main reasons advanced for this loan was that it would increase our trade with Great Britain. I believe that every Senator who discussed this measure and who advocated its adoption urged as a reason that it would greatly increase our trade with the United Kingdom. I, of course, have taken the opposite view. As I attempted to point out, the agreement does not specify any amount of this huge sum which must be spent in the United States.

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

Mr. ELLENDER. I yield.

Mr. REVERCOMB. I ask the Senator from Louisiana if it is not true that even before this measure reached the floor of the Senate the greatest propaganda in behalf of this loan, through magazine articles and over the radio, has been an appeal to the American people that the loan was primarily for the purpose of building up our trade?

Mr. ELLENDER. The Senator is eminently correct. As I indicated a moment ago, there has not been an argument advanced on the floor of the Senate that did not have as its main objective the point that the proposed loan would have a tendency tremendously to increase trade between the United Kingdom and the United States, and thereby increase the production of goods on our part, which in turn would create employment.

Mr. REVERCOMB. I have read articles and I have heard commentators on the radio using as their principal argument to support the loan that it was for the primary purpose of building trade with this country, whereby American goods could be sold. As the Senator has pointed out, there is not one word in the joint resolution or in the agreement which provides that the United Kingdom shall spend any definite part of this fund in the United States. I will say to the Senator from Louisiana that I believe that this is one of the best amendments offered, and I intend to support it.

Mr. ELLENDER. I thank the Senator.

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

Mr. ELLENDER. I yield.

Mr. BROOKS. I suggest to the Senator from Louisiana that, in the debate in the House of Lords, Lord Keynes pointed out that this was a special type of loan, because all the other loans which had been suggested had strings tied to them providing that the funds should be spent in the United States, but that this loan was free of any entanglements or strings of that kind.

To call this gift of $3,750,000,000 a loan is the same kind of subterfuge which was used when lend-lease was called a loan. We poured out $25,000,000,000, which we have now forgiven for a pittance. This is another gift.

I hope the Senator's amendment will be agreed to.

Mr. ELLENDER. I thank the Senator from Illinois.

Mr. President, I was hopeful that the Senate would adopt an amendment of some kind which would in some slight degree inure to the benefit of the United States. As I interpret this agreement, it would simply enable the British Empire to maintain the position which it has occupied for many years. I do not expect that our country will get any benefits whatever from this agreement. The huge sum will be used solely and wholly to maintain the United Kingdom for a few more years to come.

The strongest argument that has been advanced on the floor of the Senate by the proponents of this measure has been that by making the loan our country would benefit tremendously. I now desire to give Senators who have argued from that standpoint an opportunity to make it possible that every dollar that we shall lend to Great Britain shall be spent by the United Kingdom in the United States to buy goods and services from the people of our Nation.

The amendment specifically provides that 90 percent of this huge sum shall be spent for goods and services in the United States. Why should we not ask that of Great Britain? Why should that not be made a part of this agreement?

I notice from the press that day before yesterday the Canadian Parliament proposed to lend to Great Britain $1,250,000,000. In that agreement it was written that every dime of the $1,250,000,000 to be loaned by Canada to Great Britain was to be spent for goods and services to be furnished by Canada to Great Britain. The rest of the agreement was to be along the same lines as the agreement between the United States and the United Kingdom. The Canadians were to charge the same rate of interest, and allow Great Britain the same privileges—if we may so term them—that this agreement would accord to the British. Why should we not obtain the same consideration that is shown to Canada?

I cannot help but repeat what I stated at the beginning of this week. The Senate has adopted three measures which would have the effect of revitalizing the economy of many of the stricken countries throughout the world.

We have provided for Bretton Woods, in two proposals: One, establishing a bank; another, establishing a fund for the purpose of stabilizing the currencies of all the world in relation to each other. We have obligated ourselves to put up almost $6,000,000,000 in order to make those proposals workable.

In addition to that, we have increased the capital stock of the Export-Import Bank to the sum of $3,500,000,000 in order to help stricken countries. There is a proposal further to increase the capital stock of the Export-Import Bank. We have renewed the Trade Agreements Act for the purpose of helping to stabilize and to increase and help the economy of the nations of the world which have suffered during the recent war. We have done everything which has been asked by this administration up to the time when this agreement was submitted to us, in order to help to revitalize world trade. But, Mr. President, there seems to be no end to it. I believe it is incumbent on our Government to rely on the proposals to which I have alluded—the bank and the trade agreements—if we are to maintain our position in this world as a leader.

This agreement gives to the United Kingdom, privileges which every Senator knows, deep down in his heart, neither the Senate nor this country will afford to any other country. I know that if Russia today were to ask for $2,000,000,000 or $3,000,000,000 upon the same terms or conditions as those proposed in this agreement, such a proposal would be overwhelmingly voted down.

Mr. President, we must make the United Nations function if we expect to have permanent peace in this world. We cannot afford to side with any nation, because the moment we do we shall lose our leadership among the world powers. We cannot afford to treat one nation, especially a large nation, any better than we treat any other nation, because the moment we do, as I see it, we are bound to lose our leadership as a world power.

What if Russia were to ask for a $3,000,000,000 loan tomorrow and the Senate were to refuse it, and in the next breath were to grant this loan to Great Britain? Cannot you see, Mr. President, and cannot the Senate see that if we were to take such an attitude, Russia would not have the same confidence in us that she now has? Today—and when I say this I may be wrong, but judging from what I have read in the press and what I have heard here and there, I think I am correct—today there is much distrust between Great Britain and Russia. I do not think anyone will question that. And because of the fact that we are now leaning toward Great Britain, the Russians are distrusting us, and that distrust may increase as time goes on. I, for one, do not want to make it possible for the slight breach which may exist between us and Russia today to be widened. I want our Nation to assume leadership and hold on to it. The only way by which we can maintain leadership is to treat all nations alike, be they large or small.

This agreement, although termed a loan, actually is in the nature of a gift. All of us know that to be so. Britain can no more pay back the sum proposed to be loaned than I could pay back a billion dollars if I owed it today. It is impossible for Britain to do it. We are simply letting them have a few billion dollars as a mere shot in the arm, as it were; and if they are to be retained in

their present position, they are going to be coming back to us in 4 or 5 years——

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

Mr. ELLENDER. I yield.

Mr. BARKLEY. Mr. President, I renew my request, made earlier in the evening, that at not later than 3 p. m. tomorrow the Senate proceed to vote on the joint resolution and all amendments thereto, without further debate.

The PRESIDING OFFICER. The Senator includes in his request, the Chair assumes, a request that the suggestion of the absence of a quorum be considered to have been waived.

Mr. BARKLEY. Yes; I intended to include that.

Mr. MORSE. Mr. President, reserving the right to object, I wish to make two comments. The first comment I wish to make is that since the last debate on this matter we have disposed of one amendment, and hence I think it is reasonable to agree to a limitation of debate whereby from 12 o'clock noon tomorrow until 3 p. m. we shall dispose of the remaining amendments and shall vote on the joint resolution.

The second comment, so far as I am concerned, is of vital importance, namely, that the majority leader is of the impression, in regard to a private conversation which we had earlier this evening when I was interested in seeing what could be done to bring to a close the discussion which was taking place on the floor of the Senate, that I would have no objection to a proposal to close debate on the pending matter tomorrow at 3 p. m. Irrespective of whether there was a meeting of the minds in that conversation, if—as I have stated to the majority leader—when I carry on a private conversation with any Senator, he forms the opinion that there has been a meeting of the minds, his interpretation—not mine—will be controlling, so far as I am concerned. I say that because I feel that in our relationships in the Senate one should always yield to the interpretations of his words which others may make, insofar as any agreements relative to parliamentary procedure are concerned.

Therefore, I am happy to withdraw my objection to the request for an agreement to vote at 3 o'clock tomorrow afternoon.

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

Mr. TYDINGS. Mr. President, reserving the right to object, I should like to inquire of the majority leader whether 3 o'clock tomorrow afternoon is the earliest possible time tomorrow to which he can get the various conflicting interests to agree as the time for making the ultimate decision. If some Members wish to leave the city, I do not see a bit of use—for we have been going over this matter for more than 3 weeks—in waiting that long.

Accordingly, I would not object to a proposal to take the vote at an earlier hour.

Mr. BARKLEY. Mr. President, responding to the suggestion of the Senator from Maryland, I may say that I would be very glad to vote earlier, but the hour of 3 o'clock is the earliest hour that I was able to work out, and it was the hour which had been agreed upon when I made the original request.

I wish to say to the Senator from Oregon [Mr. MORSE] that I appreciate his suggestion. Knowing his attitude generally with regard to fixing an hour for voting, I approached the Senator this evening asked him whether he would object to fixing an hour for voting. I told him that two or three different hours had been suggested and discussed, and I should like to ask that we vote at 3 o'clock tomorrow. It was understood that the Senator from Oregon assured me that, under the peculiar circumstances now existing, he would not object. He explained to me that he had an engagement which he must keep in Chicago, that he had a pair with his colleague who was opposed to the loan, although the Senator himself was in favor of it. I did have such an understanding, and I appreciate the Senator's courtesy in yielding to my interpretation of what had transpired between us. As the Senator knows, without his consent I would never reveal a private conversation with a colleague concerning any matter.

Mr. MORSE. Mr. President, I am very glad that the Senator from Kentucky has brought forward his understanding of the conversation, because if it had not been revealed there would have been a misunderstanding. It was not my intention to make any commitment, in view of what might transpire thereafter, but, be that as it may, in view of the fact that the Senator from Kentucky interpreted the matter as he did, I insist that it be binding upon me, and I withdraw my objection.

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

Mr. KNOWLAND. Mr. President, reserving the right to object, I should like to inquire of the distinguished majority leader whether it is his intention to hold a session of the Senate on Saturday. I believe it is important to serve notice on Members of the Senate now that it is the intention of the Senate leaders to hold a session of the Senate on Saturday, providing that one is to be held.

Mr. BARKLEY. Mr. President, I cannot answer directly the Senator's question. I have already made the statement that at the conclusion of consideration of the pending joint resolution it is my purpose to move that the Senate proceed to consider Calendar No. 1196, House bill 4908, the so-called labor bill. Whether the Senate desires to hold a Saturday session and consider that bill, I am not now in position to say.

Mr. KNOWLAND. I believe that, in view of the crisis now facing the country, the bill to which the Senator has referred is of such importance that it should be taken up tomorrow at 3 o'clock and——

Mr. BARKLEY. First, Mr. President, let me say that it is my purpose immediately upon the conclusion of the consideration of the pending measure to move to take up the labor bill.

Mr. KNOWLAND. I believe that the emergency now facing the country is of such importance that the Majority Leader should indicate to the Members of the Senate that the House bill 4908 will be taken up on Saturday so that they will not, because of any misconception, go away over the week end and allow the crisis which now faces the country to continue in its present form.

Mr. BARKLEY. I do not believe that consideration of the bill could be concluded if we should take it up tomorrow. I will also say to the Senator that I believe it would be utterly impossible to dispose of the bill even if we were to hold a session on Saturday.

Mr. KNOWLAND. In fairness and justice to the Members of the Senate, I think it is well for them to have in mind that there may be a motion made to hold a Saturday session.

Mr. BARKLEY. I may say, Mr. President, that Senators should make their arrangements and plans on the basis of a session being held by the Senate on Saturday. If such a session is not held, Senators will probably have something else to do.

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

Mr. BARKLEY. I yield.

Mr. REVERCOMB. I realize that the Senator cannot tonight indicate whether or not a session will be held on Saturday. Will the Senator be in position tomorrow, at the convening of the Senate at 12 o'clock, to advise the Members of the Senate whether a session wil be held on Saturday?

Mr. BARKLEY. I hope to be able to advise the Senate at that time.

The PRESIDING OFFICER. Without objection, the request of the Senator from Kentucky is agreed to.

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing the nations to which the United States made loans following World War I, the amount of the loan to each country, the amount paid by each country, and the percentage of the total amount loaned which was repaid by each country.

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

*Indebtedness of foreign governments to the United States arising out of World War I*

| Country | Principal of obligations originally acquired | Total payments received to date (principal and interest) | Percent of payments received to original debt |
|---|---|---|---|
| Armenia | $11, 959, 917. 49 | | |
| Austria | 24, 055, 708. 92 | $862, 668. 00 | 3. 6 |
| Belgium | 579, 087, 200. 43 | 52, 191, 273. 24 | 13. 8 |
| Cuba | 10, 000, 000. 00 | 12, 286, 751. 58 | 122. 9 |
| Czechoslovakia | 91, 879, 671. 03 | 20, 134, 092. 26 | 21. 9 |
| Estonia | 13, 999, 145. 60 | 1, 248, 432. 07 | 8. 9 |
| Finland | 8, 281, 926. 17 | 7, 263, 549. 99 | 87. 7 |
| France | 3, 404, 818, 945. 01 | 486, 075, 891. 00 | 14. 3 |
| Great Britain | 4, 277, 000, 000. 00 | 2, 024, 848, 817. 09 | 47. 3 |
| Greece | 27, 167, 000. 00 | 4, 127, 056. 01 | 15. 2 |
| Hungary | 1, 685, 835. 61 | 556, 919. 76 | 33. 0 |
| Italy | 1, 648, 034, 050. 00 | 100, 829, 880. 16 | 6. 1 |
| Latvia | 5, 132, 287. 14 | 761, 549. 07 | 14. 8 |
| Liberia | 26, 000. 00 | 36, 471. 56 | 140. 3 |
| Lithuania | 4, 981, 628. 03 | 1, 237, 956. 58 | 24. 9 |
| Nicaragua | 431, 849. 14 | 168, 575. 84 | 39. 0 |
| Poland | 159, 066, 972. 39 | 22, 646, 297. 55 | 14. 2 |
| Rumania | 37, 911, 152. 92 | 4, 791, 007. 22 | 12. 6 |
| Russia | 192, 601, 297. 37 | 8, 750, 311. 88 | 4. 5 |
| Yugoslavia | 51, 758, 486. 55 | 2, 588, 771. 69 | 5. 0 |
| Total | 10, 350, 479, 074. 70 | 2, 751, 406, 272. 55 | 26. 6 |

EXECUTIVE SESSION

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

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

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. HATCH in the chair) laid before the Senate a message from the President of the United States submitting the nominations of sundry cadets to be ensigns in the Coast Guard, which was referred to the Committee on Commerce.

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

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. GEORGE, from the Committee on Finance:

Sundry candidates for appointment and promotion in the Regular Corps of the United States Public Health Service.

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

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc, and, without objection, the President will be immediately notified.

That concludes the Executive Calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 10 o'clock and 46 minutes p. m.) the Senate took a recess until tomorrow, Friday, May 10, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 9 (legislative day of March 5), 1946:

The following-named cadets to be ensigns in the Coast Guard, to rank from the 5th day of June 1946:

William Lamb Aitkenhead
Roy Kenneth Angell
Charles Fredrick Baker
Leland Cook Batdorf
David Proyer Bates, Jr.
Charles DeLaCour Bishop
Vincent Anthony Bogucki
James William Bolding, Jr.
Richard Baker Bowden, Jr.
Charles Donald Bradburn
Jay Herbert Bramson
John Henry Bruce
George Herbert Patrick Bursley
Edward David Cassidy
Edward Egbert Chambers
William Russell Chandler
Lloyd Hubbard Clark
Malcolm Emery Clark
Albert Harley Clough
Donald Carlton Davis
Lawrence Davis, Jr.
Robert Lloyd Davis, Jr.
Roger Gilbert Devan
Robertson Pickett Dinsmore
Robert Joseph Dodge
Bruce Hamer Edwards
William Laurie Faulkenberry
Verne Doucet Finks
Charles Irving Foss III
Frank Hudson Fuller
Arthur Newell Garden, Jr.
James Austin Garrison
James Albert Gary III
Robert Stanley Gershkoff
Lloyd Whitman Goddu, Jr.
Dudley Chapin Goodwin, Jr.
Walter Franklin Guy
Henry Vanderhulst Harman
John Briggs Hayes
Walter Owen Henry
James Edward Heywood
Leslie Dean High
Ian Edward Holland
Archibald Barwell How II
Richard Bernard Humbert
James Patrick Hynes
David Jenkins
Bruce Clifford Johnson
Robert Wayne Johnson
Frederick Steffen Kelsey
William Joseph Kirkley
Robert Charles Krulish
Robert Allison Lee
Michael Beauregard Lemly
Rudolph Edwin Lenczyk
Glenn Milton Loboudger
James Hector MacDonald
Charles Scott Marple
Charles Madison Mayes
Donald Joseph McCann
Alfred Edwin McKenney, Jr.
John Hanson Kennard Miner
Walter Bishop Murfin
John Egbert Van Alen Murray
Milton Ray Neuman
Elliott Northcott II
William Merryman Page, Jr.
Frank Eldon Parker
Robert Donald Parkhurst
Robert Arthur Patrick
David Eaton Perkins
Warren Sawyer Petterson
William Comfort Pinder, Jr.
Thomas William Powers
Wilfred Francis Raes
Dan Rayacich
George Francis Rodgers
Randolph Ross, Jr.
Arthur William Rouzie
Edward Peter Rutken
Douglas Cargill Ryan
George Thomas Sain, Jr.
John Bean Saunders, Jr.
Wilmer Schweinsberg, Jr.
John Henry Sharp
Herbert Henry Sharpe, Jr.
Robert William Smith
Charles Hudson Steele
John Wesley Steffey
Shirl Joseph Stephany
James Paul Stewart
James Howard Swint
Alfred John Tatman
Glenn Raymond Taylor
David Harry Thomas
Thomas Cartwright Thompson
William Francis Tighe, Jr.
Richard Morse Underwood, Jr.
Otto Francis Unsinn
Emil Miroslav Valehrach
Donald Ray Vaughn
Richard Theodore Wagner
John Leland Wright

CONFIRMATIONS

Executive nominations confirmed by the Senate May 9 (legislative day of March 5), 1946:

IN THE NAVY

The nominations of Alfred E. Adams et al. to be ensigns in the Navy, from the 5th day of June 1946; and

The nominations of Robert N. Barker et al. to be assistant paymasters in the Navy, with the rank of ensign, from the 5th day of June 1946.

IN THE MARINE CORPS

The nominations of Herbert Blaha et al. to be second lieutenants in the Marine Corps, from the 5th day of June 1946.

(NOTE.—A list of the persons confirmed today, as ensigns or assistant paymasters in the Navy, as well as a list of all persons confirmed today as second lieutenants in the Marine Corps, may be found in the Senate proceedings of the CONGRESSIONAL RECORD for May 7, 1946, under the caption "Nominations," beginning with the name of Alfred E. Adams on p. 4557 and ending with the name of Paden E. Woodruff, Jr., appearing on p. 4559.)

POSTMASTERS

ALABAMA

Ethelene D. Cobb, Harvest.

ARKANSAS

Jack V. Stockburger, Winslow.

DELAWARE

Anne H. McCarthy, Delaware City.

INDIANA

Ruth E. Noonan, Lagro.
Dorothy L. Patten, Yoder.

IOWA

John W. Downey, Argyle.
Clifford L. Hamilton, Bettendorf.
Edward F. Floody, Castalia.
Emma M. Skoda, Protivin.
Selma P. Paulson, Rutland.
George H. Ellerhoff, Sperry.

KANSAS

Walter William Koch, Fredonia.

UTAH

Roland H. Mortensen, Trenton.

# HOUSE OF REPRESENTATIVES

THURSDAY, MAY 9, 1946

The House met at 12 o'clock noon.

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

O Thou eternal God, who hast created us with a capacity to be like Thee in spirit, grant that this moment of prayer may be a veritable mount of transfiguration. May our minds and hearts be illumined with spiritual vision and touched to finer issues.

We pray that Thy servants, who have been given the high calling of statesmanship in the affairs of government, may be blessed with insight and inspiration as they seek to solve the difficult and perplexing problems which are now challenging the consecration of their noblest manhood.

May we never be afraid of that which is high, or feel that the ideals and principles which Thou hast implanted within our souls are beyond the sphere of practical realization. Give us the rapture of the forward look and the courage to live hopefully and heroically. May we all be the heralds and harbingers of that new day when humanity's loftiest aspirations shall be brought to fulfillment and fruition.

In Christ's name we pray. Amen.

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