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PROCEEDINGS AND DEBATES OF THE 79th CONGRESS, SECOND SESSION

SENATE

THURSDAY, JUNE 13, 1946

(Legislative day of Tuesday, March 5, 1946)

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

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

Eternal God, in hours of exhausting strain which drain away our strength, we give Thee thanks for the daily pause at this wayside well of peace and prayer.

Again in this storied Chamber an empty desk so long filled with probity and honor is reminding us that to each day must come the end, when the silver cord is loosed and the golden bowl and the pitcher are broken at the fountain and the mourners are in the streets, as a man goeth to his everlasting home. In the sadness of farewell, we give Thee thanks for one who was the embodiment of the gentle chivalry of the Southland, but whose understanding sympathy encompassed the Nation with all its varied needs. It is with grateful remembrance this day we recall his long career as he followed in public service the footprints of a worthy sire. In an age of blatant Babel towers, Thou didst give him discerning eyes to see that the eternal springs of renewal gush from the good earth, whose broad fields hold the sacrament of seedtime and harvest.

"Now the laborer's task is o'er,
Now the battle-day is past;
Now upon the farther shore
Lands the voyager at last;
Father, in Thy gracious keeping
Leave we now Thy servant sleeping."

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, June 12, 1946, was dispensed with, and the Journal was approved.

THE LATE SENATOR JOHN H. BANKHEAD

Mr. WAGNER. Mr. President, due to my absence from the Senate yesterday, I was unable to join my colleagues in their fitting and deserved tributes to the late Senator Bankhead. At this time, I wish to add a personal word to what has already been said.

By the laws which bear his name, by innumerable statutes which bear the mark of his influence and his wisdom, by the loyal and steadfast assistance and counsel which he gave freely to all of us, by the integrity which he brought to bear upon every public question, he has established his name and fame for all time upon the records of the Senate.

He died in the heat of battle, no less than a soldier dies from the wounds of war.

It was my privilege to serve with him since the day he came to this body. Always I felt keenly the strength and purpose, the integrity and ability with which he grappled with a succession of difficult problems. He never spared himself; and whatever the issue, all of us knew the depth of character and sincerity which motivated his every move, thought, and word.

My sincere condolence and sympathy goes out to his family in this tragic hour.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 13, 1946, the President had approved and signed the act (S. 1978) to authorize the restoration of Philip Neikum, Jr., to the active list of the United States Navy with appropriate rank and restoration of pay and allowances.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, communicated to the Senate the resolutions of the House adopted as a tribute to the memory of Hon. John H. Bankhead, late a Senator from the State of Alabama.

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

H. R. 164. An act to provide safety in aviation and to direct an investigation of the causes and characteristics of thunderstorms;

H. R. 6030. An act to amend the Civil Aeronautics Act of 1938, as amended, so as to improve international collaboration with respect to meteorology; and

H. R. 6739. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes.

COMMITTEE TO ATTEND THE FUNERAL OF THE LATE SENATOR BANKHEAD

The PRESIDENT pro tempore. Under authority of Senate Resolution 284, the Chair appoints the Senator from Alabama [Mr. HILL], the senior Senator from Tennessee [Mr. MCKELLAR], the Senator from Maine [Mr. WHITE], the Senator from Georgia [Mr. RUSSELL], the Senator from New Mexico [Mr. HATCH], the Senator from Florida [Mr. PEPPER], the Senator from Louisiana [Mr. ELLENDER], the Senator from Kansas [Mr. REED], the junior Senator from Tennessee [Mr. STEWART], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Missouri [Mr. DONNELL] as the committee to attend the funeral of the late Senator Bankhead, of Alabama.

COMMITTEE TO ATTEND PHILIPPINE INDEPENDENCE CEREMONIES

The PRESIDENT pro tempore. Pursuant to House Joint Resolution 360, the Chair appoints as the committee on the part of the Senate to participate in the Philippine independence ceremonies on July 4, 1946, the Senator from Maryland [Mr. TYDINGS], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Utah [Mr. MURDOCK], the Senator from Louisiana [Mr. ELLENDER], the Senator from Maine [Mr. BREWSTER], and the Senator from Nebraska [Mr. BUTLER].

REPORT OF JUVENILE COURT OF THE DISTRICT OF COLUMBIA

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on the District of Columbia:

(For President's message, see today's proceedings of the House of Representatives on p. 6855.)

REPORTS OF GOVERNOR OF THE PANAMA CANAL

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying reports, referred to the Committee on Interoceanic Canals:

(For President's message, see today's proceedings of the House of Representatives on p. 6854.)

MILITARY ADVICE AND ASSISTANCE TO THE REPUBLIC OF CHINA

The PRESIDENT pro tempore laid before the Senate a letter from the Secretary of State, transmitting a draft of proposed legislation to provide military advice and assistance to the Republic of China to aid it in modernizing its armed forces for the fulfillment of obligations which may devolve upon it under the Charter of the United Nations, and for other purposes, which, with the accompanying paper, was referred to the Committee on Foreign Relations.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on June 12, 1946, he presented to the President of the United States the enrolled bill (S. 1163) to provide for the appointment of one additional district judge for the northern district of California.

TERMINAL LEAVE PAY FOR ENLISTED MEN

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD, a resolution adopted by the Young Republicans of the Fourth District at Emporia, Kans., relating to terminal leave pay for enlisted men.

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

Be it resolved by the Young Republicans of the Fourth Congressional District in convention assembled, That the Congress of the United States be urged to enact legislation which would give to enlisted men the same rights and privileges of terminal leave pay as that enjoyed by officers of the armed forces.

DEL ROSKAM, *Chairman.*

Attest:

W. G. LEONARD, *Secretary.*

ABOLITION OF OFFICE OF PRICE ADMINISTRATION

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD, a resolution adopted by the Young Republicans of the Fourth District at Emporia, Kans., relating to the Office of Price Administration.

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

Whereas it is brought to the attention of the Fourth District Young Republican meeting at Emporia, Kans., on the 5th day of May 1946, that legislation extending the OPA is before the Congress of the United States: Therefore, be it

Resolved, That the Young Republicans of the Fourth District go on record as opposing legislation tending to extend price controls in this country for an unlimited length of time.

That when items reach a point in production where their removal from price control would not incur danger of inflation, they be removed from price control.

That amendments which tend to relieve gross inequities in price structure and that would further encourage increased production of commodities needed by consumers of this country be incorporated in any legislation affecting extension of OPA.

DEL ROSKAM, *Chairman.*

Attest:

W. G. LEONARD, *Secretary.*

OPA AND SOCIALIZED MEDICINE

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD without the signatures attached a memorial signed by 69 citizens of Furley, Kans., remonstrating against continuing the OPA beyond June 30, 1946. They also register their protest against socialized medicine.

There being no objection, the memorial was received, ordered to lie on the table, and to be printed in the RECORD, without the signatures attached, as follows:

To the Congress of the United States of America:

We, the voters, citizens of Furley, Kans., do hereby register our protest against continuing OPA after June 30, 1946, because it has, we believe, retarded our return to normal, and has not promoted it as claimed by Chester, the Prophet of Doom. We also register our protest against socialized medicine.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILSON, from the Committee on Claims:

S. 1150. A bill for the relief of John Leberman; with an amendment (Rept. No. 1475);

H. R. 2315. A bill for the relief of Adele Nahas; with an amendment (Rept. No. 1476);

H. R. 4118. A bill for the relief of Axel H. Peterson; without amendment (Rept. No. 1477); and

H. R. 4373. A bill for the relief of Carl and Naomi Fitzwater; without amendment (Rept. No. 1478).

By Mr. O'DANIEL, from the Committee on Claims:

H. R. 3512. A bill for the relief of Willie Lam and Edgar Lam; without amendment (Rept. No. 1479);

H. R. 4600. A bill for the relief of the estate of Patsy Ann Maheux, deceased; without amendment (Rept No. 1480);

H. R. 4997. A bill for the relief of Ernest I. Wade and Alma Wade; with an amendment (Rept. No. 1481);

H. R. 5071. A bill for the relief of Mrs. Dora Foster; with an amendment (Rept. No. 1482); and

H. R. 5208. A bill for the relief of Michael J. Keaveney and Mary C. Keaveney; with an amendment (Rept. No. 1483).

By Mr. ELLENDER, from the Committee on Claims:

S. 1517. A bill for the relief of Lofts & Son; without amendment (Rept. No. 1484);

H. R. 797. A bill for the relief of William W. Willett, Jr., without amendment (Rept. No. 1485);

H. R. 1258. A bill for the relief of Cecil Atkinson; without amendment (Rept. No. 1486);

H. R. 2772. A bill for the relief of Juan Calcano; without amendment (Rept. No. 1487);

H. R. 2785. A bill for the relief of Will O'Brien, Mrs. Bessie O'Brien, and the legal guardian of Jane O'Brien; without amendment (Rept. No. 1488);

H. R. 3359. A bill for the relief of Mrs. Mary Belk; without amendment (Rept. No. 1489);

H. R. 3399. A bill for the relief of Philibert L. Bergeron, Alfred Quist, and Astrid Quist; without amendment (Rept. No. 1490);

H. R. 3401. A bill for the relief of Mrs. Hattie Main Babcock, Chester N. Main, and Mr. and Mrs. Earl Norman; without amendment (Rept. No. 1491);

H. R. 4353. A bill for the relief of Amy Mary Richter; without amendment (Rept. No. 1492);

H. R. 4479. A bill for the relief of William E. Robertson and Estelle Robertson; without amendment (Rept. No. 1493); and

H. R. 4888. A bill for the relief of Gustav F. Doscher; without amendment (Rept. No. 1494).

By Mr. HUFFMAN, from the Committee on Claims:

S. 2107. A bill for the relief of certain postal employees; without amendment (Rept. No. 1495).

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

S. 2108. A bill to provide for the payment of members of the military and naval forces of the United States who enter or reenter civilian employment of the United States, its Territories or possessions, or of the District of Columbia while in military pay status prior to assignment to active duty; without amendment (Rept. No. 1496).

By Mr. HILL, from the Committee on Education and Labor:

S. 181. A bill to authorize the appropriation of funds to assist the States and Territories in more adequately financing their systems of public education, and in reducing the inequalities of educational opportunities through public elementary and public secondary schools; with an amendment (Rept. No. 1497).

By Mr. OVERTON, from the Committee on Commerce:

H. R. 5508. A bill to authorize the return of the Grand River Dam project to the Grand River Dam Authority and the adjustment and settlement of accounts between the Authority and the United States, and for other purposes; without amendment (Rept. No. 1500).

By Mr. HATCH:

From the Committee on Foreign Relations:

S. J. Res. 104. Joint resolution approving agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin with the exception of certain provisions thereof; expressing the sense of the Congress with respect to the negotiation of certain treaties; authorizing the investigation through the Department of State and with Canada of the feasibility of making the Great Lakes-St. Lawrence seaway self-liquidating; and for other purposes, together with minority views of Mr. White; with an amendment (Rept. No. 1499).

From the Committee on Public Lands and Surveys:

H. R. 3533. A bill to authorize revisions in the boundary of the Hopewell Village National Historic Site, Pa., and for other purposes; with an amendment (Rept. No. 1498); and

S. Res. 281. Resolution increasing the limit of expenditures for hearings before the Committee on Public Lands and Surveys; without amendment, and, under the rule, referred to the Committee To Audit and Control the Contingent Expenses of the Senate.

By Mr. ROBERTSON, from the Committee on Public Lands and Surveys:

H. R. 5676. A bill to quiet title and possession with respect to certain real estate in Converse County, Wyo.; without amendment (Rept. No. 1501).

BILLS INTRODUCED

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

By Mr. BRIDGES (for himself and Mr. EASTLAND):

S. 2330. A bill to provide for the transfer of certain functions under the Trading With the Enemy Act, as amended, from the Treasury Department to the Department of Justice, and for other purposes; to the Committee on the Judiciary.

By Mr. WALSH:

S. 2331. A bill for the relief of William M. Graham and Mrs. Mary M. Graham; to the Committee on Claims.

By Mr. MEAD:

S. 2332. A bill to provide that the unexpended proceeds from the sale of 50-cent pieces coined in commemoration of the two hundred and fiftieth anniversary of the founding of the city of Albany, N. Y., may be paid into the general fund of such city; to the Committee on Banking and Currency.

By Mr. WHEELER:

S. 2333. A bill to amend the Interstate Commerce Act to provide for the permissible area of collaboration among carriers for the making and filing of rates, fares, charges, and classifications for the transportation of persons or property; to the Committee on Interstate Commerce.

By Mr. TOBEY:

S. 2334. A bill for the relief of Miss Minnie Doherty; to the Committee on Claims.

By Mr. DOWNEY:

S. 2335. A bill to excuse employees of the Government from work on July 5, 1946; to the Committee on Civil Service.

By Mr. BYRD:

S. 2336. A bill conferring jurisdiction on the Court of Claims to hear, determine, and render judgment on the claim of the heirs of William H. Peters and Washington Reed; to the Committee on Claims.

By Mr. GEORGE (by request):

S. 2337. A bill to provide military advice and assistance to the Republic of China to aid it in modernizing its armed forces for the fulfillment of obligations which may devolve upon it under the Charter of the United Nations, and for other purposes; to the Committee on Foreign Relations.

By Mr. MORSE:

S 2338. A bill for the relief of Wilma E. Baker; and

S. 2339. A bill for the relief of Irving W. Learned; to the Committee on Claims.

AMENDMENT OF AGRICULTURAL MARKETING ACT OF 1937 RELATING TO WOOL

Mr. WALSH submitted an amendment intended to be proposed by him to the bill (S. 2033) to provide support for wool, to amend the Agricultural Marketing Agreement Act of 1937 by including wool as a basic commodity to which orders under such act are applicable, to authorize the Secretary of Agriculture to fix wool standards, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED

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

H. R. 164. An act to provide safety in aviation and to direct an investigation of the causes and characteristics of thunderstorms; and

H. R. 6030. An act to amend the Civil Aeronautics Act of 1938, as amended, so as to improve international collaboration with respect to meteorology; to the Committee on Commerce.

H. R. 6739. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1947, and for other purposes; to the Committee on Appropriations.

PREPARATION AND PRINTING OF SENATE RULES AND MANUAL FOR EIGHTIETH CONGRESS

Mr. BYRD, from the Committee on Rules, reported an original resolution (S. Res. 285), which was referred to the Committee on Printing, as follows:

Resolved, That the Committee on Rules be, and it is hereby, directed to prepare a revised edition of the Senate Rules and Manual for the use of the Eightieth Congress, and that 1,500 additional copies shall be printed and bound, of which 1,000 copies shall be for the Senate, 200 copies for the use of the Committee on Rules, and the remaining 300 copies shall be bound in full morocco and tagged as to contents and delivered as may be directed by the committee.

ADDRESS BY SENATOR SHIPSTEAD TO THE MILITARY ORDER OF THE PURPLE HEART

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD an address delivered by him to the Military Order of the Purple Heart at Minneapolis, Minn., on February 21, 1946, which appears in the Appendix.]

A TIME FOR ACTION—ADDRESS BY SENATOR JOHNSON OF COLORADO

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an address entitled "A Time For Action" delivered by him at Madison Square Garden under auspices of American Zionists Emergency Committee, June 12, 1946, which appears in the Appendix.]

THE CHALLENGE TO FREEMEN—COMMENCEMENT ADDRESS BY EUGENE HOLMAN

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an address on the subject The Challenge to Freemen, delivered by Mr. Eugene Holman to the graduating class of Hardin-Simmons University, Abilene, Tex., on June 3, 1946, which appears in the Appendix.]

INTER-AMERICAN PEACE AND COOPERATION—EDITORIAL FROM THE BIRMINGHAM AGE-HERALD

[Mr. HILL asked and obtained leave to have printed in the RECORD an editorial entitled "The Forces of Right and Justice," from the Birmingham Age-Herald of May 13, 1946, which appears in the Appendix.]

PROPOSED INVESTIGATION OF WAR SHIPPING ADMINISTRATION — EDITORIAL FROM THE ST. LOUIS POST-DISPATCH

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an editorial entitled "Piracy of the Treasury," from the St. Louis Post-Dispatch of June 9, 1946, which appears in the Appendix.]

CARTER GLASS— EDITORIAL FROM LYNCHBURG NEWS

[Mr. BYRD asked and obtained leave to have printed in the RECORD an editorial entitled "Carter Glass" from the Lynchburg News, which appears in the Appendix.]

HIGH PLACE FOR AN ARKANSAN—EDITORIAL FROM ARKANSAS DEMOCRAT

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "High Place for an Arkansan" from the Arkansas Democrat of June 8, 1946, which appears in the Appendix.]

EXTENSION OF PRICE CONTROL AND STABILIZATION ACTS

The Senate resumed consideration of the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes.

The PRESIDENT pro tempore. Yesterday it was ordered, by unanimous consent, that during the further consideration of the pending bill, H. R. 6042, no Senator shall speak more than once nor longer than 30 minutes on the bill or any amendment proposed thereto.

The question is on agreeing to the amendment proposed by the Senator from Oklahoma [Mr. THOMAS] as a substitute for subdivisions (A) and (B) of paragraph 3, on page 20, lines 13 to 21.

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

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

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

Aiken	Hatch	O'Daniel
Andrews	Hawkes	O'Mahoney
Austin	Hayden	Overton
Ball	Hickenlooper	Pepper
Barkley	Hill	Radcliffe
Bilbo	Hoey	Reed
Brewster	Huffman	Revercomb
Bridges	Johnson, Colo.	Robertson
Brooks	Johnston, S. C.	Saltonstall
Buck	Kilgore	Shipstead
Burch	Knowland	Smith
Bushfield	La Follette	Stanfill
Byrd	Lucas	Stewart
Capper	McCarran	Taft
Carville	McClellan	Taylor
Chavez	McFarland	Thomas, Okla.
Connally	McKellar	Thomas, Utah
Cordon	McMahon	Tobey
Donnell	Magnuson	Tunnell
Downey	Maybank	Tydings
Eastland	Mead	Wagner
Ellender	Millikin	Walsh
George	Moore	Wheeler
Gerry	Morse	Wherry
Guffey	Murdock	White
Gurney	Murray	Wilson
Hart	Myers	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Idaho [Mr. GOSSETT] is absent by leave of the Senate.

The Senator from Missouri [Mr. BRIGGS], the Senator from Washington [Mr. MITCHELL], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Rhode Island [Mr. GREEN] are absent on official business, attending the meeting of the Empire Parliamentary Association in Bermuda.

Mr. WHERRY. The Senator from Michigan [Mr. FERGUSON] and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate as members of the committee appointed by the United States Senate to attend the Empire Parliamentary Conference in Bermuda.

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 Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from North Dakota [Mr. LANGER], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent.

The PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present.

The question is on the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. DOWNEY. Mr. President, I shall discuss only briefly the pending amendment, certainly for not over 30 minutes, and I hope for a lesser time than that.

First I want to congratulate the distinguished senior Senator from Oklahoma on the presentation of his argument. As always, the distinguished Senator has fortified himself with the statistical proof of his allegation. I think

he has done a favor to us who are opposing the emasculation of price control, because he has put into the RECORD the figures clearly indicating that we are successfully and very bountifully producing most of the commodities necessary for our existence. Complaint has been made that the action of the OPA is curtailing production. On the contrary, as the figures of the distinguished Senator from Oklahoma clearly show, we now have a far greater national income, a far greater production, than ever before.

The Senator from Oklahoma, having established that we are now generally producing in far greater quantities than we did in 1940 and before that, argues from his statement that since we are now in large production, we therefore should remove price control on all these articles in which there is a greater production now than there was before the war. The distinguished Senator presented the chart which is in front of Senators, and his amendment would seek to remove price control from all the items contained on that chart, as well as wool, which is not on the chart, and all the products made from these different items. If the amendment of the distinguished Senator should be adopted there would be practically nothing left subject to price control. Apparently there would be left under price control steel, iron, furs, some of the building materials, cement and gravel, but speaking very generally, under the amendment of the Senator from Oklahoma price control would be almost universally removed.

Mr. MOORE. Mr. President——

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

Mr. DOWNEY. I yield.

Mr. MOORE. Did I correctly understand the Senator to say that the figures submitted by my colleague from Oklahoma show that production now is of such volume as practically to meet the demand for the products included in the schedule on the chart in front of Senators, presented by my colleague from Oklahoma?

Mr. DOWNEY. No, Mr. President, I did not make that statement. The statement I made was that the senior Senator from Oklahoma had clearly proved that production now is far greater than it was before the war.

Mr. MOORE. Does the Senator then contend that to the fact that they are under control can be attributed stimulation of production?

Mr. DOWNEY. No; Mr. President, I would not say production has been stimulated by price control but I do say that it seems clear that price control has not in any way handicapped the development of the national income and most effective production. Where I differ with the distinguished Senator from Oklahoma is in this respect: he does not consider as a factor in our problem the tremendously increased buying power in the Nation. Take for instance meat—and I am going to discuss meat because that is the item which has been the most prominent in the public eye. But first I want to say that there are able and distinguished Senators on the floor who have very different ideas than I have respecting meat, and those able and distinguished Senators, I am free to admit, know more about meat production and meat conditions than I do. Nevertheless, I differ radically from them in their conclusion that price control should be lifted from meat.

While, in the interest of brevity, I shall restrict myself to a discussion of what will be the result of removing price control from meats, I want to say that generally speaking I think the same principles and facts would apply, and the same results will probably accrue, from the removal of price control from other products as will accrue from decontrolling meat.

I think the Senator from Oklahoma is at least consistent and that every Senator on the Committee on Banking and Currency who can find reason and logic for removing price controls on June 30 from meat, poultry, and dairy products, by that same reasoning and those same facts should go along with the senior Senator from Oklahoma and generally remove price control. I think the Senator from Oklahoma is forthright and logical in making his amendment cover everything, while the Senators who reported out the bill are illogical because they are only mutilating the act in part, when the same logic should call for its destruction.

Mr. MOORE. Mr. President, will the Senator again yield?

Mr. DOWNEY. I yield.

Mr. MOORE. Then, am I to understand the Senator to mean that notwithstanding supply is equal to and in excess of demand, the Senator would still oppose removing the product by statute from price control?

Mr. DOWNEY. The junior Senator from Oklahoma is placing words in my mouth, I know inadvertently, that I have not said. I do not concede that our present meat production, or what it could potentially be built up to in the next year or two, would equal our demand. What I am admitting is, of course, the accuracy of the figures of the senior Senator from Oklahoma that we have a far greater production now of meat and these other commodities than we had before the war.

Mr. MOORE. If proof exists now that the production of a commodity is in excess of demand, then does the Senator from California object to removing it from control?

Mr. DOWNEY. Oh, no, Mr. President. I should say that whenever it appears that production is in excess of demand, then a different rule should be applied.

I want to say to the distinguished Senator that I think his argument, so far as it relates to petroleum, is logical and sound, because I do think in petroleum we can make production exceed demand, and perhaps are right now. I want to say to the distinguished Senator that the OPA has already stated that it is its intention to remove price control from petroleum products, and that it would have done it before this except for the threatened maritime strike. If that maritime strike takes place there will be a great shortage of petroleum products on the Atlantic seaboard, and many other places in the country, and the OPA felt, and I think they are right, that its action in removing price control from petroleum products should be postponed until we know what is going to happen in the matter of the maritime strike. I am assured by the OPA that if that strike is settled and the threat of the strike disappears, price control will be removed from petroleum products.

However, I want to make plain that decontrolling petroleum will force up its price perhaps around 20 or 25 percent. The distinguished Senator would be a better judge of that than I, and, of course, such an increase will further decrease the real purchasing power of the great masses of our people. So while removing price control from petroleum may be advisable, even here unhappy results will accrue.

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

Mr. DOWNEY. My time is limited, but I am glad to yield.

Mr. BARKLEY. I appreciate what the Senator says about the petroleum situation, and I share his view. Of course, it will not be an unmixed blessing when the control is taken off petroleum. There is now a subsidy of 35 cents a barrel on crude oil. When the controls are taken off that subsidy will cease. It is not certain that the producers of certain qualities of oil will receive the equivalent of the subsidy in the increased price of oil, because they must depend upon what the purchasers of oil are willing to pay. In my State, which produces a grade of oil which is called Somerset Light, which compares favorably with Pennsylvania in everything except price, the subsidy of 35 cents will come off. Of course, if controls are taken off, the producers will be dependent upon the willingness of the purchasers of the oil—which are the large refineries—to increase the price of oil to an amount equal to the present price plus the subsidy.

I do not advocate perpetuation of the subsidy for that reason; but I mention the fact that the producers have called to my attention a situation in which they have no power to compel the increase of their price up to the level of the price which they are now receiving, including the subsidy, unless the purchasers—and that means the large refiners—are willing to pay that increase in price for what we call Somerset Light, a classification of oil in Kentucky. So the removal of price control and all the other controls would not be an unmixed blessing, even within the oil industry itself.

Mr. DOWNEY. I agree with that statement. I do not know enough about conditions in the petroleum industry to form an independent judgment. I am merely stating the opinion of the OPA as it was stated to me. As I understand, it was the intention of OPA to remove price controls if and when the maritime strike was settled. The distinguished Senator from Oklahoma has just called to my attention the fact that the subsidy mentioned by the Senator from Kentucky is very much limited so far as the production it covers is concerned.

I should be glad to yield to either of the Senators from Oklahoma to explain conditions.

Mr. BARKLEY. I appreciate the fact that it is limited with respect to the types of oil which it covers, but it does happen to cover the type produced in my State.

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

Mr. DOWNEY. I yield.

Mr. THOMAS of Oklahoma. It is not limited with respect to types of oil. It is limited with respect to the character and amount of production. It is limited to the owners and producers of oil from what are called stripper wells, wells producing less than 10 barrels per well.

Mr. BARKLEY. That is true; and that encompasses most of the oil produced in my State.

Mr. DOWNEY. Mr. President, I shall now address myself to the meat issue. I start with the facts stated by the distinguished Senator from Oklahoma as to a much greater production of meat, potentially and during the past year, than in the period before the war.

Up to a time within the past few weeks our production of meats was about 40 percent greater than in the base period from 1935 to 1939. During the past 2 months, and ever since the Committee on Banking and Currency indicated that it intended to recommend removal of controls from meat, stockmen have not been selling their stock. The slaughterhouses could not get it, and there has been a great falling off, particularly within the past 6 weeks.

I think we should state additional facts beyond what the distinguished Senator from Oklahoma has stated. While it is true that roughly we now have 40 percent more meat in the country than before the war, we must bear in mind that we have more than double the national income that we had in 1939. In other words, there is double the purchasing power to buy farm and factory products while the production of meat has increased only 40 percent. I think it must be admitted by everyone who has talked with his wife, or otherwise informed himself, that there is a shortage of meat. I cannot understand how anyone could believe that a black market could exist—and everyone admits that it does exist to a greater or lesser extent—unless there were a shortage. If there were plenty of meat in the Nation to satisfy all demands, so that purchasers would not be competing against one another, how could there be a black market?

In addition to a tremendously augmented national income competing for purchases of meat, the United States Government is diverting a larger proportion to foreign lands to help feed the hungry of the world; and in addition the demands by the Federal Government are increased because of the fact that we have a larger Army and Navy than we had before the war.

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

Mr. DOWNEY. I yield.

Mr. STEWART. I attended with some degree of regularity the hearings which were held before the subcommittee of the Committee on Agriculture and Forestry of which I was a member. The hearings extended over a period of approximately 3 weeks. It was almost conclusively shown during those hearings that there was perhaps as large a cattle population as we have ever known. I believe some witnesses stated that it was larger than it has ever been. The Senator from Oklahoma tells us that there are 81,000,000 head of cattle. I was about to say approximately 80,000,000. At any rate, the number is as large as this country has ever known, if not larger. I do not understand that the OPA seriously disputes that fact.

Mr. DOWNEY. The distinguished Senator is undoubtedly correct when he states that we have a larger number of domestic animals for slaughter than we have ever had in the United States. Also we have the greatest slaughtering and the greatest production. I have the figures, which I shall place in the RECORD. The number of animals has increased perhaps 40 percent, and production has also increased by that percent over prewar years.

Mr. STEWART. I understand the Senator's argument to be that there must be a meat shortage or there would not be a black market.

Mr. DOWNEY. That depends upon the definition of a meat shortage. There certainly are not enough animals on the ranges, unless they are prematurely slaughtered, to meet the enhanced buying power of the Nation. Herds are increased and production is up 40 percent but we are eating far more meat than we have ever eaten.

What was the condition in 1939? We had 7,000,000 or 8,000,000 unemployed, who could not buy meat oftener than once a week or once a month. We had 7,000,000 or 8,000,000 part-time workers. Those workers are now fully engaged. They have become used to having meat, and they want it. We have had an increase of 8,000,000 in the national population. The national income has doubled. If we allocate to meat purchases the same proportion of the national income as we did in 1939, we shall require double the amount of meat to satisfy the demand. I have no doubt that twice as much meat as we had in 1939 would be necessary to fully satisfy the demand whereas meat production has increased only about 40 percent. While we have the greatest animal population on the ranges we have ever had, during the last year, we have decreased their number by 9,000,000. The shortage of meat does not occur because of any shortage on the ranges or because of any shortage in the slaughterhouses comparable to prewar days. Meat production has increased 40, 50, or even 55 percent over what it was in 1939. But the demand has almost doubled. So we still have a great shortage.

Mr. STEWART. Mr. President, I wish to call the attention of the Senator to another point. I have been very much interested in this matter, because beginning in last December our subcommittee of the Small Business Committee held hearings for several days, and subsequently we filed a report recommending that a small and orderly decontrol of meat be studied, and that possibly by the fall of this year the complete decontrol of meat might be hoped for. Later, when a subcommittee of the Committee on Agriculture and Forestry was appointed to study this question, the evidence before it showed conclusively that the black market had advanced so rapidly and had become so serious as to give greater reason for concern.

Mr. DOWNEY. Mr. President, the Senator knows that my time is limited, and I have used almost half of it in yielding.

Mr. STEWART. I beg the Senator's pardon; I had forgotten about that. I shall take my seat after making this observation: At the hearing, representatives of the small independent meat dealers who slaughter and process meat, as the Senator knows, testified that although they had been in the habit, for example, of slaughtering 100 head of hogs or cattle or both a day, now they are able to obtain only about 10 percent of that number, in many cases. So I think the situation is that if the demand is being met, evidently it is being met through the black market.

Mr. DOWNEY. Mr. President, if the Senator will pardon me, I wish to say that I think his statements are inaccurate.

Mr. STEWART. I say to the Senator that I base them on the statements and evidence which were presented to the subcommittee on which I served. That is all I can base them upon.

Mr. DOWNEY. Well, Mr. President, I have made a rather careful study of the subject in the last few days. The more I study it, the more serious, I believe, is the mistake which the Congress is making. I think we are going to let loose factors which within 60 or 90 days will have the most serious effect. I hope I am wrong; but I likewise hope the Senate will not pass such a bill.

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

Mr. DOWNEY. I yield.

Mr. WHEELER. Let me say that the situation 60 days from now could not be more demoralized than the situation at the present time, when small meat shops are closing from one end of the country to the other.

Mr. DOWNEY. Mr. President, the reason the slaughterhouses are not slaughtering to their capacity is that the stock growers are holding back their stock. Every federally inspected slaughterhouse is begging the stock growers to bring their stock in.

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

Mr. DOWNEY. Mr. President, I shall not yield any more. I have only a limited amount of time.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Is it not true that each Senator has 30 minutes on the bill and 30 minutes on each amendment offered to the bill?

The PRESIDING OFFICER. That is correct.

Mr. WHERRY. So the Senator from California has plenty of time.

Mr. DOWNEY. Mr. President, if I stood here listening for 5 hours to other Senators talk, I would not have time to say anything.

Mr. WHERRY. I did not know whether the Senator from California was in the Chamber when the arrangement was made.

Mr. DOWNEY. I thank the Senator.

Mr. WHERRY. I am not complaining at all. I was only trying to do the Senator a service by informing him that he may have 30 minutes on the bill and 30 minutes on each amendment.

Mr. DOWNEY. I appreciate the suggestion. Although I have been happy to yield for questions, I should like to have the opportunity to proceed.

Mr. President, I wish to say that we have what are known as federally inspected slaughterhouses. According to indisputable evidence of the American Meat Institute, as well as evidence from other sources, those institutions handle approximately 72 percent of the meat. That figure is supplied by the American Meat Institute, as well as by the OPA. I have heard no statement made that the federally inspected slaughterhouses, which generally are owned by great corporations, are subject to any charge of engaging in black-market operations.

We also have the nonfederally inspected slaughterhouses, and their capacity comprises approximately 30 percent of the total capacity of all slaughterhouses. Some of them have doubled and some have trebled their production, and some have increased their production 10 times over. Undoubtedly there is a great deal of black-market operation among them.

On the basis of my definition of black-market operations, I believe that the figures which have been stated several times on this floor in regard to the extent of black-market operations in meat are grossly exaggerated. The figures which distinguished Senators have recited several times on the floor of the Senate are taken from the American Meat Institute. I shall read those figures to see what they consider to be black-market operations. The American Meat Institute made a survey of retail meat prices in February, March, and April, 1946. The survey covered 1,803 stores in 11 cities. The findings which were reported as a result of the survey were as follows:

Percentage of stores selling one or more cuts at above ceiling prices, 83 percent.

Percentage of meat sold at above ceiling prices, 68 percent.

Percentage of overcharges on violation cases, 29 percent.

Percentage of overcharges on all purchases, 20 percent.

I wish to say that the OPA made its own investigation, and the findings it reached as a result of that investigation are of a less extreme nature. But I shall not enter into a discussion as to whether the American Meat Institute was correct or whether the OPA was correct. What I wish to point out is that when distinguished Senators say that 80 percent of the meat sold in the United States is sold in the black market, I think that statement is not correct. The true statement is that the American Meat Institute found that approximately 80 percent of the retail stores were overcharging on certain of their sales.

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

Mr. DOWNEY. I should prefer not to yield.

Let me say that the overcharging to which I have referred is common and habitual. When I was in California, practicing law there, I engaged in many cases, both for and against retail stores. In many cases such stores were chiseling and were charging too much and were selling improper amounts and kinds. I have absolutely no doubt in my own mind that the great proportion of retail stores have taken advantage of the great demand for meat and often have overcharged the housewife for it even when their meats did not come from the black market. I myself would not call that a black-market operation, but someone else might define the term differently.

According to the American Meat Institute, overcharges figured over all sales equaled 20 percent of the sale price. I believe that the great portion of the 20 percent went to the retail stores, not to the slaughterhouses.

The PRESIDING OFFICER. The time of the Senator on this amendment has expired.

Mr. DOWNEY. Very well; I shall take my time on the bill.

However, I know that there have been large black-market operations in the nonfederally inspected meat plants, and, of course, some of those operations have found their way into the retail stores, hotels, restaurants, and directly into many homes. But, in any event, what makes the black-market operations possible is the fact that when our wives and the representatives of the hotels and restaurants go to buy meat they find a shortage of that commodity. The reason for the shortage is not that the production of meat is less than it was in 1939, because there is being actually sold 40 percent more meat than was sold in 1939. The reason is that the demand for meat has almost doubled what it was in 1939, principally because of a doubled national income, and the fact, also, that millions of people want meat who could not obtain it in the unhappy depression days.

Mr. President, before leaving the discussion of this issue I wish to consider one other factor which is involved. In January, February, March, and, I believe, during a part of April of this year, except when the meat strike was on, the production of meat in the federally inspected slaughterhouses was about 100 percent of what it had been in the year before. Let us remember that those federally inspected plants handled more than 70 percent of the meat. We believe that meat in the other packing plants was about in the same volume as in the prior year.

About 2 months ago the Banking and Currency Committee indicated, at least, the possibility of all price controls being removed from meats. Since then, in my opinion, the stock growers of this Nation have been holding back about one-third of what they would otherwise have sold. That has not been always true, but to a great extent, they have curtailed their sales.

Why has this been done? First, because the spring season is upon them and they have the grass and can feed extra stock. Furthermore, they hope and believe that when the OPA bill is passed they will receive from 20 to 30 percent more money for their meat. In that assumption, I believe they are correct. I do not blame the stockmen. I would do the same thing.

Beyond any increase the stockmen will receive, the elimination of the subsidy will increase prices another 20 percent. Within 30 days after the passage of this bill we may see the price of meat increase 40 percent or more. I hope I am wrong, but I do not believe I am. With regard to the question of subsidies, I may say that during the past fiscal year we have paid out approximately $825,000,000 in meat subsidies. That amount will be passed along to the consumer when the subsidy is no longer paid. Beyond the slaughterers who receive the subsidy, there is a mark-up of about one-third. That will be added to the $825,000,000. Because of the loss of subsidies, just as sure as the sun is shining, that increase will be approximately $1,150,000,000, or $1,250,000,000, which is about 20 percent of the total amount annually paid for meat in the United States.

Mr. President, let us see what occurred during the last 6 weeks since our committee apparently showed its intention to give the green light to the meat producers. Production in the federally inspected plants, instead of being 100 percent of what it was last year, at least during the early months of last year, is now down to approximately 70 percent, and is still sinking. Of that 70 percent the Government takes a substantial amount because of foreign demands and for the Army and the Navy, and as always, the large hotels, restaurants, and public institutions are also taken care of. So probably there is not coming into the retail stores at the present time, and will not, in my opinion, until after this bill has been disposed of, more than one-third as much meat as came in during the war and during the first part of this year.

Mr. President, on July 1 the committee amendment would take off the price control of meat, dairy, and poultry products. We also pay substantial subsidies on dairy products. I look to see the prices of dairy products aviate as much as 25 to 50 percent. That statemant applies also to poultry products. What will happen if that condition eventuates? Mr. President, the distinguished Senator from Oklahoma knows about the great and bountiful grain crops which the country has. Of course, we have them. But why did he not say that we are so cruelly and crucially short in grain that we cannot even meet our solemn obligations to the starving people of Europe? What has happened on the Atlantic and Pacific seaboards? Dairyman and poultrymen are so short of grain and proteins that they are now beginning the curtailment and destruction of flocks and

herds which took decades to build up. The Middle West is still in fairly good condition. Why? Because that part of the country is the granary of the world. The middle western farmer is holding his grain to feed his animals, because he knows that he will receive a large price for them. That means that we of the Pacific coast and those of the Atlantic coast face a most critical and unhappy feed situation.

Mr. President, what do we propose doing? We propose to remove price control from poultry, dairy products, and meat. The increase in prices of such products which will take place will undoubtedly result in the owners of cattle, poultry, and dairy herds going into the grain market and bidding up the price of grain. Under these conditions I fear no ceiling can be held on feeds. When grains and proteins begin to increase in price what will happen to bread and cereals? I do not see how we can prevent their sharply increasing cost to our consumers.

Mr. President, I have made an examination and investigation of hundreds of budgets of workers of America, and I have talked to thousands of them. I know in the first place that more than 80 percent of our wage earners get less than $200 a month—$125, $150, $175, $200. Most of them get around $150 and $175. I think every Senator must realize that no man can feed himself, his wife and one, two or three children for less than a hundred dollars a month; it cannot be done. I am referring to the city dweller, not to the man on the farm or in the small town. The worker in the city very often has to buy his own lunches; his children may have to have money for their high-school lunches; and if any man with the ordinary average-size family undertakes to feed himself and his family on less than a hundred dollars a month, according to every standard, he and his family are not being properly fed.

Now, Mr. President, put on top of the food bill of $100 a month, $50 a month which is the average rent for homes and apartments in the great cities, and you have $150. Add $10 for income tax or other legal deductions, and you have $160; then add $15 for bus or railroad fare for the family and you have $175 a month; and yet you have not started to clothe the family of the worker or give him medical attention or telephone, gas, electric, and other facilities and necessities. I say to you, Mr. President, that every man with a family who is struggling to support it in one of our large cities on wages of $175 or $200 a month is always on the abyss of financial insolvency. Let the price of food increase 20 or 30 or 50 percent and see what will happen in this Nation. Right now I do not want to discuss it.

I say to the distinguished Senator from Oklahoma that I think his amendment only carries to the logical conclusion the amendment reported by the committee to this bill, for I do not believe that we can release price control from poultry and dairy products and meats without carrying with them grain, cereals, and bread, and when that has been done practically all the food items of families in the lower income brackets have been covered. Can we then continue to retain price control on other items?

Individuals owning property, in many cases, are in a difficult position, because their rents have not been raised. Can we allow an increase of 25 or 50 percent in great segments of our economy and still hold rent control? What will happen if the landlord makes such a case as to demonstrate that he cannot possibly operate his property on the present rents and they, too, go up?

Mr. President, at least during this year or 2 years of uncertainty and controversy and until we can better stabilize the financial and industrial factors in this Nation and bring about full production, I would have preferred to see an increase in subsidies rather than their elimination. I am thoroughly familiar with that, to me fallacious, argument that, since we are now indulging in deficit spending, three or four billion dollars for subsidies would increase the deficit and increase the inflation. That, however, is not what bothers people. What is it? Our income tax and most of our other taxes are paid by the 20 percent of fortunate people of this land. The food will probably be eaten by the other 80 percent, and, so far as I am concerned, I would rather see increased burdens by subsidies upon the wealthy and the well-to-do than to set loose in this Nation an inflation that will deprive people of the ordinary means of existence.

Mr. President, I wish to say that nothing that I have said here today implies any criticism of the sincerity, and the ability of men who take the opposite position. I could not attend very often the Banking and Currency Committee hearings on this bill because of other obligations, but I know that all the Senators who participated there did so courteously, fairly, sincerely, and earnestly. Many of them know more about this subject than I do and it may be that their views are right and mine are wrong. But I think we will soon find out if we emasculate and mutilate the OPA and turn loose inflation. Time will tell us about that.

Mr. President, much has been said about the increased wages of workers during the last 3 or 4 years. Generally speaking, the increase in wages has been just about equal to the increased cost of living, which, taking all factors, is 35 or 40 percent. We recently have had strife and chaos and controversy that brought us almost to the abyss of national disaster; and now what will happen if we say to a man who has a family of four or five and only a hundred dollars a month for food, that we are going to make that same amount of food cost him $125 or $150? Before Senators pass upon this bill, I think they should place themselves in the position of men living on the desperate brink of uncertainty, with hardly enough money for medical and dental attention for their wives and children. I think Senators should consider what may happen if by the elimination of subsidies and the release of price control the cost of living should be increased by 25, 30, or 40 percent.

Personally I find myself in a very unhappy situation with regard to this bill. In the form in which it probably will be when it is finally voted upon, I believe I shall have to vote against it. I hate to place myself in a position voting against an OPA bill, even though I believe it to be destructive, because I know how misunderstood such a position may become. I already find myself in a rather difficult position with the dairy farmers, many of whose leaders are my dear friends, and meat growers and poultry producers, and by a vote against the bill I suppose I will aline many other people against me. But if the bill to be voted on by the Senate is as I fear it will be, I shall be compelled to vote against it.

Mr. President, my vote shall be cast to support OPA. I think it has performed a mighty service to the Nation. I shall oppose every effort to weaken or destroy it.

Mr. President, I ask unanimous consent to have inserted at the conclusion of my remarks a memorandum by the OPA dated May 1946, headed "Should meat controls be abolished?" The statement contains some of the figures I was using in my discussion.

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

SHOULD MEAT CONTROLS BE ABOLISHED?

(Prepared for the Senate Banking and Currency Committee by the Office of Price Administration, Paul A. Porter, Administrator, May 1946)

Congress is being asked to abolish price control of meat.

The argument is that there is an abundant supply of livestock but that distribution of meat has gotten into the hands of black marketeers. As a result—

1. The public's meat bill is increased by billions of dollars.

2. Thousands of men and women in packing plants are unemployed.

3. Hundreds of legitimate slaughterers and dealers in meat are unable to stay in business.

Because of the importance of this matter to the Nation, we have chosen this means to present to Congress the views of the Office of Price Administration.

It is true, as stated, that we have more livestock in this country than we had before the war (all figures from the Department of Agriculture):

Cattle:	
Average, 1935–39	66,814,000
Jan. 1, 1946 (up 19 percent)	79,791,000
Beef cattle:	
Average, 1935–39	31,402,000
Jan. 1, 1946 (gain, 30 percent)	40,931,000
Dairy cattle:	
Average, 1935–39	35,412,000
Jan. 1, 1946 (gain, 10 percent)	38,860,000
Hogs:	
Average, 1935–39	43,932,000
Jan. 1, 1946 (gain, 42 percent)	62,344,000

It is not true, however, that meat production is failing.

MEAT PRODUCTION

Meat production is up 40 percent from average output for 1935–39.

	Billion pounds
Average, 1935–39	16.2
1946 (estimated)	22.7

Beef production has far outrun the gain in cattle population (1946 (estimated) over average 1935–39):

	Percent gain
All cattle	19
Beef cattle	30
Beef (estimated)	[1] 41
Hogs	42
Pork (estimated pounds)	45

[1] The principal black market has been in cattle and beef.

There is not the slightest evidence in these figures that ceiling prices or the black market are preventing production of meat, or that elimination of meat controls would increase the public's meat supply, or employment in the meat-packing industry.

INCREASED MEAT DEMAND

The existing meat shortage is due wholly to increased meat demand. This comes from three sources:

1. Feeding our allies: We have committed ourselves to export 7 percent of our meat production in 1946.

2. Military needs: Our still substantial armed forces will take 10 percent of our two highest grades of beef in 1946.

3. Increased civilian demand: There has been a vast increase in civilian demand resulting from a doubling of the public's spendable income and an 8,000,000 increase in population.

Public's spendable income

	Billions
1939	$68
1946 (annual rate based on estimate for first quarter)	139

This is the main reason for the greatly increased demand for meat. Many families that before the war could afford meat only once or twice a week now can afford it every day.

Because of this largely increased demand for meat and in spite of the fact that meat production is over 40 percent above prewar 1936–39 levels, there is a severe meat shortage.

Evidence of this is existence of the black market in meat.

We have black markets only when the price level that would be fixed on a commodity by demand and supply is substantially above existing ceiling prices.

Black markets prove the existence of shortages; substantial black markets prove the existence of severe shortages.

Since price control is needed only when demand and supply would lift prices above existing ceilings—and since black markets exist only under such circumstances—it is a strange argument that we should get rid of price control of a commodity because there is a black market.

If we accept the argument, we shall retain price control whenever it is not needed; abolish it whenever the public really needs protection.

RISE IN PRICES IF CONTROLS REMOVED

It is universally agreed that meat prices would go up were meat controls lifted. Estimates of the rise range all the way from 20 to 70 percent.

The Bureau of Agricultural Economics, on a statistical calculation, estimates probable increases at from 15 to 20 percent; more on better grades and especially desirable cuts.

Mr. Robert J. Eggert, of the American Meat Institute, stated that prices after decontrol would approximate present black-market prices, which he estimated at 29 percent above present ceiling prices.

OPA does not venture to make a prediction, but offers these facts:

FACTORS AFFECTING PRICE RISE

1. Meat subsidies would have to end were ceiling prices on meat abolished.

2. That alone would increase meat prices to consumers approximately 20 percent.

3. There is a substantial black market in meat.

4. Leading packers are complaining that live cattle are selling at above legitimate prices.

5. How much above the 20-percent rise resulting from subsidy termination, meat prices would go, no one can predict with accuracy.

6. Whatever price rise took place upon removal of controls, in all probability would be increased when livestock liquidation, due to higher grain prices, ends and meat shortages are intensified.

EFFECT OF PRICE RISE

The public is spending approximately $6,500,000,000 for meat.

Various increases would affect the consumer's meat bill as follows:

Meat price rise:	Increase in consumer meat bill
20 percent	$1,300,000,000
30 percent	1,950,000,000
50 percent	3,250,000,000

In any case the increases in the consumer's cost of meat would be substantial.

Meat prices comprise 7.7 percent of the cost of living.

	Percent
Meat costs	7.7
All food costs	40
Other costs	60

A 35-percent rise in meat prices would therefore, increase living costs by 2.7 percent.

But increases in living costs resulting from dropping of meat-price controls would not end there.

Any idea that meat-price ceilings could be lifted and other food controls retained is completely erroneous.

Meat, cereals, poultry, dairy products, and many other prices are inseparably linked through grain prices.

If meat prices go up, there will be serious interference with production unless many other prices of grain-using products follow suit. They just won't get needed grain.

Here is a partial list of products in the cost of producing which grain costs are an important part: Milk, butter, cheese, ice cream, poultry, eggs, flour, bread, cereals, corn meal, corn starch, corn sirup, grain alcohol, beer and spirits, corn oil, macaroni and spaghetti.

A list of products made from corn alone are shown on the following chart (omitted).

Instead of affecting only 19 percent of total food costs, meat price control removal would directly affect more than 60 percent.

Food costs

	Percent
Meats	19
Dairy products	19
Poultry and eggs	9
Cereals	13

Instead of affecting only 7.7 percent of all living costs, it would affect at least 24 percent.

Living costs

	Percent
Meat	7.7
Dairy products	7.5
Cereal and bakery products	5.2
Poultry and eggs	3.6

NEW WAGE DEMANDS

It is highly unlikely that price increases can be allowed in the three basic foods—meat, milk, bread—and in other commodities that together make up 60 percent of all food costs and 24 percent of living costs, without efforts on the part of labor to win compensating wage adjustments.

Elimination of meat controls, with necessary correlary effects, in all probability would initiate a new round of work stoppages, just when industrial peace appears to lie ahead.

It is inconceivable that anyone would consider that to be in the public interest.

FOOD FOR THE STARVING

A principal reason for the difficulties of the Government in buying wheat to make good on its commitments abroad is the great profitability of producing meat, poultry, and dairy products. Even a Government offer of 30 cents per bushel above ceiling prices failed to produce needed wheat.

Seeking to divert grains away from meat production the Government raised grain prices without raising livestock prices.

Lifting meat price ceilings would nullify the effect of this order.

It would make it still harder for the Government to get grain for starving people abroad.

MORE SEVERE SHORTAGES AHEAD

This recent order increasing the price of grains without increasing meat, poultry, and egg prices was intended to bring about a partial liquidation of our animal and poultry population, to make it fit the feed supply that will remain after we keep our commitments abroad.

When this liquidation sets in there will be a temporary increase in meat and poultry supplies. Inevitably, this will result in claims that there is plenty of meat and that controls no longer are necessary.

When liquidation of livestock ends, however, our meat supplies will be reduced well below present levels. That will put still greater pressures upon meat prices, make maintenance of controls that much more necessary.

THE BLACK MARKET

That there is a substantial black market in meat no one will deny. Its extent, however, has been greatly exaggerated.

Black marketeers, it is claimed, offer prices for cattle which do not permit the sale of meat at ceiling prices. Legitimate packers, being restricted by OPA's live cattle regulation in the prices they can offer, do not get cattle. Up to 90 percent of all meat, it is alleged, is being sold in the black market.

What are the facts?

The live cattle regulation went into effect in January 1945.

According to the Department of Agriculture slaughter of cattle in federally inspected plants last year reached an all-time high of 14,538,000 head.

Certainly that does not suggest that the regulation drove cattle into the black market.

The same conclusion may be drawn from these facts.

Percent of cattle killed by federally inspected plants

	Percent
Average 1936–39	66
1944	72.1
1945	71.7

Indications of the extent of noncompliance is provided also by a study of payments made for cattle, as shown on records certified by slaughterers and filed with the Government as a basis for subsidy claims. Falsification in these cases is a violation of the statutes against fraud.

These records show that slaughterers paid for cattle on an average 14 cents per 100 pounds below maximum permissible prices in December 1945, 15 cents below them in January 1946.

The claim is that conditions have grown worse since the first of the year; that legitimate slaughterers have been unable to buy cattle.

Every steer or cow killed by a federally inspected plant is inspected by the Department of Agriculture, which keeps careful records of the kill.

Here is the weekly production of meat in federally inspected plants this year and last year.

Week ended—	*Percent of 1945*
Jan. 5	97.8
Jan. 12	108.7
Jan. 19	[1] 49.1
Jan. 26	[1] 43.9
Feb. 2	113.6
Feb. 9	122.4
Feb. 16	111.6
Feb. 23	101.2
Mar. 2	111.9
Mar. 9	92.1
Mar. 16	90.8
Mar. 23	85.7
Mar. 30	92.4
Apr. 6	92.4
Apr. 13	89.0
Apr. 20	83.3
Apr. 27	88.8
May 4	[2] 98.6
May 11	98.0

[1] Strike in big packing plants. Note high kill in following weeks.

[2] Slaughter-control program went into effect on Apr. 28.

Federally inspected slaughter in the first quarter of 1946 has exceeded that of any first quarter prior to 1944.

Meat produced in Federally inspected plants

[First quarter, each year, in pounds]

1939	2,188,000,000
1940	2,263,000,000
1941	2,374,000,000
1942	2,877,000,000
1943	2,705,000,000
1944	3,241,000,000
1945	3,646,000,000
1946	2,931,000,000

Certainly this reflects no run-away trend to the black market.

The American Meat Institute made a survey of retail meat prices in February, March, and April, 1946. It covered 1,803 stores in 11 cities. Findings reported were:

Percent of stores selling 1 or more cuts at above ceiling prices	83
Percent of meat sold at above ceiling prices	68
Percent of overcharges on violation cases	29
Percent of overcharges on all purchases	20

There is such a wide discrepancy between these findings and OPA compliance checks that we question the methods used in the survey, particularly the attempt to distinguish between grades of cut meat (i. e., AA or A).

Shortly after the Meat Institute survey, OPA's enforcement department made a careful compliance check by meat purchases in Washington, D. C., where the institute had reported bad conditions:

Charges above ceiling prices—all purchases

	Percent
AMI reported	19
OPA found	3½

A March 1946 OPA survey covering 857 stores in 27 representative cities showed 83.2 percent of 4,473 meat cuts priced to sell at ceiling prices.

The record in any case is not good; but not as bad as claimed.

Even if one accepts the American Meat Institute findings at their face value, which we do not for one minute admit, existing price ceilings clearly are giving the public worth-while protection.

Mr. Robert Egbert, of the institute, before the Committee on Agriculture, stated that if meat controls were removed prices in his opinion would rise to the level of black market prices reported by AMI at 29 percent above ceiling prices.

Their survey showed 32 percent of all meat being sold at ceiling prices. Buyers of that meat got full price control protection.

The average charge above ceilings was reported at 20 percent. That is 9 percent below reported black-market prices.

Nine percent of $6,500,000,000—annual meat expenditures of the public—is $585,000,000.

CUSTOM SLAUGHTER RESTRICTION

Instead of surrendering to the black market, OPA set out to check overpricing on the live cattle market.

More and more retailers, wholesalers and club, restaurant and hotel owners were buying cattle and having them custom slaughtered.

These inexperienced buyers, frequently lacking both the skill and inclination to buy cattle in compliance with regulations, put extra pressure on the live cattle market; made it more difficult for law-abiding packers to obtain normal supplies of cattle.

On April 1, OPA restricted custom slaughter to packers who had had licenses for custom slaughtering in 1945 under Control Order No. 1.

SLAUGHTER-CONTROL PROGRAM

In 1945 there was urgent need to channel more cattle and hogs to federally inspected slaughter houses.

They alone were supplying the armed services with needed meat. They alone could legally ship meat across State lines to meet the needs of populous nonproducing areas.

To achieve the needed result a slaughter-control program was adopted. It held packers to quotas based upon their 1944 kill.

Incidentally, it struck a heavy blow against packers who met civilian needs only, but had largely increased their kill by paying above ceiling prices for cattle.

The slaughter-control program of 1945 was abandoned shortly after VJ-day; with reduced meat needs for the armed services.

On April 28, 1946, the program was reestablished to curtail the expanded operations of black marketeers.

It cuts back the cattle and calf kill of all slaughterers to that in the corresponding month of 1944. Hog quotas are set at 90 percent of the corresponding monthly 1944 kill.

The kill of federally inspected plants rose at once from 89 to 99 percent of their 1945 kill, the highest level reached in a 2-month period.

AID TO ENFORCEMENT

The slaughter-control program will greatly aid in the enforcement of ceiling-price regulations.

Detecting on-side payments for cattle has been a time-consuming and difficult task. Under the slaughter-control program investigators will be able to detect violations simply by checking cattle receipts at packing plants.

The new program also limits each slaughterer's subsidy payments to the amount of meat he is entitled to produce. This will strike a body blow to any violators who now claim subsidies.

ENLARGED ENFORCEMENT STAFF

By pushing 350 meat enforcement investigators to the limit from January 1 to April 12, 1946, OPA instituted 1,803 lawsuits against violators of preretail meat and livestock regulations.

Now 400 additional investigators are being added for meat enforcement.

This should more than double the effectiveness of the fight on the black market.

AID FROM OTHER AGENCIES

More than ever before, we have been assured energetic cooperation of other agencies of the Government:

The Department of Agriculture—in the slaughter-control administration in federally inspected plants.

The Treasury department—in tax collections from black marketeers.

The Attorney General's Office—in vigorous prosecution of violators.

The Reconstruction Finance Corporation—withholding subsidies from violators.

THE BATTLE IS UNDER WAY

By these steps we are restoring the flow of cattle to legitimate slaughterers.

We are curtailing the growing purchase of cattle by clubs, hotels, restaurants, retailers, and wholesalers, thus relieving pressure on the live-cattle market.

We are making detection of black-market operations far easier.

We are enlarging the army fighting the black market.

Black marketeers will be with us so long as demand and supply would fix meat prices above existing ceiling prices. But we are driving black marketeers to cover and shall pursue them relentlessly so long as meat controls are retained.

The problem is anything but hopeless. It is being solved.

TEST DECONTROL

Some Members of Congress may have been impressed by the suggestion that Congress decontrol meat for a 60- or 90-day test period, restoring controls if meat prices rise excessively.

These serious objections should bar consideration of such a proposal:

1. It would create chaos in milk, butter, cheese, flour, bread, cereal, poultry, and egg production.

2. Temporary price increases would have to be given these products to enable them to compete with meat for grain supplies.

3. Granting and later withdrawing temporary price increases on these products would upset markets; result in excessive speculation.

4. It would make fulfillment of our grain commitments abroad impossible; quite probably result in widespread starvation in famine areas.

5. It would make continuation of meat subsidies impossible, insuring a 20-percent meat price increase apart from any other increases.

6. It would result in dissipation of OPA's administrative and enforcement staff, making restoration of controls difficult and relatively ineffective.

7. Temporary liquidation of livestock resulting from the grain price increase, followed by a more severe meat shortage when liquidation ends, would bar any sound judgment of the long-range effects of decontrol.

8. Even a 60-day test would cost consumers millions of dollars.

HARDSHIP CLAIMS UNJUSTIFIED

Claims that "hundreds of legitimate slaughterers and dealers in meat are unable to stay in business" are unsupported by facts.

Following are earnings of 59 identical companies, representing 70 percent of the volume in the meat-packing industry:

Percent returns before income taxes

Average:	*Sales*	*Net worth*
1936–39	1.0	4.1
1942	2.4	16.4
1943	2.7	19.7
1944	3.3	24.9
1945	1.7	[1] 10.2

[1] Estimated from available returns of 39 companies.

Data on 900 packing companies obtained from the Treasury Department indicate earnings for 1936–39 were essentially the same as for the longer period 1926–39.

Figures below show earnings on separate species and indicate compliance by OPA with the Barkley-Bates amendment.

Return as percentage of sales

July–October 1945:	
Cattle and calves	1.5
Hogs	1.7
Sheep and lambs	1.7
November–December 1945:	
Cattle and calves	1.6
Hogs	0.6
Sheep and lambs	0.9

Facts are lacking on earnings on separate species in the base period. Consequently, we have felt that requirements were met if the return on each species equalled the overall rate of return in the base period.

Because of volume increase, 0.7 percent on sales will return base-period earnings of 4.1 percent on net worth.

All separate species earnings considerably exceed 0.7 percent on sales, save those on hogs in the November to December period, which fell slightly below that figure.

No separate figures are available showing business failures among packing houses or wholesale or retail meat dealers. Total business failures, and failures by manufacturers, wholesalers, and retailers are so small, however, as to indicate no serious hardship area in our whole economy.

Business failures:[1]	*1939*	*1945*
Manufacturing and mining	2,919	280
Wholesale trade (all types)	1,534	61
Retail trade (all types)	9,050	300
All failures	14,768	810
Failures first 19 weeks:		
1945		363
1946		384

[1] Dun & Bradstreet figures.

NO SUGGESTION OF HARDSHIP

Early returns on earnings of packing companies for the first quarter of 1946, shows three-quarters of those whose reports are in, earning more than they earned before taxes last year both on sales and on net worth. None reporting to date were in a loss position.

We lack information so far on independent food store operations for 1946; but early returns from retail food store chains show all of them earning substantially more before taxes than they earned last year.

There is not the slightest indication coming in to OPA that packers, wholesalers, and retailers of meat are experiencing financial hardship.

CONCLUSION

Decontrol of meat would—

1. Cause a substantial rise in existing retail meat prices over existing ceiling prices, with no substantial increase in meat supply.
2. Require corresponding increases in the prices of milk, butter, cheese, poultry, eggs, cereals, flour, bread, and many other products.
3. Cause increases affecting 60 percent of all food and 25 percent of all living costs.
4. Make control of fixed price meals in restaurants difficult or impossible.
5. Almost certainly start a new round of wage demands and work stoppages.
6. Make difficult or impossible fulfillment of United States food commitments to save starving people abroad.
7. Bring an end to effective price control. OPA will never surrender to the black market.

Mr. SHIPSTEAD. Mr. President, I wish to direct a question to the Senator from Oklahoma, and suggest an amendment to his amendment. The dairy industry and the livestock industry are a little apprehensive about the wording of the amendment, as they think it might affect the Agricultural Marketing Act and the Stockyards and Packers Act. I send to the desk an amendment to the amendment, which I suggest for clarification.

The PRESIDING OFFICER. The clerk will state the amendment to the amendment.

The CHIEF CLERK. In the amendment of Mr. THOMAS of Oklahoma, on page 1, after the parentheses, it is proposed to insert "for the purpose of establishing, implementing, or maintaining maximum prices."

Mr. THOMAS of Oklahoma. Mr. President, the representatives of the dairy interests have consulted me with respect to a clarification of my amendment. It is feared by some that if the amendment should be agreed to and become the law as written, it might interfere with the dairy program with respect to the Agricultural Marketing Act of 1937, and also with respect to the Commodity Credit Corporation Act. There is no purpose on my part to interfere with either of those laws. All the amendment intends to do, from my viewpoint, is to take business out from under OPA control. The intent is not to interfere with any law, but take out from under the control of the Office of Price Administration the commodities covered by the amendment. So I am very glad to accept the amendment as a modification of my amendment.

The PRESIDING OFFICER. The Senator from Oklahoma accepts the amendment of the Senator from Minnesota as a modification of his amendment.

Mr. THOMAS of Oklahoma. Mr. President, yesterday it was suggested that I add the term "sheep and wool" to the amendment. The amendment already refers to livestock. I am clear in my own mind that livestock covers sheep, and sheep, of course, are very closely allied to wool, because wool is a product of sheep; that is, as we understand wool.

In order to make this so clear that it cannot be misconstrued, I shall suggest a modification. When Congress employs a term covering a group of commodities, and thereafter enumerates some of the commodities, the courts hold that the makers of the law intended to include only the items mentioned. For fear that some court might hold that "livestock" was meant by the Congress to include only cattle, which is not true, as the intention is to cover all livestock animals, I wish further to modify my amendment offered yesterday by adding the word "including" before the words "sheep and wool," so that it will read "livestock, including sheep and wool."

The PRESIDING OFFICER. The Senator's amendment will be modified accordingly.

Mr. HICKENLOOPER. Mr. President, the Senator from Oklahoma [Mr. THOMAS] has presented a comprehensive list of products to be decontrolled by act of Congress. I think it is well to say that this list of products encompasses much of the foodstuff of the Nation. It includes other materials as well very vital and fundamental to the forward progress of a reconverted American economy.

Anyone who heard the presentation by the Senator from Oklahoma yesterday of the reasons why he proposes decontrol of each of these commodities is bound to admit, because it has not been controverted, as yet, at least, that the test of decontrol has been met at the present time in our recovery, as announced by all the high Government officials in times past when controls were set up in our economy.

Beginning in 1941, when controls were instituted, we find a statement of Franklin D. Roosevelt, President of the United States, as follows:

> Our objective, therefore, must be to see that inflation arising from the abuse of power to increase prices because the supply is limited and the demand inflexible, does not occur during the present emergency.

He made further statements, and I quote one more:

> When the war is won, the powers under which I act automatically revert to the people—to whom they belong.

From the time of that statement, at the inception of OPA and price control, down to the present time, we have seen a strange transition of attitude. I say, Mr. President, that from price control as conceived at the beginning of the war as an emergency matter, to prevent runaway inflation, the philosophy which now permeates the bureaus and departments of the Government is that they should resist any release of price control, and they are in fact advocating control of the American economy for an indefinite period in the future.

The final proof of that, in my judgment, was had before the Committee on Banking and Currency on the last day of its hearings. One of the very last statements made by the officials of the OPA seems to be convincing. Let me read the statement. On the last day of the hearing, in answer to a question of the Senator from Colorado [Mr. MILLIKIN], Mr. Porter, the present Administrator of OPA, following a long line of questioning on the philosophy of OPA, said:

> I would say that we are in the business of keeping the law of supply and demand from working. There is no question about that.

Mr. President, I have here a compilation of statements of Government officials with respect to price control, giving verbatim quotations from such statements from time to time during the emergency, beginning with the statement of President Roosevelt in 1941 and ending with the ominous statement of Mr. Porter just a few days ago. Since I have only 30 minutes, in order to conserve my time, I ask unanimous consent that this compilation of statements be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

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

> President Roosevelt, on July 30, 1941, transmitted to Congress a message setting forth the necessity for, and requesting the enactment by Congress of, legislation providing for the control of prices.

The message said, in part:

"Our objective, therefore, must be to see that inflation arising from the abuse of power to increase prices because the supply is limited and the demand inflexible, does not occur during the present emergency.

"Legislation should include authority to establish ceilings for prices and rents.

"Like other defense legislation, it should expire with the passing of the need, within a limited time after the end of the emergency."

President Roosevelt, on September 7, 1941, transmitted to Congress a message setting forth the urgent necessity of providing for the further control of prices and the authorization of the President to stabilize the cost of living, including the prices on all farm commodities. This message, which discussed the urgent war needs, price controls and production, was set forth in the report of the Senate Committee on Banking and Currency to whom was referred the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, recommending that the joint resolution do pass.

The President's message, set forth on page 5 of the report, said in part:

"When the war is won, the powers under which I act automatically revert to the people—to whom they belong."

Chester Bowles, in a letter to all members of OPA advisory committees (October 1944), part of CONGRESSIONAL RECORD, June 11, 1945:

"We have always looked upon price control as a stopgap, a stabilizing wartime control, to be dropped as soon as production brings supply and demand reasonably in balance."

Chester Bowles, in letter to Senator BARKLEY, June 16, 1945:

"Price controls were developed solely to meet wartime conditions. We are pledged to remove these controls just as soon as the production of civilian goods and services eliminates the inflationary dangers and permits our return to a free market."

Chester Bowles, before Senate Committee on Small Business, December 4, 1945:

"We shall remove them (price ceilings), product by product, as soon as it can be done without inflation."

Chester Bowles, in testimony on OPA bill before House committee, February 20, 1946:

"Mr. CRAWFORD. Would you care to go on record * * * that when supply reaches balance with demand, that you feel there would no longer be a material necessity for the Office of Price Administration?

"Mr. BOWLES. Generally, when supply and demand is in balance, I believe that is correct.

"Mr. CRAWFORD. Remove controls at that time?

"Mr. BOWLES. Yes; and I think that point will certainly come, area by area, at different periods."

Chester Bowles, in speech before New Council of American Business, December 1945:

We need to "maintain firm price controls on all commodities * * * until the dangers of inflation in each commodity field * * * is over. * * * In determining the time at which controls should be removed there are no magic dates * * * it depends upon the speed with which supply comes into balance with demand * * * we should remove controls * * * in one commodity field and rental area after another as soon as it is safe to do so."

Decontrol Order 68 of the Office of Economic Stabilization provides for—

Suspension of price control of any commodity is authorized when in the Price Administrator's judgment the price will not go up.

Termination of control is later authorized if the price in fact does not go up, or threatens to do so.

Decontrol may also be adopted when (1) a commodity does not enter significantly into the cost of living or into business costs; (2) when the administrative difficulties are disproportionate to the effect of this control or to the contributing or contribution of stabilization; and (3) when there is no threat to substantial diversion of materials, facilities, or manpower from production of other commodities.

Secretary Anderson before the House committee on the OPA bill testified on March 7, in part:

"Mr. BROWN. But do you not agree with me now that when the supply of any commodity equals the demand, that the ceilings should be taken off that particular commodity?

"Secretary ANDERSON. I would normally do that. But I want to say that there have been a lot of food conditions developing recently which make it hard to calculate what the real supply is. I know of no one who can calculate for me what the demand for food is in the United States at this time."

In the afternoon session of the committee, James F. Brownlee, Deputy Administrator of Economic Stabilization testified:

"Mr. FOLGER. I believe Mr. Bowles said—and I may be mistaken—that the policy would be that we would remove price controls and price ceilings as supply came substantially in balance with demand. That is what you say?

"Mr. BROWNLEE. That is right, sir.

"The CHAIRMAN. Let me ask you as a practical matter, Mr. Brownlee, how is that to be determined? Is that easily to be arrived at?

"Mr. BROWNLEE. Not too easy, as the Secretary said this morning, because you are never quite sure what the demand is. That is why we feel there is some possibility of telling when they are relatively in balance at the ceiling-price level. When your pressure is not great against the ceiling, it would indicate you are relatively in balance."

Secretary Anderson in testimony before the House Committee on Agriculture, April 5, 1946:

"Chairman FLANNAGAN. Several months ago Mr. Bowles assured us that when the supply level reached the demand level ceilings would come off; would you favor that?

"Secretary ANDERSON. If there was a reasonable closeness of supply and demand on other types of food as well—not all of them, but something reasonably along that line, yes, I would."

Marriner Eccles, Chairman, Federal Reserve Board, before House Committee on Banking and Currency, February 25, 1946:

"I think we should maintain controls until the supply comes into balance, or reasonable balance, with the demand."

Fred M. Vinson, Secretary of the Treasury, House committee March 27, 1946:

"I would say that if supply were in balance with demand controls could well be taken off. * * * I think you should know that the supply was equal to the demand—industry by industry."

John W. Snyder, Director of Reconversion, House committee, February 27, 1946:

"They [price controls] should be dropped on each product as soon as supply is in reasonable balance with demand."

Zenas L. Potter, Special Assistant to the Price Administrator, in a speech before Marketing Conference, United States Chamber of Commerce, February 25, 1946:

"The demand we must balance to get rid of controls, without inflation is not the demand of 1939, but demand on a new and much higher level * * * if all we had to do was to balance the 1939 demand for goods, we would be out of many controls by now, for in November 1945 we produced goods at a greater rate than ever was reached when the Nation was not actively at war. * * * Our task obviously is not to produce goods enough to balance the 1939 demand. We must instead enlarge our output to meet a new high level of buying power." (See CONGRESSIONAL RECORD, March 14, 1946, p. A1420.)

Paul A. Porter, Price Administrator, before House committee, March 29, 1946:

"The CHAIRMAN. Do you think there can be any definite policy written into the law with reference to decontrol that will not impair the usefulness of the continued operation of price control?

"Mr. PORTER. If it were possible to put into legislative form the policies to which I undertook to give expression here today we, in the agency have no quarrel with that, but * * * if you take some mathematical standard or some relationship between supply and demand, * * * I think we are in trouble, and quite naturally, it is an old bureaucratic custom to say that we would prefer to do it administratively.

"The CHAIRMAN. When supply comes into balance with demand the ceilings will automatically become ineffective, will they not?

"Mr. PORTER. * * * with the pressures and purchasing power that now exists * * * the cumulative demand of 4 years of war * * * if you take a 1939 standard or 1936–39 and say when production got to that level * * * in some particular items, * * * you run into grave difficulty.

"Mr. WOLCOTT. Well, if we meet the demand, if we brought supply into balance with demand, then of course we recognize that there would be no longer any necessity for price control or subsidies or anything else. I think we can agree on that. Everybody else has.

"Mr. PORTER. Well, I would like to take a look at the situation 6 months from now when this production gets going and see—

"Mr. WOLCOTT. Well, now, wait a minute, Mr. Porter. If you do not believe that, do you believe in perpetuating price control?

"Mr. PORTER. No; I do not."

Paul Porter and Arvil Erikson of OPA in testimony before Senate committee record pages 1812–1813:

"Senator MILLIKEN. In this instance (meat livestock), supply and demand can be in balance, but you will not permit it to be in balance, because if you do permit it to be in balance the price will rise?

"Mr. ERIKSON. I think that is true of any commodity.

"Mr. PORTER. It is the same situation as if a manufacturer were withholding goods.

"Senator MILLIKEN. And it is perfectly apparent that you will never decontrol if you do not allow enough supply to balance demand.

"Mr. ERIKSON. Correct. It is a question of time.

"Senator MILLIKEN. It seems to me that there is a vast difference between inflation and a rise in price which is controlled and is realistic. It does follow that when you maintain a fictitious price level which is not up with the realities of the situation you are not maintaining price control; you are maintaining a fiction.

"Mr. PORTER. I would say that we are in the business of keeping the law of supply and demand from working. There is no question about that."

Mr. HICKENLOOPER. Mr. President, the Senator from Oklahoma [Mr. THOMAS] pointed out yesterday that supply is in excess of prewar figures in the commodities and in the fields he proposes to decontrol. If so, the time is either rapidly approaching or it is now on hand in the American economy when the law of supply and demand should, in these fields of food and necessities, begin to operate. I take it that that is the

object of the amendment and the decontrols proposed by the Senator from Oklahoma. With his ambition to return the American economy to a system of free competitive enterprise, to permit the law of supply and demand to operate, to let commodities and consumers' goods find their own level in a free working economy, I find myself in sympathy.

The Senator from California [Mr. DOWNEY] a moment ago made an impassioned plea in connection with which he made a number of statements with which I am bound to take issue. I have the utmost faith in the personal sincerity of the Senator from California. I quarrel with his statement because I quarrel with the sources from which I believe he obtained his information and the sources upon which he relied. I do not criticize him for his reliance, but I disagree with the accuracy of the statements of his informers, and therefore I should like to address myself briefly to a few of those matters.

In the first place, the Senator from California, I am sure with sincerity, said that the livestock producers are holding back their livestock from the market. On Tuesday of this week I placed in the RECORD the latest figures of cattle receipts, for instance, in the 12 most important public markets in the United States. Those figures begin with the week ending April 6 and end with the week ending June 8 of this year. The figures show that for the week ending June 8, last Saturday, in the 12 most important public markets in the United States, a total of 156,500 cattle had been received, which was a greater number of cattle than was received in 3 out of the 4 weeks in May last. There is no evidence there, Mr. President, that the stock feeder is holding back his cattle off the market for an anticipated raise.

I placed in the RECORD last Tuesday figures showing what is happening to the cattle market, for instance, because in the meat field it is the beef production that is causing the most trouble. Those figures show, beginning in January and ending on June 8, that consistently the price of beef cattle on the central market has been substantially above the maximum price that a legitimate packer can pay and stay in compliance with OPA regulations. The figures as they are produced and analyzed show that the legitimate packer cannot buy on today's market and sell under OPA price regulations and stay in business. They show that the overriding ceiling, that is the average ceiling price of the market, is in excess of his legitimate authority to pay. That is an anomalous situation apparently, but this is how it comes about: OPA has a ceiling on cattle, for instance. They say to a legitimate packer or to any packer who wants subsidies from the American Government, and who must have them if he operates within the regulations, "The adjusted average yield price is $16.70 per hundredweight for double A grade steers." The packer can pay more than that, but if he buys one steer for more than $16.70 he must thereafter buy another steer for at least as much below $16.70 as he exceeded the price on the first steer. He must maintain that level average or he is out of compliance under Government regulations, and thereby has his subsidy withdrawn.

The black market operator or the federally inspected operator who is not concerned with Federal subsidy, who does not have to have it, apparently, because he is dealing in devious ways in the channel of meat distribution, can pay $18 for cattle. He is not concerned with the subsidy because he is not concerned with the price at which he sells. The black marketeer may be a federally inspected packer, and often is, so far as inspection is concerned, but that ends the Federal supervision. His sale and distribution of meat are under no Federal inspection, and that is why such meat is sold at high prices and why it gets into the black market.

Mr. President, yesterday the Senator from Massachusetts [Mr. WALSH] put a most significant article into the RECORD. I shall not read it. It is contained in yesterday's CONGRESSIONAL RECORD, and I shall not ask to have it reprinted in today's RECORD, but I want to call the attention of the Members of the Senate to the significant statements contained in this newspaper story, which appears on page 6708 of the CONGRESSIONAL RECORD. This is a news story from last Sunday's edition of the Boston Sunday Post, that of June 9. It is entitled "Black Market Corners Meat." The headlines in this story are as follows:

> Black market corners meat—Legitimate butcher shops experience worst day in Hub history—No beef, lamb, or pork in them—Black marketers supply beef at $1.25 a pound—No relief in sight this week—Hospitals appeal to officials, but turned down flat.

Then follows a quotation of the black-market prices which the newspaper has found in Boston. The article proceeds:

> With the legitimate markets cleaned out of all meats and with only a little poultry and prepared meats left, black marketers picked the purses of everyone who bought meat yesterday for Sunday dinner, getting as high as $1.25 a pound for beef.

Another statement is:

> Boston market men who have avoided black market operations declared that last week was the worst week in the history of the Boston market, and that yesterday was the worst day.

Further on the article says:

> It was made plain in Boston that the only market left is the black market, and that the only market men getting meat are paying black-market prices to get it and selling it at black-market mark-ups.

Mr. President, I urge every Member of the Senate to read that article, because it is typical of the findings of newspapers and fact hunters throughout the United States today. The black market has taken over the most important field of human food, that of meat and the products that go into its preparation and that are allied with it.

Mr. President, my time is short, but I should like to call attention to one or two other most ominous things. I shall have later in the day an up-to-date report on one of the most serious situations that confronts the country as a result of the mishandling and the maladministration of the food problem by OPA, and that is the situation which exists with respect to pharmaceuticals needed for maintaining public health.

It is reliably stated, in my opinion, that today the black market, through its surreptitious practices, its concealment of its operations, and its general activities, is wasting in the neighborhood of 15 percent of the food meat which it handles. We know that through black-market operations we are losing the hides for shoes. They are thrown away or buried. We know that through black-market operations we are losing what is called the offal, the refuse from the meat, which was formerly made into proteins and stock feeds. But the most ominous thing is that the great remedies for serious human ills which are made from the glands of the animals and the other byproducts of legitimate slaughtering operations have practically disappeared from the American market, because the black market throws such byproducts away.

I call attention to the fact that the insulin bank is scraping the bottom. I call attention to the fact that those who are suffering from Addison's disease cannot get the necessary medicines, which come from animal products, to combat that disease. I call attention to the fact that those who are suffering from anemia in its various forms cannot get liver extract, which comes from animal products.

I have reason to believe that these facts are known to the President of the United States and to the Secretary of Agriculture. I know from my own knowledge that they have been pointedly called to the attention of OPA officials, and that they have never been denied or controverted by those officials.

Later in the day I expect to have an up-to-the-minute report from various pharmaceutical houses. I have before me a sheaf of telegrams about 10 days old, from pharmaceutical manufacturers who make about 40 percent of the pharmaceuticals to which I have referred. They point out the ominous shortage which is facing us. That shortage is the direct result of OPA's mishandling of the meat situation. I shall not take the time, in this limited period, to read these telegrams, but I ask unanimous consent that the telegrams from the pharmaceutical houses be placed in the RECORD; and as soon as I receive the other telegrams containing today's report, I should like to have them placed in the RECORD at this point as a part of my remarks.

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

NORTH CHICAGO, ILL., *May 14, 1946.*

Hon. B. B. HICKENLOOPER,
Senate Office Building, Washington D. C.:

For many months we have found it impossible to satisfy essential pharmaceutical products purchased from the packing industry, such as glandular products, liver, thyroid, pancreas, pituitaries, parathyroids, suprarenals, bile, ovarian, also pepsin, and numerous other items because of their drastically curtailed production owing to their inability to purchase livestock currently most acute

traceable to black-market operations and urge that all OPA controls be removed from livestock and meat so that the packing industry can obtain needed raw material to make essential medicinals required to protect national health. Varied industries are largely dependent on legitimate meat-packing companies for innumerable items; shortage becoming alarmingly acute.

ABBOTT LABORATORIES,
E. L. DRACH,
Director of Purchases.

INDIANAPOLIS, IND., *May 14, 1946.*
Hon. B. B. HICKENLOOPER,
Washington, D. C.:

Our supplies of animal glands for essential drugs are not adequate. During past 2 years have had almost constant decline of receipts which has accelerated recently and is especially acute in beef glands. Our principal suppliers of long standing almost universally advise reason is because of inability to handle normal beef slaughter and stay in compliance with present regulations. The general feeling we gather is that removal of OPA restrictions would correct situation. Unless something is done very soon suffering will result and this causes us to recommend prompt action of some sort so that legitimate meat-packing industry can supply nor-

ELI LILLY & CO.,
I. J. KLINGAMAN.

CHICAGO, ILL., *May 14, 1946.*
Hon. B. B. HICKENLOOPER,
United States Senate, Washington, D. C.:

As a manufacturer of medicinal products for physicians' use we have been unable to obtain even a small portion of the supplies we normally get from the meat packers of this country and, as a consequence, have had to shut down our production most of the time and deny the physicians the products they use to maintain the Nation's health. We believe this is entirely due to black-market operations and that the only solution is the removal of OPA control of livestock. We hope you will act to this end so that essential medicinals will be available to the doctors of this country.

G. D. SEARLE & CO.,
JOHN G. SEARLE,
President.

CHICAGO, ILL., *May 14, 1946.*
Hon. B. B. HICKENLOOPER,
Senate Office Building, Washington D. C.:

As a member of the pharmaceutical industry whose business is partially dependent upon a supply of material from the packing industry, we exhort you to take all necessary steps, including removal of OPA control, should that be necessary, to secure an adequate supply of livestock for the legitimate packing industry which is penalized under current black-market operations. Unless an adequate supply of livestock is secured a great many American lives will be lost due to lack of therapeutic agents developed from special tissues of animal origin for which there is no substitute.

BAXTER LABS, INC.,
N. M. NESSETT,
Vice President.

NORWICH, CONN., *May 16, 1946.*
Hon. B. B. HICKENLOOPER,
Senate Office, Washington, D. C.:

We strongly urge that all OPA controls be removed from livestock and meat so that we can obtain raw materials to make essential medicines. This is most important for the welfare and health of all citizens.

M. C. EATON,
President, the Norwich Pharmacal Co.

PHILADELPHIA, PA., *May 17, 1946.*
Hon. B. B. HICKENLOOPER,
Senate Office Building,
Washington, D. C.:

In interest of national health relief is necessary to overcome very serious shortage of medicinal glandular products such as liver, bile, and pancreas obtained from livestock now not obtainable due to black-market operations.

PHILADELPHIA DRUG EXCHANGE,
J. MERVIN ROSENBERGER, *Secretary.*

Mr. HICKENLOOPER. In the field of public health and the medicinal treatment of those afflicted with certain diseases, the officials of the Government who permit the black market in animal products to continue to operate, who continue to deny to the American people the relief which medical science has brought to those who heretofore had no hope, will have upon their own heads the blood of those who suffer. They have been forewarned before this. This is not the first time they have known this. The facts have been proved, and are incontrovertible.

Why is there a shortage of meat in legitimate channels? We have meat. There is no one in Washington who cannot buy meat if he is willing to contribute to law violation. There are black markets in this city, as there are black markets in every town of any size in the United States. A great many people do not deal with black-market stores. Many stores attempt to operate on a legitimate basis and refuse to operate longer if they must deal with the black market. A thousand stores in the city of Brooklyn took this position 2 weeks ago.

We do not have meat, Mr. President, for several reasons. In the first place, no legitimate packer who is dependent upon subsidies for his existence can buy at OPA ceilings and sell at OPA ceilings and survive. That is amply shown by the records. Let me call attention to some figures. The latest figures I have are for the week ending June 8. They show the operations of the 10 leading packers in this country who prior to the war slaughtered, processed, and sold commercially over the United States more than 75 percent of all the meat eaten by the American people. During the week ending June 8 they were able to buy and process only 24 percent of the total slaughter.

Traditionally between 75 and 78 percent of the cattle shipped to central markets in the United States were slaughtered at the point of sale. Today, only approximately one-fourth of the cattle shipped to central markets are slaughtered there, the remainder being sent out on the purchases of so-called order buyers, who buy at the central markets and then mysteriously ship the cattle to some unknown destination where presumably—and I think it is a sound presumption—the cattle are slaughtered in the black market and sold to the American people at high prices.

The fact is that cattle shipments to the central markets have not fallen off appreciably. The shipment of hogs has not fallen off to any degree which would account for the meat shortage. The meat shortage is confined to legitimate outlets, and not to black-market outlets. I believe that as firmly as I believe anything in this whole controversy.

I believe that our objective should be to get food and necessities to the average American citizen. If he has buying power today, and must pay from $1.25 to $1.50 a pound for better cuts of beefsteak, and if the ceiling is 50 cents a pound, he had better pay 60 or 65 cents a pound through a legitimate uncontrolled market, without OPA regulation and strangulation, than to pay twice that amount in the black market in order to get the products he needs to sustain his own life and the lives of members of his family. If he needs a cheap shirt he had better pay $2 for what he used to get for $1.50 than be compelled to buy a sport shirt for $5 or $8 in order to get a shirt to put on his back. His wife had better pay $2.50 for a house dress for which she used to pay $1.80, than be compelled to pay $8 for a house dress which does her no more good than the $1.80 house dress bought before the war.

Our obligation and our job is to bring about the distribution of the necessities of life for the American people, at reasonable prices based upon costs. Our job is to prevent the activities of the black market in all fields of necessities for the common man and the common woman, and to establish a reasonable and decent balance of exchange under the law of supply and demand.

I believe that the amendment of the Senator from Oklahoma is not unreasonable. I think some of the things he has covered have already been covered. But, by and large, as I see it, his amendment touches the every-day necessities of our average American economy.

A moment ago the Senator from California called attention to a pamphlet issued by the OPA. The pamphlet is interesting. I have a copy of it, and I have examined it with care. It has been referred to in the debate and it has been placed in the RECORD. The title page contains the statement, "Prepared for the Senate Banking and Currency Committee by the Office of Price Administration, Paul A. Porter, Administrator, May 1946." I should be glad to have every Member of the Senate examine the pamphlet. It is one of the most startling things I have seen. Let me say first that it is printed in very large type, either in anticipation of myopia on the part of the Members who would read it, or for some other peculiar reason. As I have gone through the pamphlet, I have found that it is printed in greatly exaggerated letters, and there are only a few statements on each page. I took the trouble to examine the pamphlet carefully, to see what the OPA is doing by way of propaganda.

In the first place, let me say that Mr. Porter never submitted himself to cross examination on the statements and conclusions which he has placed in this pamphlet. I find that there are 42 pages in the pamphlet; and by counting the number of words on the 42 pages, I have found that the average number of words on each page is from 75 to 80. This new technique of saying things in "loud"

figures and "loud" letters can only be explained, to my mind, by recalling one of the sayings of a famous man, to the effect that if you say a certain thing loud enough and long enough, people will believe you.

Mr. President, I say that the pamphlet, to which the Senator from California referred, and upon which he relies, and I do not blame him for relying upon it unless he further investigates as to the facts—is full of inaccuracies and is not sustained by the facts. I have attempted to analyze the pamphlet. I now hold in my hand an analysis of it. In the analysis, I have placed on the left-hand side of the page the statements made in the pamphlet, and I have placed on the right-hand side of the page the facts in relation to the statements. I ask unanimous consent that the analysis, together with an attached preliminary statement, may be printed at this point in the RECORD as a part of my remarks.

There being no objection, the analysis and preliminary statement were ordered to be printed in the RECORD, as follows:

SHOULD MEAT CONTROLS BE ABOLISHED?

On May 25, 1946, the Office of Price Administration prepared and distributed to members of the Senate Banking and Currency Committee and Members of Congress a document titled "Should Meat Controls Be Abolished?"

Apparently this document is the agency's reply to testimony of numerous livestock producers, livestock feeders, meat packers, distributors, and retail dealers given before the House Banking and Currency Committee, the House Committee on Agriculture, the Senate Committee on Agriculture and Forestry, and the Senate Committee on Banking and Currency establishing the existence of a country-wide, scandalous, and growing black market in meat.

All the witnesses agreed and both agricultural committees found that the only way to eliminate the black market was to remove subsidies and all ceilings and controls from livestock and meat.

If the Office of Price Administration believed that the testimony given by the livestock and meat industry was not true or that the remedy proposed (removal of controls) not proper, it had the opportunity and the duty to present contrary evidence to one or all of the four congressional committees. In fact, it was expressly requested to do so by both Agriculture Committees and members of the Senate Committee on Banking and Currency.

Instead of producing witnesses and other evidence to the committees, the Office of Price Administration has elected to stand upon this document, which is answered as follows:

ANSWER TO OPA STATEMENT OF MAY 25, 1946, "SHOULD MEAT PRICE CONTROLS BE ABOLISHED?"

Livestock producers and feeders, marketing agencies, meat processors, and retailers the country over are asking the Congress to remove all controls on the livestock and meat industry. They believe the following statement by high Government officials very well applies to the present meat situation:

"The interests of the American people would be better served by eliminating price control entirely rather than encouraging the false sense of security which would result from a mere illusion of price control." (From annual report to the President of the United States, April 18, 1946, signed by Messrs. Bowles, Porter, Wirz, Small, and Anderson.)

The OPA says it "will never surrender to the black market."

The livestock and meat industry has shown through facts presented to congressional committees and to the public that:

The OPA has already surrendered to the black market in meat.

After hearing and investigating these facts fully, the Senate Agriculture Committee found:

"Four years of experience with Government controls, culminating in the present scandalous situation, shows conclusively the impossibility of controlling livestock and meat prices and meat distribution through Government laws, regulations, and directives, and any new or reinstated controls on the livestock and meat industry can only create greater confusion and further impede maximum production and legitimate slaughtering and distribution.

"Removal of price controls and subsidies from livestock and meat will stimulate the marketing of livestock and the production of meat, drive the black-market operators out of business, save untold waste, safeguard the public health, and make a large supply of meat available to all at a competitive price which will be lower than consumers are now paying as a result of the black market and subsidies."

And concluded by answering the OPA question as follows:

"This committee recommends that all price controls and subsidies on livestock and edible products derived therefrom be removed at once." (Interim Report No. 1295, May 2, 1946.)

Answers to specific points made in this OPA statement follow:

OPA says: 1. "It is not true * * * that meat production is failing" (p. 2).

The facts are: Meat production is at a high level but it would have been greater except for the confusion and uncertainty arising from price and subsidy controls and changes, and the black market:

(a) Black-market waste of variety meats, fats, protein feeds, hides, and other byproducts would have been avoided.

(b) Beef calves in great numbers would not have been slaughtered, but grown on grass and roughage and fed out to make a much larger tonnage of beef. Slaughter of veal calves increased from 9.1 million head in 1940 to 13.6 in 1944.

(c) More cattle would have been fed and for more normal, longer periods to make more beef with a more efficient use of grain.

(d) More meat would have been produced if extremely heavy hogs had not been encouraged by OPA ceilings, for the corn would have to be used to feed more hogs to a medium weight, or to produce beef.

OPA says: 2. "Meat production figures on increase 1946 over 1935–39" (p. 3).

The facts are: These figures show the increase that occurred despite controls, but give no indication of what production might have been * * * nor can it be inferred from such data that elimination of controls would not help production.

OPA says: 3. "The existing meat shortage is due wholly to increased meat demand" (p. 4).

The facts are: Of course the demand has increased but the shortage is no more due to a high demand than to a failure of supply to increase with the demand * * * which it could have done more nearly except for production discouragement under OPA.

OPA says: 4. "Black markets prove the existence of shortages; substantial black markets prove the existence of severe shortages" (p. 5).

The facts are: Black markets prove price ceilings are not protecting the public; substantial black markets as in meat prove that controls are unenforceable, have broken down and are pure fiction.

OPA says: 5. "It is a strange argument that we should get rid of price control of a commodity because there is a black market" (p. 7).

The facts are: It is not strange when the black market is as bad as in meat—it is realistic. Meat price ceilings are not protecting the public. Four years of experience, and the present critical situation, show that livestock and meat prices cannot be controlled. Therefore, controls should be removed.

OPA says: 6. "It is universally agreed that meat prices would go up were meat controls lifted" (p. 8).

The facts are: It is not agreed that prices being paid by consumers for meat would go up if controls were eliminated. The best evidence shows that without controls the public would pay no more for meat than it is now paying on the average, including the black market. The subsidy of about 5 cents a pound, which the public must pay, therefore would be saved. Only so-called reported prices would go up.

OPA says: 7. "The Bureau of Agricultural Economics, on a statistical calculation, estimates probable increases at from 15 to 20 percent; more on better grades and especially desirable cuts" (p. 8).

The facts are: More recently the BAE of USDA in April 1946 Demand and Price Situation, said:

"Current forecasts of disposable consumer income and prospective civilian meat supplies for the second half of 1946 indicate that prices of meat at retail for that period would average 15 to 20 percent above present reported levels if price ceilings on meat and live animals were removed."

This means 15 to 20 percent above ceilings, since reported (BLS) prices are essentially at ceiling levels.

OPA says: 8. "Mr. Robert J. Eggert of the American Meat Institute stated that prices after decontrol would approximate present black market prices which he estimated at 29 percent above present ceiling levels" (p. 8).

The facts are: Mr. Eggert stated that after decontrol meat prices during the last 6 months of 1946 would approximate present actual prices being paid for meat on the average, including meat selling under the ceiling, at the ceiling, and over the ceiling, which in late February was found to be 8 cents a pound or 20 percent above OPA ceilings—not 29 percent which was the overcharge on only the meat selling over the ceiling. This statement was based on the following important factors:

1. Government reports showing largest per capita civilian meat supply in 35 years.
2. Increasing supply of durable goods.
3. Near record supplies of poultry and eggs.
4. Some kinds of meat already below ceilings.
5. Elimination of inefficiency and waste of black market and resulting better distribution of meat.
6. Price consciousness and more careful, competitive shopping by housewives.
7. United States Department of Agriculture official statements on meat prices.
8. High livestock population making large potential supply of meat available.

OPA says: 9. "Meat subsidies would have to end were ceiling prices abolished. That alone would increase meat prices to consumers approximately 20 percent" (p. 9).

The facts are: Eliminating meat subsidies would not increase the real cost of meat. The price might go up as an offset, but the taxpayers' burden would be decreased proportionately. The actual price of meat is already at least 20 percent above ceiling and the United States Department of Agriculture estimates the meat subsidy at only 10 to 15 percent.

Subsidies on livestock and meat are now about $750,000,000, annual basis, which would be only 12 percent of the OPA's estimated $6,500,000,000 annual public spending for meat (p. 10).

OPA says: 10. "There is a substantial black market in meat" (p. 9).

The facts are: True, but a conservative statement, considering all evidence. More important, it is beyond control.

OPA says: 11. "Leading packers are complaining that live cattle are selling at above legitimate prices" (p. 9).

The facts are: Yes, live cattle are selling at above legitimate prices—and after 4 weeks of the OPA's last ineffective effort to control the black market in cattle and beef—Slaughter Control Order No. 2—10 legitimate national packers in the week ending May 25, 1946, were able to buy and slaughter only 37 percent as many cattle as a year earlier and only 33 percent of their quota under the order. The situation was no better than in the last week of April before the control order.

OPA says: 12. "Whatever price rise took place upon removal of controls, in all probability would be increased when livestock liquidation, due to higher grain prices, end and meat shortages are intensified" (p. 9).

The facts are: Regardless of grain prices, cattle will not be marketed in large numbers or liquidated until the end of the grass season—and the feed and price situation then (not now or this summer) will determine production plans.

It would appear the OPA is hazarding to predict, if not create, another meat crisis next spring in the face of optimistic prospects for hay, roughage, and other livestock feed production—notwithstanding its demonstrated inability to control the price or distribution of meat.

Only a good fall pig crop and a good volume of efficient, normal-period cattle feeding can produce a reasonable supply of meat in the spring. Removal of controls would encourage maximum production consistent with feed supplies.

OPA says: 13. "A meat price rise of 20 percent would increase the consumer meat bill by $1,300,000,000" (p. 10).

The facts are: This checks closely with the statement of the American Meat Institute that consumers are paying $1,250,000,000 over ceilings for meat per annum as a result of meat prices averaging 20 percent over ceilings as shown by surveys made for them by reliable independent market research agencies.

OPA says: 14. "A 35 percent rise in meat prices would therefore increase living costs by 2.7 percent" (p. 11).

The facts are: But OPA says "No one can predict with accuracy" how much prices would rise (p. 9), yet it proceeds to illustrate with the high figure of 35 percent.

Secondly, the rise would not affect the actual cost of living unless it exceeded the present actual price of meat, including black-market meat.

As a matter of fact, an increase of 35 percent in reported or ceiling meat prices, would not increase the cost of meat to the public. The subsidy amounts to 12 percent and consumers are already paying in excess of 20 percent over the ceilings—a total of over 32 percent.

OPA says: 15. "Any idea that meat price ceilings could be lifted and other food controls retained is completely erroneous" (p. 12).

The facts are: This assumes there now is effective price control on meat, but actually price controls on meat have completely broken down and the black market has taken over. Meat is already competing with other foods on a black market meat price basis. Therefore, removal of meat price controls would not disrupt the relationship of meat and other things as it really exists.

OPA says 16. "Meat, cereal, poultry, dairy products, and many other prices are inseparably linked through grain prices" (p. 12).

The facts are: Inseparability of this kind certainly was not recognized when ceilings on these various products were established at different times and at different levels compared with normal.

OPA shows: 17. Charts showing so-called inseparable link between meat prices and other products (pp. 13, 14).

The facts are: It is unreasonable to say for example that if meat controls are lifted the price of eggs would have to rise—especially considering the egg surplus situation.

It is fantastic to even suggest that if meat controls are lifted, taxi rates or gun-cotton production would be affected.

OPA says: 18. "Elimination of meat controls with necessary correlary effects in all probability would initiate a new round of work stoppages; just when industrial peace appears to lie ahead" (p. 16).

The facts are: Again, this incorrectly assumes that meat prices would rise above present actual levels, and fails to recognize the rampant black-market prices and waste that would be eliminated with the lifting of controls.

Furthermore, one week's wage income of industrial workers, according to Government statistics, in 1945, would buy 56 percent more pork chops, 69 percent more round steak, and 79 percent more sliced ham than in 1939. This shows that meat is cheap relative to wages. This would still be true at black-market meat prices.

Finally, it is questionable if May 25, 1946, was "just when industrial peace appears to lie ahead."

OPA says: 19. "Food for the starving" (p. 17).

The facts are: OPA cleverly confuses the use of an important food grain (wheat) with feed grains principally used for livestock feed (corn, oats, grain, sorghums). Only small amounts of wheat are normally used for feed and if the OPA had been realistic and raised the wheat price last fall, instead of belatedly, much of the wheat feeding that did occur could have been avoided. OPA also overlooks the effect that a $2,000,000,000 food subsidy program has actually encouraged food consumption.

OPA says: 20. "Seeking to divert grains away from meat production the Government raised grain prices without raising livestock prices" (p. 17).

The facts are: Yes; locked the door after the horse was stolen. After many months of excessive use of corn in feeding hogs to heavy weights, 40 pounds above prewar, the OPA raised corn prices and started a meat scarcity program in the face of good prospects for a large feed crop production in 1946.

This policy overlooks completely the experience after World War I when the great need was for building proteins as soon as the immediate emergency, such as now exists was passed.

It also overlooks the use that cattle can make of grass and roughage with the addition of very small amounts of grain, and that hogs produce 201 nutritive units from a unit of land resource compared with only 181 for corn meal and 123 for white flour, according to the United States Department of Agriculture, May 1943, "using resources to meet food needs."

OPA says: 21. "Lifting meat price ceilings would nullify the effect of this order. It would make it still harder for the Government to get grain for starving people abroad" (p. 17).

The facts are: Wheat is wanted for relief. It is to be obtained, apparently, by Government order rather than through prices. The price increase on corn is generally thought to have about matched the black-market price already existing on corn, 90 percent of which was reported to have been moving only at black-market prices.

OPA says: 22. "More severe shortages ahead" (p. 18).

The facts are: If OPA could run the production of the Nation as this suggests, it would be permanently necessary, unless it should decide to promote more feed production instead of less meat.

Because of the situation created by OPA farmers planned to plant only 93,000,000 corn acres this year compared with 113,000,000 in 1932.

OPA says: 23. "When liquidation of livestock ends, however, our meat supplies will be well below present levels (and) * * * make maintenance of controls that much more necessary" (p. 18).

The facts are: Looks like OPA is preparing another meat crisis for 1947 instead of realizing they cannot control the crisis now existing.

This must not go on. The only answer is to eliminate meat controls, and let feed production and its efficient utilization be encouraged rather than confused and discouraged.

OPA says: 24. "Slaughter of cattle in federally inspected plants last year reached an all-time high.

"Certainly that does not suggest that the regulation (live cattle) drove cattle into the black market" (p. 20).

The facts are: This conclusion is based on the widespread but false assumption that Federal inspection is synonymous with compliance with OPA regulations. Facts have been presented to the Congress clearly disproving this.

Ten legitimate national packers in April and May 1946 have slaughtered only one-third of all cattle slaughtered under Federal inspection compared with 70 to 75 percent in 1941. For the week ending May 25, 1946, they slaughtered only 30 percent of the total and the situation was just as serious as before the control order was instituted.

No doubt the meat black market is most serious in noninspected slaughtering, but it is not confined to that and, furthermore, federally inspected cattle slaughter had decreased sharply in 1946 compared with 1945 by about 20 percent. For the week ending May 25, 1946, federally inspected cattle slaughter was reported to be down 38 percent from the previous year.

OPA says: 25. "Indications of the extent of noncompliance is provided by a study of payments made for cattle, as shown on records certified by slaughterers and filed with the Government as a basis for subsidy claims. Falsification in these cases is a violation of the statutes against fraud" (p. 21).

The facts are: Obviously slaughterers do not report their figures out of compliance when they file for subsidy. Study of their reports would only prove this. Has OPA checked and fully investigated the validity of the reports? Certainly not, for it is a practical impossibility after the cattle are killed, weighed, and graded and the beef sold. This illustrates the impossible enforcement problem.

Violation of statutes against fraud means nothing if they are not enforced or enforceable. Thousands and thousands of cattle are being purchased at prices which cannot possibly be in compliance, yet how many violators have been prosecuted and put in jail?

OPA says: 26. "The claim is that conditions have grown worse since the first of the year; that legitimate slaughterers have been unable to buy cattle" (p. 22).

The facts are: The OPA talks about cattle but shows the production of all meat including increased pork production under Federal inspection due to the increased pig crops in the spring and fall of 1945.

The following table shows the increasing seriousness of the situation in 1946 over 1945. It must be remembered there was also a serious beef black market in 1945—the figures

show how much worse it is this year—not the true extent of the black market.

	Percent decrease, 1946 from 1945	
	Federally inspected cattle slaughter	Slaughter by 10 national packers
By months:		
January	−21	−47
February	−12	−29
March	−25	−44
April	−27	−58
By weeks:		
May 4	−31	−52
May 11	−24	−47
May 18	−33	−55
May 25	−38	−63

OPA says: 27. "Certainly this reflects no runaway trend of the black market" (p. 23).

The facts are: Facts in the table above clearly reflect a very serious trend to the black market in 1946 and show that it has consistently grown within the federally inspected group of slaughterers as well.

They also show that the slaughter control order has been ineffective.

OPA says: 28. "There is such a widespread discrepancy between these findings (American Meat Institute survey of retail meat prices) and OPA compliance checks that we question the methods used in the survey, particularly the attempt to distinguish between grades of cut meat (i. e. AA or A)" (p. 24).

The facts are: The American Meat Institute did not make the survey but employed well-known, reliable, independent market research agencies to do the job on the basis of professionally accepted survey principles and practices.

The OPA had full opportunity to debate or question the institute surveys before congressional committees but declined to comment except in general slandering statements. Congressional committees accepted the surveys as reliable and conservative, based on their hearings of the explanation of methods used.

OPA questions particularly the grading. How does OPA check compliance as to grades? It is important if difficult—either for the survey agencies or the housewife. The agencies who made the surveys for the institute hired the best available meat grading experts from the United States Army. Does the OPA have better meat graders?

Significantly, over two-thirds of the beef cuts and over 85 percent of the lamb cuts were graded AA or A by the United States Army graders employed by the research agencies, proving conclusively that the meat was not undergraded (which would have the effect of increasing the overceiling charges). Overcharges were found to be very serious on meat sold and also graded AA where obviously the meat was not undergraded.

Finally, hamburger, where no grading is required by the OPA, was 23 percent over ceilings and, likewise, ham and pork chops were 21 percent over ceiling in the coast-to-coast survey of 11 cities.

OPA says: 29. "Shortly after the Meat Institute survey, OPA's Enforcement Department made a careful compliance check by meat purchases in Washington, D. C., where the institute had reported bad conditions" (p. 25).

The facts are: Did the OPA send housewife shoppers, who would not raise suspicion, to as many as 241 representative stores throughout Washington and buy as much as 456 cuts of meat and have it carefully weighed and graded by experts—like the independent research agencies did for the institute?

The institute published and explained fully its survey details and methods—the OPA should provide similar information so that Congress could judge for itself whether the OPA survey is reliable.

Why did not the OPA also employ an independent market research agency? They have used such agencies on other occasions.

OPA says: 30. "A March 1946 OPA survey covering 857 stores in 27 representative cities showed 83.2 percent of 4,473 meat cuts priced to sell at ceiling prices" (p. 25).

The facts are: On April 5, 1946, Mr. Arvil Erikson testified for the OPA as head of the Meat Price Division, before the Committee on Agriculture, House of Representatives, said:

"OPA hasn't made any detailed survey of the extent of the over-ceiling prices in retail stores."

It is important to note this survey in 857 stores is based on "meat cuts priced to sell." The question is, What does the meat cost? This cannot be determined by asking prices or looking at price tags.

OPA has made other surveys not mentioned in this statement. The Philadelphia Inquirer, April 25, 1946, reported:

"A city-wide black market in meat was disclosed yesterday by OPA following a 2-day survey of independent and chain stores here.

"The survey, made by 30 paid agents, was concentrated on 59 stores with previous records of price-ceiling violations.

"Three of the fifty-nine were out of meat, indicating, according to an OPA spokesman, that they have gone honest.

"The other 56 had abundant supplies of all kinds of meat. Irregularities were found in every store.

"In each store, the agents made purchases and paid as much as 30 cents a pound over ceiling."

A study made under the supervision of J. A. Thornton, an OPA official, in January and February 1944 in 10 cities in the Corn Belt showed that from 80 to 100 percent of the retail stores were violating OPA meat regulations.

In the eleventh report of the OPA to the Congress, covering the period ending September 30, 1944, and transmitted on January 5, 1945, Mr. Bowles stated the following in connection with enforcement on meat, on page 76:

"Upgrading had long been prevalent also at the retail level, frequently resulting in overcharges of 50 percent or more. Although enforcement at this level was generally the responsibility of the price panels, at the end of the quarter a Nation-wide enforcement program designed to combat this type of violation was being prepared."

Copy of this page follows:

"In the field of litigation, the summer quarter was one of the busiest since the inception of wartime price control, owing largely to the numerous new legal issues created by the Stabilization Extension Act.

"Court proceedings were instituted in almost 6,000 cases, consisting of more than 3,700 injunction suits, 900 administrator's treble-damage suits, and 1,200 criminal cases. In the 3,279 civil and criminal proceedings which were completed during July, August, and September, 3,175 decisions, or 96.9 percent of the total, were in favor of the Office of Price Administration. The proportion of decisions favorable to the Office was about 97.4 percent in civil cases and 95.1 percent in criminal cases.

"ENFORCEMENT PROGRAMS

"Enforcement operations are conducted on a commodity program basis. Since these programs are drawn up only after the inflationary pressures present in an industry have been carefully analyzed, the programs have in general been successful in meeting the enforcement problems that arise over a period of many months. Most of the commodity programs have been described in previous quarterly reports to the Congress. A few significant developments in various commodities during the quarter are set forth herein.

"MEAT

"The shortage of beef, especially of the better grades, which began to develop in earlier months, was accentuated during this reporting period. Prices of quality cattle rose to record levels as slaughterers throughout the country competed for the small supply that was available. The program inaugurated during the preceding quarter of reporting purchases of cattle at excessively high prices was continued. Chief violators of the beef regulation became known before the end of the quarter, and investigations high prices was continued. Chief violators Because of the extreme cunning with which many of the illegal transactions are consummated, however, investigation was difficult and time consuming.

"In the Southwest meat violations for some time had taken the form of upgrading. By use of Department of Agriculture meat graders, hundreds of these violations were uncovered during the quarter, and many sanctions were imposed.

"Upgrading had long been prevalent also at the retail level, frequently resulting in overcharges of 50 percent or more. Although enforcement at this level was generally the responsibility of the price panels, at the end of the quarter a Nation-wide enforcement program designed to combat this type of violation was being prepared." (Source: The Eleventh Report of the Office of Price Administration, 79th Cong., 1st sess., House Doc. No. 21, January 8, 1945.)

OPA says: 31. "Mr. Robert Eggert stated that if meat controls were removed prices in his opinion would rise to the level of black-market prices reported by AMI at 29 percent above ceiling prices" (p. 26).

The facts are: Mr. Eggert did not say this, but said the actual price of meat would be about the same without controls, that is, quotations might rise 20 percent—by the amount of the average overcharge including all meat—but this would not affect the actual cost of meat. (See No. 8 above.) This is merely another way of saying, as has been shown, that meat price controls have completely broken down and are pure fiction.

OPA says: 32. "Their survey showed 32 percent of all meat being sold at ceiling prices. Buyers of that meat got full price protection" (p. 26).

The facts are: Price control cannot be given credit for the 32 percent that did not sell over ceilings.

Several items in good supply were actually selling below ceilings. For example, pork sausage which constituted 9 percent of all cuts purchased in the 11 cities actually averaged below the ceiling in several of the cities. This was likewise true of many of the sliced bacon, leg of lamb, and lamb chop purchases.

Altogether, 16 percent of the total cuts purchased were below ceilings because the demand would not buy the supply at ceiling prices. Almost as many cuts were purchased below the ceilings as at the ceilings.

OPA says: 33. "The average charge above ceilings was reported at 20 percent. That is 9 percent below reported black-market prices. Nine percent of $6,500,000,000 is $585,000,000" (p. 26).

The facts are: Yes; 9 percent of $6,500,000,000 is $585,000,000, but this is a ridiculous and indefensible way to figure the protection of meat-price control.

The meat that sold at ceilings and below ceilings would not sell for 29 percent over ceilings without price control, as this calculation assumes. They sold at, or below ceilings principally because of supply and demand balance on those items at that price.

The price of the meat cuts ranged far from ceilings, 16 percent were below, 16 per-

cent were at ceilings, and the rest were above ceilings to as high as four times the ceiling price, depending upon relative supply and demand and the amount the black market gouged the consumer for special items.

OPA says: 34. "Instead of surrendering to the black market, OPA set out to check overpricing on the live-cattle market.

"On April 1, 1946, the OPA restricted custom slaughter to packers who had had licenses for custom slaughtering in 1945 under Control Order No. 1" (p. 27).

The facts are: But cattle prices continued out of compliance, diversion of cattle to the black market continued to increase throughout April, the black market got worse and worse, the Custom Slaughter Control had no apparent effect whatsoever.

OPA says: 35. "Slaughter control program in 1945" (p. 28).

The facts are: OPA implies in this statement that this program worked in 1945 and so testified before congressional committees, but the facts are there was a very serious black market in the spring of 1945 and slaughter control did not cure or correct it.

After the control order went in on April 30, 1945, the United States Department of Labor, Bureau of Labor Statistics, said:

"Meat counters were empty more often during the first 4 days of the week of May 15 than in the corresponding period in any month since March 1944. Approximately 85 percent of the stores had no veal, more than four-fifths were without pork loins, hams, or bacon, and almost 7 out of every 10 had no beef or lamb."

Reflecting further the black-market situation before and after the 1945 slaughter-control program, shipments of slaughter cattle from the Chicago stockyards steadily increased and were relatively twice as large as normal, because legitimate slaughterers in the Chicago area could not buy the cattle in compliance with OPA ceilings.

Percent of total receipts of cattle at Chicago shipped for slaughter

	1945	*1941*
March	40	23
April	45	22
May	43	22
June	42	21
July	47	21

On June 28, 1945, the city of New York submitted to Congress a survey of black-market operations in New York State saying:

"The inspectors visited 105 retail stores in 43 towns scattered throughout black-market area. They found that 48 of the stores had no meat. Of the remaining 57 stores with meat only 7 were in full compliance with OPA regulations.

"Fifty of the fifty-seven stores with meat, or 88 percent, were found to be violating one or more OPA regulations. A total of 105 violations was found in the 50 stores."

OPA says: 36. "Slaughter control program in 1946.

"On April 28, 1946 the program was reestablished to curtail the expanded operations of black marketeers.

"The kill of federally inspected plants rose at once from 89 to 99 percent of their 1945 kill, the highest level reached in a 2-month period" (p. 29).

The facts are: Here again OPA shifts from the most acute black market beef situation to the citation of total meat production data—and measures only 2 weeks after the order became effective, during which period it seemed to have a slight but unimportant salutory effect—and incorrectly measures the black market by using total federally inspected slaughter.

Federally inspected meat production, decrease 1946 from 1945

	Beef	*All meat*
Before control order:		
Apr. 6	−25	−8
Apr. 13	−31	−11
Apr. 20	−28	−17
Apr. 27	−36	−11
After control order:		
May 4	−30	−1
May 11	−22	−2
May 18	−31	−12
May 25	−37	−18

The slaughter-control order never had much effect and in the fourth week had lost completely its original punch, even on all federally inspected production.

Ten legitimate packers with national distribution in the week of May 25, 1946, killed 63 percent less cattle than in the corresponding week of 1945, which was the same decrease as in the week of April 27, 1946, before the control order became effective.

OPA's Joint Advisory Cattle, Hog, Beef, and Pork Committees, in a unanimous resolution on April 15, 1945 said the control order would not work when submitted to them by OPA, and said:

"Now, therefore, be it

"*Resolved*, That the OPA Industry Cattle, Hog, Beef, and Pork Advisory Committees are unanimously opposed to the proposal that has been submitted today to the advisory committees and recommend that subsidies and price controls be immediately removed from the livestock and meat industry."

It obviously is not working!

OPA says: 37. "Aid to enforcement. The slaughter-control program will greatly aid in the enforcement of ceiling-price regulations" (p. 30).

The facts are: It has not, as shown above.

OPA says: 38. "The new program also limits each slaughterer's subsidy payments to the amount of meat he is entitled to produce. This will strike a body blow to any violators who now claim subsidies" (p. 30).

The facts are: Of course reports can still be falsified and the black-market operators continue to "fix" their reports, flaunting an unenforced regulation the same as they overcharge on meat.

OPA says: 39. "By pushing 350 meat-enforcement investigators to the limit from January 1 to April 12, 1946, OPA instituted 1,803 lawsuits against violators of preretail meat and livestock regulations" (p. 31).

The facts are: There were over 27,000 registered slaughterers in the United States in 1945 when the control order was then in effect. The black market was rampant and widespread in January to April 1946 but the OPA had but 350 investigators and instituted but 1,803 lawsuits. The OPA does not say how many were put out of business or in jail.

OPA says: 40. "Now 400 additional investigators are being added for meat enforcement. This should more than double the effectiveness of the fight on the black market" (p. 31).

The facts are: Insignificant when we consider there are thousands of slaughterers in the black market and, according to OPA: "Some 300,000 stores selling meat at retail and about 350,000 restaurants." Further, according to this OPA testimony by Mr. Thomas I. Emerson, Deputy Administrator for Enforcement, before the subcommittee of the Senate Committee on Agriculture, April 10, 1945: "Obviously no enforcement staff available to OPA could attempt to maintain regular checks at these levels."

Doubling the effectiveness of the fight on the meat black market is almost like doubling nothing, considering the present state of unenforcement and the magnitude of the job.

OPA says: 41. "Aid from other agencies on enforcement" (p. 32).

The facts are: These agencies have cooperated before, but adequate enforcement has never been obtained in livestock and meat. Fundamentally the product and its processing and distribution is simply too complex to control by laws, directives, or regulations when the majority of the people of the Nation don't care as much "what they pay for meat" as "whether they get it." Enthusiasm for price control, since the war is over, just does not go so far as to do without meat rather than to patronize the black market.

OPA says: 42. "The battle is under way.

"By these steps we are restoring the flow of cattle to legitimate slaughterers.

"Relieving pressure on the live cattle market.

"Driving black marketeers to cover.

"The problem is anything but hopeless. It is being solved" (p. 33).

The facts are: These statements cannot be substantiated by OPA. Such statements, without positive proof, can only be considered as reckless propaganda.

Facts presented above show that the flow of cattle is not being restored to legitimate slaughterers. Ten legitimate packers with national distribution, slaughtered 63 percent less cattle in the week ending May 25, 1946, than a year earlier—70 percent less than in 1941. They were able to buy, in compliance with OPA regulations, only 33 percent of their so-called slaughter quota, which is 100 percent of 1944.

Second, pressure on the live cattle market has not been relieved. The Livestock Market Review, USDA, for week ended May 18, 1946, said with reference to cattle:

"Prices are now about as far out of reach as they have been at any time" (p. 366).

The Chicago Daily Livestock Market Report, Tuesday, May 28, 1946, said:

"Better than 80 percent of Monday's total cattle receipts were shipped out mainly for slaughter at eastern points, and today it was the same story all over again, with eastern order buyers acquiring the big end of the crop at prices that stood unevenly 15 to 40 cents higher for the week to date on all classes and most grades of slaughter cattle."

The black market evidently is not being driven to cover.

Facts—not opinions—show the problem is not being solved.

Consequently the entire livestock and meat industry says:

"OPA controls in the livestock and meat industry are hopeless—the only solution is to eliminate them."

OPA says: 43. "Test decontrol" (p. 34).

The facts are: Controls of livestock and meat prices have been demonstrated to be impractical and unenforceable.

Decontrol, completely and permanently, is the only rational solution.

Decontrol, as a test or permanently, as already shown would not:

"Create chaos."

"Quite probably result in widespread starvation."

"Cost consumers millions of dollars."

On the contrary, the evidence shows there would be:

Order instead of the present chaos.

More food, more equitably distributed, available to all.

Less cost to consumers through the elimination of black market wastes and extortion.

OPA says: 44. "Hardship claims unjustified" (p. 36).

"Figures below * * * indicate compliance by OPA with the Barkley-Bates amendment.

"We have felt that requirements were met if the return on each species equaled the over-all rate of return in the base period" (p. 37).

The facts are: These figures and statements show that OPA is still thinking in

terms of its over-all profit theory. In pursuing this theory throughout, OPA itself caused a squeeze on packers that created the beginning of the black market.

The industry thought it would be protected by the Barkley-Bates amendment of June 7, 1945, which provided "for a reasonable margin of profit to the processing industry" on each species of livestock, cattle and calves, lambs and sheep, and hogs.

Directive 90 of December 4, 1945, has provided the only relief granted since the amendment was enacted. Testimony before congressional committees has shown that this relief was wholly inadequate and that OPA is still thinking in terms of its over-all profit theory, as also indicated by the quotation from page 37 of this May 24 statement to Congress.

Financial reports submitted to OPA by 78 companies, small, medium, and large, located in all parts of the country, equaling more than 67 percent of all federally inspected slaughter, show net profits (before taxes) per hundredweight alive of only the following amounts:

For the fiscal year through October 1945: Cattle and calves, 2 cents; hogs, 4 cents; sheep and lambs, 7 cents.

These are obviously not "a reasonable margin of profit."

OPA says: 45. "No separate figures are available showing business failures among packing houses or wholesale or retail meat dealers. Total business failures and failures by manufacturers, wholesalers, and retailers are so small, however, as to indicate no serious hardship area in our whole economy" (p. 38).

The facts are: OPA must know of many individual packing plants, meat wholesalers, and meat retailers that have been forced out of business or to drastically curtail their business under OPA regulations—they have hidden behind generalized Government statistics, rather than "look at their files."

And OPA must have heard of the hardships in many areas caused by the closing and curtailment of operations in long-established packing plants who were not willing to violate OPA regulations.

It is general knowledge. For example, the monthly letter on economic conditions, etc., of the National City Bank of New York, in May 1946, says:

"Within the past few months a number of the smaller packing companies have completely suspended operations and many others have had to curtail sharply, either because of losing money under existing price ceilings or because of inability to obtain livestock in competition with unlicensed slaughterhouses buying and selling in the black market.'

OPA says: 46. "Early returns on earnings of packing companies for the first quarter of 1946 show three-quarters of those whose reports are in, earning more than they earned before taxes last year both on sales and on net worth. None reporting to date were in a loss position" (p. 39).

The facts are: The test on earnings under the Barley-Bates amendment is a reasonable margin of profit on each species of livestock—not over-all earnings, and not whether 1946 is better than 1945 (particularly when 1945 was not reasonable)—and not whether some companies are "in a loss position."

How many companies have reported? What have their earnings actually been, by species?

Again, where are the OPA facts?

OPA says: 47. "There is not the slightest indication coming in to OPA that packers, wholesalers, and retailers of meat are experiencing financial hardship" (p. 39).

The facts are: Does OPA require "financial hardship"—near bankruptcy—before it affords relief? This is profit control—not price control—the same old theory.

How can beef operations of legitimate slaughterers running at one-fifth to one-half of normal thus far in 1946 possibly return a "reasonable margin of profit"?

The OPA is receiving reports regularly from packers. What do they actually show?

OPA concludes: 48. "Decontrol of meat would—

"Increase the price 60 percent of all food;

"Start strikes;

"Starve people abroad; and

"Bring to an end effective price control" (p. 40).

The entire livestock and meat industry concludes:

(Points made by OPA in "Conclusion" have already been answered above.)

Decontrol of livestock and meat is the only possible way to stop the black market—an unprecedented national scandal—which is undermining public morals, endangering public health, wasting vital foods and materials, discouraging production, creating shortages, causing unemployment, ruining legitimate business, gouging the people, and confusing the Nation.

The facts show that OPA livestock and meat controls are a fiction, an illusion, impossible.

OPA says: 49. "OPA will never surrender to the black market" (p. 40).

The facts are: The black market in livestock and meat has whipped the OPA.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a statement?

Mr. HICKENLOOPER. I yield.

Mr. SALTONSTALL. The bill, as it now is before us, on page 20 calls for the release of controls on livestock, poultry, eggs, food and feed products, and dairy products. The Senator from Iowa has stated that he is in favor of the amendment proposed by the Senator from Oklahoma [Mr. THOMAS], which includes timber and tobacco, in addition to food products. Yesterday the Senate adopted the amendment of the Senator from Ohio, which applies to nonagricultural products and certain profits.

There are in Massachusetts, the State from which I come, many small businesses. I should like to ask the Senator this question: Is it fair to those small businesses to restrict profits in the manner suggested by the Senator from Ohio, whose amendment I voted for, if we release controls on all the products mentioned in the amendment of the Senator from Oklahoma?

Mr. HICKENLOOPER. In my opinion, the theory of the Senator from Oklahoma is that he has established in the case of each item mentioned in his amendment, that production or supply is in reasonable relation to the demand therefor, so far as utility is concerned, and therefore, under his theory, they should be decontrolled. As I understand, the question is not one of the profit which would be obtained from a commodity in short supply.

The PRESIDING OFFICER. The time of the Senator from Iowa on the amendment has expired.

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

Mr. HICKENLOOPER. I yield.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired. The Senator may take time on the bill.

Mr. HICKENLOOPER. I do not care to take time on the bill.

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

Mr. HICKENLOOPER. I do not care to take time on the bill. Perhaps I can whisper to the Senator. [Laughter.]

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

Mr. AIKEN. Mr. President, I should like to ask a question of some Senator who has the time to answer it. I wish to know whether the effect of adoption of the amendment offered by the Senator from Oklahoma would be to nullify the amendment of the Senator from Ohio which was adopted yesterday, insofar as industrial products manufactured in whole or in part from the products enumerated in the amendment of the Senator from Oklahoma are concerned. That would mean food and clothing.

Mr. TAFT. Mr. President, speaking in the time of the Senator from Vermont, I shall be glad to answer.

Mr AIKEN. Very well.

Mr. TAFT. The general effect of the amendment of the Senator from Oklahoma, if adopted, would be to remove from control nearly everything I can think of, except, perhaps, steel products. My amendment then would be applicable to steel products and to whatever else might not be covered by the amendment of the Senator from Oklahoma.

Of course, if the controls are taken off altogether, there no longer will be any question about how controls should be fixed.

Mr. AIKEN. In other words, as I understand the matter from reading the amendment offered by the Senator from Oklahoma, if his amendment is adopted, practically nothing will be left under controls except heavy metals and their products, such as steel products. I think that point should be brought out before we vote on the amendment. I think it should also be said that, so far as I can see, all clothing and also all food products would be removed from control, if the amendment of the Senator from Oklahoma were adopted.

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

Mr. AIKEN. 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	George	McMahon
Andrews	Gerry	Magnuson
Austin	Gurney	Maybank
Ball	Hart	Mead
Barkley	Hatch	Millikin
Bilbo	Hawkes	Moore
Brewster	Hayden	Morse
Bridges	Hickenlooper	Murdock
Brooks	Hill	Murray
Buck	Hoey	Myers
Burch	Huffman	O'Daniel
Bushfield	Johnson, Colo.	O'Mahoney
Byrd	Johnston, S. C.	Overton
Capper	Kilgore	Pepper
Carville	Knowland	Radcliffe
Chavez	La Follette	Reed
Cordon	Lucas	Revercomb
Donnell	McCarran	Robertson
Downey	McClellan	Saltonstall
Eastland	McFarland	Shipstead
Ellender	McKellar	Smith

Stanfill	Thomas, Utah	Walsh
Stewart	Tobey	Wheeler
Taft	Tunnell	Wherry
Taylor	Tydings	White
Thomas, Okla.	Wagner	Wilson

The PRESIDING OFFICER. Seventy-eight Senators have answered to their names. A quorum is present.

Mr. BARKLEY. Mr. President, I wish very briefly to discuss the amendment, because I cannot support it. It is inconceivable to me that the Senate will adopt it. The effect of the amendment would be to take from under price control practically everything in the United States except metals and a few other products which cannot be described as being agricultural in character. The adoption of the amendment would be the equivalent of destroying completely the structure of price control. I wish to discuss these products as they are set forth in the amendment.

The amendment reads:

Notwithstanding any provision of this act or any provision of title III of the Second War Powers Act of 1942, as amended, or any other law, Executive order or directive, no regulation, order, directive, or allocation shall be issued, made, or maintained (including directives for distribution or price schedules) with respect to timber, petroleum, cotton, milk, livestock, tobacco, poultry, fish and shellfish, grain, peanuts, fruits and vegetables, or any product processed in whole or substantial part therefrom.

That means all kinds and categories of lumber.

Mr. President, we passed, and the President signed, I believe, on the 22d of May of this year the emergency veterans' housing bill in order to bring about the construction of houses for veterans. In that bill we authorized the Federal Housing Expediter to order the Price Administrator to do certain things which, in the judgment of the Expediter, he believed to be necessary in order to bring about the production of lumber and building materials for the construction of veterans' houses. This amendment would repeal that provision of the Veterans' Emergency Housing Act. Possibly the Senate is willing to repeal it within less than a month after enacting it, but I doubt it.

Petroleum. Under the amendment adopted yesterday, offered by the Senator from Ohio [Mr. TAFT], the Price Administrator is directed in effect to decontrol petroleum and everything else whenever the supply and demand are in balance. As the Senator from California [Mr. DOWNEY] said earlier, I think petroleum would already have been decontrolled except for the threat of the maritime strike, which would embarrass certain sections of the country in the receipt of oil and oil products by ships. Large quantities are transported by water from the Gulf of Mexico to the Atlantic coast, and so long as that threat hangs over the country, it may be that in the interest of caution oil ought not to be decontrolled. Regardless, however, of that situation, if in the Nation as a whole under the amendment agreed to yesterday, there is a supply in excess of demand, or approximately balancing demand, the OPA must decontrol. That is true of every other commodity. So that the pending amendment is not necessary so far as petroleum is concerned.

Mr. BROOKS. Mr. President, let me ask the Senator who is to determine when production is equal to demand?

Mr. BARKLEY. The OPA, of course.

Mr. BROOKS. Can the Senator tell us any major product which has ever been decontrolled since OPA has been in existence?

Mr. BARKLEY. I think a good many products have been decontrolled. I have not a list of them in my memory at the present time. Of course, the Senator's inquiry is intended to be a reflection on the OPA by intimating that, even if the commodities were in balance, OPA still would not decontrol.

Mr. BROOKS. It was not a reflection. It was a direct charge that, in my opinion, OPA will not decontrol so long as it has discretion.

Mr. BARKLEY. I amend my statement to make it conform with the Senator's that it is not simply an intimation but is a direct charge. However, be that as it may, I am talking for the moment about the petroleum situation.

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

Mr. BARKLEY. I yield.

Mr. TAFT. The Senator probably forgot that the decontrol of agricultural products is placed by the bill, once it goes into effect, in the Secretary of Agriculture

Mr. BARKLEY. I realize that.

Mr. TAFT. And that on nonagricultural products there is an appeal from the Price Administrator to the Decontrol Board, the members of which have to be confirmed by the Senate.

Mr. BARKLEY. That is true.

Now with respect to cotton, the bill already contains provisions with respect to cotton and cotton goods. So the amendment is not necessary so far as cotton is concerned.

Milk. By the terms of the bill milk is already ordered to be decontrolled in toto on the 30th of the present month, and I assume that provision will remain in the bill as it finally passes the Senate.

The same thing is true of livestock and all products of livestock, which includes meat.

Now as to tobacco, I am from the second largest tobacco growing State in the Union. I never thought that tobacco ought to be put under control in the first place, and that ceilings should not have been imposed on tobacco. I protested to OPA from the very beginning against the imposition of ceilings on tobacco in any form, but they were imposed and they have existed. There is no shortage of tobacco; tobacco is in supply; so much so that the price went down from December when the market fell in my State from an average of 52 cents a pound to around 21 cents a pound; and the average for the year, as reported only a few days ago, was 39 cents a pound. But tobacco would be decontrolled under the language of the bill as it is now written. So, I do not assume that it is necessary to include tobacco, and I do not feel that because I come from a tobacco-producing State that I ought to single out a product of my State and have it decontrolled, when in the committee I voted against the decontrol of all products which are now covered by the bill, including livestock, poultry, and dairy products.

Poultry is already taken care of in the bill. It comes out in toto on the 30th of June, if this bill is enacted into law as it is now written.

Fish and shellfish. I can imagine why there might be some good reason for including fish, but I do not quite understand the reason as to shellfish.

Grain, peanuts, fruits and vegetables or any products processed therefrom. So nothing made out of any of these commodities included in the amendment of the Senator from Oklahoma would be subject to price control or regulation.

Mr. President, we might as well stop here and think for a moment about what we are doing. In this morning's Washington Post, which, in my opinion, has become one of the great newspapers of the country and which contains as much valuable information in each issue, I think, as any newspaper I know anything about, there is an article on the front page, which is taken from the report of the Bureau of Labor Statistics, with reference to the increase in the cost of living since 1939. It might be interesting to call attention to some of these items. Since 1939 food costs for the average family have already gone up 51.1 percent, which is more than half. Notwithstanding all the effort made to hold down prices and notwithstanding the charge made against OPA that they have held down prices to such an extent that many people could not make any money on the production of things upon which OPA has imposed prices, food prices have gone up since 1939 51.1 percent. How much higher will they go if all the products involved in the amendment of the Senator from Oklahoma are taken out from any control or any price regulation whatever?

Clothing prices have gone up since 1939 69.2 percent. If anybody does not believe that, let him go down town and buy a suit of clothes and compare the price he now pays with what he paid in 1939. I have gone through that experience. I bought two or three new suits this spring—and I have been complimented by my colleagues here upon my better appearance in the last few weeks [laughter]—but the clothes I bought cost me nearly twice as much as the same type of clothes cost me in 1939, and I did not get as good quality of goods, either.

Mr. BALL. Mr. President, is the Senator speaking for or against OPA?

Mr. BARKLEY. The Senator can draw his own conclusions. The Senator from Minnesota is such an able and brilliant man that it did not seem to me to be necessary to draw a blueprint in order that he might understand what I am talking about. But without regard to all the efforts made by OPA to keep down the price of clothing, clothing has gone up in the last 6 years 69.2 percent. How much would the price have gone up if it had not been for OPA nobody knows;

it is speculative, but it certainly would have gone up more.

Rents. Well, rents have been pretty well controlled; they have gone up since 1939 only one-tenth of one percent, which is pretty fair control over rents. Suppose there had been no control over rents in the District of Columbia, for instance, suppose there had been no control over rents in areas certified by the Government as areas under the law in which the OPA could control rents, what would have been the result? Someone has suggested that it has been tough on the landlords, and probably it has. I do not know how much tougher it would have been on the tenants if there had not been any control at all. In either case it might have justified the old couplet engraved on a tombstone in an old cemetery:

Here lies the body of Mary Ann,
She is now in the bosom of Abraham;
'Twas a wonderful thing for Mary Ann,
But a terrible thing for Abraham.

[Laughter.]

Next we find that costs of fuel, electricity, and ice have risen 15.6 percent.

Housefurnishings costs have risen 43.9 percent.

Miscellaneous costs have risen 30.5 percent.

On the average, the prices of all items have risen 33.5 percent since 1939, with all the controls. With all the things which have been charged against OPA on the part of manufacturers and producers, the cost of living, on the average, has risen 33.5 percent.

If we are to take off all controls—as the amendment would—I think we may assume that the prices of foodstuffs may rise in the next 6 months as much as they have risen in the last 6 years, at least for a period of time.

Mr. President, that poses the problem with which we are faced here. We are in a dilemma. I admit it. No one is more anxious than I to eliminate controls over everything. We are all harassed by correspondence and by people who have real grievances in one way or another, whether they are consumers or producers. Not only questions relating to the cost of living, but social matters are involved, and it may be there are political matters involved in what we are going to do with respect to the question before us.

I saw in this morning's Washington Post, under the heading "Letters to the editor," and the subheading "If OPA is emasculated," two or three letters which I think the Senate of the United States might well ponder. I shall read one of them. I do not know the man who wrote it. It is signed by L. V. Blake, of Washington, and I do not know who Mr. Blake is. He says:

There seems to be a considerable possibility that we are headed for an economic disaster of the 1929 variety. The chance of averting such a disaster by congressional action seems mainly to be hampered by the efforts of various commercial interests, who assert their constitutional right to conduct free enterprice. Apparently, these interests do not fear the possibility of serious inflation; one can only surmise that if they have thought at all about consequences they must have made some sort of assumption that the wonderful profits in sight for the immediate future (if only the OPA can be suppressed) will more than carry them over any subsequent period of depression.

I wonder if Congressmen have really considered the seriousness of the possible consequences if they take the wrong course. The potentially disastrous effects of a mistake are unfortunately no respecters of honest intention. If we have another "boom and bust" cycle in the United States, it may well spell the end of free enterprise as we have known it. I call attention to an article The Specter That Haunts the World, by Granville Hicks in the current issue of Harper's.

He quotes a paragraph from it:

"* * * the driving force (of communism) in every land is dissatisfaction with the status quo. Millions of people do live in insecurity or downright poverty, and whether capitalism (i. e., free enterprise) is responsible or not does not matter so long as it is on capitalism that they put the blame. Today communism is one of the two principal alternatives to capitalism, its only rival (since the downfall of fascism) being socialism."

That is the end of the quotation. He proceeds:

In the United States we have less "insecurity and downright poverty" than anywhere else in the world. As long as this remains true, and as long as we make visible progress toward elimination of what insecurity and poverty we do have, the prospects for continuation of our system of (reasonably) free enterprise are, it seems to me, excellent. But if we have an inflation and subsequent depression, with the same widespread suffering and insecurity experienced in the thirties, then I truly believe that what one writer calls the conservatives' beloved American way of life may undergo some startling changes.

I recommend these thoughts to the Senate for consideration in connection with the debate on price control. It may well be that those Senators (and others) who are most vociferous about the rights of business to make a reasonable profit may be unconsciously advocating a policy which will ultimately result for the United States in the thing they fear above all else: some form of outright socialist economy in which the "rights" of business will be nonexistent.

Thus, paradoxically (and it is almost an amusing thought), the retention of a strong OPA may well be the NAM's best chance to escape the fate of the famed dodo bird—extinction, that is. And that's no joke, son.

Mr. President, I read that because, in my judgment, it has in it food for serious thought. We all know that the new nostrums, political and social, which are propagated anywhere in the world, grow out of discontent, out of insecurity, out of want, out of a hopelessness with respect to what we call the status quo. We have less of it in America, and we will have less of it in America, because insecurity and want are, on the whole, less existent in this country than elsewhere. But it is not inconceivable that we might bring about a situation which might duplicate or excel that which took place after the last war, when we might not so easily escape from the consequences which have ensued in other countries of the world.

Mr. President, I think it would be a serious mistake by this bill to remove all controls from the commodities and products which are mentioned in the Senator's amendment. I think, as a matter of fact, that if the amendment should be agreed to, we might as well not pass any bill at all, but say honestly that we do not think there should be any controls after June 30, and take them off. Or, if we are in such a hurry about it that we cannot wait 2 weeks longer, let us take them off now, immediately after the bill is signed by the President, or any bill is signed by the President, because that would be the effect of it.

Mr. President, I do not like to do that. I do not like the bill as it has been brought to the floor of the Senate. I voted against most of the amendments which were added to it fixing a date upon which any commodity should be decontrolled. I am not going to make any motion to eliminate them. They are in the bill, and I think the chances are the Senate would not eliminate them anyway, even if the effort were made, and it might be better not to contest the matter but let the bill go to conference and get the best we can out of conference without embarrassment or handicap so far as the conferees are concerned.

Therefore, Mr. President, it is not my intention, and I have urged other Senators, not to move to strike out the provisions with respect to meat, poultry, or dairy products, because the whole bill must go to conference, and the freer the conferees are the better bill I think we may be able to bring back to the Senate.

Mr. President, I am against the pending amendment because I think it is fatal to any pretense at price control in the future, and I hope the amendment will be defeated.

Mr. WHERRY. Mr. President, I am not sure that I previously asked to have printed in the RECORD the report made by the Union Stockyards Co. of Omaha of receipts and disposition of cattle for the month ending May 31, 1946, and also for the same month in 1941. The two figures furnish a complete answer to the distinguished Senator from California [Mr. DOWNEY] relative to the farmers or the meat producers holding back cattle. That argument is entirely beside the question.

I want to call attention to two sets of figures. In the month of May 1941 all the cattle received in the Omaha market totaled 466,199 head. In the same month in 1946 the receipt of cattle nearly doubled, the receipt being 732,168 head.

Now with respect to the disposition of the cattle. Going back to the month of May 1941, of the 466,199 head of cattle received, the packers and processors in Omaha killed 325,212, or about 75 percent of the number received. If we contrast that with the same period in 1946 we find that of the 732,168 head of cattle received in the Omaha market only 292,981 head of cattle were killed there. Those figures show that there is no withholding of cattle. Nearly twice as many cattle went to the market in May 1946 as went to the market in May 1941, but the figures prove that 80 percent of those now coming to market are going into the black market.

Mr. President, I have much faith and confidence in Mr. Albert Goss, master of the National Grange. I know him personally. I have appealed to him and

asked for his judgment, because the Grange has its own statisticians who gather the figures completely month by month and year by year on which the Grange arrives at its conclusions with respect to legislation in which it is interested. The distinguished Senator from California said that he would stake the whole case respecting the Thomas amendment on what happened to meat, if I heard him correctly. I did not hear all he said, but I am satisfied he made that statement, or used words to that effect. In other words, if we should decontrol meat we should decontrol with respect to all the agricultural products covered by the Thomas amendment.

I have a letter from the Grange dated June 12, and this is what it says respecting the decontrol of meat:

DEAR SENATOR WHERRY: You have asked in regard to the position of the National Grange on the present Senate bill extending the life of OPA. You pointed out that the Grange recommended that unless the OPA could give Congress adequate assurance that it would adjust its price ceiling program so as to assure recognition of production costs, the agency should be abolished.

You ask if "in the light of the failure of OPA to give any such assurance with reference to meat, dairy, and poultry products" we would support abolishment of the agency, or would prefer to see its control over these particular products abolished.

Our position in regard to the extension of OPA has not changed. We believe some types of controls should be continued where, because of war-created or other abnormal shortages, production has not yet caught up with demand. Where production is being hindered by controls, we believe in an early and orderly removal of those controls.

The Grange had hoped that the Congress would develop a formula which would compel the OPA to comply with the spirit and the letter of the law and encourage maximum production as the most effective means of combatting inflation. No such provision has been included in the measure as it passed the House or has been reported to the Senate.

We have sought assurances from the OPA of a price policy which would encourage rather than discourage production and have had no satisfactory assurances that such a policy would be followed. It is, therefore, our conclusion that Congress should remove from control those items:

And here they are:

1. Where control has hopelessly broken down or is retarding production.

That covers the meat situation completely, and it covers the other items of agriculture which the Senator from Oklahoma is asking be decontrolled. I would much rather use Mr. Goss as authority for what should be decontrolled than the unnamed authority quoted by the distinguished Senator from Kentucky whose letter he read as published in this morning's Washington Post. I have never heard of that individual. I do not know on what he bases his conclusions, or where he gathered his information. But here is the letter of a man who speaks with authority.

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

Mr. WHERRY. I yield.

Mr. BARKLEY. The figures quoted in the article published in the Washington Post, which I read, were taken from the Bureau of Labor Statistics.

Mr. WHERRY. There was one thing I noticed about the figures, and now that the distinguished Senator from Kentucky is on his feet, I wish to ask him a question about them. I think the Senator said that there was an increase of 15 percent in the cost of electricity and ice.

Mr. BARKLEY. Yes.

Mr. WHERRY. The price of electricity is not controlled by OPA. The price of electricity is controlled by the States. I am satisfied that if the States could have control over many of the products now controlled by OPA we would not have the difficulty we now have by reason of OPA being in the picture.

Mr. BARKLEY. There are many matters connected with electricity, ice, and other things that are controlled by OPA. The price of electric current is not under the control of OPA, but nearly everything connected with its use in some way comes under OPA control.

Mr. WHERRY. If the things to which the Senator from Kentucky refers were decontrolled, the chances are that we would have the same situation respecting them as we do now with electricity. I do not wish to argue that point with the Senator, but since he made mention of that particular item it seemed to me that apparently the very thing that showed the smallest increase in price was not under control of OPA.

Mr. BARKLEY. The lowest increase was in connection with rents.

Mr. WHERRY. Rents, yes. If the Senator will permit me I will correct my remarks in that respect. I could not hear clearly all he said. He was reading from the newspaper. I do not want to reflect upon that statement, because the distinguished Senator from Kentucky speaks with conviction, but I am rather confused by what he says. He has wandered a long way off to find authority for opposition to decontrol of prices.

Mr. BARKLEY. If when the Senator says I speak with conviction he means that I convince myself, I am in agreement with him.

Mr. WHERRY. I am sure the Senator does convince himself. But I suggest to the distinguished Senator, for whom I have the highest regard, and who is a most affable gentleman, that when it comes to choosing an authority I would rather choose Albert Goss, of the Grange, than the unnamed authority quoted by the Senator from Kentucky. When I quote from a letter written by Albert Goss I quote from one who speaks with the authority of an institution, an organization, which is, I think, quite generally recognized by Members of the Senate to be an authority in this particular field.

The first proposition is:

1. Where control has hopelessly broken down or is retarding production.

The Grange favors decontrol.

2. Where the OPA has given no adequate assurance that it can restore workable controls.

Certainly there has not been in the past 4 years anything to show that there has been any increase of workable controls established in the case of meat. The situation with respect to meat has gone from bad to worse. The meat situation is worse today than it has ever been. Even the Secretary of Agriculture said that if, after 5 weeks' trial in putting back the meat quotas, that did not work, then there was only one thing to do, and that was to remove controls from meat. That is the statement made by Secretary Anderson of the Department of Agriculture. And here we find the Grange saying that when OPA has given no adequate assurance that it can restore workable controls, meat should be decontrolled. That is the argument being advanced by the distinguished Senator from Oklahoma.

The next point is:

3. Where the black markets resulting from such break-down are resulting in unsanitary conditions or loss of needed products.

It is unnecessary for me to go further in respect to that particular recommendation, because the distinguished Senator from Iowa [Mr. HICKENLOOPER] very dramatically pointed out the need for the offal and for the parts of animals from which are made pharmaceutical products which will preserve the lives and health of men and women in the United States, who are not now getting the pharmaceutical products needed because of the black market in meat. The public is beginning to learn about that situation, and it fears what may happen. In spite of the propaganda and the iron curtains that exist, the people are beginning to realize that production is always paramount to prices and if we do not have sufficient production we must get it, and the prices will take care of themselves.

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

Mr. WHERRY. I yield.

Mr. WHEELER. I listened to the statement made by the senior Senator from California earlier today respecting the black market. I happen to be a member of the subcommittee of the Committee on Agriculture which investigated the black market in meat. We went to Pittsburgh and had hearings there. We found that the black market was running rampant in Pittsburgh; that the legitimate packers were not getting the cattle, but that the cattle were going into the black market. They were being killed in barns and sheds. The hides were being thrown into the river. One could go down to the river and see where the hides had been thrown. The animals were being killed in sheds and barns, and all the byproducts were being destroyed or thrown away, because the carcasses could be sold at such high prices that the slaughterers could afford to throw away the byproducts.

Mr. WHERRY. That is correct.

Mr. WHEELER. The result was that the legitimate packer and the legitimate dealer were not getting meat. At one of the great hotels in Pittsburgh we were told, "We cannot get any meat because we will not buy in the black market. But you can go to a certain part of town and get all the meat you want in restaurants." I went there, where I was not known, and found that one could get roast beef, steaks, or anything he wanted.

But he could not go to a restaurant which was trying to comply with the regulations and get meat of any kind.

I have received letters from my home State showing that small markets all over the State of Montana are being closed because of the fact that they cannot get meat to sell. They cannot pay prices for it which would compete with the black market, nor can the small packers in my State—and there are quite a number of them—compete with the black-market buyers of cattle.

The fact is that from one end of the country to the other the people are enraged because the OPA officials in Washington have been so stupid in administering the act. As the OPA Act was written, it was a good thing at the time. It was intended to keep prices down. But the trouble has been that some of those in the OPA have not been as much interested in keeping prices down as they have been in keeping profits down and regulating business generally. Every merchant from one end of the country to the other is outraged at what this group has done. In my judgment it has been incompetent. Many of those in OPA know nothing about business and nothing about law. They know nothing about anything else, but they seek to regulate all kinds of business.

Mr. WHERRY. I thank the distinguished Senator from Montana for his contribution. I distinctly remember the very fine work which his subcommittee did in the investigation of the meat question. As I recall, that investigation was made more than a year ago. Is that correct?

Mr. WHEELER. That is correct.

Mr. WHERRY. Does the Senator believe that conditions are better now than they were then?

Mr. WHEELER. No. In my judgment conditions are worse today than they were when we made the investigation. I have received telegrams and letters from the operators of legitimate stores and small markets all over the State of Montana, who are being compelled to close because they cannot get meat unless they go into the black market and buy it, and they do not wish to do that. The OPA is making criminals out of the people of this country by its operations, because of the fact that OPA officials will not listen to common, ordinary horse sense.

Mr. WHERRY. I thank the Senator again for answering my question.

The fourth recommendation of the Grange is clearly in line with what the Senator from Montana has just said. I am still reading from the letter from the Grange. The fourth recommendation is that we should have decontrol—

where producers are forced either to patronize black markets or go out of business.

The concluding paragraph is as follows:

In considering the amendment for decontrol of livestock, dairy, and poultry products, we must forego wishful thinking and be realistic. Conviction that controls on those items have hopelessly broken down should carry with it the courage to act decisively.

Sincerely yours,

ALBERT S. GOSS,
Master, the National Grange.

That is a complete recommendation so far as concerns meats, dairy products, poultry, and poultry products. According to the recommendations of the Grange, the time has come to decontrol those products. Based upon the premise of the distinguished Senator from California, the same thing would apply to all the other agricultural products which the distinguished Senator from Oklahoma [Mr. THOMAS] is asking to have decontrolled.

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

Mr. WHERRY. I yield to the distinguished Senator from Iowa.

Mr. HICKENLOOPER. I should like to ask the distinguished Senator from Nebraska if he has read the testimony of Mr. R. G. Haynie, vice president of Wilson & Co., at Chicago, which begins on page 1114 of volume 1 of the hearings before the Committee on Banking and Currency on the OPA Extension Act.

Mr. WHERRY. I have.

Mr. HICKENLOOPER. I specifically call attention to the fact that in this testimony is a complete factual study of the entire meat situation, as regards both purchase and sale, showing graphically, by charts and otherwise, exactly what is happening, and how the black market has grown during the past 4 years. It is a most illuminating discussion, and it is borne out by facts from the United States Department of Agriculture.

Mr. WHERRY. I thank the distinguished Senator from Iowa for his suggestion. I know Mr. Haynie. He is a Nebraska boy. He grew up on a butcher's wagon. He married a girl from my own home town. I have talked with him in our own feed lots, and I have discussed the meat situation with him many times. He is one of our fine Nebraska boys who is making good. He not only knows the problems of the packer, but also the problems of the cattle feeder, from the time the calf is born until the meat is on the table. I would rather take him as an authority than the unnamed authority to whom the Senator from Kentucky [Mr. BARKLEY] referred earlier, who wandered all over the block to discuss socialism and many other things which have no relation to the acute situation in which we find ourselves today because of the OPA.

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

Mr. WHERRY. I yield.

Mr. BARKLEY. The Senator called this authority unnamed. I named him. I said the letter was signed by L. V. Blake, of Washington.

Mr. WHERRY. Mr. President, I shall not delay the Senate. I thought the arguments of the distinguished Senator from California [Mr. DOWNEY] should be answered. He based his argument on the premise that what we do in the case of meat should be done in the case of all other products.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement with relation to the grain situation under OPA.

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

GRAIN SITUATION UNDER OPA

The correction of the grain problem today is a real test of the sincerity of whether the Congress wants OPA decontrols and a return to free markets. Or, instead, whether the Congress wants an extension of the bread lines now forming in America.

Production of grains is already ahead of any normal demand. It will meet any formula on requirements set forth as a yardstick.

And yet, with the war over, the Government now considers it necessary to issue orders that provide for the forced sale of wheat as it moves from the farm.

These conditions do not arise from shortages. And they are not here because of any amount of breadstuffs that have been shipped out of this country to the needy of the world.

They exist because our markets have been strangulated, normal distribution has been disrupted, and grains have been wasted by improper use created directly by OPA pricing policies.

Let me emphasize: We do not face grain shortages because of our humanitarian efforts. We face them because the farmers and the distributing trades of this country cannot continue to perform their hisoric functions successfully under artificial OPA pricing conditions.

In fact, the best and probably the only chance that we have of meeting our future humanitarian commitments and still successfully feed our own people at the same time is to take these price ceilings off of grains, stop the wastage, and let grains move in normal channels to proper and historic uses.

This country is headed for another season of record-breaking crops for grain. The Department of Agriculture, in its monthly report on crop conditions for the major grains, issued on Monday, indicated a wheat crop this year of 1,025,509,000 bushels, against a 10-year average of 843,692,000 bushels.

The oats crop was indicated at 1,492,783,000 against the 10-year average of 1,129,441,000 bushels.

It is too early to cite figures on the corn crop, but known intentions to plant forecast another bumper production.

There are no natural shortages of grains. There is no excuse for their prices being shackled, creating man-made shortages.

A recent editorial in the Saturday Evening Post shows strikingly what is involved in all of this. I quote it as follows:

"UNCLE SAM IS A CLUMSY GRAIN TRADER

"The urgent need for grain to relieve famine conditions abroad undoubtedly explains the Government's recent jittery price policies on wheat and corn. But the record of these policies does not put Uncle Sam in a favorable light either as a trader or as a dependable regulator of farming.

"Price ceilings had been stoutly maintained on wheat and corn during the months in which a major part of each crop had moved to market in one way or another. OPA stated last December 13 that ceiling prices on corn would not be raised, and added: 'In case the Department of Agriculture should at some later date institute a corn-buying program, purchases will be made at not more than established ceilings.' Again, in February, OPA declared that ceilings would not be raised. Yet a few weeks later ceilings were raised 3 cents a bushel on both grains. Then, in April, a 30-cent bonus on each, if delivered to the Government, was announced. The bonus on wheat was to run until May 25; that on corn until 50,000,000 bushels had been obtained.

"This bonus was described by some cynical critics as a concession to the black market.

In effect, it put the Government in a position of doing something that would be unlawful if done by one of its own citizens.

"But hardly did farmers have time to think it over when the bonus on corn was suspended. Then, a day later, the Government raised its ceilings on grains again—25 cents on corn, 15 cents on wheat, and various amounts on other feed grains. The wheat bonus remained on top of the new ceiling, which was made retroactive for those who had already cashed in on the bonus offer.

"The effect of this shenanigan on the farmers' confidence in the Administration's policies was summed up by a competent observer in the northern Wheat Belt thus: 'Many farmers are becoming suspicious of whatever the Government says, and those who sold out early feel that they have been treated unfairly.' Farmers have contended that prices were being fixed to achieve certain Government purposes rather than on the basis of real values. The bonus and the subsequent jump in ceiling prices confirm this feeling and deepen the skepticism as to the stability of the Administration's price policies.

"It is not politically fashionable right now to say anything favorable about a free-market system. But if such a system had been in operation, the Government could have gradually accumulated, through purchases on the open market, enough grain to meet its foreign-relief needs. The price might have been somewhat higher than the original OPA ceilings, but probably no more than was finally paid. There would have been less disruption of markets, less interagency squabbling, less loss of money by farmers and loss of face by the Government. Furthermore, the world's hungry would have got the grain on time."

This is but part of the story. More of it tells of shocking wastages of wheat, the human-consumption grain, as it has been lavished as animal food on an inefficient basis due to unnatural and fictitious prices. The tightness in wheat today is the result of the depletion of our surplus stocks, our normal stocks, of this grain because of the immense supplies which were channeled into animal consumption at distorted bargain prices. Contributing to this shortage are stocks of this grain locked up on the farms due to the terrible position that the farmers have been put in as the result of crazy-quilt pricing policies.

More of this story tells of the incredible situation that exists in the black markets for grains which are making lawbreakers on a scale that makes the evil of the prohibition era look puny, as our honest citizens throughout the length and breadth of the land fight to keep their heads above water and their families, farms, and businesses intact in the face of Office of Price Administration edicts.

The greatest grain crop of our country is corn. Production last year of this grain was over 3,000,000,000 bushels.

I want to say seriously to you that conditions that may rule in other commodities fade in importance when you consider that testimony has been given before the committees of the Congress that shows that three out of every four cars of corn that move in commercial channels move in the black market. Think what is involved when from $500 to $1,000 per car of black-market money changes hands on these cars, somewhere along the line before market.

Of the balance, not 1 car in 100 changes hands but that there is some extra or special consideration than the price involved.

The grain farmer and the grain trades are the basis of our American agricultural economy. These conditions cannot continue, or our entire country will be undermined.

Corruption stalks our land, farmers are resentful, established businesses decades old face failure, empty breadbaskets threaten, our Government proposes seizure of property of our citizens.

Price ceilings on grains must come off.

Mr. WHERRY. Mr. President, it is not a question of production. It is a question of maladministration of OPA, which has resulted in the confusion in which we find ourselves, and in bread lines all over the country.

Mr. TAFT. Mr. President, I wish to say a word in opposition to the amendment which is pending before the Senate. The arguments made by the distinguished Senator from Iowa [Mr. HICKENLOOPER] and the distinguished Senator from Nebraska [Mr. WHERRY] are convincing. They are so convincing that they convinced me many weeks ago, and I voted for the decontrol of meat. I believe that meat must be decontrolled. But meat would be decontrolled under the terms of the committee amendment without the adoption of any other amendment. It is wholly unnecessary to adopt the amendment pending before the Senate in order to decontrol meat or dairy products.

I think it is fair to point out that the arguments made by Mr. Goss, head of the National Grange, relate to meat and dairy products. He is approving the committee amendment. The principles which he lays down may apply to some of the other products named in the pending amendment, but it is not at all clear that they do. Certainly the National Grange does not say that those principles apply to any products except meat and dairy products.

The pending amendment would decontrol practically everything in the way of food and clothing that the ordinary person could possibly buy. It would decontrol timber, petroleum, cotton, milk, livestock, sheep, wool, tobacco, fish, shellfish, grain, peanuts, fruits and vegetables, or any product processed in whole or substantial part therefrom. I should say that would include 90 percent of everything that the ordinary American family buys. The only things which are not included are things which are primarily processed from metals, and rents. Otherwise, it seems to me that this is a declaration that OPA should be abolished now.

I am quite willing to admit that there is an argument for immediately stopping all control. We heard the arguments on both sides. I am certainly in favor of the abandonment of government regulation so far as possible. But I come to the conclusion that, if we were to remove all controls today, probably we would see an increase in prices which would be more harmful than the continuation of the regulations. That might not occur as to some products; but, by and large, Mr. President, if all controls were removed, I believe we would have a serious increase in prices, a greater increase than is justified by the present increases in costs; and I believe that such an increase in prices would result in a higher price level, which probably would lead, then, to a collapse and to a possible depression. At least, it seems to me we would be taking a serious chance if we were to remove all controls, and I do not think that would be a wise policy.

I believe we should pursue a moderate course. I admit that it is hard to pursue a moderate course in behalf of the Office of Price Administration, because Mr. Bowles has not made one concession, he has not been willing to move one inch, toward a decontrol or toward a relaxation of the regulations which he has imposed during the war. Perhaps my statement is an exaggeration, for I believe he has removed controls from 5 percent of the products which have been controlled, but they are products of little importance to anyone or to the national economy. It would be much easier to pursue a moderate course if Mr. Bowles himself did not demand that we must continue "as is" and if he did not oppose the mildest and the most reasonable amendments as strenuously as he opposes complete decontrol. Mr. Bowles has cried "Wolf! Wolf!" so often in regard to every amendment, no matter how reasonable it might be, that he can no longer hope that his cries will be listened to with confidence by Congress or by the people of the United States.

Yet we ought to pursue a moderate course. We ought to relax price controls so as to encourage production. But on the other hand we should not, it seems to me, remove all controls and make it possible for what will amount to a speculative increase in prices. After the First World War it took nearly 18 months to get back to anywhere near normal conditions. I think we are now in a similar position. After this period, I shall never again vote for price controls, but I think we are now in a period in which the demand greatly exceeds the supply.

The whole field of imports from foreign countries is still tied up. Today imports of tin and of other metals and metal products which must be imported are not sufficient. They cannot be purchased in the quantities in which they are needed.

Likewise, in the United States, production has not yet resumed normal proportions. I think we are still in a period in which there is danger that if we were to remove all controls we would see a speculative price increase which could lead only to trouble, and later could lead only to a collapse and probably a further depression.

So I plead very strongly that we continue a moderate course. I think it is perfectly logical to remove controls from some things and leave them on others. I think it is perfectly logical to remove controls from meat. As a matter of fact, meat itself was not controlled for many months. Livestock, at least, was not controlled for many months after controls were established for other products. I think the testimony and the evidence show that there is hardly anything that is as difficult to control as livestock. The control of livestock and meat is almost an impossible task, and, of course, the failure to control it properly has become a national scandal. Regardless of the difficulty of the task, the control of livestock and meat has not been successfully performed by the Office of Price Administration. Whether the supply

equals the demand, I do not know. But that is not the ground on which we propose the decontrol of meat. We are decontrolling it because the present situation is a national scandal, as I have said. It is obvious that the Office of Price Administration cannot control meat. Even though the result of decontrolling meat may be an increase in the price of meat—although I doubt very much whether the prices, as thus increased, will be as high as the prices which exist today in the black market—I believe it is obvious that any such increase in the price of meat will be preferable to the present condition. The same situation exists in the case of dairy products. I think it is logical to pick out for decontrol one or two products as to which control has been ineffective and has led to the elimination of such products from the tables of the American people. Of course, it is important to control prices. But today the housewives cannot buy meat in Washington, except tag ends of meat, and they cannot buy any butter in the stores in Washington. Certainly there could be no more complete failure. After all, Mr. President, the problem of price administration is not simply one of holding prices. The problem of price administration is to enable the people to purchase the articles they need at prices which are reasonable and fair, considering the costs of production.

So I think it is entirely logical to eliminate controls from the articles as to which there has been a complete failure to control; and I think it is logical to say that as to other controls we wish to pursue a moderate course, and we wish to make sure that the increase in prices does not amount to more than the increase in cost of production, and we wish to make sure that there will be no speculative price increase because of the great demand. Then I think we should stop right there.

So I believe it would be a great mistake to go beyond the decontrol of meat and dairy products, and thus practically put an end to all controls at the present moment.

Mr. MYERS. Mr. President, it seems to me that some persons prefer sure, swift, speedy death for OPA, while others prefer a slower process of strangulation. The present occasion might be an amusing and humorous one, except for the very tragic results which will flow from our action here today.

Within the last few days, much has been said here about the law of supply and demand. However, I believe that what the Senate proposes to do today will substitute the law of the jungle for the law of supply and demand. During the last few days we have heard much about free enterprise and the system of free competitive economy. But I believe that what is proposed to be done here today will substitute the theory of the survival of the fittest for the American system of free enterprise. We have heard a great deal about the black market. Nothing is proposed as a means of curtailing the black market. Nothing is proposed as a means of destroying the black market. But what we are asked to do today will whitewash and whiten the black market; and, Mr. President, in my judgment the black market prices of today will become the floor rather than the ceiling prices in the months ahead.

In January 1942, the Congress enacted legislation intended, among other purposes, "to protect consumers." In October of that year the Congress enacted further legislation specifically designed for "stabilizing prices affecting the cost of living." In 1944 and 1945 that basic policy of stabilization, after a review of its administration, was renewed by the Congress.

Today the Senate proposes that the cost of living shall be cut loose from the moorings established under authority of those stabilization statutes. Such action would torpedo our economic stability, and with it, would torpedo our hope for successful transition to economic operations yielding sustained prosperity for all groups in the Nation.

Mr. President, when the calamity comes, whether it be 3 months, 6 months, 9 months, or 12 months from now, I want to be recorded in black and white with those who are fighting against the emasculation and destruction of price control. I want to be recorded as one who foresaw the danger ahead and strove to avoid it.

I prophesy and predict, Mr. President, that within a relatively short period of time the American people will desire to know who were responsible for runaway prices, and I want my name to be listed among those who were not responsible.

Mr. President, I have no other choice than to vote against this bill. The enactment of the bill would reverse completely the present policy of the Congress of the United States. Can it be that the danger which threatened us in 1942, 1943, 1944, and 1945 has entirely passed? Hardly so, Mr. President. No one questions for a moment that present inflationary pressures could result in greatly increased prices of all commodities. If price control is removed, within a short time, there will be substantial rises in prices. Can it be that we have found our fears of inflation to be ill grounded, and that we have no hesitation in opening the floodgates to the rushing waters of rising prices? I do not believe so. No one has wiped away the record which we made during and following World War I when inflation carried the economy up and up, and then let it drop over the cliff of deflation to the tune of thousands of bankruptcies, hundreds of thousands of farm mortgage foreclosures, and millions of unemployed.

Do we believe that we have yet emerged from the period of inflationary prices which the war, and shortages caused by the war, created? We all see evidence on every hand that these pressures are still at a peak. No Senator can deny that, following World War I, our policy of removing such controls as had been imposed, put us through the cycle of boom and bust in short and tragic order. Yet, many Members of this body can quote statistics and figures, but they have forgotten history. The truth of that statement is one which neither the committee itself, nor other Members of the Senate can deny. We ignore the lessons of history altogether and say that, beginning next July 1, all controls must be removed from the prices of meats, dairy products, and clothing. With a straight face, the Senate selects the most critical segment of the family food budget and the entire clothing bill, and proposes their decontrol, as though they had little or nothing to do with the cost of living of American families, or with their welfare and that of their country.

Mr. President, allow me briefly to examine what this proposal really amounts to. Let me start by going back not to the outbreak of World War II, not to the initial establishment of price control, but only 3 years to the spring of 1943. That was when the dangers of wartime inflation finally were fully recognized and a policy was adopted of firmly holding the line against price increases. Let me remind Senators what led to the adoption of that policy. There had been a continued and rapid rise of the prices, food prices in particular, paid by American families during the preceding winter and spring. Food prices were rising at the rate of nearly 30 percent a year. That rise was what made hold-the-line necessary. And under hold-the-line, that rise was halted. Indeed, food prices were reduced, and, with the help of a well designed subsidy program they have been held during the past 3 years slightly below the May 1943 level.

Thirty percent a year! That was how fast food prices were rising before the hold-the-line order. Today supplies are still short and incomes are far above 1943 levels. Indeed they are close to the wartime peak. If we take off ceilings on meats and dairy products, that 30 percent increase of food prices will not require a year to occur—it will be here in a matter of weeks.

The same statement holds true with regard to clothing. Everyone knows how great the shortages are, particularly in view of the extra demand by the 9,000,000 men and women who have been demobilized since VJ-day. When we removed controls after World War I clothing prices climbed 50 percent before the economic collapse brought them tumbling down. That is what we must look forward to now if we adopt the committee's amendment. A rise of 50 percent or more will take place followed by a collapse which will ruin thousands of businessmen through inventory losses.

Does anyone suppose that we can have increases of such magnitude in key living costs without utterly destroying the entire stabilization program? How can other prices be controlled anywhere near present levels if food and clothing prices shoot up? How long can landlords be held to rent ceilings while food and clothing merchants are free to charge what the traffic will bear?

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

Mr. MYERS. I yield to the Senator from Connecticut.

Mr. McMAHON. I am sure that the Senator has touched upon one of the things which must be emphasized over and over again. As I said the other day, I believe that one of the cruelest deceptions which can be perpetrated on the American public is to tell them that

they may have controls exercised over rents at the present levels—they are being so told by the manufacturers' associations—and have no controls exercised over food prices or manufactured products. The people will finally wake up to the fact that the continuance of a situation of that kind will result in either bankrupting the landlords, or no taxes being collected by the municipalities.

Mr. MYERS. The Senator is absolutely correct. A moment ago the Senator from Kentucky read some figures which indicated that rents have increased only a fraction of 1 percent. I wish to point out what has happened to commercial rents which were never subject to ceilings. Commercial properties and office buildings are short in supply and the demand is great. Rents on such properties have in many instances trebled and quadrupled. I should like to point out what happened on the New Jersey shore 60 miles from my home. The rents on summer cottages in that locality have increased as much as 600 percent in many instances. Only God knows what will happen to residential rents if this bill is passed in its present form.

Mr. President, what kind of a wage situation will we have if workers find 20, or 30, or 40 cents being taken out of every wage dollar by skyrocketing living costs?

The bill is a guaranty of turmoil and confusion, of greedy grabbing by many, and of desperate scrambling by everyone else. And this bill for economic chaos is proposed at a time when we desperately need to get back to productive teamwork. I question whether, in the light of history, any proposal made upon this floor will be found, as contrary to public interest as this one that comes before us with the recommendation of a majority of the Committee on Banking and Currency.

But the decontrol of food and clothing prices would do even greater damage than I have indicated. When the Emergency Price Control Act was enacted 4 years ago, the Congress expressly recognized the need to prevent inflation, not only to protect war production from speculative disruption and our people from profiteering, but also as an essential step toward preventing a disastrous collapse of values such as followed our last wartime inflation. Thus far that policy has succeeded. The price increases that have occurred have been moderate, averaging less than half as great as those occurring during the last war and only one-third as great as took place at the peak of that inflation. As we all know, under that stability of prices, production soared to greater heights than ever before achieved. Furthermore, because the price rise has been restrained and gradual, it has been possible to adjust incomes at least part of the distance they must rise if the present level of prices—or something close to it—is to be sustained after the present pent-up demand has been satisfied.

We have kept prices and wages manageable with respect to each other and they are still manageable today. But if we now let prices spurt upward, there will be no managed prices and no managed wages. The inflationary spiral will promptly go into a jolting climb. Not only will production be hindered and held back by hoarding and speculation, but the whole wage issue will be opened up wide.

Wages will again become unsettled and a new wave of strikes is sure to develop if prices begin their steep climb. But if history teaches us anything, it teaches us that in such a race wages always lag behind. Wage increases take negotiating—take time. Prices, on the other hand, go up overnight, with little or no notice. And today thousands of contracts are being written with escalator clauses that guarantee automatic price increases the moment controls are lifted.

Wages will rise, but prices will rise faster still. The cost of living will steadily get further and further beyond the reach of the average family. We will soon arrive at what in 1921 was called a "consumers' strike." People's incomes just will not be big enough to take the goods off the market at the inflated prices. Then will come the crash, the crash that today can still be averted if we here have the courage to avert it. The crash will begin with a sagging of prices that will soon turn to a downward rush.

Farmers will see their income cut in half, just as they were after the last war. Inventory losses alone will wipe out thousands of businessmen just as after the last war. Shrinking sales will mean the cutting back of production and the discharge of millions of workers, just as after the last war. Unemployment will mount week after week, just as after the last war. Once again and this time with our eyes open, we shall have gone up the dizzy heights of inflation and over the precipice into economic depression. For the first time in history, a representative national legislature will have knowingly plunged its country into economic chaos.

That is the prospect the country faces if we here in the Senate follow the advice of the majority of the committee and knock the heart out of control over the cost of living.

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

Mr. MYERS. I am happy to yield.

Mr. McMAHON. The advice of the majority of the committee and the advice of the National Association of Manufacturers, I may add. That is whose advice we are taking.

Mr. MYERS. That might well be added—the Senate is accepting the advice of all the other pressure groups who are descending upon Washington.

Mr. WHERRY. Mr. President, will the Senator from Pennsylvania yield?

Mr. MYERS. I yield.

Mr. WHERRY. The Senator is not saying, is he, that the farmers of the country want to continue OPA? He is not speaking for the farmers of the country, is he?

Mr. MYERS. I say God help the farmers of the country if the Senator and those supporting his position should be successful today on the floor of the United States Senate in emasculating the OPA.

Mr. WHERRY. Will the distinguished Senator answer my question?

Mr. MYERS. I think I speak for more farmers than does the Senator from Nebraska. We have more farmers in one corner of Pennsylvania than the Senator has in his entire State.

Mr. WHERRY. Will the Senator yield further?

Mr. MYERS. I am happy to yield.

Mr. WHERRY. If there are so many farmers in Pennsylvania, I should like to ask the question once again, Is the Senator speaking for the farmers in stating on the floor of the Senate that there are pressure groups that ask the Senator to come here and support OPA?

Mr. MYERS. I am speaking for the people of America, I believe, and for the people of Pennsylvania. I am not speaking for any group, and the farmers have not come to me. A few people have, but the farmers have not come to me. The Senator from Nebraska may represent the farmers, but the Senator from Nebraska seems to represent all the other groups, because we hear of the various things he has been waving in front of the people of America, from platforms and on radio forums.

Mr. WHERRY. Does the Senator mean I am representing the groups that are selling in the black market? Does the Senator think I am supporting their contentions?

Mr. MYERS. Of course not. I think the Senator is sincere.

Mr. WHERRY. The Senator says I am waving the flag. I am waving the flag of the man who is just as interested in preserving the standards of living as is the Senator from Pennsylvania.

Mr. MYERS. Of course, I am sure of that.

Mr. WHERRY. That is, of the man who wants to get meat out of the legitimate market, at a reduced price.

Mr. MYERS. I am sure the Senator is sincere; I am sure he is acting from the best of motives, but I think he is misguided, and I prophesy that in a few short months it will be evident to all the people of America.

Mr. President, I have outlined what I believe to be the danger the country faces if we here in the Senate follow the advice of the majority of the committee, and, I may add, as has been suggested by my distinguished friend from Connecticut, the National Association of Manufacturers; and knock the heart out of control over the cost of living. If, despite the plain lessons of history, of experience, and of common sense, we take that step, the American people will know how to judge the wisdom, the competence, and the patriotism of Senators whose votes here have determined the issue.

Mr. President, I wish to be recorded as opposed to the bill in its present form, because I think it will bring to America economic disaster, just as bombs from the Land of the Rising Sun almost brought military disaster to America on December 7, 1941.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS] as modified.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

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

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

Aiken	Hickenlooper	Overton
Andrews	Hill	Pepper
Austin	Hoey	Radcliffe
Ball	Huffman	Reed
Barkley	Johnson, Colo.	Revercomb
Bilbo	Johnston, S. C.	Robertson
Brewster	Kilgore	Saltonstall
Bridges	Knowland	Shipstead
Brooks	La Follette	Smith
Buck	Lucas	Stanfill
Bushfield	McCarran	Stewart
Byrd	McClellan	Taft
Capper	McFarland	Taylor
Carville	McKellar	Thomas, Okla.
Chavez	McMahon	Thomas, Utah
Cordon	Magnuson	Tobey
Donnell	Maybank	Tunnell
Downey	Mead	Tydings
Eastland	Millikin	Wagner
Ellender	Moore	Walsh
Gerry	Morse	Wheeler
Gurney	Murdock	Wherry
Hart	Murray	White
Hatch	Myers	Wilson
Hawkes	O'Daniel	
Hayden	O'Mahoney	

The PRESIDENT pro tempore. Seventy-six Senators having answered to their names, a quorum is present.

The question is on the amendment of the Senator from Oklahoma [Mr. THOMAS], as modified.

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

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

Mr. BYRD (when his name was called). I ask to be excused from voting on this amendment, as it may affect my own personal interest.

The PRESIDENT pro tempore. Without objection, the Senator will be excused from voting.

The roll call was concluded.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Idaho [Mr. GOSSETT] is absent by leave of the Senate.

The Senator from Missouri [Mr. BRIGGS], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Washington [Mr. MITCHELL], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from Virginia [Mr. BURCH], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Georgia [Mr. GEORGE], and the Senator from Louisiana [Mr. OVERTON] are detained on official business.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Rhode Island [Mr. GREEN] are absent on official business, attending the meeting of the Empire Parliamentary Association in Bermuda.

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 on this question the Senator from Texas [Mr. CONNALLY] is paired with the Senator from Washington [Mr. MITCHELL]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Washington would vote "nay."

I announce further that the Senator from Pennsylvania [Mr. GUFFEY] is paired on this question with the Senator from Kansas [Mr. CAPPER]. If present and voting, the Senator from Pennsylvania would vote "nay," and the Senator from Kansas would vote "yea."

I also announce the following general pairs: The Senator from Arkansas [Mr. FULBRIGHT] with the Senator from Wisconsin [Mr. WILEY]; the Senator from Rhode Island [Mr. GREEN] with the Senator from Michigan [Mr. FERGUSON]; and the Senator from Georgia [Mr. RUSSELL] with the Senator from Indiana [Mr. WILLIS].

I announce that if present and voting, the Senator from Virginia [Mr. BURCH], the Senator from Missouri [Mr. BRIGGS], and the Senator from Rhode Island [Mr. GREEN] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. FERGUSON] and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate as members of the committee appointed by the United States Senate to attend the Empire Parliamentary Conference in Bermuda. The Senator from Michigan [Mr. FERGUSON] has a general pair with the Senator from Rhode Island [Mr. GREEN], and the Senator from Wisconsin [Mr. WILEY] has a general pair with the Senator from Arkansas [Mr. FULBRIGHT].

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 Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from North Dakota [Mr. LANGER], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent. He has a general pair with the Senator from Georgia [Mr. RUSSELL].

The Senator from Kansas [Mr. CAPPER] is unavoidably detained. He would vote "yea" if present. He has a pair on this question with the Senator from Pennsylvania [Mr. GUFFEY], who would vote "nay" if present.

The result was announced—yeas 21, nays 51, as follows:

YEAS—21

Andrews	Hickenlooper	O'Daniel
Ball	Hoey	Reed
Bilbo	Johnston, S. C.	Robertson
Bridges	McClellan	Stewart
Brooks	McKellar	Thomas, Okla.
Bushfield	Maybank	Wherry
Eastland	Moore	Wilson

NAYS—51

Aiken	Huffman	Pepper
Austin	Johnson, Colo.	Radcliffe
Barkley	Kilgore	Revercomb
Brewster	Knowland	Saltonstall
Buck	La Follette	Shipstead
Carville	Lucas	Smith
Cordon	McCarran	Stanfill
Donnell	McFarland	Taft
Downey	McMahon	Taylor
Ellender	Magnuson	Thomas, Utah
Gerry	Mead	Tobey
Gurney	Millikin	Tunnell
Hart	Morse	Tydings
Hatch	Murdock	Wagner
Hawkes	Murray	Walsh
Hayden	Myers	Wheeler
Hill	O'Mahoney	White

NOT VOTING—23

Bailey	Connally	Mitchell
Briggs	Ferguson	Overton
Burch	Fulbright	Russell
Butler	George	Vandenberg
Byrd	Gossett	Wiley
Capehart	Green	Willis
Capper	Guffey	Young
Chavez	Langer	

So the amendment of Mr. THOMAS of Oklahoma, as modified, was rejected.

Mr. BARKLEY. Mr. President, I wish to advise Senators with reference to the immediate program, and I take advantage of this opportunity because there is a full attendance.

Following the disposition of the pending bill, I hope the Senate will proceed to the call of the calendar. It has been some time since the calendar was called, except for claims bills. By calling the calendar at once we can ascertain what bills can be passed on the call and what bills cannot be passed on the call, so that we may know what bills must be taken up separately.

Four or five appropriation bills are ready for action. There are two or three urgent matters which need to be acted upon at once. One is a bill in which the Senator from Massachusetts [Mr. WALSH] is interested, authorizing the use of the old ships which are now on their way to the Pacific to be shot at, but there is no authority yet to fire on them. In order that that may be legally done, it is necessary to consider the bill, which will not require very long.

The conferees on the draft bill have run into a situation in which the pay schedule which we included in the bill must be dealt with separately. The Senator from Utah [Mr. THOMAS] and the Senator from South Dakota [Mr. GURNEY] have a proposal to iron out that difficulty, which will not take long.

There is a deficiency bill in which the Senator from Tennessee [Mr. MCKELLAR] is interested, and on which he wishes to obtain action, if possible, before he leaves.

It seems to me that all those things are subservient to the desire to feel out the situation and see what bills on the calendar can be passed on the call of the calendar. I hope we can arrange to take up the other matters this afternoon after we complete consideration of the pending bill, or perhaps even during the call of the calendar.

I make that statement in order that Senators may understand that during the remainder of the week the call of the calendar and consideration of other urgent measures, and possibly appropriation bills, will be the schedule.

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

Mr. BARKLEY. I yield.

Mr. STEWART. I wish to ask the Senator from Kentucky a question. The Chair has announced the personnel of the funeral committee to accompany the body of the late Senator Bankhead, of Alabama. The train leaves at 4:30 this afternoon. I wish to inquire whether the Senator can tell me what prospect there is of completing consideration of the pending legislation before that time.

Mr. BARKLEY. There are only one or two other amendments that I know of, except probably two amendments which

are mere clarifying amendments, to which I am sure there will be no objection. I certainly hope that we can conclude consideration of the bill and have a final vote upon it before the committee leaves to attend the funeral. Of course, the Senator realizes that I have no way of guaranteeing that. It depends upon the amount of discussion, which I hope will be kept to a minimum.

The PRESIDENT pro tempore. The Chair would like to say a word in addition to what the distinguished majority leader has said about the pending bill. Twelve Senators have been appointed on the funeral committee. We all loved Senator Bankhead. The Chair does not believe that there was a Member of this body who did not love him. The pending bill is a very important measure. The Chair hopes that the Senate can vote on it before 4 o'clock. The Chair appeals to Senators to view the situation as though they themselves were concerned, and see if consideration of the bill cannot be completed.

Mr. RADCLIFFE. Mr. President, I offer the amendment which I send to the desk and ask to have stated and taken up for immediate consideration.

The PRESIDENT pro tempore. The amendment offered by the Senator from Maryland will be stated.

The CHIEF CLERK. On page 36, line 15, it is proposed to strike out "in the preceding quarter of 1946 and 1947" and insert in lieu thereof "in the first quarter of 1946."

Mr. WAGNER. Mr. President, I should like to know what the amendment proposes.

Mr. RADCLIFFE. Mr. President, this amendment is really nothing more in its essence than a perfecting amendment, I do not know of any Senator familiar with the situation who objects to it.

On page 36 of the pending bill there is a provision to the effect in substance that the mark-ups or discounts in certain industries shall not be reduced under stated conditions. The concluding lines of the paragraph beginning on page 36 provide that there shall not be any reduction in rate if the volume of business for any preceding quarter during 1946 and 1947 is less than for the corresponding period in 1945. The only effect of this amendment is to substitute the word "first" for "preceding." The result would tend to crystallize the whole situation as to rate of discount during 1946 and 1947. Without this amendment it is quite possible that the rate of discount or mark-up might vary from quarter to quarter during 1946 and 1947. I am quite sure that no one would want that to be the case. I consider this to be a clarifying amendment protecting against fitful and unbusinesslike changes from time to time in rate of discounts or mark-ups, easily leading to a vast amount of extra work in accounting and probably much uncertainty and confusion.

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

Mr. RADCLIFFE. I yield.

Mr. McCLELLAN. What this amendment does is simply to select the first quarter of 1946 as a base period.

Mr. RADCLIFFE. Exactly. It stabilizes the situation for 1946 and 1947.

Mr. McCLELLAN. So the mark-ups and discounts would not fluctuate from quarter to quarter.

Mr. RADCLIFFE. They could not under this amendment fluctuate from quarter to quarter, which, of course, would be a very undesirable shifting in business arrangements.

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

Mr. RADCLIFFE. I yield.

Mr. TAFT. This section relates primarily to dealers in farm implements.

Mr. RADCLIFFE. Yes.

Mr. TAFT. Am I to understand that this particular provision is more satisfactory to them than the provision in the bill?

Mr. RADCLIFFE. It is my understanding that the amendment which I have just offered is much more satisfactory than the language now in the bill.

Mr. TAFT. It seems to me to be a logical amendment, if it does not change the entire basis of the provision.

Mr. RADCLIFFE. It is indeed a logical change; and I cannot see how it would affect adversely in any way the general purport of the provision of the committee amendment.

Mr. TAFT. I have no objection.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. RADCLIFFE].

The amendment was agreed to.

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

The PRESIDENT pro tempore. The amendment offered by the Senator from Colorado will be stated.

The CHIEF CLERK. On page 18 it is proposed to strike out paragraph (3) of subparagraph (d) commencing with line 15 and continuing through to line 24, inclusive, and substitute the following:

(3) Whenever, after a reasonable test period, it appears that the supply of a nonagricultural commodity which has been decontrolled pursuant to this section is no longer consistent with the applicable decontrol standard, the Administrator, with the advance consent in writing of the Price Decontrol Board established under subsection (h), shall reestablish such maximum prices for the commodity, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this act.

Mr. MILLIKIN. Mr. President, this is a perfecting amendment. Under the theory of the bill as it now stands, the test for decontrol is whether the supply of the nonagricultural commodity is in balance with the demand. It is assumed under that formula that when supply and demand are in balance the price is right. The paragraph (3) which we propose to amend has some price theory in it which is inconsistent with the decontrol theory which has already been approved. By this perfecting amendment we simply have the same formula for recontrol that we have for decontrol. If a commodity is in balance, it will be decontrolled. If after a reasonable period of test it becomes out of balance, it will be recontrolled. I do not believe there is any objection to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. MILLIKIN].

The amendment was agreed to.

Mr. HOEY. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 20, after line 21, it is proposed to insert the following new paragraph:

(C) Price controls with respect to leaf tobacco and tobacco products manufactured in whole or substantial part therefrom shall be removed not later than June 30, 1946.

Mr. HOEY. Mr. President, I offer this amendment on behalf of the Senator from South Carolina [Mr. MAYBANK], the Senator from Virginia [Mr. BURCH], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Kentucky [Mr. STANFILL], and myself. The amendment is based upon the fundamental proposition that there is an abundant supply of tobacco, both leaf tobacco and manufactured products of tobacco. That is admitted by everyone. Representatives of the Department of Agriculture have testified before the Committee on Agriculture and Forestry that there is a sufficient supply to meet the demand. There is also a sufficient storage supply. So fundamentally there is no reason why controls on tobacco should be retained.

It may be argued that under the pending bill it would be very easy to have tobacco decontrolled. The emergency in the matter, and the reason for offering the amendment, is that it would take some time for the OPA to decide whether to decontrol tobacco. If it were not decontrolled, an appeal would have to be made to the decontrol board, and that would take additional time.

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

Mr. HOEY. I yield.

Mr. TAFT. As I understand the matter, the Secretary of Agriculture will be able to decontrol, and he will be able to do it tomorrow, the moment the bill is passed.

Mr. HOEY. If that provision of the bill covers the decontrolling of tobacco, the question would go to the Secretary of Agriculture, of course. But the difficulty in that connection is that unless tobacco is decontrolled immediately, the tobacco growers of the 1946 crop will receive no benefit, for tobacco goes on the market at an early date.

The importance of the amendment lies in its effect of enabling the tobacco farmers to obtain the benefit of the tobacco they grow, according to the grade of the tobacco. The agricultural specialists testified before the Committee on Agriculture and Forestry that under the present system the farmer receives no benefit for any superior grades of tobacco which he grows.

Certainly no harm at all will be done to any one by decontrolling tobacco, because no one maintains that there is any shortage of tobacco or tobacco products. If tobacco is decontrolled now, the farmers who put their tobacco on the market within the next two or three weeks will receive the benefit of an open market.

In this connection, I may say that tobacco and tobacco products constitute the one group of commodities which has received no appreciable benefit in the way of an increase of price during the war. The increase has been insignificant. The Government receives 7 cents as excise taxes for every package of cigarettes that is sold. The farmers who grow the tobacco and those who use it in manufactures and the wholesalers and retailers all combined receive only 6 cents for each package of cigarettes. However, I do not apprehend that the price of tobacco will advance as a result of the adoption of the amendment. But the amendment, if adopted, would enable the tobacco farmers to receive the benefits to which they are entitled because of the particular grades of tobacco they grow, rather than to have all grades of tobacco lumped together in connection with establishing the price. When the price is established on the basis of lumping all the grades together, the result has been that the aggregate price has drifted toward the price of the lower grades of tobacco.

Therefore, Mr. President, I ask that the amendment be adopted.

Mr. BARKLEY. Mr. President, I wish to say just a word about this matter. As I said earlier in the day in discussing the Thomas amendment, I have believed from the very beginning that tobacco is one of the commodities which should not have been placed under price control. Tobacco is a luxury, not a necessity, except insofar as it is a necessity for the producer, in the sense that it is a necessity for him to produce it in order to make a living. But no one eats it or wears it. When the OPA first proposed to put leaf tobacco under price control, I protested that that should not be done. But it was done, and operations were conducted on that basis.

I did not offer the pending amendment in the committee, for the reason that I did not feel I would be justified in picking out a product of my own State and attempting to decontrol it, when I was opposing decontrol for products produced in other States. Therefore, I did not feel that it would be consistent on my part to offer an amendment to decontrol a particular product simply because my State produced it.

However, the bill as now prepared will decontrol a large part of the food products of the Nation which are a necessity. The bill will decontrol livestock and all livestock and meat products and dairy products and poultry. Also the formula for decontrol has been modified in such a way as probably to remove cotton and wool controls at an early stage.

So I see no reason why tobacco any longer should be retained under control, and I certainly shall not object to the amendment.

Mr. TYDINGS. Mr. President, I do not wish to detain the Senate. But having had some brief contact with tobacco controls during the war, I wish to endorse what has been so ably said by the Senator from North Carolina and the Senator from Kentucky.

As the Senator from North Carolina has pointed out, when the price ceiling was placed on tobacco it was imposed without regard to the fact that there may be 10 or 12 or 15 different grades. That means that the best grade is penalized, for many of the grades sell away under the ceilings. The farmers who raise very good grades of tobacco have been penalized, as a result, all during the war.

Moreover, tobacco is an agricultural product which is forced to bear a tax of 7 cents on a package of cigarettes. It seems to me that when we are raising approximately $600,000,000 a year in revenue from tobacco, the farmers who raise tobacco have contributed their just share to the wherewithal with which the Government is operated.

In view of that situation in regard to tobacco and in view of the particular facts relating to it, I certainly believe tobacco should be freed from OPA controls.

Mr. MAYBANK. Mr. President, in connection with the remarks of the distinguished Senators from North Carolina, Kentucky, and Maryland, I simply wish to say that I sincerely trust that the amendment will be adopted. I take that position for the reasons the distingushed Senator from North Carolina has so ably stated, and also for the reasons which the Senator from Maryland has called to the attention of this august body.

In the first place, Mr. President, only a comparatively small portion of the total production of tobacco goes into cigarettes. In the second place, when the ceilings were placed on tobacco in 1941 or 1942, no distinction was made as between the various grades, and because of that, the farmers who have labored long and arduously to produce superior grades of tobacco have been punished by the OPA regulations.

Mr. RADCLIFFE I am strongly of the opinion that the amendment of the Senator from North Carolina [Mr. HOEY] providing for the decontrol of tobacco is very timely. The position of the Senator from North Carolina is sound and his arguments for such decontrol are convincing and persuasive, and I hope decontrol of tobacco will become quickly effective; but I shall not delay the Senate at this hour by a statement of the reasons for my conclusion that these controls should now be eliminated. The tobacco industry has been obliged to sustain burdens unusually heavy, and the removal of control regulations by the OPA over tobacco will not be inflationary to any appreciable extent, if at all.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. HOEY] on behalf of himself and other Senators.

The amendment was agreed to.

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

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 33, after line 3, it is proposed to insert the following:

(e) Notwithstanding any of the foregoing provisions of this section 5, 1946 and 1947 crop program operations with respect to sugar, may, while maximum prices are in effect with respect to sugar, be continued until such crops are processed and distributed, and the cost of 1946 crop program operations with respect to sugar may be charged to the funds authorized by Public Law 30, Seventy-ninth Congress, as amended by Public Law 328, Seventy-ninth Congress. For the purpose of this section 5, no subsidy program operation on sugar shall be considered to be a new subsidy.

Mr. MURDOCK. Mr. President, this amendment is submitted for the Department of Agriculture, for the purpose of clarifying the language of the bill which we are now considering. I have submitted the amendment to the Senator from Ohio [Mr. TAFT], who helped to draw it up or to correct it so that it would conform to his ideas. I have also submitted it to the majority leader. So far as I can determine, there is no objection to it. The amendment merely clarifies the language and removes certain ambiguities.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Utah.

The amendment was agreed to.

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

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 33, after line 3, it is proposed to insert the following:

(f) Nothing in this act shall be construed as a limitation upon operations authorized by the Veterans' Emergency Housing Act of 1946 (Public Law 388, 79th Cong.).

Mr. BARKLEY. Mr. President, this amendment is offered merely to make sure that nothing in the bill will interfere in any way with the making of premium payments under the Veterans' Emergency Housing Act of May 22.

In subsection (d), on page 32, and going over to the top of page 33, the bill now provides:

Nothing in this act shall be construed to affect the provisions of Public Laws 30, 88, 164, and 328—

Which provide, in one form or another, for the payment of subsidies under other acts.

This amendment merely adds the Housing Act as one of the acts which shall not be affected by the terms of this bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment was agreed to.

Mr. AIKEN and Mr. MOORE addressed the Chair.

The PRESIDENT pro tempore. The Chair recognizes the Senator from Vermont [Mr. AIKEN], who was first on his feet.

Mr. AIKEN. Mr. President, on behalf of the senior Senator from Wisconsin

[Mr. LA FOLLETTE] and the junior Senator from Oregon [Mr. MORSE] and myself, I offer an amendment which I send to the desk, and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

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

SEC. —. The Emergency Price Control Act of 1942, as amended, is amended by adding after section 5 thereof the following new section:

"SEC. 6. (a) The Secretary of Agriculture is authorized and directed, whenever there exists a shortage of animal and poultry feed which seriously affects any area within the United States, to institute and carry out a program (1) to direct the flow of animal and poultry feed to areas which the Secretary determines to be surplus feed areas into those which he determines to be deficit feed areas, and (2) to provide for the distribution of animal and poultry feed within deficit feed areas. The Secretary is authorized to carry out such program through purchase and sale operations and through the exercise of such priority, allocation, and other powers as may be vested in him by or pursuant to other provisions of law.

"(b) In carrying out programs under this section, primary consideration shall be given to the maintenance of foundation herds of dairy cattle and other livestock and foundation flocks of poultry, and preference shall be given in the distribution of feed supplies to those farmers whose herds and flocks are in danger of forced liquidation as a result of the shortage of feed. In order to assure that such preference will be given, the Secretary shall provide for the issuance by State and county production and marketing administration committees, upon application to such committees, of priority certificates to farmers whose flocks or herds are in danger of liquidation as the result of the shortage of feed; and the Secretary shall provide that, in the distribution of available feed, a priority shall be given to the holders of such certificates.

"(c) In administering programs under this section, the Secretary shall, insofar as possible, provide for equality of treatment for all producers of grains and other agricultural commodities which are acquired or used in furtherance of such program. To this end, the Secretary shall provide for extending to all such producers, as nearly as possible, the same rights and privileges with respect to the acquisition from them of grains and other agricultural commodities for the purposes of such programs.

"(d) The Secretary is authorized to utilize the funds and facilities of the Commodity Credit Corporation for the purposes of this section, and to incur monetary losses with respect to transactions carried out for the purposes of this section."

Mr. AIKEN. Mr. President, I may say briefly that the amendment would authorize and direct the Secretary of Agriculture to do for certain areas of the United States what he is now authorized to do for almost every other part of the world. I believe that it is well known that there are in the United States today certain sections which are suffering from a grain famine, and that the depletion of foundation stocks of poultry, cattle, and possibly other animals, has been very great.

I wish to read only one telegram of many which I have received recently which indicate the seriousness of the situation. The telegram is from the Commissioner of Agriculture, at Montpelier, Vt., my own State, and reads as follows:

Following conclusions of New England commissioners of agriculture—

I believe that he sent this telegram in behalf of all New England commissioners of agriculture—

MONTPELIER, VT., *June 11, 1946.*

Hon. GEORGE D. AIKEN,

United States Senate, Washington, D. C.:

Three million two hundred thousand hens slaughtered January 1 to May 1. Over 2,000,000 in May. Egg receipts down 42 percent since May 1. Replacement stock reduced 20 percent. Maintenance of replacements depends upon feed being made available. New England needs 3,000 carloads of feed to hold present livestock and poultry numbers for 30 days. Suggestions for relief: (1) Loan of Government-owned corn; (2) subsidy on corn, oats, barley, and other available grains except milo either on Government or private basis; (3) direct Government purchase of grain for shipment to deficit areas. Urge New England congressional feed committee to continue every possible effort to secure immediate relief.

STANLEY JUDD,
Commissioner of Agriculture.

While New England is perhaps somewhat worse off than is any of the other areas of the country, very serious conditions exist in the Northwest, and, I believe, in all the Pacific coast States, as well as in such States as New Jersey, New York, eastern Pennsylvania, Delaware, Maryland, and, to a lesser extent, further down the Atlantic coast.

It appears that the Department of Agriculture maintains that it does not have the authority today to deal with the situation. They are diverting some byproducts from the processing mills to the Pacific coast States and Northwest, and to the Northeast, but not in sufficient quantities. A few days ago a delegation from both Houses of Congress called upon some of the principal officials of the Department of Agriculture and asked them to do something to relieve the situation. We were advised that they lacked, perhaps, the power to do here in the United States what they are already doing in many other parts of the world. The purpose of this amendment is to give them the necessary authority.

As will be observed, the amendment provides that grain may be secured only from surplus areas. We know that not many such areas exist. But the Department of Agriculture was able to buy 34,000,000 bushels of corn, and approximately 70,000,000 bushels of wheat for shipment abroad. I do not know what are the requirements for the grain famine areas in the United States. I have seen one estimate to the effect that approximately 4,000,000 bushels would tide us over until the next harvest. But even if 6,000,000 or 7,000,000 bushels were required, thousands of farmers in the Northwest and in the Northeast would be saved from being set back years during which they have worked hard to build up their foundation flocks and herds. Right now the shortage areas are located in the Northeast and in the Pacific Northwest. A few years ago the shortage was in the North Central States. We do not know where it will be next spring. But wherever it is or will be, I believe that the Department of Agriculture should have the same authority in relieving the situation to the best of their ability that they now have in connection with the relief of famine conditions in other parts of the world.

Mr. President, I say frankly that I do not know whether the amendment is in the best possible phraseology, but I do know that if it is allowed to go to conference the committee of conference will properly word the amendment if it needs improvement. If there is any error in phraseology, I know that the Conference Committee will correct it before allowing the amendment to become law. I hope that the Senate will adopt the amendment so that something may be done in the immediate future to relieve the desperate situation which now confronts tens of thousands of farmers on both the western and eastern coasts of the United States.

Mr. MAGNUSON. Mr. President, I wish heartily to endorse the amendment which has just been offered by the Senator from Vermont. The matter covered by the amendment has concerned several of us for several weeks. The shortage situation within the areas which have been referred to by the Senator from Vermont is becoming desperate. As the Senator has said, the language of the amendment may not be exactly correct, but something must be done, and I hope the Senate will allow us to give the Department of Agriculture authority to do something along the lines which have been suggested in order to relieve the almost intolerable situation in the Northwestern and New England States.

Mr. BREWSTER. Mr. President, I wish to add my voice of approval to what the Senator from Vermont has said.

During the past week I was in my State of Maine. A meeting was held at which there were present more than 250 persons from all sections of the State, representing the dairy and poultry industry. Never was there a more critical situation than that which now prevails in connection the feed situation. Flocks have been reduced to approximately 25 percent of normal. One grower there had at one time approximately 50,000 birds and his flock is now reduced to about 7,000 birds, and it is being rapidly eliminated.

It is apparent that the Department of Agriculture questioned its authority to buy grain for domestic use. However, it would seem that the citizens of our own country, particularly in the northwestern and in the northeastern areas, are entitled to the same character of consideration which it is deemed proper to give to those living outside our country.

Much of the grain may not be fit for human consumption, yet it is valuable to the farmers who are dependent upon dairy and poultry products. Unless they are allowed to preserve their foundation stocks and keep up their cattle and poultry production, the situation will increase chronically.

Mr. President, I hope that the amendment proposed by the Senator from Vermont will be agreed to.

Mr. BRIDGES. Mr. President, I wish to join the Senator from Maine and the Senator from Washington in endorsing the amendment proposed by the Senator from Vermont [Mr. AIKEN]. It is a step in the direction of helping save the poultry industry, particularly in our section of the country, and to a degree the dairy industry in our section, which is on the verge of total collapse.

Mr. TOBEY. Mr. President, with my colleague, the senior Senator from New Hampshire [Mr. BRIDGES] and my colleague, the senior Senator from Vermont [Mr. AIKEN], I rise to support the amendment. This is a matter which has been on the hearts of us Senators from the Northwest and New England districts for a long time.

I took it upon myself to make a trip by car through the great poultry section of the southern part of my State, to talk with the man on the farm, and to know first-hand conditions there. We have a splendid committee which has been operating 2 or 3 years, called the Small Business Committee. These poultry and dairy farmers who are in distress are truly small businessmen of this country. Their stock in trade is their poultry or their cattle. That is all they have with which to make a living. The whole family joins and cooperates in getting the results to carry the family through.

When they have raw materials, livestock, which needs feeding three times a day, and sometimes more in the case of growing stock, and when that is threatened with extinction, and birds are dying on the range, because men do not know where feed is to come from, and there is no supply in the stores, it is a tragic and grievous situation, so everything that possibly can be done to afford relief should be done, and I join with my colleague from Vermont in presenting this amendment.

Mr. President, I wrote a letter to the President, and sent him a telegram, 3 weeks ago, regarding this matter, stressing the urgency and the need of it, voicing a Macedonian cry, but I will say no more about the reply than to say that I had a reply, which I shall not read and mention publicly, but which disappointed me grievously, in the import of the letter and the matter of it.

This is so serious a matter that I challenge anyone to question it. It is a Macedonian cry, and we cry as did John Hay in the famous lines where he said:

Wherever man oppresses man,
Beneath the liberal sun,
O Lord, be there, Thine arm make bare,
Thy righteous will be done.

Let us paraphrase it. Wherever conditions threaten the very lifeblood and continuance of the industry of agriculture, the home life on our farms, then our job is to respond to the call for help.

So, Mr. President, I ask my colleagues to get behind the amendment of the Senator from Vermont, and put it through unanimously, and we will take care of any discrepancy there may be in the verbiage when we consider the bill in conference.

Mr. SALTONSTALL. Mr. President, let me say one more word from New England on behalf of the amendment of the Senator from Vermont [Mr. AIKEN]. We try to raise in New England a great part of the food we eat; the milk we drink, the eggs we consume, the poultry we eat. Our poultry and our dairy herds are being killed off, and we will have less milk and less food in the coming months and next winter.

I know of no greater need that has been presented to me since I have been in the Senate than the need of grain in New England today. If the pending amendment will help get it, I hope the Senate will adopt the amendment, and that the conference committee will work it out in a suitable form, fair to everyone, so that it will help to get a little more grain into New England.

Mr. TAFT. Mr. President, in reading the amendment hastily, it does not seem to me to give the Secretary of Agriculture power he does not now have with reference to the requisition of grain. If it does not give him that power, it is acceptable to me, but if I should be on the conference committee I should like to have the assurance of the Senator from Vermont that he does not consider or intend that the Secretary of Agriculture be given any power he has not already in relation to the requisition of grain from farmers.

Mr. AIKEN. It is not intended to give him the power of requisition of grain from the farmers.

Mr. MORSE. Mr. President, I wish to say that I am very happy to join with the Senator from Vermont as one of the sponsors of the amendment. I can assure the Senator from Ohio for the RECORD that it is not the contemplation of the authors of the amendment that the Secretary of Agriculture shall be given the power of seizure or requisition.

Mr. WHERRY. Will the Senator yield?

Mr. MORSE. I yield.

Mr. WHERRY. I could not hear all the Senator said. Does he say the amendment does not give the power of seizure?

Mr. MORSE. It does not, or of requisition.

Mr. WHERRY. What does it do, then, that is different? Is any additional power granted?

Mr. MORSE. Yes, it gives the Secretary of Agriculture what he says he does not now have, the power to purchase grain and transport it to areas in this country in which there is a need for it because of a shortage. That is true now in the Pacific Northwest and in the Northwest.

Mr. WHERRY. Does the Senator mean to say this gives the Secretary of Agriculture the power to buy the grain that is now being set aside under the new order, when the producer brings it in to the elevator?

Mr. MORSE. It gives him the power to purchase grain for domestic use, just as he has power to purchase grain for foreign shipment and on the same terms.

Mr. WHERRY. Where does he get his power—under the Second War Powers Act?

Mr. MORSE. I so understand and that is what he is complaining about.

Mr. WHERRY. This would give him the power to do domestically what he has the power to do as to foreign shipments?

Mr. MORSE. It has been held that he has it so far as the foreign food problem is concerned. The basic problem is, after all, a national grain problem, and the administration has been approaching it from the standpoint of purely a wheat problem. As a result of the wheat order, and the functioning of the Secretary of Agriculture under the wheat order, there has been a great deficiency or scarcity of grain in certain parts of the country, particularly the Atlantic States and the Pacific Northwest. The Secretary under the wheat order has siphoned off all available wheat in those two sections of the country but failed to supply our farmers with any substitute feed. As a result great financial loss and suffering is being visited upon thousands of American farmers. It is an economic cruelty which this administration can never justify. Believe me the farmers of my State will not forget it. However, in justice to them this administration should proceed at once to correct the great wrong which it has done to our farmers.

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

Mr. MORSE. I yield.

Mr. AIKEN. The amendment would authorize the Secretary to purchase from those areas which he may determine have grain in surplus. In other words, he could not go into an area which had barely enough grain for itself, and distribute the grain from that area to other areas. The amendment would authorize him to purchase from areas which he determines have surplus grain, and allocate that grain among areas where there is a grain famine.

Mr. WHERRY. That is a question of administration, I suppose, or of authority he now has, or which might be given him under the proposed amendment. It is my understanding of the new order which has just been issued that the producer of wheat takes it to the elevator, and when he takes it there he is compelled to sell. Under the wheat order he has to sell half of it to the Government. Is that so?

Mr. MORSE. Whatever the percentage is, 25 or 50 percent.

Mr. WHERRY. Fifty percent. It is my understanding there is no way to enforce that. Under the Wheat Act the miller is supposed to buy, but of course if the farmer does not sell, there is no way to force the miller to buy, and this authority, if granted, would give the Department of Agriculture the right to buy grain. Is that the purpose?

Mr. MORSE. Whatever powers the Secretary now has in regard to grain for foreign shipment, he would have with regard to grain for domestic shipment.

Let me say to the Senator from Nebraska and the other Senators that all we are seeking to do by the amendment is to meet the arguments the Secretary of Agriculture and his assistants put up to us when we seek to get the relief which

is so sorely needed in the grain deficiency areas today. He keeps saying that he does not have the type of power we seek to give him under the amendment. I think he should have it. I think any and all alibis should be removed from the Department of Agriculture. They should not be given any basis whatsoever for continuing this great hardship which their bungling in handling the grain problem has resulted in.

Let me also make clear that those from the Midwest need not fear they are going to suffer, because they are protected in that the Secretary's powers would be limited to any surplus grain that exists which otherwise would go into foreign shipments. We want him to have it within his power to supply grain for shortages in this country, too.

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

Mr. MORSE. In a moment I shall yield. The reason why we want that power has been pointed out on the floor of the Senate in the past 3 or 4 weeks. I am sure Senators do not realize the tremendous loss that has occurred in the Atlantic States and the Pacific Northwest to our farmers. Not only have there been great losses so far as livestock and poultry that ordinarily would go to the market are concerned but there has been great sacrifice of the basic breeding stock. As the farmers lose their breeding herds and their breeding flocks it means that the losses will accumulate 2, 3, and 4 years hence.

We think the Senate should be cognizant of the very serious situation which exists, and should give to the Secretary of Agriculture the authority in behalf of the Government to purchase the surplus feed and prevent tremendous losses to farmers.

My colleague the senior Senator from Oregon [Mr. CORDON] and I have been busy on the problem. I do not see how anyone could work harder on a problem than has my colleague worked on this one, along with the Senators from the State of Washington, in conference with the Secretary of Agriculture and on the telephone, trying to prevent this tremendous loss to the farmers of the Northwest. The Secretary of Agriculture has cooperated splendidly with us, but he runs right up against what he tells us, at least, is his lack of power to do more than he has been doing. It has not been enough. He does not have the power of purchase we seek to give him, and he is not able to supply our area and the Atlantic area with enough grain to prevent losses to our farmers.

The real trouble goes back to the fact that he proceeded on an order that was not sufficiently planned with relation to the total grain problem of the country. Had it been worked out in terms of the total grain problem of the country, I think the wheat order would have been different in its composition. At least there was an obligation on the part of the Government, it seems to me, to see to it that before it issued the order it had made a survey and checked up on the minimum grain needs of the country. Had that check been made, it would have taken other steps, I am sure, in order to have avoided the great injury that has been done to the farmers in the two sections of the country to which I have referred.

I close, Mr. President, by also pointing out to the Senator from Nebraska and the Senator from Ohio that such modification of the language of the amendment as may need to be accomplished can be done in the conference committee. The important thing now, although I think the amendment in its present wording is perfectly proper, is to approve of the principle which we are seeking to put into law, and then work the matter out in conference.

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

Mr. MORSE. I yield.

Mr. MILLIKIN. I should like to ask the distinguished Senator from Oregon, what exactly will the Secretary of Agriculture do to send into New England wheat which, we will say, is in Kansas or in Illinois?

Mr. MORSE. He would have the power under this amendment to purchase it and use Federal money to purchase it, and ship it to New England and the Pacific Northwest and there it will be made available to the farmers of New England and the Pacific Northwest for their breeding stock.

Mr. MILLIKIN. In other words, he will have the power in his own discretion to allocate the distribution of that wheat which otherwise would find its own channels?

Mr. MORSE. Yes.

Mr. MILLIKIN. What channels will be deprived of the wheat that would be moved into, let us say, New England?

Mr. MORSE. The Secretary would have pretty wide discretion. I suppose part of it would be taken from wheat that otherwise, at that particular time, would go into foreign markets, and part of it would be taken from the supply of wheat that otherwise would go into the ordinary channels of trade in the domestic market.

Mr. MILLIKIN. In other words, the Secretary of Agriculture would have the power to look over the United States, see where wheat is needed, go to the surplus areas and purchase wheat, and reallocate it in his own discretion?

Mr. MORSE. Yes. It might have a little effect I may say to the Senator from Colorado, for at least a year or two on wheat speculation, but it would simply mean that the Department of Agriculture, to the extent that the wheat was needed in order to save the livestock, would have the power to make the purchase.

May I add this before I yield further. I think it very important, I may say to my good friend the Senator from Colorado, to keep in mind that we are dealing here really with a 2-year problem. That is, this grain problem that confronts us now is a problem for the next 2 years. It is going to take the 1946 crop and the 1947 crop to meet the human food problem of the world, and we are not sure that we can end our contribution by the end of 1947. But at least for the next year it seems to me the Secretary of Agriculture should have the right to purchase off of the top of the surplus level such feed for animal production as is necessary for these two great areas of the country or any other area that may develop a feed shortage. Our farmers are entitled to that protection instead of being driven int bankruptcy.

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

Mr. MORSE. I yield.

Mr. AIKEN. May I add further that the Secretary could not distribute any grain in any area that had not previously been determined to be a famine area, such as the Dust Bowl was in the Dakotas a few years ago, and New England and the Pacific Northwest are today.

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

Mr. MORSE. I yield.

Mr. MILLIKIN. What at the present time is the impediment which operates against those in, let us say, New England, who want to buy grain? Why can they not buy it?

Mr. MORSE. They cannot buy it for several reasons. First, they cannot buy it apparently because of the ceiling prices with which they are confronted. The holders of the grain simply will not release it under these ceiling prices.

Mr. MILLIKIN. Will the Senator yield further?

Mr. MORSE. Yes.

Mr. MILLIKIN. Is it the intention to compel the owner to yield it at a price that does not satisfy him?

Mr. MORSE. Not at all, but I think that under this act the Secretary of Agriculture would have the right, in order to relieve the situation, to pay the farmers, if necessary, above the ceiling price in order to get the grain to the famine areas in this country as well as foreign nations. That is a matter, I think, he should be allowed to work out in accordance with the regulations that now apply to purchase for foreign relief.

Mr. MILLIKIN. I understood the Senator's answer in response to my question as to what is the present impediment to the movement of this grain into, let us say, New England, is that the New Englanders cannot find the grain at a price that is satisfactory to them. Is that correct?

Mr. MORSE. That is correct.

Mr. MILLIKIN. So that this amendment is designed to move the grain at a price that is satisfactory to them?

Mr. MORSE. Into the famine area.

Mr. MILLIKIN. Into the famine area.

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

Mr. MORSE. I yield.

Mr. AIKEN. I will say that our feed mixers have been complaining of their inability to buy grain. When the Government started its grain-purchase program and purchased about 34,000,000 bushels of corn and nearly 70,000,000 bushels of wheat, we asked them why they could not purchase four or five million bushels more so long as our dealers themselves said they could not get it, and distribute it in the famine area on the Atlantic coast and the Pacific coast. Then they told us that they lacked authority to do so. As I said, a delegation from both

Houses of Congress—the members of the delegation happened to be from the Northeast—went to the Department of Agriculture about 4 or 5 weeks ago and met with Mr. Ed Dodds, the Under Secretary, Carl Farrington, and Mr. LeRoy Smith, the head of the Grain Division. They reiterated that they lacked the power to do anything for us in the way of purchasing grain. They have managed to allocate 40 or 50 cars a day of corn byproducts which is divided between the Northwest and the Northeast, but they claim that they could not go into the market and buy the four or five million bushels needed to help us get through, although they did have authority to buy 100,000,000 bushels to ship to other parts of the world.

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

Mr. MORSE. I yield.

Mr. MILLIKIN. Would the first power of the Secretary of Agriculture attach at the elevator level?

Mr. MORSE. I think that would be at the discretion of the Secretary.

Mr. MILLIKIN. Could he go to the farm?

Mr. MORSE. I think he could go to the farm. I think he should be allowed to go to the farm.

Mr. MILLIKIN. Could he compel a sale at the farm?

Mr. MORSE. No; he could not. That is the point I want to make clear, that there is no intention on our part to compel a sale or to seize or requisition.

Mr. MILLIKIN. Then, may I ask the Senator, if the Secretary would not have the power to compel a sale at a price, why could not the individual who wants grain get the grain on the same terms? What exactly could the Secretary do that the individual could not do, except allocate?

Mr. AIKEN. The Secretary did so anyway. He got the grain. He got it for Europe when he could not get it for the United States.

Mr. MORSE. He can find the grain which the poor Northeast and Pacific Northwest have had such a hard time to find. The Secretary of Agriculture is pretty well informed as to where the grain is. He can go to the source of the grain. The individual farmer in New England or in the Pacific Northwest does not know where to turn to get the grain. Further, he cannot buy in sufficient quantity to enable him to get it. The Agriculture Department can buy in trainload lots.

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

Mr. MORSE. I yield.

Mr. TOBEY. May I point out to my colleague from Colorado an example of concentrated irony? I live in New Hampshire. Boston is our main port in New England. To Boston have come millions upon millions of bushels of grain, grain that would make the mouth of the New England dairyman or poultryman water if he saw it, grain he could use to feed his stock. There it comes into Boston, and there it goes across the sea to Europe, and the New England dairymen and poultrymen have to sit back and see their birds dying and their cows go dry because of lack of nutrition. That is irony in concentrated form.

The question is asked, "What can we do?" We raised the price of wheat 30 cents a bushel in order to take care of the European needs. I say, let the price of wheat be raised another 30 cents a bushel to take care of the famine needs of New England and the Pacific Northwest. I said that in my telegram to the President of the United States of some weeks ago. If the Senator from Colorado lived in Boston or Vermont or Connecticut and saw millions upon millions of bushels of grain pouring into Boston and out across the sea he would feel a little bit as we do now.

Mr. MILLIKIN. I am sure that would break a New Englander's heart; and it would break mine.

Mr. AIKEN. And it would break their bank accounts.

Mr. TOBEY. I am sure it would break the Senator's heart. We have much in common.

Mr. MILLIKIN. Mr. President, will the Senator again yield?

Mr. MORSE. I yield.

Mr. MILLIKIN. I have obtained an answer to my question, but I have not obtained it to my entire satisfaction. Exactly what could the Secretary do in the way of price that the individual could not do?

Mr. MORSE. I think that by way of price he should be allowed, in order to relieve the famine areas, to apply the same price standard for the purchase of domestic grain that he is allowed to apply to the purchase of foreign grain.

Mr. MILLIKIN. And sell the grain at the same price that he pays for it?

Mr. MORSE. Sell it on the same basis as he sells foreign grain.

Mr. MILLIKIN. Assume that the price angle is satisfactory, the Secretary then would have the power to upset whatever may be the normal channels of distribution from surplus areas?

Mr. MORSE. That is correct.

Mr. MILLIKIN. He would have that power?

Mr. MORSE. Yes; and I think he should have it. I think unless he has that power adequate relief is not going to be brought to these domestic famine-stricken areas. Let us get down to an illustration of our needs. What we have needed so much in the Pacific Northwest is some substitute feed to take the place of the wheat that they have taken out of our granaries out there for foreign shipment, the so-called Commodity Credit wheat. We have tried to work out with the Secretary of Agriculture a loan of enough bushels of wheat to carry over these poultry producers and dairymen until the wheat from the Southwest can come in, because the Southwest crop now coming on to the market is not going to be shipped abroad for many months. The Government could have loaned us in Portland, Oreg., and other places in Oregon, enough of the Commodity Credit wheat to tide us over until our crop comes in next fall, and thus it could have prevented this emergency. Then it could have taken more than 25 percent from our crop next fall for foreign shipment. However we could not work that out with the Secretary of Agriculture because he claimed he did not have the power to do it. Apparently he felt bound by the President's foreign commitments.

Then we said, "Can you not buy some oats and some barley and some rye and some corn and get it out to us?" That is where we run into the stone wall that we seek to get over by this amendment, because he answers us by saying, in effect, "I lack the power to do that." I can assure Senators that the amendment we have proposed will at least remove that excuse from the Secretary of Agriculture, an excuse which I am sure he makes in good faith.

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

Mr. MORSE. I yield.

Mr. MILLIKIN. The Secretary of Agriculture will have to study the available supply and he will find that in the surplus areas, and he will also have to study the starvation areas, and I assume he will try to make some equitable apportionment of what is available in the starvation areas.

Mr. MORSE. That is correct.

Mr. MILLIKIN. We in Colorado, for example, have had starvation conditions with respect to corn but we are adjacent to great corn-producing areas. A State in that position would lose the benefit of its proximity to supply in the event of the kind of allocation we are talking about?

Mr. MORSE. To the extent that the Secretary took away from them corn that otherwise would go to them in the normal course of trade.

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

Mr. MORSE. I yield.

Mr. REVERCOMB. Is it not a fact that the Secretary of Agriculture has been purchasing grain, for instance wheat, for shipment abroad at a price 30 cents a bushel above what is called ceiling level?

Mr. MORSE. That is correct.

Mr. REVERCOMB. Is it the purpose of the amendment to permit the Secretary of Agriculture to purchase at a premium price—for example, 30 cents above the ceiling price—for redistribution for domestic use?

Mr. MORSE. It is my judgment that if that were found necessary to relieve a famine area in this country, he should have the same right to make premium payments for domestic needs as for foreign needs.

Mr. REVERCOMB. Naturally he will find that to be necessary if he is paying such a premium for wheat to be shipped abroad.

Mr. MORSE. We ought to be as fair to our own people as to people abroad.

Mr. REVERCOMB. The real thing that will induce the sale of wheat is the increased price which the Secretary of Agriculture pays.

Mr. MORSE. I suppose that will be very conducive to obtaining grain.

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

Mr. MORSE. I yield.

Mr. MAGNUSON. There is another thing which the amendment does. It is a little difficult for the average small feed dealer to locate this feed, whereas with

the facilities of the Department of Agriculture, the Department has its fingers on the various areas.

Mr. MORSE. It knows where the feed is at all times.

Mr. MAGNUSON. It knows where the feed is at all times. The dealers could serve as distributing agencies. There are surplus areas; but if a feed dealer in New England or in the Pacific Northwest cannot find them the situation becomes more difficult. Under this amendment they would not try to locate those things. They would not have to pay more than the ceiling price.

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

Mr. MORSE. I yield.

Mr. JOHNSON of Colorado. Let me say to my colleague [Mr. MILLIKIN] that I was interested in the questions which he propounded, but the answers left out one step. The first step in this program is to place a ceiling, and then permit the Government to buy at prices above the ceiling. If that is the free-enterprise system then I do not know what the free-enterprise system is.

The Senator from Washington says that the Government knows better than does the buyer where the grain is. Grain will find a market. If there is a free market the grain will go to that market, but the regular users of the grain in our territory in Colorado were troubled with a shortage of corn. A ceiling had been placed on the price, and they were not allowed to pay more than the ceiling, but the Government could buy at prices above the ceiling and took the corn. It can take the corn and ship it wherever it wishes. That kind of a system will not work. It will result in dislocations of every kind in the areas where we feed corn and where we produce corn, and where we feed wheat and produce wheat. This is only another step along the same road. The system simply will not work. It will throw everything out of joint.

Mr. MORSE. Let me say to my good friend from Colorado that if the free-enterprise system encompasses the starving out of the farmers in the Atlantic States and the Pacific Northwest States because of their inability to get grain with Government aid, while at the same time the Government provides the necessary grain for foreign use, then the free-enterprise system surely is in danger.

I see nothing in this amendment at all inconsistent with the free-enterprise system. On the contrary, the purpose of this amendment is to protect the free-enterprise system in the field of American agriculture, and to see that the Government takes the necessary steps to provide a little relief for some very unfortunate farmers in this country who are caught in a squeeze play because of this administration's bungling grain program. The Government program, so far as its wheat order was concerned, did not take into account sufficient planning so far as the over-all grain problem of the country is concerned. Hence the suffering against which we complain. On the other hand, there are surplus grain areas, in which there is a great deal of grain, but the farmers in the small areas to which we have been referring found it impossible to pay prices which would enable them to get the grain from the surplus regions to ship to their farms.

It seems to me that there is a clear duty on the part of the Government to protect the farmers who have been done this injustice. It is true—and I do not believe the Senator from Colorado will deny it—that their plight is caused by the Government's own grain program. I think that the first duty of the Government under those circumstances is to take the necessary steps to bring relief to the farmers who have so suffered. That is all the amendment seeks to do. It gives to the Department of Agriculture the same power to bring relief to our own fellow Americans—in this case farmers—as it is bringing to people abroad.

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

Mr. MORSE. I yield.

Mr. JOHNSON of Colorado. Of course, what the Senator says is true to a certain extent. The mischief is in having one price for the Government and another price for the normal users. I do not want the Senator from Oregon to think that his feeders and the feeders in New England are the only sufferers under this kind of a program. We have feeders in Colorado, Nebraska, and other regions where grain and feed are produced. Their stock are starving also. They cannot buy feed because they must buy feed in the black market or they cannot get it. They do not want to buy it in the black market. They do not want to become criminals. If a ceiling is established at a low level, and the Government buys at prices higher than the ceiling, I cannot see how that kind of system will ever work equitably to the American people.

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

Mr. MORSE. I yield.

Mr. AIKEN. I should like to point out to our colleagues from Colorado that at the present time they are very great beneficiaries of one of the Government's programs, namely, the allocation program. I refer to the Government's program which distributes protein feeds in areas where they are needed, in an equitable manner. This is possible because it is done on a voluntary basis. It is necessary to deal with only a limited number of processing plants, located largely in the area from Iowa east and south. I refer to the soybean processing plants and the cottonseed processing plants. The Government took over this program on January 16, when the situation became really serious. The voluntary system was possible because of the limited number of plants involved. Protein feeds have been allocated in a manner which I think has been satisfactory to every part of the country. No part of the country has received all it wanted, but no part of the country complained that it did not receive its just share. If the Senators from Colorado fear that we might get their cheap corn away from them—if there is such a thing as cheap corn—or grain in surplus areas, I hope they realize that if it were not for the Government program in the distribution of protein feeds the South and East would be using a very large percentage of the protein feeds today. I hope the Senators from Colorado will not object to a program which would equitably distribute other surplus grains in areas where there is genuine distress today.

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

Mr. MORSE. I yield.

Mr. MILLIKIN. I am very grateful for the observations of the Senator from Vermont regarding the protein feed situation. For a time we operated under rigid Government allocation. Then we came out from under that regulation. Coming out from under it meant some hardship in Colorado. We have subscribed to the voluntary system. I favor the voluntary system in this instance. I felt that a great burden had been taken off us when rigid allocation by law of protein feeds was removed. I certainly cannot approve that program, and then approve stepping into a much larger program in respect to the basic grains.

Mr. AIKEN. Mr. President, it is claimed that the voluntary program works in the matter of routine feeds because of the small number of plants involved, whereas the purchase of corn, oats, and barley involves dealing with hundreds of thousands of farmers. I much prefer to see everything done on a voluntary basis. I do not like to see the Government buying and distributing. But I will say that what it has distributed so far in New England it has allocated among the regular channels of trade. I do not think it has interfered in any way with the regular channels of trade, but it has helped them to do more business than they otherwise would have been able to do.

Mr. HICKENLOOPER. Mr. President, in answer to the statement of the Senator from Vermont I wish to suggest that I believe he is not accurate in his statement that Government purchases of grain for foreign shipment and the invasion of the market by the 30 percent increase has not disrupted the domestic markets. Almost without exception every breakfast food mill in the United States of any size will be closed by the 30th of this month because of the invasion of the Government in the corn market at a 30-cent increase in price, which those mills cannot pay. The Government, in its program for foreign shipment, went into eastern Nebraska, Ohio, and certain other areas where there was No. 2 and No. 3 corn. It bought some of the finest corn that has ever been put into the commercial markets, and it is now cracking it into grits and meals for shipment overseas.

I again say, as I said the other day, that the Government did not go into the commercial market to relieve commercial corn processors, as it originally promised it would. The corn will go overseas as grits and meal. It will walk off the docks. The weevils will carry it off. There will be no need for "dock wallopers" over there to take it off. Corn cannot be shipped in that way. If there is the slightest delay, it will be fed to the hogs, or whatever other animals they have over there.

The commercial corn processors of the country, for whose relief that program was originally established, have not received the corn. It is the price that brings the grain out. There is only one thing that will make this amendment work, and that is price, unless we wish to institute Government seizure and allocation of private property.

I am not out of sympathy with the New England States and with the Atlantic seaboard area, the Pacific Northwest, and other areas that are in a starvation situation so far as feed is concerned.

But I assert that the only way any surplus grain will move is on a basis of price. Apparently this amendment proposes to again let the Government go in as a purchaser who can violate price ceilings which have been rigidly held, and who can pay more than I, as a private individual and purchaser, can pay. As a result, the Government will be able to preempt grain for allocation and, as the Senator from Colorado said a moment ago, the Government will not keep within the confines of the free-economy system. That is where we are heading, Mr. President. We are heading toward violation of the principles of the free-economy system.

I have read the amendment rather hurriedly, inasmuch as it has been offered from the floor and has not been printed. I am very much disappointed that its authors did not see fit to have it printed, so that Senators could study it.

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

Mr. HICKENLOOPER. I yield.

Mr. AIKEN. I intended to submit it yesterday for printing, but the Senate took a recess hurriedly when the news of the death of Senator Bankhead came to us.

Mr. HICKENLOOPER. I understand.

However, let me say that there is much in the amendment which needs correction.

Mr. AIKEN. Does not the Senator from Iowa trust the conference committee to make any necessary corrections?

Mr. HICKENLOOPER. I hesitate to give the Senator a direct answer to that question.

Mr. President, I wish to say that I am in thorough sympathy with what the Senator from Vermont and other Senators are attempting to do. But the amendment proposes broad powers. I certainly do not want Government agencies of the United States to be in a position to preempt or seize private property.

Mr. AIKEN. Mr. President, I do not know where the Senator from Iowa got the idea that I said that the Government purchase of grain at 30 cents above the ceiling prices did not disrupt the market, because it did.

Mr. HICKENLOOPER. Then, I beg the Senator's pardon, because that is exactly what I understood him to say.

Mr. AIKEN. But does the Senator say that if the Government is permitted to buy grain at 30 cents above the ceiling price, to send it all over the world, it should not be permitted to buy it and send it to New England, where it will be needed next spring?

Mr. HICKENLOOPER. Mr. President, that is not the question.

Mr. AIKEN. It certainly is. If there is a right to purchase grain for people in Bulgaria or Greece, certainly there is a right to purchase it for our own people at home.

Mr. HICKENLOOPER. Mr. President, the Senator from Vermont is becoming unduly exercised about a matter which is not entitled to such consideration. Certainly we have tremendous human obligations to those abroad who are in need. I would not for a moment vote to give preferential treatment to any foreign nation, as compared to our own.

In my judgment we made one mistake by the purchase of grain for use abroad. That may be a precedent, but it is no excuse or reason for making another mistake in the very vital field of food and feed products.

I do not think this amendment has any business being in this bill, in the first place. I do not think it has received proper consideration. Certainly I am not opposed to working out quickly and reasonably some means of permitting Government allocation and Government assistance in allocating surplus grains to needy areas in the United States, and I think that should be done, and I think it should have been done weeks ago, as some of my colleagues can testify. I think there has been too long a delay in providing and setting into motion administrative machinery to take care of the very situation which now confronts my colleague's State. But I do not think this amendment will do it.

Mr. MAGNUSON. Mr. President, what would the Senator suggest? We are confronted with a situation which must be met within the next 30 days. What else would the Senator suggest? The two areas which have been mentioned are famine stricken so far as feed is concerned. We are open to suggestions. All we wish to do is to clear up the situation.

Mr. HICKENLOOPER. I understood the Senator to say the other day, in speaking on the floor of the Senate—although my recollection may be wrong, of course—that the situation in the State of Washington was relieved by the acquisition of a number of carloads of corn.

Mr. MAGNUSON. Mr. President, I said nothing of the kind. I said that the Department attempted to bring about some relief by doing five things, and I also said that the Department attempted to help by means of the use of Commodity Credit Corporation wheat. We did receive a few carloads, but that would last only a few days in my State and in the State of Oregon. We must get wheat to those areas, and I know of no other way to do it than by means of the amendment which has been proposed.

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

Mr. HICKENLOOPER. I yield.

Mr. MORSE. I wish to say that up until this hour there has not been transported into the States of Oregon and Washington enough grain to take care of the needs there for a single day. The grain that has been sent there has not met the needs of the farmers there for a single day. A few carloads of grain do not last even a day, in view of the great needs which exist out there.

What the Senator from Washington has said is quite correct. We are confronted with an immediate problem, a problem which must be solved within the next few days, because since we last talked about this matter on the floor of the Senate, there has been a tremendous slaughtering of poultry out there; and that slaughtering has constituted a great waste of food. That is true because there are no facilities to take care of the poultry which has been slaughtered. Also the breeding flocks will be destroyed within the next 30 days, as well as the breeding stocks of other types of livestock, unless this administration starts doing something about it. Its record to date is downright unjust to our farmers in Oregon. I hope that the farmers of my State will take note of who is responsible for their plight. The Senators from Oregon have pleaded with the President of the United States about this serious injustice to our farmers in Oregon, but as yet he has not done a single, solitary thing to really relieve this situation. Responsibility for this great wrong now rests squarely with the President of the United States. The amendment we propose would do justice to our farmers and save them from bankruptcy.

Mr. HICKENLOOPER. Mr. President, I am not at all out of sympathy with the stated objectives of the authors of the amendment. I am not in the least out of sympathy with them. I wish to do everything I can do to help get feed into their areas. But I am objecting because I, together with some of the other Members of the Senate, come from a very concentrated food and feed producing area which, incidentally, Mr. President, consumes the overwhelming portion, right in its own area, of the feed it produces, and the utilization of that feed is a most vital matter to those great food and feed producing areas.

As I said a moment ago, I object to the filing at the desk, at the last moment, of an amendment of the length and complexity of this one, when no copies of the amendment are on the desks of the Members of the Senate and when there is no opportunity for Senators to read and analyze the amendment. I do not distrust my colleagues who have submitted the amendment; that is not the point at all. But it is a fact that we are asked to vote upon a most important and vital principle, and I have simply been taken by surprise, inasmuch as the amendment was suddenly read from the desk. After I have hurriedly read the amendment myself, I still am not fully satisfied. I think perhaps I shall have to take the word of the sponsors of the amendment—as I am happy to do, from a personal standpoint—that it does not, in their intention or in their contemplation, create any authority in the Secretary or in any governmental agency or department to seize private property or preempt private property or bring compulsion upon anyone to dispose of grain which some Government official might in his own opinion regard as surplus.

Mr. AIKEN. Mr. President, if the Senator will permit me to interrupt, let me say that it is not our intention to permit the seizure of a single bushel of grain from any farmer of the United States, against his will; and I would disapprove of such seizure from a farmer in Iowa, just as much as I would object to it in the case of a farmer in New England or in any other section of the United States.

Mr. HICKENLOOPER. Of course, I think the Senator is entirely sincere in taking that view.

Mr. AIKEN. If there is in the amendment anything which might be interpreted as authorizing seizure, I not only would expect, but I would request, the conference committee to see to it that the amendment was put into proper form. I do not see anything of that sort in the amendment now; but, if it should be found to exist in it, I would make that request of the conference committee.

Mr. HICKENLOOPER. Let me say to the Senator that there is in the amendment language which, under a strained interpretation by a court, might be regarded as justifying an interpretation of the sort I have mentioned.

Mr. AIKEN. Mr. President, is there anything that is not subject to a strained interpretation?

Mr. HICKENLOOPER. Of course there is not. Let me also point out that, of course, it will be argued that any such strained interpretation would apply for only a temporary period, and that sooner or later such an interpretation would be corrected; but I suggest a rope is put around a man's neck sometimes for only a temporary period.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. HICKENLOOPER. I yield.

Mr. O'MAHONEY. The debate has been going on so long on that side of the Chamber that I wish to place a little emphasis on this side.

The Senator from Iowa has said that in his belief the amendment contains language which might give the Secretary of Agriculture power to preempt grain. It seems to me there can be no doubt that that would be the precise result of the language of the amendment.

We have been spending 2 or 3 days here in an effort to decontrol the commodities which the people of the United States produce. We have been spending weeks in denouncing the expansion of Government power. Most of the denunciation, I may say, has been coming from the same side of the aisle from which now have come the speeches in which we have been urged to make this extension of Government power.

Let me read the language which I am sure the Senator from Iowa will interpret as I do. The following is a new section which it is proposed to add to the bill:

> The Secretary of Agriculture is authorized and directed—

There can be no doubt that that is a direction from Congress, if the amendment is adopted—

> whenever there exists a shortage of animal and poultry feed which seriously affects any area within the United States—

Mr. President, will someone tell me who is going to control the discretion of the Secretary of Agriculture, whose judgment will be used? Does the Congress provide any standard? There is not a word, not a line. The amendment is a complete delegation of power to the Secretary of Agriculture, whenever a shortage of animal or poultry feed seriously affects any area in the United States.

I ask Senators to remember that the Secretary of Agriculture is authorized and directed, when he finds a certain condition to exist, to do what? To institute and carry out a program which will direct the flow of animal and poultry feed from areas which the Secretary determines to be surplus feed areas into those which he determines to be deficit feed areas. Is there any description of the kind of a program which may be put into effect? None at all. There is to be given to the Secretary of Agriculture merely carte blanche authority to draw up a program for the diversion of grain from one area to another.

Mr. President, allow me to invite the attention of the Senate to what seems to me to be a perfect absurdity in this amendment. I read subsection (c):

> In administering programs under this section, the Secretary of Agriculture shall, insofar as possible, provide for equality of treatment for all producers of grain.

I do not wonder that Senators from a grain-producing area would rise to protest against a broad grant of power of this kind, which is couched in such language as to make it clear that the authors of the amendment were confident that it could not be enforced equitably.

Mr. President, this is carrying government by Executive order to the *n*th degree, and I certainly trust that the Senate of the United States will not add it at the present time to the pending bill without the committee first holding a hearing and giving an opportunity for Members of the Senate to analyze it.

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

Mr. HICKENLOOPER. I will yield to the Senator from Kansas in just a minute. I am under the 30-minute rule, and I wish to make a short statement.

Mr. President, I wish to make my position clear that while I am apprehensive with reference to the amendment, and especially with reference to the pattern it may set, I believe that if we could obtain a slight delay of a short time, say a half an hour or so, we could work together with the Members of the Senate who come from the devastated feed areas, and arrive at some solution. I am not unsympathetic with the objective of the amendment.

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

Mr. HICKENLOOPER. I yield.

Mr. REED. Mr. President, within a very few minutes I must leave for the Union Station to meet Mrs. Bankhead, widow of our late colleague, and bid her good-by. I am a member of the funeral party which will attend the funeral services of Senator Bankhead, but because of the present legislative situation I shall be unable to join it.

I wish to say to the Senator from Iowa that, in the first place, this amendment has no business in the pending bill.

Mr. HICKENLOOPER. I agree with the Senator.

Mr. REED. The amendment does not deal with a price-control matter; it deals with a distribution-of-grain matter.

Secondly, as the Senator from Wyoming has so earnestly and eloquently stated, we are struggling to decontrol. I ask the Senator from Iowa if, in his judgment, this amendment would not give to the Secretary of Agriculture absolute power to distribute within his discretion all the grain produced in the United States?

Mr. HICKENLOOPER. I would not go that far. I believe that the amendment would give to the Secretary of Agriculture tremendous power over at least a portion of the grain, and it would represent a rather ominous step toward full control.

Mr. REED. Mr. President, I am familiar with the operation of the present program of the Secretary of Agriculture in obtaining grain for famine relief. If any Senator has an idea that the farmers in the grain-growing sections of the country do not believe that their grain is being taken from them, they are mistaken. That is the general belief of the farmers, and it is a fact that grain is being taken from them. We may call it requisitioning or whatever we please, but the fact remains that when a wheat farmer takes grain from his farm for storage, he is required under the order of the Secretary of Agriculture to sell 50 percent of it within 15 days after it goes into storage. The elevator operator, or the storage operator, is then under compulsion of the order to turn over 50 percent of what he buys, which is 25 percent of the farmer's crop, for famine-relief purposes.

Mr. President, I have a great deal of sympathy for the New England and Northwestern States. Their problem is a difficult one, although it is not quite so difficult as a few minutes ago it was established to be. It was said that the grain feeder in the Northeast does not know where to turn for grain. The Senator from Vermont is well aware of the fact that the largest grain consumer in the United States is located at Buffalo, N. Y., with membership all over New York State and, I believe, in the Senator's State of Vermont.

Mr. President, I realize that I am trespassing upon the time of the Senator from Iowa, but I must leave within a very few minutes. As I have already said, I believe that this amendment has no business in the pending bill. Secondly, as it has been pointed out, in an atmosphere of undertaking to decontrol we are really extending control beyond the original thoughts of any Member of this body, as the Senator from Iowa clearly indicated. I believe that the amendment should have been brought before the Senate under different circumstances. We should not be confronted with an amendment so far-reaching at a time when extensive debate and consideration of the bill is drawing to a conclusion.

Mr. MORSE. Mr. President, I must say to the Senator from Wyoming that there is nothing at all absurd about the language which was read from subsection (c). The language seeks to do fairness and equity to the grain producers. When the Secretary of Agriculture proceeds to purchase under the program called for in the proposed amendment, he will, under the terms of the amendment, see to it that equality of treatment is extended, so far as possible, to all grain producers. Therefore, an equal distribution would be made to all famine areas.

Mr. President, the second point which I wish to make is that all the arguments which have been advanced against the amendment fall to the ground unless those who so argue wish to take a position that the power we have given to the Secretary of Agriculture to exercise in the purchase of grain and in connection with the grain program for the relief of famine areas abroad, should not likewise be exercised at home. All we are seeking to do in this amendment—I do not propose to let the Senator get away from this point—is to give to the Secretary of Agriculture the same power and authority to relieve distress at home that he is now allowed to exercise in relieving distress abroad. I assert that to be a fair and equitable type of treatment.

Of course, Mr. President, the amendment does belong in the pending bill. It is definitely related to the entire price-fixing program, and I know of no other bill to which the amendment could be more appropriately attached than the pending bill.

Furthermore, the record is perfectly clear that several of us have discussed this problem for several days. I believe that the Senate is fully familiar with the problem which now confronts us. I agree with the Senator that perhaps we should take half an hour to perfect the amendment to the satisfaction of all concerned, but, nevertheless, that can be done in the committee on conference, and that is where it should be done.

Mr. BUCK. Mr. President, I should like to propound a question to the Senator from Iowa. Would not a direct solution of the problem be in not disturbing the present ceilings on the 1945 crop, or what is left of it, of wheat, barley, rye, and oats?

Mr. HICKENLOOPER. Mr. President, I do not care to get into the field of price discussion at this moment. I am not prepared to discuss the matter generally. But the entire present situation as it relates to the feed and food catastrophe in this country, and in certain shortage areas, in particular, started a long time ago with the illogical and unsound price-control policy which was inaugurated. That was what got us into our present confused situation. Our feed, meat, and production ceilings have become entirely out of balance. It will require some heroic methods to get them back into balance. The origin of the trouble was long ago, and it was largely an OPA trouble in their refusal to recognize sound economic principles of price control. But that is beside the point at the present time. I think that had the OPA recognized the situation which existed, and had allowed the normal balance of feed and food prices within a sound economic system to dovetail with each other, there would now be no difficulty with reference to food and feed shortages. Corn and wheat are not flowing into channels of use because of an inequitable price.

I do not intend to read all these communications, but I have two letters which were circulated on the floor of the Chicago Stock Exchange a few days ago, one on Saturday, June 8, from one commission house, giving a list of all the things they will trade for a carload of corn. It runs all the way from sheets and pillow cases to cotton dresses, baby-crib sheets, rugs and carpets, sodium nitrate, fertilizer, fish meal, meat scraps, refrigerators, and radios. That is what they will trade as a bonus. Black market? Of course it is a black market, but it still spells price.

Here is another from the Chicago Board of Trade. They will trade a car of meat scraps for three cars of corn, a car of mill feed for one car of corn, one car of gluten meal for two cars of corn, a car of fish meal for four cars of corn, two cars of duck manure for one car of mill feed, four cars of duck manure for one car of corn.

Mr. President, that is the way it goes. That is what people have to pay, on top of the ceiling prices OPA has frozen on agricultural products, in their foolish and inexplicable attempt to control, by men, the immutable laws of economics that nothing but society in this country can work out.

Mr. BROOKS. Mr. President, I think what has transpired in the last few moments has almost dramatically and humorously pointed out to us where this program is going when the bill is finally passed.

I am thoroughly in accord with the decontrol of meats, but we cannot decontrol meats unless we decontrol dairy products and poultry, for the moment we take the ceiling off meats, there will be competition for grain, and the minute we take the ceiling off dairy products and poultry, as I think we should do, there will be competition by the producers of both for grain, and not a load of corn will go through the legitimate market.

The Government having the right to go in whenever it desires and put a 30-cent premium on corn completely destroys the faith of the farmer in observing the law. When our Government went in recently and put a 30-cent premium on corn, I received any number of letters from men who said they had held their corn, then when the Government asked them to sell it, they sold it, not on the black market, for trucks on end had come into their yards trying to buy up 2,000 bushels of corn, when there were only 1,800 bushels in the crib. All sorts of inducements were used to get farmers to go into the black market with their produce, but they did not do so. When the Government appealed to them to release it, they did sell it. Then think of the Government offering 30 cents a bushel premium more than they got because they observed the law.

I have sympathy with men in the deficit areas. I am very sympathetic with the men who see thousands upon thousands of bushels roll into their ports and then go overseas. I remind some of them, however, that they stood here and wanted to beat down any opposition to giving away America to all the rest of the world, but now it is rolling by their doors, and they do not like to see it go.

Mr. President, I can give them the answer, if they want a suggestion. Decontrol grain in this country. If we are to decontrol meat, dairy products and poultry, let us decontrol grain, and let the grain find its own level, and let people bid for the grain in legitimate channels. If we do not, we are going to do what has already been almost done, destroy every legitimate packing company in the country, make criminals out of the black market operators, destroy the faith of the country in the integrity of the Government, and wind up with one instance after another where there is a desire to give the Government more control. We should decontrol, and decontrol fast.

I will join with the Senators from the deficiency areas if they will offer an amendment now to decontrol grain. That is the way to bring back private enterprise, that is the way to decontrol legitimately, and stop giving more power to the Government. That will meet the problem, and no other means will meet it.

Mr. CORDON obtained the floor.

Mr. McKELLAR. Mr. President, will the Senator from Oregon yield to me a moment?

Mr. CORDON. I yield.

Mr. McKELLAR. I am obliged to leave the Chamber at this hour for reasons well known to all Senators, and I wish to say that if I were present, as I cannot be, I should certainly vote for the bill as it is written up to date.

I also wish to say that I am opposed to the pending amendment. I do not know whether I will have a pair or not. I understand the bill will be overwhelmingly passed, and it is not necessary for any particular Senator to be present.

I merely wanted to put my position in the RECORD before I left. I thank the Senator from Oregon very much.

Mr. CORDON. Mr. President, I realize that the debate has taken some time, and I know Senators would like to get ahead with the bill. I understand the majority leader desires to get final action this evening. I regret that he feels there is a necessity that that be done. I believe the interests of the country are sufficient to warrant taking whatever time is necessary carefully to consider the provisions of the bill and the provisions of the amendment now pending.

Mr. President, the pending amendment is too important to too many people merely to pass it by with a wave of the hand. When we discuss the situation which exists in the New England area, in New Jersey and Delaware, through the Carolinas, on the Pacific coast, and in the Pacific Northwest, when we consider

the condition which exists there, we must consider it in terms of people, in terms of women and children, of men who have spent their lives building up an industry to take care of their families, and now see that industry being swept away, see their life's savings gone, and in many instances faced at this minute with bankruptcy, with the necessity of picking up the scattered pieces and trying to start to build again along some other line. That is the condition which exists at this time in these sections of the United States, and that cannot be laughed off.

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

Mr. CORDON. I yield.

Mr. HICKENLOOPER. If the Secretary of Agriculture would make allocations in different places, such as the ports of Portland, Seattle, and Boston, of the stored grain there that cannot be moved overseas or used for some period of time, as was suggested a moment ago by several other Senators, is the Senator of the opinion that would relieve the situation, that is, take the allocations for shipment abroad, and replace them from the crops coming in from the Southwest?

Mr. CORDON. The Senator from Oregon is satisfied that to a very great extent the critical condition now existing in the United States can be handled by the Government of the United States through its present agencies, without having to change its present purchasing program. I do not think this amendment will do any more than that.

Mr. HICKENLOOPER. I am glad to hear the Senator say that, because I am of the same opinion. But in view of the fact also that I have the deepest sympathy with those who live in the distressed areas, and would like to see them get feed grain, I wondered if the question would not be fully answered if we adopted a rather simple amendment—I am not prepared to suggest the language—authorizing the Secretary of Agriculture, or directing him, if you please, or any agency having charge of the grain shipped in and stored in our seaports for foreign shipment, to determine certain surpluses which are not needed for immediate shipment and lend them in the distressed areas, to be replaced by later acquisitions from the new crops.

I wonder if that would not solve the problem. That grain is now on hand, I understand, in these most distressed areas in storage, but the difficulty is the people cannot use it to feed their animals.

I call attention to another fact. If we wait until the machinery of Government begins to suck the grain in from the Middle West and ship it to the distressed areas, the stock is going to be starved to death.

Mr. CORDON. I thank the Senator from Iowa. I think there is nothing in the amendment which need startle anybody. There is nothing in the amendment which any Senator need shy from or misunderstand. There is not a word in the amendment which grants any power to the Government of the United States in the field of seizure or condemnation—not a word.

I call the attention of my colleagues now to the pertinent provisions of the amendment.

The Secretary of Agriculture is authorized and directed—

That is mandatory, Mr. President. There is no question about it.

The Secretary of Agriculture is authorized and directed, whenever there exists a shortage of animal and poultry feed which seriously affects any area within the United States—

I digress at this point to suggest to the senior Senator from Wyoming that there is his standard—

to institute and carry out a program.

What program?

1. To direct the flow of animal and poultry feed from areas which the Secretary determines to be surplus feed areas into those which he determines to be deficit feed areas; and (2) to provide for the distribution of animal and poultry feed within deficit feed areas.

The Secretary is authorized to carry out such program through purchase and sale operations and through the exercise of such priority, allocation, and other powers as may be vested in him by or pursuant to other provisions of law.

If I can read the English language that is authority for the Secretary of Agriculture to act in this instance toward certain ends within his presently given statutory powers, and it grants no other power. There is no question about there being any grant of the right of seizure in the amendment.

Let us take paragraph (b).

In carrying out programs under this section, primary consideration shall be given to the maintenance of foundation herds of dairy cattle and other livestock and foundation flocks of poultry.

What does that mean, Mr. President? It means that grains, what we have, shall be distributed as well as may be, so that the man operating his dairy farm or his poultry farm, may be able to maintain enough of his breeding stock so that next year and the year after his children will not be on charity. That is what that language means.

And preference shall be given in the distribution of feed supplies to those farmers whose herds and flocks are in danger of forced liquidation as a result of the shortage of feed.

That means, to relieve famine. First, famine in poultry and livestock, and through them tomorrow's famine among the people who make their living raising livestock and poultry.

In order to assure that such preference will be given, the Secretary shall provide for the issuance by State and county production and markett administration committees, upon application to such committees, of priority certificates to farmers whose flocks or herds are in danger of liquidation as the result of the shortage of feed.

That means, Mr. President, that the Secretary of Agriculture shall do what he can to provide equity among those whose flocks and herds are faced with starvation and scarcity tomorrow.

And the Secretary shall provide that, in the distribution of available feed, a priority shall be given to the holders of such certificates.

That is perfectly plain. That is simply a rational provision for distribution of available supplies so they will be evenly distributed, and will do the most good in the places where need is the greatest. There is no ambiguity in that language.

(c) In administering programs under this section, the Secretary shall, insofar as possible, provide for equality of treatment for all producers of grains and other agricultural commodities which are acquired or used in furtherance of such program.

One of my colleagues a while ago shied away from that provision. If I understand what it means, Mr. President, the Members of the Senate who come from the grain areas should stand solidly behind this amendment. It says to the Government of the United States "Never again shall you go out and say to the farmers: 'Bring in your grain; we will pay you the ceiling and going price for it; we want it to feed starving people'." and when that has been done, raise the price of wheat 30 cents a bushel to those who had not responded. That is what that language means. I think with a proper understanding of this provision the amendment will have the complete support of the grain State Senators and other Senators.

The next provision is:

To this end, the Secretary shall provide for extending to all such producers, as nearly as possible, the same rights and privileges with respect to the acquisition from them of grains and other agricultural commodities for the purposes of such programs.

That merely completes the direction that from now on Government acquisition must be equitable; that equity shall be done as between the Government and all grain producers, and that special prices and premiums shall not be given to those who hold back and fail to pull their share of the load.

(d) The Secretary is authorized to utilize the funds and facilities of the Commodity Credit Corporation for the purposes of this section, and to incur monetary losses with respect to transactions carried out for the purposes of the section.

The meaning of that language is perfectly apparent.

The whole amendment, Mr. President, means, as my colleague from Oregon said, that the Secretary of Agriculture is directed to take into consideration, as he acquires grain, the needs of our own country as well as the needs of those to whom we are furnishing grains in foreign lands.

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

Mr. CORDON. I yield.

Mr. TAFT. The Senator does not construe that last language to mean the imposition of additional subsidies, does he, over and above those authorized in the bill?

Mr. CORDON. I cannot read any such meaning as that into the language. The losses quite evidently would come about if the Government was required to go into a market and pay the going price; if it were to purchase grain at a price

in excess of what it can reasonably be distributed for. By the amendment the Government is authorized to take that loss, which it has done on substantially all it has purchased for years.

Mr. TAFT. No; I do not think it has done that very often, I will say, with all due respect to the Senator from Oregon. What I should like to know is this: The authors of the amendment do not intend, do they, that there shall be any general subsidy, but only the payment of incidental costs, perhaps of transportation?

Mr. CORDON. I will read the language again, because I am just as anxious as the Senator from Ohio is to avoid subsidy payments.

Mr. TAFT. I only ask the Senator the question because of the suggestion that the conference committee would have the power, so to speak, to say how this program shall be worked out, if the amendment were adopted, and I wanted to be sure that it was not contemplated that any general subsidy should be imposed for the benefit of the feeders.

Mr. CORDON. Mr. President, I am not the author of the amendment. I should like to ask the author of it to give direct assurance for the benefit of the Senator from Ohio.

Mr. AIKEN. I am only one of three sponsors of the amendment, but I can assure the Senator that, so far as I am concerned, it is not intended to be a subsidy program. But when the Government undertakes a program of this kind, it naturally costs some money, and the Government is authorized by the amendment to absorb such cost.

Other sections of the country from time to time have been beneficiaries of programs authorized by specific law, and if I am not mistaken, some sections from which, apparently, there is opposition to this amendment, have been the beneficiaries of such programs in the past. I am a little amazed that anyone from any part of the country, from Wyoming or Colorado or any other States, should oppose this proposal for relief for the famine areas of the Northeast and the Northwest at the present time, when I recall that they have come to me time after time and asked me to help relieve distress in the wool industry or some other industry affecting their areas. I do not understand why such Senators oppose this amendment which would keep perhaps 100,000 farmers in these two areas of the United States in production, and enable them to keep their homes and their herds, which perhaps they have been 15 or 20 years in building up. I certainly do not understand that position at this time.

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

Mr. CORDON. I yield.

Mr. MORSE. I want to say, in response to the question raised by the Senator from Ohio, that there is no intention on the part of the authors of the measure to enlarge the subsidy program.

Mr. LA FOLLETTE. I should like to join in making the statement that there was no intention to enlarge the subsidy.

Mr. CORDON. I wish to say a few more words and then I shall have concluded. The Government has been engaged for months past in acquiring grain for shipment overseas to the famine areas. Certainly all of us have been in favor of that program, which kept men and women and children from starving. It may be beside the point, but those of us who have had occasion to inquire into the operation of the program have reached the considered conclusion that the program has been most miserably handled; that it could have been handled with wisdom, and as a result as much grain could have been sent overseas as has gone overseas, and we would not have faced the disjointed and abnormal situation we have in this country.

Mr. President, at the present time there is a program covering the disposition by overseas shipment of the grain already purchased by the Government.

That program, of course, contemplates only the cereals grown in the crop year 1945. The crop year 1946 is now producing grain which is being harvested in some portions of Texas and other sections of the South, including California, and within the next 30 or 90 days will have been harvested in the great breadbasket area of the Mississippi and the Columbia Basin.

There is in prospect an extraordinarily good crop of cereals. There is now in the hands of the Government a heavy volume of cereals being prepared for shipment. That shipment will necessarily be now delayed, and some of the grain must go forward after the first of July, and in August. That is due to loss of shipments resulting from the rail strike to some extent, and other disturbances of a different character. The program has not moved as it was planned. There has been less grain shipped than was available to be shipped. At this time, if the Congress gives the direction to the administration, the grain presently available can be diverted in sufficient amounts at least to alleviate the present critical condition and without any material slowing down of the foreign-relief program, because by the time shipping would be available for these grains, grains from the 1946 crop would be available for substitution.

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

Mr. CORDON. I yield.

Mr. MILLIKIN. I am curious to know why the move here is not a simple provision directing the Secretary of Agriculture, or whoever has charge of the grain, to divert a certain number of bushels to the starvation areas, instead of going the route of uncontrolled grants of new power to the Secretary of Agriculture. Why was not that approach taken?

Mr. CORDON. I am unable to answer the question. I did not prepare the amendment. I am not in agreement with the Senator that this is a grant of new power to the Secretary. It is a directive to the Secretary to act within the fabric of existing power. I think perhaps the amendment could have been drawn with less language. It was probably not as carefully considered as it might have been. But its meaning is plain. Its purpose is certainly one to be highly commended and one which should be supported by the United States Senate.

Mr. MILLIKIN. I think the purpose sought to be achieved is highly commendable. I wish we had something before us which proceeded in a straight line between where the grain is and where the grain should be, namely, some sort of mandatory direction to take so many bushels and move them into certain areas. That would meet the emergency situation which it is claimed is the basis for the provision.

Mr. CORDON. The suggestion would be impossible to meet, of course, at this time, because of the fact that knowledge is not present as to the number of bushels available in the various sections. Conditions may change from time to time. I believe, after a careful reading of the amendment, that it does exactly what the Senator from Colorado suggests should be done, what I believe should be done, and what I hope the Senate will join in requiring to be done.

Mr. President, the amendment is in the interest of equity among our people and should prevail.

Mr. LA FOLLETTE. Mr. President, I shall have to ask unanimous consent to be excused from further attendance on sessions of the Senate this week, in order that I may attend the funeral of a very close friend in Wisconsin.

I should like to make this brief statement: As I understand, there is to be a record vote on the final passage of this bill. If I were present, I would vote to pass the bill and send it to conference, although the measure is not satisfactory to me in a great many respects. However, it seems to me that to vote against its passage would be to prevent the legislative process from functioning, and thereby to bring about the complete liquidation of the OPA on the 1st of July. So I wish to have the RECORD show that if I were present I would vote to pass the bill and send it to conference.

I ask unanimous consent to be excused from further attendance on sessions of the Senate this week.

The PRESIDING OFFICER. Without objection, leave is granted.

Mr. BARKLEY. Mr. President, I hesitate to delay the Senate in voting on this amendment, but I cannot consent to a vote on it without at least a few words with reference to what I think of it.

I deeply appreciate the situation in New England to which attention has been called.

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

Mr. BARKLEY. I yield.

Mr. BREWSTER. It is contemplated that a substitute amendment may be offered which will meet the objections which have been raised from the Middle West area. I wonder whether the Senator would wish to consider that possibility in connection with his discussion.

Mr. BARKLEY. No; I am considering the amendment which is now before the Senate. It is impossible for me to believe that any substitute could be drawn that would be worth the paper on which

it was written, or which I could support in connection with this proposal.

I was about to say that I deeply sympathize with the situation in New England and the Pacific Northwest, but it is not a situation which was created yesterday. It is a condition which has existed for at least 2 or 3 weeks, and one with which the Secretary of Agriculture has been attempting to deal. He has been doing the best he could to bring about the distribution of grain in such a way as to afford relief to those regions—so much so that some of the regions from which grain was taken in order to send it to them have protested vigorously against being denied the grain which they needed, or thought they needed, or of which they were deprived.

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

Mr. BARKLEY. I yield.

Mr. BRIDGES. The Senator speaks of what the Secretary of Agriculture has been doing. He talks as though he knew he has been doing something. If he has done something, specifically what has he done?

Mr. BARKLEY. If the Senator does not know that the Secretary of Agriculture assisted in directing that at least 50 carloads of grain be sent to New England within the past week, he is not so well informed as he usually is.

Mr. BRIDGES. Fifty carloads of grain are nothing.

Mr. BARKLEY. I do not know how much more. I know that he sent that much. That is something.

As I was about to say, this situation was not created yesterday. It has been in existence for at least 2 or 3 weeks, or perhaps longer. Notwithstanding that fact, no independent resolution or bill has been introduced or referred to any committee authorized to deal with the problem. No committee has discussed it or considered it at all. This proposal was not offered in the Committee on Banking and Currency. No member of the Committee on Banking and Currency heard of it until it was brought here this afternoon.

I agree with the Senator from Iowa [Mr. HICKENLOOPER] that this is not the place for an amendment of this sort. The statement has been made that it ought to be accepted and sent to conference. Mr. President, if this bill is to be loaded down with much more extraneous material, or many more problems, it will be difficult to get anyone to serve on the conference committee to deal with it. "Take it to conference." The conferees, whoever they may be, have been dealing for weeks, and even months, with price control and regulations pertaining to price control. They have not been dealing with the distribution of agricultural products or feeds and foods from one section of the country to another. The Secretary of Agriculture has not heard anything about this proposed amendment. While the debate was in progress I rushed to the cloakroom and telephoned the Secretary of Agriculture and read the amendment to him.

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

Mr. BARKLEY. I yield.

Mr. AIKEN. I wish to remark first that I do not think it is necessary to obtain the consent of the Secretary of Agriculture to offer an amendment on the floor of the Senate.

In the second place, I wish to say that this amendment was offered as a last resort, because we have not received the sympathy, encouragement, or the grain from the Secretary of Agriculture to which we felt we were entitled.

Mr. BARKLEY. I deny that statement categorically. The Secretary of Agriculture not only has expressed sympathy, but he has done everything he could to help to relieve the situation to which the Senator has called attention. I did not suggest that it was necessary to obtain the consent of the Secretary of Agriculture.

Mr. AIKEN. I disagree with the Senator from Kentucky completely. Enough grain was sent to the Northwest to last 1 day, and enough was sent to New England to last a day and a half.

Mr. BARKLEY. Unless the Secretary had authority to seize it, he sent all that he could send. The Senator is not in favor of authorizing the Secretary to seize grain.

Mr. AIKEN. He obtained 100,000,000 bushels to send to other countries of the world, but he could not get 3,000,000 bushels for the United States.

Mr. BARKLEY. We have heard all about that. Feeding hungry people all over the world is a nefarious occupation. Feeding hungry children who are starving to death is not to be compared to feeding cattle.

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

Mr. BARKLEY. I yield.

Mr. MORSE. I do not think that that is a fair comparison of the situation which we are seeking to remedy.

Mr. BARKLEY. The criticism was made by the Senator from Vermont, and has been made by other Senators, that because we are sending grain to feed starving people——

Mr. AIKEN. That is not so.

Mr. BARKLEY. What was the meaning of the Senator's objection?

Mr. AIKEN. I do not object to sending grain to Europe to feed starving people; I said that the Government could buy all the grain they wanted to send to Europe, but when we asked for the purchase of three or four million bushels more to help out the United States, the Secretary of Agriculture had no encouragement whatsoever for such a program. At least 25 Members of Congress met with him and heard him make that statement.

Mr. BARKLEY. I dispute that statement.

Mr. AIKEN. I heard it.

Mr. BARKLEY. He has been very sympathetic toward the program, and has done all he had the power to do. He cannot seize grain and send it from one section of the country to the other.

Mr. AIKEN. He was asked to buy it, not seize it.

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

Mr. BARKLEY. I yield.

Mr. MORSE. The Senator from Kentucky wishes to be fair. He has always been fair with the Senator from Oregon. I am sure that he does not want this RECORD to serve as a basis for the implication that those of us who favor the amendment prefer to feed cattle rather than hungry people in Europe.

I wish to say to the Senator from Kentucky that what we are trying to do is to get some of the feed allocated in such a way that our American farmers will not go bankrupt, and so that next year they will be able to raise more food to feed the hungry people of Europe. We wish to have some of the grain handled in that way, because we know that all the feed that has piled up in the ports of this country cannot be shipped to Europe, to feed the hungry people there, for many months. By the time that it can be shipped our 1946 crops will be ready for shipment.

Mr. BARKLEY. Mr. President, I did not cast any reflection in the direction of the Senator from Oregon. I did not even refer to anything he has said. But there has been an implication here, and it has been a sarcastic implication, that whereas we are doing things to keep the hungry people of Europe from starving, we are not doing anything to help our own people. However, Mr. President, the Secretary of Agriculture cannot say to some of our people, "You are feeding your cattle or your geese or your turkeys too much grain, so you must let me have some of the grain to send elsewhere."

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

Mr. BARKLEY. I yield this time, but I shall not yield any more, because I wish to continue with my statement.

Mr. MORSE. I wish to say that, so far as I am concerned, the Secretary of Agriculture has been highly cooperative and he has endeavored to help me and the other Senators from the Northwest solve this problem. But I say to the Senator from Kentucky that the Secretary of Agriculture does say to us that he simply lacks the authority to do more than he is trying to do.

Accordingly, by this amendment we are seeking to give him the authority to do for the people of the United States the same thing that he is doing for the people of Europe.

Mr. BARKLEY. Let us see what the amendment would do. The Senator from Oregon says the Secretary of Agriculture does not have enough authority, and that the amendment would confer more authority upon him. I read from the amendment:

> The Secretary of Agriculture is authorized and directed, whenever there exists a shortage of animal and poultry feed which seriously affects any area within the United States—

And the Secretary of Agriculture is to be the sole judge of that—

> to initiate and carry out a program—

And so forth. Mr. President, there are two horns to the program. One is to direct the flow of animal and poultry feed. How is the Secretary of Agriculture to do that unless he has the power to go into one community and say to

people there, "You must send that feed somewhere else; you are using too much of it here; I am the judge, and I say that you are feeding too much feed to your cattle and your poultry here"?

If the amendment does not mean that, what does it mean? It means that he can change the normal flow of feed in commerce. He might even find a trainload of corn or some other kind of grain headed in one direction, and he might turn it around and send it in another direction, because if he has the power to direct the flow of grain, he would have the power to do that. If he did not have the power to do that, this amendment would not be worth anything, anyway.

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

Mr. BARKLEY. I modify the statement I previously made, that I would not yield again, and I now yield to the Senator.

Mr. LUCAS. I appreciate the Senator's consideration. I merely wish to make this comment: If there is lodged in the amendment such power as the Senator from Kentucky has described, it is more power than we have ever given any OPA official. The very thing we are attempting to do by the pending bill, as stated throughout all the debate, is to take power away from the OPA officials. Yet the amendment would give power which we have never heretofore delegated, if it would do what the Senator from Kentucky has said it would do.

Mr. BARKLEY. Of course, Mr. President, if the word "directed" does not mean a command to him to direct the flow of shipments of grain, I do not know what else it means. If it means anything it means that the Secretary of Agriculture can go to Illinois, Indiana, Ohio, Missouri, Nebraska, Minnesota, Wisconsin, and Iowa and say to the farmers there, "You have a surplus of grain. You are feeding more grain to your livestock and to your poultry than you should be feeding. Therefore, I am going to direct that some of it go somewhere else."

Mr. LUCAS. I hope he does not try to do that.

Mr. BARKLEY. That is what the amendment means, if it means anything. It means that he might even go to the elevators which are accumulating grain and loading it on to trains, and he might send that grain to some place other than where the owners of the grain intended it to be sent. So, if the amendment means anything, it means that more power is to be conferred upon the Secretary of Agriculture.

Not only that, Mr. President; not only is the Secretary of Agriculture authorized and directed to institute a program by which the grain shall be sent from one section of the country to another, but he is authorized to provide a program for the distribution of animal feed and food. After he changes its transportation, he is to follow it up and to supervise the distribution of it to those who will use it after it arrives at its destination. We talk about bureaucracy, but that would mean the setting up by the Secretary of Agriculture of an agency in every community to decide which dairymen and which feeder of cattle and poultry should receive the grain after it had been shipped to that place from some other section of the country.

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

Mr. BARKLEY. I yield.

Mr. CORDON. Is the Senator from Kentucky aware of the fact that the Commodity Credit Corporation has purchased grain and, in that connection, has used committees throughout the United States for years?

Mr. BARKLEY. Yes; I realize that. That is what Senators complain of now—namely, that the Commodity Credit Corporation has set up committees all over the country. But the pending amendment would have the Secretary of Agriculture set up other committees.

The Senator from Ohio asked whether this program involves a subsidy. Probably it is not called that, but it does involve a subsidy because it provides for the use of the present power to take losses and to take money out of the Treasury to sustain those losses. I do not know how much there would be in the way of losses; I do not know whether the Government would purchase grain at a certain price and would sell it at a loss in sections of the country where there might be shortages, or whether the Government would pay the transportation costs or other costs. But certainly there would be a charge which would have to be met out of the Treasury, and that is a procedure to which objection has been made before now.

Mr. President, as I said a while ago, while the debate on this amendment was going on, I telephoned the Secretary of Agriculture, because the amendment was suddenly offered from the floor, without being studied by Senators generally. So far as I knew, the amendment had not been considered by a committee. It had not even been printed. So I telephoned the Secretary of Agriculture, while this debate was going on, and I called him from an important committee meeting to ask him whether he thought the amendment should be modified or whether he thought it should be adopted in the form in which it was offered. I was not going to be controlled by his views, but I thought I was entitled to the benefit of them. He said frankly that he had not been consulted about the amendment and had not recommended it, and that he would wish to consider its details very carefully before he would recommend its adoption. He said it was not something he was seeking or wished to have.

Of course, Mr. President, I think the Members of the Senate are authorized to vote without regard to the views of the Secretary of Agriculture; but inasmuch as the amendment directs the Secretary of Agriculture to do certain things, I think it is not improper to ascertain his views regarding it.

Mr. President, it seems to me that this amendment should not be adopted to this bill. If the situation is such as to indicate that the amendment deserves independent consideration by a committee, the Senator from Vermont is a member of the Committee on Agriculture and Forestry, I believe, and other Senators who are interested in the matter are members of that committee or other committees. So if there is a desire to have such a matter considered, it could be brought up in one of the committees, for consideration there. But it seems to me it would be extremely unwise to incorporate this wholly independent and extraneous matter into the price-control bill. Therefore, I hope the amendment will not be adopted.

Mr. STEWART. Mr. President, will the Senator yield to me for a question?

Mr. BARKLEY. I yield.

Mr. STEWART. The situation in New England and in the Northwest, as I understand, is what inspired the offering of the amendment. I should like to ask a question or two. First of all, how are grain and other foodstuffs procured for shipment overseas? Are they purchased by Government authorities?

Mr. BARKLEY. Yes; they are purchased. For instance, if a farmer takes his grain to an elevator for sale—let us say that he takes a thousand bushels of grain there—he is required to sell half of it to the Government. The Government pays him the market price.

Mr. STEWART. Is he paid anything above the market price for it?

Mr. BARKLEY. Not at that particular time. But the Government does provide for the possible payment of 30 cents a bushel above the ceiling price to those who have not brought or do not bring their grain voluntarily and freely to the market. That provision is made in order to loosen up the market and to obtain the grain.

Mr. STEWART. Mr. President, I wonder whether something along that line could be worked out in this case. The Senator spoke of the possibility of a substitute.

Mr. BARKLEY. I do not know what is in anyone's mind in regard to a substitute. But that very suggestion indicates the folly of attempting to deal with a matter of this kind in connection with the price-control bill, at the last moment before a vote on the bill, when all Members of the Senate are ready to vote either one way or another on the bill itself.

If any matter of that kind should be worked out, it should be worked out by a committee which might be authorized to deal with the problem. It should not be brought up on the floor of the Senate at the last moment before a vote on an important bill, when there is no opportunity to consider the amendment thoroughly or wisely, in my judgment.

Mr. BREWSTER. Mr. President, I appreciate the force of what the majority leader has said. On the other hand, I have come freshly from an area where there was brought to my attention with tremendous force the difficulty which we are facing in connection with feed shortages in the Northeast and in the Northwest.

I have also discussed the situation with friends from the Midwest, and in an effort to accommodate the views of the various Senators I have drafted a substitute amendment which I should like to have considered by the Senator from

Vermont in order that he may ascertain whether he will accept it. The substitute is designed merely to put domestic need on a parity with foreign supplies. I shall read the amendment and then send it to the desk. It reads as follows:

The Secretary of Agriculture or other governmental agency having control of supplies of grain or feedstuffs for shipment overseas is hereby authorized and directed to make such diversions of such supplies thereof as he shall deem necessary to relieve feed shortage, to such domestic areas, for sale therein to feeders of livestock and poultry, as he may determine to be in an emergency condition with respect to animal and poultry feed, and he is authorized to replace such diverted supplies by further purchases for foreign shipment.

I ask the Senator from Vermont whether he will accept the language of the substitute which I have read.

Mr. AIKEN. Mr. President, some of us have discussed the substitute amendment, and I will say that it is acceptable to those who offered the original amendment.

Moreover, I wish to say with regard to the suggestion that the amendment be sent to the committee that to do so would require several days, and we cannot wait to have it done. We have waited until the very last minute before taking any step of this kind, hoping that the Department of Agriculture would find some way by which to get grain to the so-called famine areas. Up to the present time, only about 400 cars have been started on their way to New England, New York, and New Jersey. I expect that a similar amount has been started to the Pacific Northwest.

However, that amount will meet the requirements of only about a day in the Northeast, and about a day or possibly a little more in the Northwest. The amount is totally inadequate. In the meantime, the men and women who have built up their flocks are finding that they must dispose of them. Day after day we hear of it being done. Only day before yesterday we heard that the poultry crop of Maine had been reduced by 50 percent, and that it is being reduced still further. When I was at home over the weekend I found that my neighbors who had spent years building up their flocks were being required to dispose of them. Cattle also are being liquidated, but not to the same extent. At the present time pastures are at their best, and it is not necessary to liquidate cattle to the same extent that poultry is being liquidated. The liquidation of cattle will follow ultimately unless something is done to make it unnecessary.

We had inserted in the amendment the words "and other livestock" with the express purpose of covering the sheep growers of the Midwestern States. We were endeavoring to provide that those growers be allowed to continue in business and not see their herds destroyed because of inability to obtain feed for the next 50 or 60 days.

Mr. MILLIKIN. Mr. President, will the Senator again read his substitute?

Mr. BREWSTER. It reads as follows:

The Secretary of Agriculture or other governmental agency having control of supplies of grain or feedstuffs for shipment overseas is hereby authorized and directed to make such diversions of such supplies thereof as he shall deem necessary to relieve feed shortage, to such domestic areas, for sale therein to feeders of livestock and poultry, as he may determine to be in an emergency condition with respect to animal and poultry feed, and he is authorized to replace such diverted supplies by further purchases for foreign shipment.

Mr. HICKENLOOPER. Mr. President, a few minutes ago I had an opportunity to examine the proposed substitute. So far as I am concerned, I will say that it answers all the objections which I have to the original amendment. It does two or three fundamental things. First, it authorizes the immediate diversion of certain portions of grain already on the eastern and western seaboards in the areas of famine. Secondly, it authorizes the Secretary of Agriculture to determine the emergency areas, to divert the grain temporarily, and later to repurchase and replace for foreign shipment when the new crop matures. The wheat crop is now maturing in the Southwest, and will move north within a very short time. The surplus wheat will be coming along very soon. In my opinion, Mr. President, the substitute which has been offered by the Senator from Maine will afford immediate and almost instant relief to the famine areas, and will authorize replacement to our own people on a basis of equality with emergency foreign conditions. I shall support the substitute amendment.

Mr. BREWSTER. I thank the Senator from Iowa.

Mr. MILLIKIN. Mr. President, I wish to say that the substitute meets the objections which I had to the original amendment.

Mr. MORSE. Mr. President, I may say that, as one of the sponsors of the original amendment, the substitute is perfectly satisfactory.

I wish to make clear one point, because I think it goes to the essence of the entire argument which has been made. Adoption of the substitute as offered by the Senator from Maine will not take away a single bushel of grain that can be shipped to Europe during the period of time any wheat will be diverted for domestic use. I wish to make that particularly clear to the majority leader, because I want him to understand that not even the Secretary of Agriculture himself can deny the fact that there is now in storage in the great ports of this country more grain than can be shipped during the next several months. What the substitute seeks to do is to divert grain which otherwise cannot be shipped prior to the harvest of the new 1946 crop, and by such diversion thousands of farmers will be saved from bankruptcy. I should like to see the Secretary of Agriculture deny that fact, or justify any opposition to the substitute. The time has come for this administration to demonstrate that it wants to act in good faith toward our American farmers, who are suffering from the great injustice that the administration's poorly thought out grain order has visited upon them. Our amendment gives the administration such an opportunity.

Mr. BARKLEY. Mr. President, the substitute which has been offered by the Senator from Maine is an improvement over the original amendment. The danger which I see in it, if adopted in the form in which it has been proposed, is that it might authorize the Secretary of Agriculture—I do not know that he would do so—to interfere with the shipments of grain already contracted for by UNRRA, which is an international agency and which constantly purchases foodstuffs and sends them into the areas over which it has jurisdiction in supervising relief. However, because of the fact that the substitute will go to conference and an opportunity will there be afforded to investigate its implications, I am willing that it be accepted.

Mr. BREWSTER. I deeply appreciate the statement of the majority leader.

Mr. WALSH. Mr. President, is the Senator from Maine familiar with the statement which was made publicly a few days ago by the commissioners of agriculture of Northeastern States?

Mr. BREWSTER. Yes.

Mr. WALSH. Would he object to having the statement printed in the RECORD?

Mr. BREWSTER. No; I believe that it would be informative.

Mr. WALSH. The statement is probably more authentic than individual statements of Senators, or even individual telegrams, because it is a review of the situation as those commissioners saw it a few days ago. It is a powerful argument in favor of the Senator's amendment.

Mr. BREWSTER. I believe that it would be well to have it printed in the RECORD. Will the Senator ask that it be printed?

Mr. WALSH. Mr. President, I ask that the statement to which I have referred be printed in the RECORD at this point as a part of my remarks.

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

The commissioners of agriculture of New England met at the State House, Boston, Mass., in conference with representatives of the State colleges and dairy and poultry industries to consider the feed situation in New England.

The following situation was found to exist:

1. Laying hens have been cut to 50 percent of the January 1 number; 3,200,000 hens were slaughtered between January 1 and May 1; 2,200,000 hens were slaughtered during the month of May. This rate is 250 percent of normal, with present rate of slaughter more than 300 percent of normal. The rate of liquidation is increasing daily.

2. Present replacement flocks are down 15 to 25 percent from last year. Some pullets have already been slaughtered due to lack of feed. Farmers are trying to hold replacement stock. Ultimate size of replacement flocks depends upon available grain.

3. Broiler production is down 60 to 75 percent from last year.

4. Egg receipts at four major egg-marketing cooperatives (Hartford, Conn., Springfield, Mass., Brockton, Mass., Derry, N. H.) were 42 percent less during the first week of June than in the first week of May this year.

5. Considered estimates indicate the grain supply for June will be less than 50 percent of last year. More than 3,000 carloads of grain are needed to hold present livestock and poultry numbers for 30 days.

This means a milk shortage greater than last year and a shortage of eggs and poultry this fall and winter as well as serious damage to farm businesses.

Suggested solutions of this grievous problem to both consumers and producers are:

1. Loan of Government-owned corn (2,000,000 bushels).

2. Subsidy on corn, oats, barley, and other available grains, except milo, either on Government or private basis.

3. Direct Government purchase of grain for shipment to deficit areas.

NEW ENGLAND COMMISSIONERS OF AGRICULTURE,
FREDERICK E. COLE, *Massachusetts.*
A. K. GARDNER, *Maine.*
STANLEY JUDD, *Vermont.*
FRANK H. PEET, *Connecticut.*
ANDREW L. FELKER, *New Hampshire.*
RAYMOND G. BRESSLER, *Rhode Island.*

JUNE 7, 1946.

The PRESIDING OFFICER. The question is on agreeing to amendment of the Senator from Maine [Mr. BREWSTER] offered in the nature of a substitute to the amendment offered by the Senator from Vermont [Mr. AIKEN] in behalf of himself and other Senators.

The amendment was agreed to.

Mr. WHERRY. Mr. President, I have on the desk an amendment which I call up and ask to have read.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska will be read.

The CHIEF CLERK. On page 36 of the bill, after line 18, it is proposed to insert the following:

(t) No maximum price shall be established or maintained for any commodity below a price which will return to distributors, wholesalers, or retailers of such commodity their prewar trade discount or the sum of (1) total current costs of acquisition plus the prewar mark-up. The prewar mark-up shall be the average mark-up of such distributors or wholesalers or retailers of such commodity for the period between October 1 and October 15, 1941.

Mr. WHERRY. Mr. President, this amendment is acceptable to the distinguished Senator from Ohio [Mr. TAFT]. It is best known, I suppose, as the original Wherry and Capehart amendment.

The Members of the Senate will recall that when the Senator from Ohio addressed the Senate yesterday the amendment he offered was designed to afford relief only to the manufacturer and the processor. In answer to a question by someone on the floor of the Senate, the distinguished Senator from Ohio said that the so-called cost-absorption amendment which would be offered would do for the distributors, the wholesalers and the retailers what his amendment would do for the manufacturers.

The amendment I now offer is not exactly the Capehart amendment, because the Capehart amendment would strike out on page 34 all of section Q starting in line 22, and would strike out all of subsection (r) and all of subsection (s). This amendment does not strike out those subsections, but it adds a new section after line 18, page 36, which would do for the distributor, the wholesaler, and the retailer what the amendment of the distinguished Senator from Ohio would do for the manufacturer and the processor.

Mr. President, the Senator from Ohio is not on the floor at present, but he stated he would be here, and would say to the Senate that he would accept the amendment and would vote for it. I think the amendment is self-explanatory. The Taft formula is included in the amendment now offered, although we have added to the Taft formula the words:

The prewar mark-up shall be the average mark-up of such distributors or wholesalers or retailers of such commodity for the period between October 1 and October 15, 1941.

So if the wholesalers, distributors, and retailers are to get any relief, they will get it exactly as the manufacturer and the processor get relief under the Taft formula.

I should like to say that the amendment is offered in behalf of the Senator from Indiana [Mr. CAPEHART] the Senator from Montana [Mr. MURRAY], the Senator from Iowa [Mr. WILSON], the Senator from Oklahoma [Mr. MOORE], and the Senator from Tennessee [Mr. STEWART].

Some Senators have received telegrams from retailers from all over the country, and this is the amendment in which they are interested.

I do not care to detain the Senate longer, but I should like to have a record vote on the amendment, so I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, when the bill was in the committee the question of the formula for the producers was one of the points on which the committee found most difficulty in acting. The formula adopted in the amendment offered by the Senator from Ohio [Mr. TAFT] deliberately left out retailers and distributors, on the acknowledged ground that what he was seeking to do was to encourage production. The entire argument in the committee and out of the committee with respect to that sort of a formula was in the interest of encouraging production of goods in order that production might be brought into balance with demand and consumption.

The amendment offered by the Senator from Nebraska fixing the same formula and the same standard for retailers would mean that every department store in the United States, in the sale of every article it sells over its counters, would have the same standard, the same encouragement, and the same incentive that was originally intended to be given producers in order that production might increase, and thereby bring about a balance of the two, so that demand and supply would fix the price, as it does in the normal channels of trade. It was never contemplated by the committee and never contemplated by the Senator from Ohio in any discussion in the committee, and he specifically objected to including retailers for the very reasons I have stated.

I do not intend to detain the Senate any longer. I hope the amendment will not be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McFARLAND (when his name was called). On this vote I have a pair with the senior Senator from Pennsylvania [Mr. GUFFEY]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea."

The roll call was concluded.

Mr. BARKLEY. I announced that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Idaho [Mr. GOSSETT] is absent by leave of the Senate.

The Senator from Missouri [Mr. BRIGGS], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Washington [Mr. MITCHELL], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from Virginia [Mr. BYRD], the Senator from Rhode Island [Mr. GERRY], and the Senator from Utah [Mr. MURDOCK] are detained on official business.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Rhode Island [Mr. GREEN] are absent on official business, attending the meeting of the Empire Parliamentary Association in Bermuda.

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.

The Senator from Louisiana [Mr. ELLENDER], the Senator from New Mexico [Mr. HATCH], the Senator from Alabama [Mr. HILL], and the Senator from Tennessee [Mr. McKELLAR] are members of the committee on the part of the Senate attending the funeral services of the late Senator John H. Bankhead, of Alabama.

I also announce that on this question the Senator from Texas [Mr. CONNALLY] is paired with the Senator from Washington [Mr. MITCHELL]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Washington would vote "nay."

I also announce the following general pairs: The Senator from Arkansas [Mr. FULBRIGHT] with the Senator from Wisconsin [Mr. WILEY]; the Senator from Rhode Island [Mr. GREEN] with the Senator from Michigan [Mr. FERGUSON]; and the Senator from Georgia [Mr. RUSSELL] with the Senator from Indiana [Mr. WILLIS].

I announce that on this question the Senator from Tennessee [Mr. McKELLAR] is paired with the Senator from Alabama [Mr. HILL]. If present and voting, the Senator from Tennessee would vote "yea" and the Senator from Alabama would vote "nay."

I also announce that, if present and voting, the Senator from Missouri [Mr. BRIGGS], the Senator from Rhode Island [Mr. GREEN], and the Senator from New Mexico [Mr. HATCH] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. FERGUSON] and the Senator from Wisconsin [Mr. WILEY] are

absent by leave of the Senate as members of the committee appointed by the United States Senate to attend the Empire Parliamentary Conference in Bermuda. The Senator from Michigan [Mr. FERGUSON] has a general pair with the Senator from Rhode Island [Mr. GREEN], and the Senator from Wisconsin [Mr. WILEY] has a general pair with the Senator from Arkansas [Mr. FULBRIGHT].

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 Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from North Dakota [Mr. LANGER], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate. The Senator from Indiana [Mr. CAPEHART] would vote "yea" if present.

The Senator from Indiana [Mr. WILLIS] is necessarily absent. He has a general pair with the Senator from Georgia [Mr. RUSSELL].

The Senator from Missouri [Mr. DONNELL] is absent as a member of the Senate committee attending the funeral of the late Senator Bankhead.

The result was announced—yeas 42, nays 25, as follows:

YEAS—42

Austin	Hawkes	Robertson
Ball	Hickenlooper	Saltonstall
Bilbo	Hoey	Shipstead
Brewster	Johnston, S. C.	Stewart
Bridges	Kilgore	Taft
Brooks	McCarran	Thomas, Okla.
Buck	Maybank	Tobey
Bushfield	Mead	Tunnell
Capper	Moore	Tydings
Cordon	Murray	Walsh
Eastland	O'Daniel	Wheeler
George	Overton	Wherry
Gurney	Reed	White
Hart	Revercomb	Wilson

NAYS—25

Aiken	Johnson, Colo.	O'Mahoney
Andrews	Knowland	Pepper
Barkley	Lucas	Radcliffe
Burch	McClellan	Smith
Carville	McMahon	Taylor
Chavez	Magnuson	Thomas, Utah
Downey	Millikin	Wagner
Hayden	Morse	
Huffman	Myers	

NOT VOTING—28

Bailey	Gerry	Mitchell
Briggs	Gossett	Murdock
Butler	Green	Russell
Byrd	Guffey	Stanfill
Capehart	Hatch	Vandenberg
Connally	Hill	Wiley
Donnell	La Follette	Willis
Ellender	Langer	Young
Ferguson	McFarland	
Fulbright	McKellar	

So Mr. WHERRY's amendment was agreed to.

Mr. LUCAS. 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 39, after line 8, it is proposed to insert the following:

SEC. —. Section 205 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"(h) No proceedings may be instituted by the Administrator under this section in any State, Territorial, or Federal court, unless the institution of such proceedings is approved by the district attorney of the United States for the district within which such proceedings are brought."

Mr. LUCAS. Mr. President, from the beginning I have been a firm believer in the Emergency Price Control Act which Congress passed in 1942. I still believe in the basic and fundamental principle of price control in this reconversion period. I do not believe that we have yet reached the point in the period of reconstruction following the war when we can remove all controls upon everything. Therefore I have voted against all amendments which have been presented to the bill, believing that the bill as it came from the Committee on Banking and Currency was in reality not a price control bill, but a bill which would guarantee inflation for the country in the very near future. I hope I am wrong. I certainly trust that the country will never experience another boom-and-bust-and-bankruptcy period such as it went through following World War I.

Mr. President, everyone to whom we talk says that as a result of what the Congress of the United States now proposes to do prices are going to rise. No one can tell how much they will rise. The rise depends upon how much the individual desires to pay for the particular product he wishes to have, and how much money he has in his pocketbook, and what the competition is for a particular article. In my humble judgment, and I say again I hope I am wrong, within a period of 6 to 9 months, as the result of what we are doing here at this particular time in passing this price control measure with its crippling amendment, there will be chaos and disorder in the country compared to which what we are now suffering under a control act will be infinitesimal.

Mr. President, I have seen the figures that have been presented from time to time by representatives of all classes of industry, and no one will deny the fact that every class of our citizens today, including the farmers, the laboring men, the bankers, the industrial groups, are in better financial condition at this moment than they have ever been in their entire history. I am sure no Senator on this floor will challenge that statement.

I know that the price-control program is far from perfect. I know that the administration of the Price Control Act has been maladministration instead of the kind of administration to which the American people were entitled. In the maladministration of the Price Control Act passed by Congress in 1942 lies the evil of what is happening in the Senate at this moment.

Some time ago on the floor of the Senate, in discussing the administration of this act, I said that those in the Office of Price Administration, in the enforcement division, were making it difficult for men who honestly believe in the basic principles of price control to go along. It was at the time when Mr. Paul Porter came in as Director that I made my remarks in the Senate concerning the faulty administration and the un-American directives being issued at that time.

Mr. Porter is a gentleman of the old school. He is an individual who understands human beings and public relationships. But he does not have the slightest chance to do what ought to be done with respect to changing or removing certain individuals who have been in the OPA from the beginning, who have absolutely no understanding of public relations. That group of individuals went into OPA under Leon Henderson, and they are still there, and the policy pursued by those individuals is the policy which has in my humble opinion defeated the legitimate aims of OPA. I do not want to be misunderstood by that statement. There are many fine, patriotic, able, and well-intentioned men and women in the OPA organization. I do not direct my criticism at them. It applies only to those individuals who have used their power in such a ruthless and arrogant manner that they have aroused the anger of so many good American citizens and the results are now being reaped in the action of the Congress in connection with the pending legislation. In spite of all this, I still favor OPA.

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

Mr. LUCAS. I yield.

Mr. McCLELLAN. I compliment the Senator from Illinois on the remarks he has just made. I think he is definitely striking at an evil which obtains in this country today. I will say that in my humble judgment if we could obtain a practical and sensible administration of the price-control law it would serve our best interests in the reconversion period. But the administration we have had of OPA continues to create chaos, and brings OPA into disrepute with our people.

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

Mr. LUCAS. I yield.

Mr. MAYBANK. I wish to join with the distinguished Senator from Illinois in praise of Mr. Paul Porter. I also wish to join in the statement just made by the distinguished Senator from Arkansas. I believe everyone thoroughly concurs in it. It is not the OPA which has brought about the present distressing situation. It is the administration of the law which has done it.

Mr. LUCAS. Mr. President, I merely have risen in the last moments of the debate to state my considered opinion as to why the Congress at this time is taking the action now about to be taken. With all its faults, I dislike to see OPA go out of existence. With all its bad administration, with all the troubles connected with it, we are still better off with OPA than we would be without it. OPA is better than nothing, and in my humble opinion the country and the Congress in 9 months' time will be sorry for what the Congress is now doing with respect to OPA. They will be sorry that OPA was massacred, that OPA was crucified. They will be sorry to see the buying power which exists in America today, the like of which no country has ever seen, turned loose, to the point where many people will suffer. Those who will suffer most will be the older people who live on pensions, those who are on a definite

pay roll with no opportunity to get an increase. Those people, some twelve to fourteen million of them, are going to suffer because OPA will be made ineffective. The individual with money, who is now violating the law by operating in the black market, will continue to be a black marketeer, regardless of whether we do or do not repeal the OPA law.

Mr. President, I cannot do anything worse to OPA by my amendment than what has already been done to it. In my humble opinion my amendment will take care of a few of the enforcement policies which have been put into practice by individuals, many of whom have never tried a lawsuit. A number of them take the position which some of the courts have recently taken, that they are going to do what they want to do regardless of what the precedent has been in the past, and regardless of what the conditions are in the community where the alleged violation takes place. That is a dangerous practice in American jurisprudence. I know of individuals in the enforcement agency of the OPA who have disregarded instructions, and who on their own initiative have done things that were not in keeping with the best interests of American society and jurisprudence.

All I wish to do is to say to the OPA individual who is enforcing this act, "Before you file a suit of any kind you must get the permission of the United States district attorney in the district where the alleged offense is presumed to have been committed." I believe that that will cure many of the evils which exist, if we are to continue the OPA for another year. I sincerely trust the amendment will be adopted. It is offered in good faith, with a sincere hope that some constructive good may come from a better and more humane administration.

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

Mr. McCLELLAN and Mr. SHIPSTEAD addressed the chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. McCLELLAN. Mr. President, I do not wish to further interrupt the able Senator from Illinois in his remarks, but I do wish to commend him for what he has said. His amendment should be agreed to.

I invite attention to a very appropriate editorial published in today's Washington News. I wish to quote a part of it, and then I shall ask unanimous consent to have the entire editorial printed in the RECORD as a part of my remarks. In line with what the able Senator from Illinois has been saying, I quote from the editorial, which I think is very apropos in connection with the discussion and consideration of the pending measure:

> Under present circumstances Government's efforts to do that job (control prices) tend more and more to be self-defeating. That's the real reason why Congress is so cold to the OPA. It's easy—too easy—to accuse Congress of serving "the forces of greed."

That is what the OPA has been preaching to the people, that their representatives in Congress are yielding to the pressure of big business and special interests. When the present Economic Stabilizer Chester Bowles was Administrator of OPA and since occupying his present position, he has taken the air almost every other night to abuse and villify Congress. The truth is that the blame lies at his own door, because of the policies which the OPA under his administration has pursued. This editorial further states:

> The fact is that many if not most Members of Congress are honestly convinced that the Administration has made its own price-control policy unworkable; that the OPA, given all the power Chester Bowles and Paul Porter want for it, would do more harm than good.

That is the very reason why we are having these decontrol amendments that are being offered in the Congress today. We have no other alternative if we are to protect the people against the vicious black-market inflation.

> The Administration's phony theory that it could hold prices down while wage rates were forced rapidly upward invited the great strikes. The strikes have delayed reconversion by many months and prevented production of billions of dollars worth of desperately needed goods. Bungling labor policies are encouraging more strikes to put wage gains ahead of price increases, although nobody can win that leap-frog race. And falsely optimistic Administration propaganda to the effect that our postwar problems are just about solved has given the public an impression that now is the time to spend and buy.

This editorial is entitled "Be Wise in Buying." I think it gives a very timely admonition to the American public with regard to buying unneeded goods or goods that they can possibly do without, at inflationary prices. I ask unanimous consent that the entire editorial be printed in the RECORD at this point as a part of my remarks.

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

BE WISE IN BUYING

> Business journals report that in many cities consumers are becoming less eager to buy almost anything offered for sale at almost any price.
>
> This is a hopeful sign if it means that, instead of relying wholly on Government to protect them from an inflationary boom bust, people are beginning to think sensibly about protecting themselves.
>
> Even in wartime, Government could not do that job alone. Price control succeeded as well as it did then because so many people saw the wisdom of saving a good part of their incomes, of not bidding against each other for scarce goods, and of submitting with reasonably good grace to wage controls.
>
> Under present circumstances, Government's efforts to do that job tend more and more to be self-defeating. That's the real reason why Congress is so cold to the OPA. It's easy—too easy—to accuse Congress of serving "the forces of greed." The fact is that many, if not most, Members of Congress are honestly convinced that the administration has made its own price-control policy unworkable; that the OPA, given all the power Chester Bowles and Paul Porter want for it, would do more harm than good.
>
> The administration's phony theory that it could hold prices down while wage rates were forced rapidly upward invited great strikes. The strikes have delayed reconversion by many months and prevented production of billions of dollars' worth of desperately needed goods. Bungling labor policies are encouraging more strikes to put wage gains ahead of price increases, although nobody can win that leap-frog race. And falsely optimistic administration propaganda, to the effect that our postwar problems are just about solved, has given the public an impression that now is the time to spend and buy.
>
> So the black markets are booming, the price ceilings are bulging, and the OPA's efforts to hold them down against the upward thrust of wages and other costs are, in countless cases, further discouraging production.
>
> If that continues, the value of wage increases and of wartime savings will be destroyed by an inevitable break-through of prices. Those who have been able to save least, or to get only small wage increases if any, will be hurt first and most. But everybody, except perhaps a few slick profiteers, will be hurt.
>
> We think this is emphatically a time to be wise in buying; to refrain from frenzied scrambling for scarce goods; to avoid spending for its own sake; to shop for values instead of grabbing for gewgaws; to do without rather than pay high prices for nonessential things; to save money, not to toss it away.
>
> Enough people with that spirit might do more than the OPA bureaucrats to restore real competition among producers and sellers, reverse the upward trend of prices, remove the excuse for more strikes, and hasten the day when a plentiful supply of goods can make it possible for purchasing power to be used most profitably.

Mr. McCLELLAN. Mr. President, in my judgment, if we had and could have an honest, sensible, and practical administration of the Price Control Act there would certainly be no occasion for spending all the time we are now devoting to an effort to decontrol and to take away some of the power which has been so flagrantly abused and misused simply because the OPA officials have arbitrarily and wantonly disregarded established practices and considerations that simple justice require.

I hope that the pending amendment will be adopted. In my State only recently one of the representatives of the OPA, because there had not been more charges made by a local enforcement panel against the citizens within its jurisdiction and more penalties and convictions, wrote that local board, complaining that it was not sending in enough complaints, and that he was getting a black eye because the State and his territory were not measuring up to the number of charges and convictions in other States. I have his original letter in my files. I reported this to the State or regional director, also to the Administrator here in Washington. Do you think this OPA representative was discharged? No; he is still in the employ of the OPA. Probably will soon be promoted. That is the sort of policy and practices which are making honest and patriotic citizens skeptical of the integrity of government and in the enforcement of the Price Control Act.

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

Mr. McCLELLAN. I yield.

Mr. WHEELER. I merely wish to invite attention to the fact that the regional office in Denver sent word to a local board in my State, saying that there was not a sufficient number of convictions. A quota was established, and the

regional office wanted that little community to meet its quota of convictions of merchants. The board resigned. I brought the matter to the attention of the OPA in Washington, but instead of firing anyone, as should have been done, the OPA did nothing about it.

Mr. McCLELLAN. They do absolutely nothing about such conduct on the part of enforcement officials, and such conduct and policy is incompatible with honest administration.

Mr. WHEELER. I entirely agree with what the Senator from Illinois has said. What is happening to the OPA today is purely the result of the actions of the OPA officials and those who have been administering the law in Washington, as well as the various regional officers throughout the country. No one is to blame except the administrators of the OPA. They are responsible for the condition which exists, and they are responsible for what is happening in Congress today.

Mr. McCLELLAN. I thank the Senator. The fault is not by any means altogether with those in the regional offices and those in the States who are charged with the enforcement. They get their instructions from Washington. If one goes to the OPA with a case and presents it, no matter how meritorious it may be, some inexperienced man or boy who does not know anything about the merits of the issues involved, and cares less, will say "No." Reason, logic, merit, and justice have no persuasion or influence with them.

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

Mr. McCLELLAN. I yield.

Mr. MAYBANK. Mr. President, I wish to commend the Senator from Arkansas for his statement. In the Southeast we have the most terrible administration that could possibly be imagined. We are under the regional office in Atlanta, Ga., which sends into North and South Carolina children who know nothing about the law. We have some respectable and able people in our State. We have district attorneys who have been approved by this body. Half of the cases which are brought into the courts are denied.

I hope the amendment of the Senator from Illinois will be agreed to.

Mr. PEPPER. Mr. President——

Mr. McCLELLAN. Mr. President, I hope the amendment will be agreed to. The time has come when the honest American citizen needs some protection. I have faith in the Federal district attorneys. If we require them to approve prosecutions under this law before they are instituted, I do not believe we shall have such flagrant abuses with respect to enforcement as we have had in the past.

Mr. PEPPER. Mr. President, I am in a rather embarrassing situation——

Mr. BALL and Mr. MORSE addressed the Chair.

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

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. The Senator from Oregon and the Senator from Minnesota [Mr. BALL] were trying to obtain the floor while the vote was being taken, and before the vote was completed the Senator from Minnesota made it clear to the Chair that he desired recognition. I understand that the result of the vote on the amendment has not been announced and that the Senator from Minnesota is therefore entitled to the floor.

The PRESIDING OFFICER. The Chair announced that the amendment had been agreed to.

Mr. MORSE. Mr. President, I wish to say with all due respect to the Chair that I did not hear such an announcement. I think the Chair should recognize the Senator from Minnesota, inasmuch as he was seeking recognition.

The PRESIDING OFFICER. If the Senator from Minnesota wishes to be heard on the amendment, the Chair will recognize him now.

Mr. BALL. Mr. President, I should like to make a very brief statement on the bill.

The PRESIDING OFFICER. That was what the Chair understood. The Chair announced that the amendment had been adopted. The Senator from Florida had addressed the Chair, thinking that the amendment had already been disposed of. At that time it had not been. So it appears that the Senator from Florida is entitled to be recognized now.

Mr. PEPPER. Mr. President, on behalf of the Senator from Idaho [Mr. TAYLOR] the Senator from California [Mr. DOWNEY], the Senator from Oregon [Mr. MORSE] and myself, 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 Florida will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert the following:

That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "February 1, 1947"; and by inserting before the period at the end thereof a colon and the following: "*Provided*, That the President is authorized, whenever he deems such action to be necessary in the public interest, to eliminate or modify any regulation, order, price schedule, or other control imposed by or under the authority of this act or the Stabilization Act of 1942, as amended."

SEC. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "February 1, 1947."

Mr. PEPPER. Mr. President, I shall say only a word or two, because I find myself in an embarrassing situation in which we often find ourselves; namely, I have made an engagement which contemplates my leaving on a 6 o'clock plane.

This amendment is proposed as a substitute for the bill as reported by the committee, as it is now before the Senate. The amendment would extend the present OPA laws to February 1, 1947, meanwhile giving the President authority to decontrol any item between now and that date.

In view of the shortness of time, I have been wondering whether I might be able to obtain a yea-and-nay vote on the amendment, and not detain the Senate by an elucidation of the amendment, because it speaks for itself.

Mr. BALL. Mr. President, I desire to make a very brief statement as to my position regarding the bill and, incidentally, my opposition to the amendment offered by the Senator from Florida. In order to save time, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement which I have used in answer to mail which I have received from constituents in regard to extension of the OPA.

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

STATEMENT BY SENATOR JOSEPH H. BALL, REPUBLICAN, OF MINNESOTA, ON EXTENSION OF OPA

I supported price control throughout the war. I believe that continuance of wisely administered, selective price control on goods still in short supply would be of great help in checking inflationary pressures during the next few months. I was on the committee which helped write the original law and since then have had many opportunities to observe OPA's work in the Appropriations Committee and through contacts on behalf of literally hundreds of constituents who became bogged down in the agency's red tape.

OPA is, without question, the worst-run Federal agency with which I have come into contact. Here are a few OPA policies and attitudes which are hindering rather than helping reconversion and civilian production:

1. Insistence on considering a manufacturer's over-all costs and profits instead of costs on individual items in fixing ceilings, even though the items are made at a loss. Result has been to drive out of production many items usually in the low-price range. This has happened in clothing and building materials.

2. OPA's cost-absorption policy, forcing manufacturers, jobbers, and retailers to absorb cost increases due to higher wages and higher material prices. This is a squeeze play which tends to drive out of production in any field all but the most efficient or best-situated producers, and over-all production again is reduced.

3. OPA's deliberate policy of delaying and stalling petitions for needed price adjustments. I have had many cases of firms making new items where OPA stalled for 6 and 8 months before fixing any kind of price so the goods could be made and sold. Meantime, production lagged.

4. The hostility to, as well as lack of any practical knowledge of, business by the OPA underlings who really exercise the vast power of this agency. Every businessman seems to be considered guilty until he proves himself innocent, which is a Nazi and not a democratic concept. Any businessman can tell you how often OPA regulations have had to be revised simply because lawyers and theorists who knew nothing of the way in which a given industry operated insisted on writing complicated control regulations without even consulting people in the industry who did know.

Abandonment by the administration of wage stabilization after VJ-day while attempting to hold prices rigid has, of course, greatly intensified this problem. The economic impossibility of the administration's original position has already been demonstrated in the steel and meat-packing cases,

where it has had to consider price increases to meet wage-increase demands it had invited.

Wage stabilization was delayed for nearly a year after price control was legalized in 1942, and as a result the administration never was able to really hold the line and did as well as it did only by putting a terrific squeeze on many producers and distributors of civilian goods. Why the administration insisted on making the same economic mistake after VJ-day by lifting wage control while trying to hold the price line, is beyond me, but it very obviously is not working.

If the issue as it finally comes to a vote in the Senate is whether we extend the price-control law as is for another year, thereby in effect approving present OPA policies, I shall vote "No." I am convinced that we would suffer less in the long run from removal of all controls than from a continuation of the present scarcity-breeding policy. I believe the amendments proposed by the Senate Banking and Currency Committee are sound and shall support these and other amendments which would simply require OPA to recognize and conform to economic realities. If these amendments stay in the bill I may vote for it.

The following excerpt from an address I gave at Atlantic City, N. J., May 10, further expresses my fundamental objection to OPA:

"Our emphasis as liberals, therefore, in seeking greater opportunities and freedoms for individuals, should be on measures and policies which will strengthen the individual and free his mind from fear by giving him knowledge, training, and health. Only thus can individuals win the most precious freedom of all, freedom from fear—the confidence that he can and will measure up to any test that may come and remain true to his own inner creed. Under that policy, the Government has an obligation to see to it that in health and training, all individuals start as nearly equal as possible in our society. That, in turn, means that whatever excess funds are available when we finally achieve a balanced budget should be earmarked first for programs and projects which will in the long run raise the health and educational standards of the Nation and which particularly will give those who are less fortunate economically a better chance at healthy bodies and trained minds.

"A great many domestic proposals which are clearly authoritarian when measured by this yardstick of liberalism nevertheless have wide popular support because their professed objectives are appealing to large groups. One of these was the so-called full-employment bill as it was originally proposed. Another is the current proposal to extend the Price Control Act for another year 'without crippling amendments.'

"As I have stated before, we adopted many authoritarian controls in order to fight the war. Price control was one of them. I supported it during the war, but I recognized it as authoritarian rather than liberal. Price control was one of the devices by which the Nazis controlled the German economy. Government power to fix prices is the power of life or death over every business enterprise and is clearly authoritarian in nature.

"Government attempts to control prices and otherwise substitute Government edicts for the economic laws which adjust supply and demand in a free economy are nothing new. They, along with consumer subsidies which are equally corruptive of a free economy, have been tried repeatedly for thousands of years by governments which were afraid to face economic realities. Such attempts have always failed.

"During the war our Government's price control policy was bolstered by a rationing program which at least tended to adjust demand to supply. We also had wage stabilization of a sort during the war, so that the violation of economic law by Government was not so violent. However, rationing was abandoned nearly a year ago, and the Government deliberately pushed wages upward. To promise to hold the price line in view of those policies, regardless of what Congress may do to the law, is an economic absurdity, and every honest economist in or out of Government knows it.

"Some price increases are inevitable. Whether they occur legitimately or in a black market will depend on what Congress does to OPA. But price increases which are essential to achieve a balance between supply and demand are not uncontrolled inflation. The two elements which must be present to create a runaway inflation—printing-press money and lack of production—are not present in the United States and there is no real danger of either.

"Price control, like other controls, was a wartime measure. Production is now close to or above 1941 levels in nearly all civilian goods. Of course, there will be some price increases and some confusion when we change from a controlled economy to a free economy. That is inevitable whether we make the change today or wait another year, or 2 years or 10 years. Personally, as a liberal, I believe in a free economy. I think it is worth the risks involved and the way to achieve it is to get rid of these controls now.

"In passing, I might add that the present campaign for OPA by Chester Bowles and his supporters is as thoroughly totalitarian in method as is that agency. As an expert advertising man, Mr. Bowles knows there are probably 100 consumers for every producer or distributor of goods. Basically, he is telling the large group of the consumers that the Government through OPA will run our economy for the exclusive benefit of the consumers, and that all businessmen are just greedy profiteers anyhow A certain paperhanger from Austria sold the German people very much the same kind of phony economics. They did not wake up until it was too late, but I think the American consumers are intelligent enough to figure out that artificial ceilings on butter, meat, shirts, and lumber that cannot be bought at any price do not make sense."

Mr. BALL. Mr. President, I have supported all amendments which in my judgment will curtail the powers of the OPA. I have done so because of my conviction that the more we cripple the OPA, so to speak, the better it will be for the country. I shall vote against the bill to extend the OPA because of my conviction that the best thing we could do for the country would be to liquidate that agency altogether.

During the war I supported price control. I recognized in doing so that it was a totalitarian control completely opposed to our concept of a free economy, but I realized that we had to adopt many totalitarian controls in order to fight the war and in order to channel all production into the war effort. During the war we had rationing of scarce commodities and wage control; and those controls, together with the patriotic desire of the people to channel all possible production into winning the war, made the system a reasonably effective one.

However, on VJ-day, the Government abandoned rationing and virtually abandoned wage control. In fact, the Government has contributed to establishing a wage pattern which is 18½ cents above the level at the end of the war. Then the Government tells us that it expects to hold the line rigidly on prices. Mr. President, I submit that is an economic impossibility. I do not believe it is possible to run the economy of the United States for the sole benefit of one group, the consumer, without any regard for the problems of producers and distributors.

I think the amendments which have been adopted in connection with this bill have helped it considerably, but I still intend to vote against the bill, for two reasons: First, as I have already stated, the OPA has shown by its actions and by the contacts I have had with it that it does not pay much attention to what is in the law. If the OPA obtains an extension of power for 1 year, I doubt whether it will pay much attention to the policies which the Senate writes into this measure today.

In the second place, as I have observed the enforcement activities of OPA, whenever any businessman gets into difficulties with the OPA, it proceeds on the assumption that he is guilty until he proves himself innocent. Mr. President, that is a totalitarian concept of the way to administer justice, not a democratic concept. I am not willing to trust an agency that is imbued with that kind of philosophy with any power whatever.

I recognize, as I think all of us do, that the lifting of all controls will involve a period of perhaps weeks or perhaps months of some chaotic conditions. I think we cannot have freedom and we cannot have a free economy without running some risks. I believe enough in freedom to take those risks.

Mr. AIKEN subsequently said:

Mr. President, I wish to say a word with regard to the amendment of the Senator from Florida. I would have made this statement previous to the taking of the vote had I been in the Chamber.

I believe, Mr. President, that in the absence of adequate price control we will be more in danger of inflation in this country during the next 12 months than we were at any time during the war. Nevertheless, I could not vote for the amendment of the Senator from Florida which would have extended the present act until February 1 of next year. If price control is to be discontinued either through failure to renew the act, or by passing an emasculated act, then let such control end now. It would be nothing less than a national calamity if price control were to end in the middle of the winter. I have repeatedly said that I would prefer the ending of price control on July 1, rather than have it end in the middle of the winter, as provided by the amendment offered by the Senator from Florida, or in March, as was advocated by the other House.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida, which is offered as a substitute for the committee amendment.

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

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Idaho [Mr. GOSSETT] is absent by leave of the Senate.

The Senator from Missouri [Mr. BRIGGS], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Washington [Mr. MITCHELL], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from Arizona [Mr. HAYDEN] is unavoidably detained.

The Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Rhode Island [Mr. GREEN] are absent on official business, attending the meeting of the Empire Parliamentary Association in Bermuda.

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.

The Senator from Louisiana [Mr. ELLENDER], the Senator from New Mexico [Mr. HATCH], the Senator from Alabama [Mr. HILL], and the Senator from Tennessee [Mr. MCKELLAR] are members of the committee on the part of the Senate attending the funeral services of the late Senator John H. Bankhead, of Alabama.

I also announce that on this question the Senator from Texas [Mr. CONNALLY] is paired with the Senator from Washington [Mr. MITCHELL]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Washington would vote "yea."

I announce that on this question the Senator from Tennessee [Mr. MCKELLAR] is paired with the Senator from Pennsylvania [Mr. GUFFEY]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from Pennsylvania would vote "yea."

I also announce the following general pairs: The Senator from Arkansas [Mr. FULBRIGHT] with the Senator from Wisconsin [Mr. WILEY]; the Senator from Rhode Island [Mr. GREEN] with the Senator from Michigan [Mr. FERGUSON]; and the Senator from Georgia [Mr. RUSSELL] with the Senator from Indiana [Mr. WILLIS].

I announce that if present and voting, the Senator from Rhode Island [Mr. GREEN], the Senator from New Mexico [Mr. HATCH], and the Senator from Alabama [Mr. HILL] would vote "yea."

Mr. WHERRY. The Senator from Michigan [Mr. FERGUSON] and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate as members of the committee appointed by the United States Senate to attend the Empire Parliamentary Conference in Bermuda. The Senator from Michigan [Mr. FERGUSON] has a general pair with the Senator from Rhode Island [Mr. GREEN], and the Senator from Wisconsin [Mr. WILEY] has a general pair with the Senator from Arkansas [Mr. FULBRIGHT].

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 Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from North Dakota [Mr. LANGER], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent. He has a general pair with the Senator from Georgia [Mr. RUSSELL].

The Senator from Missouri [Mr. DONNELL] is absent as a member of the Senate committee attending the funeral of the late Senator Bankhead.

The result was announced—yeas 17, nays 52, as follows:

YEAS—17

Chavez	McMahon	O'Mahoney
Downey	Magnuson	Pepper
Huffman	Mead	Taylor
Johnson, Colo.	Morse	Thomas, Utah
Kilgore	Murray	Wagner
Lucas	Myers	

NAYS—52

Aiken	Gurney	Revercomb
Andrews	Hart	Robertson
Austin	Hawkes	Saltonstall
Ball	Hickenlooper	Shipstead
Barkley	Hoey	Smith
Bilbo	Johnston, S. C.	Stewart
Brewster	Knowland	Taft
Bridges	McCarran	Thomas, Okla.
Buck	McClellan	Tobey
Burch	McFarland	Tunnell
Bushfield	Maybank	Tydings
Byrd	Millikin	Walsh
Capper	Moore	Wheeler
Carville	Murdock	Wherry
Cordon	O'Daniel	White
Eastland	Overton	Wilson
George	Radcliffe	
Gerry	Reed	

NOT VOTING—26

Bailey	Fulbright	McKellar
Briggs	Gossett	Mitchell
Brooks	Green	Russell
Butler	Guffey	Stanfill
Capehart	Hatch	Vandenberg
Connally	Hayden	Wiley
Donnell	Hill	Willis
Ellender	La Follette	Young
Ferguson	Langer	

So Mr. PEPPER'S amendment was rejected.

Mr. MOORE. Mr. President, on behalf of myself and the Senator from Wyoming [Mr. O'MAHONEY], the Senator from New Mexico [Mr. HATCH], the Senator from Oklahoma [Mr. THOMAS], the Senator from Texas [Mr. O'DANIEL], the Senator from Mississippi [Mr. EASTLAND], the Senator from Kansas [Mr. REED], and the Senator from Arkansas [Mr. MCCLELLAN], I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 18, following paragraph (3) of subsection (d), it is proposed to insert a new paragraph, as follows:

(4) Price controls with respect to petroleum, and petroleum products processed or manufactured in whole or substantial part from petroleum, shall be removed not later than June 30, 1946.

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

Mr. MOORE. I yield.

Mr. BARKLEY. I again express the hope that the Senate will be willing to remain until consideration of this bill has been concluded. I do not know of more than one or two further amendments. I hope that the discussion of them will not be extensive. Of course, it is too late to carry out the program which I expressed hope earlier in the day of carrying out, namely, that we would complete consideration of the pending bill and then take up the calendar. It is obviously too late to do that, but I hope that Senators will remain until we have disposed of this bill.

The PRESIDING OFFICER. The amendment offered by the Senator from Oklahoma will be read.

The CHIEF CLERK. On page 18, after line 24, it is proposed to insert the following:

(4) Price controls with respect to petroleum, and petroleum products processed or manufactured in whole or substantial part from petroleum, shall be removed not later than June 30, 1946.

Mr. MOORE. Mr. President, it is not my intention to present any more facts than have already been presented with reference to the supply of crude oil and crude oil products. Such facts were presented yesterday by my colleague. He presented such facts in connection with his discussion of the amendment with reference to crude oil.

It is well known, and not disputed in any of the departments of government—the Army, the Navy, or even the OPA itself—that the supply of crude oil and of the products therefrom has been adequate, and that we now have a surplus in excess of the demands.

For the sake of the record I should like to state the daily average of production for the week ending June 8, 1946. The average was 4,895,000 barrels, and the estimated daily demand for the second quarter of this year is 4,710,000 barrels, which leaves a surplus over demand of 185,000 barrels.

The crude oil storage at the present time is 222,000,000 barrels. We have a productive capacity in excess of 5,000,000 barrels a day.

The products of crude oil today in storage amount to 94,146,000 barrels, as against 87,000,000 barrels last year, or an increase in storage over a year ago.

The total volume of products in storage at the present time is 187,000,000 barrels, as against 165,000,000 barrels a year ago, or an increase of 22,000,000 barrels.

I do not know of any reason in the world why, when the supply equals the demand, and production in the country is being curtailed because of a supply which exceeds the demand, price control should be maintained over petroleum and petroleum products; and therefore I hope that the amendment will be agreed to.

Mr. BARKLEY. Mr. President, the Senator would accomplish the same purpose which he has in view if, instead of adding a new paragraph to the bill he would simply insert the word "petroleum" in connection with the commodities which are to be decontrolled on the 3rd of June, including livestock, poultry, and dairy products. All he needs to do is to insert the word "petroleum", and his purpose will be served just as well as by adding a new paragraph. To do so would be in the interest of good draftsmanship.

Mr. MOORE. Mr. President, in reply to the Senator from Kentucky——

The PRESIDING OFFICER. Does the Senator from Oklahoma modify his amendment?

Mr. MOORE. No; I do not modify it. I do not agree that it shall be modified.

In the first instance, I drafted the amendment in the way which the Senator from Kentucky has suggested, and subsequently changed my mind, believing that I would prefer to offer the amendment as it has been drafted.

Mr. BARKLEY. As a matter of fact, there are two paragraphs in the bill dealing with the petroleum and items which could be taken care of in one paragraph.

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

Mr. MOORE. I yield.

Mr. REED. Mr. President, as one of the Members associated in the presentation of this amendment, I wish to say to the Senator from Oklahoma that I hope he will maintain his amendment as a separate and distinct paragraph in the bill. There may occur more or less argument whether decontrol should be applied to some of the items; but there could be no logical argument advanced for not taking control off petroleum and its products. Those of us who come from the petroleum-producing States have for months talked with the OPA and have been told that some day in the near future, 2 or 3 weeks, or 2 or 3 months or so, they would take control off petroleum.

The fact has not been disputed anywhere that in this country more petroleum is coming out of the ground every day than we are using. The OPA has stalled along, has deceived us, and almost, I might say, double-crossed us; and I hope that the amendment which has been offered by the Senator from Oklahome will be agreed to in the form of a separate paragraph to the bill.

Mr. O'MAHONEY. Mr. President, before the Senator from New Mexico [Mr. HATCH] left the Chamber as a member of the delegation of Senators which was appointed to attend the funeral of our late colleague, Senator Bankhead, he requested me to state for the RECORD that, as chairman of the Committee on Public Lands and Surveys, he is in entire accord with the amendment which has been offered by the Senator from Oklahoma. He is, of course, one of its supporters. Likewise, for myself, as chairman of the Special Senate Committee on Petroleum, I can say to the Senate that the evidence before that committee, like the evidence before the Committee on Public Lands and Surveys, indicates beyond any question whatsoever that we have a larger supply of crude oil at the present time than can be absorbed by the current demand. The controls should be lifted.

Mr. THOMAS of Oklahoma. Mr. President, yesterday I made some comment in favor of removing controls from petroleum. Of course, I am in favor of the pending amendment, and in support of what I have said I submit some data which show that at the present time we have an excess of supply in petroleum products. I ask that the table to which I have referred be printed in the RECORD at this point, as a part of my remarks.

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

Petroleum supply and productive capacity exceeds demand—Supply and demand for 1946 for all oils as reported by the U. S. Bureau of Mines

[Daily averages in barrels]

	First quarter (actual)	Second quarter (partly estimated)	Third quarter (estimated)	Fourth quarter (estimated)
Demand, all oils:				
Domestic (civilian and military)	4,860,000	4,710,000	4,710,000	4,800,000
Exports and shipments	400,000	490,000	510,000	430,000
Total demand	5,260,000	5,200,000	5,220,000	5,260,000
Supply, all oils:				
Production, domestic	4,910,000	4,690,000	4,910,000	4,870,000
Imports	360,000	360,000	360,000	360,000
Changes in stocks	+10,000	+150,000	+50,000	−30,000
Total supply	5,260,000	5,200,000	5,220,000	5,260,000

Source: U. S. Bureau of Mines release dated June 5, 1946.

Comparative stocks—Major petroleum products

	June 8, 1946	June 9, 1945	Increase
	Barrels	*Barrels*	*Barrels*
Gasoline	94,146,000	87,486,000	6,660,000
Kerosene	13,013,000	8,703,000	4,310,000
Distillate (light) fuel oils	33,958,000	30,176,000	3,782,000
Residual (heavy) fuel oils	45,938,000	39,376,000	6,562,000
Total of major products	187,055,000	165,741,000	21,314,000

Source: American Petroleum Institute.

Productive capacity: Crude petroleum production for the week ending June 8 averaged 4,895,650 barrels daily. Over 215,000 barrels daily in excess of current daily crude requirements reported by U. S. Bureau of Mines.

Refinery throughout is currently running between 90 and 95 percent of capacity.

Compiled by the Independent Petroleum Association of America, June 12, 1946.

Mr. MEAD obtained the floor.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAYBANK. To what amendment does the present discussion relate?

The PRESIDING OFFICER. The pending question is the amendment offered by the Senator from Oklahoma [Mr. MOORE].

Does the Senator from New York wish to speak before the amendment is voted upon?

Mr. MEAD. Mr. President, I wish to speak on the amendment which has been offered by my colleague, the junior Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MEAD. Mr. President, the bill in its present form is not at all a price control bill, but, as I see it, it is a bill to control the price controllers so that they may not control prices.

I believe that fact to be generally admitted on both sides of the aisle, and I shall vote against the bill in the form in which it has been amended. For that reason I wish to express my thoughts in connection with the matter, and my opinion as to what might result from the hasty action which we are asked to take this afternoon.

The issue of price control is one of the most important issues of our day. The decision which we make today will, I believe, determine whether we can make the transition from a wartime to a peacetime economy in an orderly manner and therefore to a stable, prosperous economy, or whether, as Chester Bowles has so aptly put it, we are to enter upon a period of boom and bust, a period of dizzy spiralling prices and frantic speculation, to be followed inevitably by collapse and depression.

It is difficult for me to conceive of any group so unaware of the facts that it could possibly ask for the elimination of price controls at this time.

The pressures on our economy are at the greatest peak in the history of the country. Tremendous backlogs of savings, high employment, unprecedented demand, coupled with shortages of goods, leave us sitting on the top of an economic powder keg. The removal of general price controls at this time would provide a spark that would blow the whole structure sky high.

One need not be an economist or a financial wizard to understand the simple truth, that when people have a lot of money with which to buy goods which they want, and too few goods are available, then there is a sellers' market. In a sellers' market prices invariably rise. Prices will then be forced upward, retailers will bid frantically against each other for inventories, manufacturers will fight for raw materials at any price, and the inevitable spiral of inflation will be off to a flying start.

We know, here in this country, what inflation and collapse can mean. The memory of what happened after the First World War is still green. Prices rose too rapidly after the last war. With these increases in general prices, the cost of living rose, which led to the demand on the part of labor for higher wages. This in turn led to strikes in many industries, including railroads, clothing, steel, and many other industries. In fact, the prices got so high that there was a general buyers' strike. This led to a depression which lasted for about a year in 1920–21. We do not want to repeat this experience.

The people of this Nation have not forgotten. They are deeply concerned. They are alarmed. Every poll, every town meeting, the mail we are receiving, all testify eloquently to this alarm. Why, then, is there any hesitancy whatever about extending the Price Control Act immediately, and without crippling

amendments? The answer is that certain powerful business groups, selfishly interested in their own immediate welfare rather than the welfare of the Nation as a whole, have launched an unprecedented campaign, backed by virtually unlimited funds, against the OPA and price control.

I believe that the membership of these large business groups is not wholly in accord with the policies of their leaders. Nowhere have I seen any poll taken by the leaders of these groups of their membership on the question of continuing price control. I suspect that these big business leaders are well aware of the possibility that such polls might not support them in their heedless attempt to unleash the whirlwind of inflation. On the other hand, such outstanding stores as R. H. Macy Co., the City Store Chain, and others, are strongly opposed to the elimination or crippling of price control. There are others in this class, and they are all to be commended.

Let us look at some of the charges these big business groups are making against price control. The one most frequently heard is that price control is hampering production, that if only price controls were removed there would be an immediate flood of goods on the market. As Chester Bowles has pointed out, the record clearly proves that this is not the case. During the war, industrial and farm production, under price control, rose fully five times as much as during World War I. Today, production is at the highest point ever achieved in peacetime. Rather than hindering production, price control has helped it by enabling manufacturers, wholesalers, and retailers accurately to estimate their costs of doing business. They are not being whipsawed in an inflationary situation where they cannot tell from one day to the next what their next shipment of goods will cost.

True, goods are short today. The unprecedented consumer demand, and the time necessary to make the change-over from a wartime to a peacetime economy, is responsible for that, not price control. It takes time to fill empty pipe lines. There is certain to be a period in which accumulated consumer demand cannot be met. Meanwhile, the only effect of removing price controls, or so weakening them as to make them inoperative, would be to shoot prices to blue-sky levels.

Another favorite charge of these big business groups is that OPA controls are keeping goods off the market. Goods are being kept off the market, but not because of OPA controls. They are being kept off the market deliberately, in some instances, by a small group of manufacturers who are hoping that controls will be removed and that they will then be able to write their own price ticket. They care little that veterans need the clothing and equipment they are hoarding. The quick extension of OPA with full powers would blast that hope, and these goods would rapidly reappear on the market. The longer we delay OPA's extension, the longer those goods will stay in hiding.

OPA, these prophets of doom tell us, does not permit manufacturers to make a profit. This statement simply has no basis in fact. Corporation profits are at an all-time peak, and with elimination of excess profit taxes, 1946 profits will soar even higher. Profits for 1945, before taxes, were $22,000,000,000, as compared with $5,300,000,000 for prewar 1939. The American people will find it hard to share in the torrent of crocodile tears these men are shedding for their lost profits.

Of all the inane charges hurled against the OPA, probably the weakest is that price control makes black markets. Black markets are the result of high demand and scarce goods. They exist in spite of OPA, not because of it. The answer to the black-market problem lies in an aroused public opinion and more funds for OPA enforcement, not in removing controls. To cure the black market by eliminating price control would be just like killing the patient in order to cure his disease.

Some contend that relaxation of price control would not mean inflation. Try to tell that to a disabled veteran living on a small pension. Try to tell that to a widow living off an insurance policy. Certainly there is nothing in the history of those items which have been removed from control which would lend support to this theory. In most cases prices have shot upward immediately?

What would happen to rents if rent controls were lifted? We know what has happened to commercial rents where there were no ceilings. Those rents in many communities have gone sky high, and have driven a lot of small businessmen out of business. Wherever ceilings were lifted on specific items, where shortages still existed, prices invariably rose, which placed a great burden on the consuming public. It is not hard to imagine what would happen to the prices of any of the necessary articles which are in short supply and in so great demand if the lid were taken off.

Still another highly emotional but utterly false charge is that price control is un-American, communistic, or socialistic. That, of course, is the same old red herring that is so frequently dragged out to confuse the issue and obscure the real aims of those making the charge.

Speaking now of those "patriots" who have charged that price control is un-American. It might interest them to know that during the Revolutionary War a number of the States put price controls into effect, and that George Washington himself on several occasions uttered vehement denunciations of black marketeers and profiteers. In a letter to John Jay, Washington said:

> A wagonload of money will scarcely purchase a wagonload of provisions. Unless that most infamous practice of raising prices of the necessaries of life can be stopped, it will be impossible for any funds to subsist the Army.

Black markets flourished then, too. Of these operators, General Washington wrote: "No punishment in my opinion is too great for the man who can build his greatness upon his country's ruin."

There are other charges, such as the contention that OPA ceilings are inflexible, that wage increases cannot be taken into account in fixing prices. These are patently false. Under the new wage-price regulations, manufacturers are assured of prompt adjustments wherever they are necessary to relieve hardship, whether resulting from wage increases or any other cause.

That OPA, through its cost-absorption policy, is trying to control profits, is another frequently heard complaint. The fact is that OPA has placed a floor under profits rather than to curb profits. Any businessman can get an adjustment in his prices if he can demonstrate that he is not making at least as much as his peacetime earnings. To guarantee to every businessman a profit on each and every phase of his operation, as is done by one of the amendments adopted in the House, would result in skyrocketing prices.

Of course, OPA has made some mistakes. There have been cases where injustices have occurred. Some items should have been decontrolled before this. In an operation of the magnitude of OPA it would be miraculous indeed if they did not make mistakes. But whenever one of these occasional instances does crop up, the critics immediately pounce on it, dress it up, and parade it in paid advertisements as a typical example of OPA bungling instead of the exception it actually is. They usually manage to mix a few vitamins of fact into their highly seasoned stew of falsifications in order to deceive all but the most experienced palates.

Many of these critics are honestly misguided; but some of them know what they are doing. They know, for instance, that to remove price control now would result in inflation, and that inflation in turn would lead to depression. But alarmed for their own secure position at the head of our economic life, they seem determined to pull the house down in the hope that, out of the resulting confusion, they can seize economic power again.

These men are now alarmed at the wave of public protest which followed the passage of restrictive amendments in the House; they know that the public is awake to the danger of weakening the Price Control Act, and they are now piously proclaiming that they were for price control all the time, that they only want to tag on a few amendments to make it work more efficiently.

But Mr. President, the amendments that have been tacked onto the bill in the Senate committee and on the Senate floor make the bill unworkable, and would make OPA inefficient. The American people will not be fooled by such deception. They know that OPA has worked and is working and they do not want it crippled or repealed until such time as supply and demand come into reasonable balance and the danger of inflation is passed.

The question now before us is whether we are to heed the voice of our farmers, our veterans, our housewives, our laborers, our little businessmen, and pass a just price control law, fair to them all, or whether we are to heed the voices of a few high-pressure business groups and

let loose the flood gates of disastrous inflation.

Mr. President, it is my opinion that the bill, unless it can be improved very materially—and I doubt whether that can happen—should receive the veto of the President. I hope it will. I hope it will come back to us and that we will attempt to perfect a workable bill, a bill which will really do justice to the economic situation that prevails at this time. We must choose between the Golden Rule and the rule of gold. There can be only one just decision, and that is the extension of a strong price control law.

Mr. President, I have said that the situation in the country was reaching the proportions of national alarm. I have here to prove that statement a great number of editorials. One is from the Washington Post, another from the Vindicator of Youngstown, Ohio, another from the Gazette of Charleston, W. Va., another from the Des Moines Register. All these editorials present very strong arguments for a real constructive, efficient OPA.

I have another editorial from the Tribune of Salt Lake City, Utah. Another is from the News of Springfield, Mass. One from the Tribune of Great Falls, Mont. Another from the Sacramento, Calif., Bee. One from the Star-Times of St. Louis, Mo. One from the Times of Watertown, N. Y. One from the Sun of Chicago, Ill. One from the Herald of Lexington, Ky. One from the Times-Picayune of New Orleans. Another from the Times of Louisville, Ky. One from the Louisville Courier-Journal, which is entitled "Actually Price Control Helps Production." Another from the News of Newark, N. J. Another from the Bulletin of Philadelphia, Pa.

I have selected these editorials from all over the country, particularly from conservative newspapers, and they all represent an appeal to the Congress for a workable price control bill. I fear, Mr. President, if we pass the bill which has been so emasculated by the Senate in the last few days, which has been so filled up with crippling amendments by the other body, and if the bill were to become law, or if any bill were to take the place of the present OPA law, that widespread ruinous inflation would follow, and the chaos which would result would be prolonged, and bring about great injury to our economy.

Mr. President, I think there will be an awakening immediately after our action tonight. There will be a demand coming from all over the country for the President to veto the legislation unless we take heed with respect to the situation and perfect the bill before it is too late.

As I said in the beginning of my remarks, Mr. President, I took the floor to explain that I could not vote for the pending bill; that I would vote for a reasonable measure, and that if the bill passes as it is now amended it will result in great harm to our economy.

I now ask unanimous consent that the editorials to which I have referred may be printed in the RECORD as a part of my remarks.

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

[From the Washington (D. C.) Post of June 10, 1946]

IRRESISTIBLE FORCE

The Senate cannot work both sides of the street here any more than it could on selective service. Either we have effective price control or we have inflation. We cannot expect rent control to work if other controls are allowed to evaporate and the consequent spiral of price and wage increases to intensify. There is only one answer satisfactory to the great majority of fixed-income Americans who must pay the bills. A vote to emasculate the other portions of the OPA would knock rent control into a cocked hat. It would be a vote against the people.

[From the Youngstown Vindicator of May 1, 1946]

BUSINESS SEES THE LIGHT

Against the foolish proposal of the National Association of Manufacturers to end price control next month, and the more moderate but also ill-considered plan of the United States Chamber of Commerce to terminate the OPA's major powers next October, Eric Johnston, the chamber's president, yesterday warned the chamber in its annual convention that to end the OPA in the immediate future would put American business in the "national doghouse."

[From the Charleston (W. Va.) Gazette of May 6, 1946]

HAMSTRINGING THE OPA

The issue is plainly whether Congress shall serve the interests of the people or the interests of the National Association of Manufacturers.

* * * * *

The people know that the OPA has been the only bulwark against runaway inflation. They know that if restrictions were lifted prices would soar overnight, ruinous prices that would trail disaster in their wake. Now they are putting up a loud and sustained howl that the Senate save the OPA.

* * * * *

Not from the housewife, not from the renter, not from the head of the family who pays the bills, not from the retailer who is close to the people. If they got it anywhere it was from the rent hogs, the rapacious large interests who see a chance to gouge the consumers outrageously, the crooked speculators who want to make a quick killing.

[From the Des Moines (Iowa) Register of May 6, 1946]

THE HOUSE BILL GOES TOO FAR

In normal times, no businessman makes a profit on every item. Perhaps he is installing new equipment; perhaps he is meeting competition; perhaps he is promoting a line of goods. Moreover only 15 percent of American companies even have cost-accounting systems whose results can be checked. Thus the House bill would mean, in practice, self-pricing for about 85 percent of all firms.

Under this self-pricing amendment, the only check on what is the cost of production and what is a reasonable profit is the authority of OPA to sue in court. But there are millions of items and hundreds of thousands of businesses! And court processes are slow. Policing would obviously be an impossible task.

[From the Salt Lake City Tribune of May 6, 1946]

MANY BUSINESS LEADERS FAVOR PRICE CONTROL

Other financiers and businessmen are planning to sound similar warnings, but the more they do to awaken the people to an impending peril of inflation the more vociferous and energetic the opponents of price control become. They have hired radio commentators, purchased publications, issued pamphlets and sent missionaries over the Republic to convince people that consumers' interests are safe with the profiteers who hope to confine price control to the judgment of their own experts.

[From the Springfield (Mass.) News of May 7, 1946]

BUSINESS RALLIES TO SUPPORT OF OPA

NAM advertising has carried a subtle appeal by maintaining butter and juicy roasts will be available to the public if price controls are thrown out the window. What NAM neglects to add is what butter and juicy roasts will cost with price controls abandoned. Actually, black-market prices might seem small by comparison.

* * * * *

The callous greed of the elements, which hope to overthrow price control, is an interesting commentary upon the indifference with with many segments of the national life view the welfare of the public and the Nation's economy.

[From the Great Falls (Mont.) Tribune of May 9, 1946]

REACTION TO REACTION

When Edward O'Neal, president of the Farm Bureau Federation, and Albert Goss, master of the National Grange, are willing to join with those who believe the House of Representatives went too far in trying to scrap the OPA, it is pretty good proof that the House misjudged public sentiment.

* * * * *

David Lawrence, who has long been regarded as an able spokesman for the conservative—though by no means always reactionary—viewpoint, remarks in the current issue of the United States News that an end to controls would lead to conditions far worse—"to a boom, a bust and then an inevitable demand for a super-new deal. Will it be moderate controls today or severe and extreme controls for everything 5 years hence?" Mr. Lawrence asks.

The Senate has heard a lot about that "boom-and-bust" apprehension and there is good reason to hope that it will not be ignored.

[From the Sacramento (Calif.) Bee of May 14, 1946]

WHAT HARDSHIP?

If the case of the OPA is to rest on the question of hardship, then the real hardship would come if all price controls were removed now—first to the consumer, then to everyone, as the spiral of inflation zoomed upward toward the big bust.

[From the St. Louis (Mo.) Star-Times of May 16, 1946]

NO COMPROMISE ON OPA

The wave of public indignation which swept the country following the House's amending orgy 4 weeks ago has had time to subside a bit. Meanwhile, the National Association of Manufacturers and other anti-price-control lobbyists have been busily organizing a counterattack.

* * * * *

Anything but a clear-cut extension of the powers of OPA will be so demoralizing to OPA personnel and the public generally that whatever controls remain will be little better than no controls at all.

Senators should be reminded again that the people are counting on them to stand firm against the House amendments.

[From the Watertown (N. Y.) Times of May 22, 1946]

LET BOWLES RUN PRICE CONTROL

Chester Bowles is not popular among the inflationists and the pressure groups which are trying to end price control in this country. That is because they cannot move him an inch. But Bowles, for this very reason, has the confidence of the great mass of the American people. They want price control and they want Bowles to operate it.

We hope the influence of Senator WAGNER, chairman of the Banking Committee, and a proved friend of price control, will be exerted to keep price control in the hands of Bowles and out of the hands of Anderson.

[From the Chicago (Ill.) Sun of May 22, 1946]

NO STRAIT-JACKET FOR OPA

It is always bad legislation to write into law detailed decisions which lie within the proper sphere of administrative discretion. * * * The responsibility of Congress is to decide whether we are to have control, for how long, and under what broad lines of policy. Congress exceeds these bounds whenever it directly or indirectly exempts certain interests, sets up elaborate formulas for decontrol, or imposes rigid procedures.

* * * * *

If the OPA is told to do its work while wrapped in a strait-jacket, it might as well be told to go out of business altogether.

[From the Lexington (Ky.) Herald of May 24, 1946]

THE LAST STAND

It is almost impossible by legislation to determine in advance wher the emergency will cease and exactly what will be needed to meet it, but the fact is apparent that the land stand is now being made by the American people to hold the line against inflation.

* * * * *

Another thing to remember is that last June the crises that are now developing all occurred the same way in the effort to kill OPA.

[From the New Orleans (La.) Times-Picayune of May 27, 1946]

REVISING THE OPA

The Senate committee could do the country a great service by voting to continue the OPA a year as an antiprofiteering agency, directing it to wind up its price-control and subsidy spending according to an agreed schedule within that time.

But when it undertakes to disperse control authority and state in detail what formulas the OPA shall use to effect controls within the remaining year of its allotted life, it is inviting a great breakdown of all control.

[From the Louisville (Ky.) Times of May 27, 1946]

EVERYONE MUST EAT

The committee's action strikes hardest at low-income families already struggling to buy groceries. So far as they are concerned, Senator TAYLOR, Idaho, does not exaggerate when he says it has "killed price control."

[From the Louisville (Ky.) Courier-Journal of June 2, 1946]

ACTUALLY PRICE CONTROL HELPS PRODUCTION

What the Senate's Banking Committee has done, by adding inflationary amendments to the price-control bill, is to stir anew the force which has been more effective than any other in the last 5 months in preventing even higher production—the force, this is, of industrial unrest and strikes over wage demands supported by increases in costs of living.

* * * * *

Price control actually helps production, under present circumstances, rather than the contrary result of the political theory. It keeps costs steady and predictable. It prevents hoarding of supplies and parts. It protects markets by preventing buyers' strikes against inflated prices. (How many will pay $1 a pound for butter?)

[From the Newark (N. J.) News of June 4, 1946]

PRICES AND STRIKES

The administration believes that sustained production is the best offset to inflation. Until sustained production is achieved, prices must be controlled. That is the basic argument for continuation of OPA.

* * * * *

There isn't much question that if OPA were removed tomorrow a vast flood of goods would be released for sale. But at what prices?

* * * * *

It is impossible to believe that the organized fight against OPA—intensive, bitter, and well financed—is motivated from altruism, or that all this impassioned campaign has no other purpose than the shaving off of a quick 3 months' profit, after which prices will come down.

[From the Philadelphia (Pa.) Bulletin of June 7, 1946]

IGNORING THE CONSUMER

Stabilization Chief Bowles terms the Senate committee version of the bill a "joy ride to inflation." It may be just that. The effect would be to lift the prices of necessities, as well as luxuries, to the point where any gains resulting from recent wage increases would be wiped out.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Oklahoma [Mr. MOORE].

The amendment was agreed to.

Mr. CORDON. Mr. President, is there an amendment now pending?

The PRESIDING OFFICER. There is no amendment pending.

Mr. CORDON. On behalf of my colleague, Mr. MORSE, and myself, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 39, after line 8, it is proposed to insert the following new section:

"SEC. —. Section 205 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsection:

"'(h) There shall be created in each county or political subdivision corresponding thereto in each State and Territory and the District of Columbia one or more local price-control boards to aid in the administration and enforcement of this act. Each such local board shall consist of three or more members appointed by the Administrator from among the residents of the county or political subdivision in which such board has jurisdiction upon recommendation of the respective governors or comparable executive officials. Such local boards, under rules and regulations prescribed by the Administrator, shall have power within their respective jurisdictions to investigate alleged violations of this act, or regulations, orders, or price schedules prescribed thereunder. Notwithstanding any other provision of this act, the Administrator shall not institute any action under this section with respect to any such violation by any seller of goods at retail or any retail service establishment unless the institution of such action has been recommended by the local price control board within the jurisdiction of which the violation occurred, and no such action shall be instituted for the imposition of any greater penalty or for the recovery of any greater sum than that recommended by such board. No such board shall recommend the institution of such an action unless the person charged with the violation has been given an opportunity to be heard before the board. The board may propose a settlement in the case of any such violation, and upon the acceptance of the proposal by the person charged with the violation and his compliance with its terms, he shall not be subject to any further liability with respect to such violation.'"

Mr. CORDON. Mr. President, the most glaring failure made by the Office of Price Administration in the administration of the Price Control Act has been in the field of enforcement. During the last 3 years from time to time Members of the Senate have arisen on the floor to protest action taken by the agents of the Office of Price Administration and the strong arm methods which have been practiced in connection with the alleged enforcement of price control.

Mr. President, this amendment does not extend to any group except the retailers, who perhaps more than any others have honestly and faithfully tried to abide by the prices set by OPA. Heretofore the law has provided that the penalty for violation of prices was either three times the amount of the overcharges or $25, which ever was greater. In the enforcement of price control through the courts the persons charged have had an opportunity to be heard. They have been called into court and have been given their day in court. But, Mr. President, for every prosecution handled in the courts there have been literally thousands of cases in which collections have been made from the alleged violators without any court action whatever.

I dislike to take the time of the Senate at this late hour, but I believe that 90 percent of the complaints which have been heard over the United States in connection with the administration of the Price Control Act have resulted from the activities of untrained individuals in the field who have forced payments by threats of prosecution in cases of the most minor violations. The situation became so acute out in the State of Oregon that I took occasion to look into the matter and determine just what the practice was. During a period of less than a month I received 65 or 70 telegrams from two areas. Those telegrams were not directed at price control. They were not directed at the orderly procedure of enforcement. They were directed at what was termed the gestapo action of field representatives in haling the small retailer before a price panel and there threatening him with prosecution and so forcing him to a settlement.

It is readily understandable, Mr. President, that the average individual called into court for a minor violation and

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given an opportunity to pay $25 or $50 would immediately determine that it was to his best interest to make the payment, even though he were innocent, because he could not get an ordinary defense in court for that amount of money. He would be faced with the choice of either paying the required amount or paying more than that and going to the additional trouble and expense of actual trial.

When these telegrams arrived it was clear that there was something more than a simple complaint at enforcement. When I received a letter from an individual outlining what had happened it seemed to me that it was time to determine just what the facts were.

On January 15 of this year, with this flood of telegrams, I received a letter which I shall read to the Senate because it typifies what is happening. Then I shall follow it with a brief statement as to the facts in that case, and I shall document it from OPA itself. The letter is as follows:

CAMPUS SUPER MARKET,
Corvallis, Oreg., January 15, 1946.

Hon. GUY CORDON,
United States Senate Building,
Washington, D. C.

DEAR GUY: You will remember me from the 15 years I spent in Riddle in the general store.

This letter comes from Corvallis, Oreg., and the reference is to a small town near my home in Oregon.

I continue the quotation:

I just got handed a $50 fine by OPA which I have not paid yet but expect I will tomorrow, likely.

A checker spent 4 hours in my place. He charged me with nine items alleging I was over ceiling.

I dug out invoices and other evidence and took it to OPA. What it all boiled down to was this: I had an error in computation on C. H. B. catsup and was 1 cent bottle high. Other than that no merchandise was sold over ceiling and of that less than four cases.

This is the truth as near as I know it.

This store does about $200,000 a year.

I cannot help some errors creeping in both ways, for while turn-over of help was terrific and I had to hire people that never worked in a store.

Up to lately OPA seemed to be as helpful as they could and I have honestly tried to give them my fullest cooperation. Now they seem to be out for penalties.

GUY, that fine was never coming to me. I could send you copy of the charges and my reply to same. GUY, this is not America. OPA has made mistakes and put too high prices on the community ceiling at times that I can point out to you—prices that I never did charge.

Why is it that I cannot work with my Government as best I can and they with me, each knowing the other is human and liable to error?

They are penalizing many and I am utterly convinced that 98 percent are honestly trying to cooperate to the best of their ability.

Woody Jones, whom you may know, a 28-year-old veteran, and I believe a splendid boy, wanted me to take an interest with him and buy the Lebanon Food. I planned to do it but I am writing him what happened to me and telling him not at this time.

I canceled an order for a new frozen-food cabinet for I do not know if I want to continue or not. I am 55 years old and have followed this business all my life. I love it.

Nothing like this ever happened to me before.

Is this Germany?

My attorney told me when I showed him the charges if I wanted to fight it not to answer, and he figured I could beat it.

He said, though, this was a time of expediency and the smart thing to do was to pay.

I told him they were a part of my Government, or should be, and were entitled to the truth as I knew it. I gave it to them and got the $50 penalty.

It is really a terrible thing.

FRANK BRADSTREET.

When that letter arrived I sent it to the Office of Price Administration and asked them to comment on it and give me the facts. I received a letter from the chief enforcement officer attempting to justify it. I ask unanimous consent at this time to place that letter in the RECORD. Then I shall continue with my documentation.

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

MARCH 6, 1946.

The Honorable GUY CORDON,
United States Senate,
Washington, D. C.

DEAR SENATOR CORDON: This is in further reference to Mr. Frank Bradstreet of Corvallis, Oreg.

We have received a report from our Portland, Oreg., office which I believe accurately reflects what actually occurred in this matter. I quote:

"The files of Frank Bradstreet, d. b. a. Campus Super Market, 2007 Monroe Street, Corvallis, Oreg., discloses that he was examined on October 31, 1945, by O. G. Rosenlund, an investigator of the Portland district office. Mr. Rosenlund is an investigator far above the average who has been in the grocery business all his life. He is conscientious, sincere, and extremely accurate. We believe he is one of the best operators we have in the office.

"His investigation covered a check of 20 items, of which 9 were found to be over the ceiling, one for 4 cents, 2 for 2 cents, and the balance for 1 cent. All of them were ordinary staple commodities. His report was sent to the local panel for hearing and the minutes of their hearing show that Mr. Bradstreet admitted that he had in his employ an elderly man who had been making a number of mistakes, and that he had found the goods had been put upon the shelf wrongly marked without his noticing it. In a letter to the board he admitted, 'I realize that errors have occurred from time to time and can only say that they were errors in facts and as soon as discovered, many times by me on check, they were properly corrected.'

"As a result of their investigation, the local panel assessed an administrator's claim in the amount of $50 which Mr. Bradstreet has paid. All proceedings apparently were conducted in due form and Mr. Bradstreet was given every opportunity to present his side of the matter.

"In view of the record of extreme reliability of Mr. Rosenlund's work and the finding of the Corvallis price panel, Mr. Bradstreet's contention that he had only one error of 1 cent cannot be supported."

I should like to point out that the report shows that the OPA district office after conducting the investigation turned the investigator's findings over to the local price panel for their consideration. It was the price panel who after conference with Mr. Bradstreet and consideration of the facts before it decided that he had violated and that an administrator's claim should be asserted and settled for $50. Mr. Bradstreet, of course, could have refused to settle and could have contested the claim in court at such time as suit might have been brought on account of the violations.

Price panels, as you know, are composed of representative local citizens, who serve without pay and are familiar with local problems. These panels have been delegated authority to confer with retailers regarding alleged overcharges, to negotiate voluntary settlements of the Government's claim on account of overcharges, and to recommend to the OPA district offices acceptance of such settlements.

I am pleased to make this report to you.

Sincerely,

HERMAN A. GREENBERG,
Director, Food Enforcement Division.

Mr. CORDON. I then telegraphed the regional representative of OPA in Portland, Oreg., and asked him to advise me as to what the facts were in that case. I wish to read the answer, because it is a part of the case. The enforcement officer inquired about the facts, and the following letter came back:

OFFICE OF PRICE ADMINISTRATION,
Portland, Oreg., March 27, 1946.

Memorandum to: Mr. Lewis J. Bronaugh, district price board executive.

From: Frances V. Dobyns, docket control supervisor.

Subject: Campus Super Market, Corvallis, Oreg.

In compliance with your memorandum requesting the minutes of hearing of subject case, we submit the following:

Copies, T-805, dated December 5, 1945.

Minutes of hearing, dated December 13, 1945.

Minutes of hearing, dated January 10, 1946.

Letter to Mr. Bradstreet, dated January 11, 1946.

This case resulted from a district office investigation which was made October 31, 1945 in which 20 items were checked. Nine were found in price violation, which is 45 percent of the items checked.

Mr. Bradstreet had once before been called before the board, to discuss with them the alleged minor violations found in the June 1945 meat check. The case was dismissed at that time.

OFFICE OF PRICE ADMINISTRATION,
WAR PRICE AND RATIONING BOARD 85.2.1,
Corvallis, Oreg., December 5, 1945.

CAMPUS SUPER MARKET,
2007 Monroe Street, City.

DEAR MR. BRADSTREET: You are requested to appear before the price panel of your local War Price and Rationing Board at Courthouse, Corvallis, Oreg., at 8:30 p. m. on Thursday, December 13, 1945. We would like to discuss with you the selling prices and methods of making ceiling prices known to your customers for the following items:

Orange juice (Fargo): Selling price, 24 cents; ceiling price, 31 cents.

Prune juice (Lakeshore): Selling price, 33 cents; ceiling price, 31 cents.

S & W sliced beets: Selling price, 17 cents; ceiling price, 16 cents.

Tomatoes, peeled (C. H. B.): Selling price, 25 cents; ceiling price, 24 cents.

Catsup (C. H. B.): Selling price, 23 cents; ceiling price, 22 cents.

Chili con carne (Dennison): Selling price, 28 cents; ceiling price, 24 cents.

Waffle mix (Duff): Selling price, 29 cents; ceiling price, 27 cents.

Peanut butter (Hoody): Selling price, 59 cents; ceiling price, 58 cents.

Asparagus (Hunt) spears, colossal: Selling price, 53 cents; ceiling price, 52 cents.

Please bring with you all information necessary to demonstrate to your price panel the method you used for figuring out your ceiling prices on these items, and also invoices covering your most recent purchases of these items.

Very truly yours,

H. B., *Price Clerk.*

Thereafter Mr. Bradstreet came before the board and presented the following written statement with reference to each of those alleged violations:

CAMPUS SUPER MARKET,
Corvallis, Oreg., December 18, 1945.

WAR PRICE AND RATIONING BOARD 85.2.1,
Corvallis, Oreg.

GENTLEMEN: At your direction, I appeared before the price panel of the local War Price and Rationing Board in the Courthouse, Corvallis, Oreg., on Thursday evening, December 13, 1945, at 8:30 p. m. I was directed to appear at that time and place in a letter dated December 5, 1945, wherein certain alleged violations of the price ceiling on my part were set forth. The alleged violations are as follows:

Orange juice (Fargo): Selling price, 24 cents; ceiling price, 23 cents.

Prune juice (Lakeshore): Selling price, 33 cents; ceiling price, 31 cents.

S & W sliced beets: Selling price, 17 cents; ceiling price, 16 cents.

Tomatoes, peeled (C. H. B.): Selling price, 25 cents; ceiling price, 24 cents.

Catsup (C. H. B.): Selling price, 23 cents; ceiling price, 22 cents.

Chili con carne (Dennison's): Selling price, 28 cents; ceiling price, 24 cents.

Waffle mix (Duff's): Selling price, 29 cents; ceiling price, 27 cents.

Peanut butter (Hoody): Selling price, 59 cents; ceiling price, 58 cents.

Asparagus (Hunt), spears Colossal: Selling price, 53 cents; ceiling price, 52 cents.

Discussing these items in the order in which they are set forth in said letter, I desire to state the following:

1. Fargo orange juice: It is my contention that the price clerk is in error in determining the ceiling price to be 23 cents. The cost of this juice f. o. b. my store is $4.49 per case. I am allowed a mark-up of $1.26, and as I compute it the correct ceiling price on this item is 24 cents.

2. Lakeshore prune juice: This item was delivered to my store on the 19th day of October 1945. It had been out of stock for some time due to inability to obtain. It cost $2.90 per dozen; the mark-up is $1.26. The correct ceiling price is 30 cents per bottle, the marked price of 33 cents was in error, and none had been sold because we counted it when we changed the price.

3. S & W sliced beets: It is my contention that my ceiling price of 17 cents per can is correct. These beets cost me $3.03 per case f. o. b. my store, and I am entitled to a mark-up of $1.31, which, as I compute it, figures a ceiling price of 17 cents per can. Regarding items 1 and 3: In all due respect to the gentleman who checked these items in my store, I wish to state that I personally gave him the cost as marked on the cases on the Fargo orange juice and S & W sliced beets. Whoever put the cost on these items was in error because the prices as herein set forth were taken directly from the invoices.

4. C. H. B. peeled tomatoes: In the short time allotted to me I have been unable to locate my invoices on this item and have been unable to get the price from the local wholesaler. It is my firm conviction that the price of 25 cents per can as marked was correct. The last invoice which I was able to locate for these tomatoes when computed, arrived at a ceiling price of 23 cents per can rather than the 24 cents ceiling price indicated in your letter of December 5. I immediately priced these tomatoes at 23 cents per can.

5. C. H. B. catsup: According to my present calculations, the ceiling price of 22 cents per bottle is correct and our ceiling price was in error. I have checked my invoices and I am satisfied that not more than four cases of 24 bottles per case were sold at the 23 cents price.

6. Chili con carne (Dennison's): My contention here is that my ceiling price is correct. This chili con carne cost me $5.48 per case f. o. b., my store. I am entitled to a mark-up of $1.21, making the correct ceiling price 28 cents.

7. Duff waffle mix: The 27 cents ceiling price indicated is correct. This item was on the shelves adjacent to three other Duff mixes that I carried, all of which should sell for the same price. The price marked was clearly in error but none of this waffle mix had been sold at the erroneous ceiling price.

8. Hoody peanut butter: This brand of peanut butter comes in two compositions, one creamy and the other crunchy. They were on the shelf side by side and should have been marked at the same ceiling price. However, through an error, one of the items was priced at 59 cents and the other at the correct ceiling price of 58 cents. None of this peanut butter priced at 59 cents per jar was sold at 59 cents.

Regarding items 7 and 8: I have learned from the checkers at the counter that they knew the shelvers had made an error on the marked price of these two items. They were selling them at the correct ceiling price of 27 cents and 58 cents respectively, and were disregarding the prices marked.

9. Hunt asparagus: This asparagus cost me $9.73 per case, f. o. b. my store. I am entitled to a mark-up of $1.31, making the correct ceiling price 53 cents.

I desire to repeat my representations made to the panel board at its meeting Thursday evening, December 13, 1945: In the first place, prior to October 1945, I was in partnership with Mrs. Marion Trafton and because of the ill health of the members of her family it was necessary for her to return to California and I took over her interest in the Campus Super Market. The result has been that I have simply had more work than I have been able to do and some of the details have escaped my attention. I did rely, to a considerable extent, for my pricing, on the services of a man well advanced in years whose services were not too satisfactory but were the best obtainable under the circumstances.

I am convinced that I have more than 2,000 items in my store under price regulations. I have tried my very best to comply with all regulations and will continue to do so. I realize that errors have occurred from time to time and I can only say that they were errors in facts and as soon as they were discovered, many times by our own check, they were promptly corrected.

In one recent month, 15 different people were on our pay roll, some of whom had never worked in a grocery store. Labor turnover has been terrific. I think it will be better from now on.

As I have pointed out in the foregoing letter on four of the alleged nine violations, we were correct in our ceilings and the price clerk was in error. We are satisfied that we were correct on the peeled tomatoes but at this time are unable to substantiate that fact definitely. I found an invoice of Ball tomatoes at $4.87 per case and I recall buying the CHB tomatoes just about that time, and thinking that the price of both were terrible. I shall inquire from more jobbers about this item and see if I can develop further information. The other four items were simply priced in error, not by me, but by my help. The catsup and prune juice represented simply were errors in calculation.

We are satisfied, based upon a careful investigation of our invoices and inventory that the overcharge on account of the alleged violations of the ceiling prices did not exceed $1 in the aggregate.

Sometime back, we were selling C. H. B. catsup for 20 cents per bottle. The particular jobber we were buying it of ran out of stock, and we had to obtain it from a jobber who got a price of $3.96 per case. Whoever figured that item, erroneously figured the ceiling price at 23 cents per bottle. I found invoices for four cases at this price. Not all of it had been sold when your checker discovered the error.

Perhaps, more than most folk now in business, I hope the program of OPA will be successful. I am one of those who sold sugar that cost more than 27 cents per pound for 8 cents per pound. Lard that cost me 40 cents per pound, I sold for 16 cents. This happened in the merchandise panic of 1920. I have no desire that such losses be repeated. Nothing has ever left my store marked above ceiling price, except by uncontrollable error. It never will. I shall work with OPA to the best of my ability, as long as I am in business.

Yours very truly,
CAMPUS SUPER MARKET,
By FRANK BRADSTREET, *Owner.*

After he has shown that of the violations alleged only one represented the pricing of an item which had been sold, and that that was less than four cases of catsup in respect to which the overcharge had been 1 cent a bottle, according to the minutes of the meeting, the following action was had:

FORM DO-3—MINUTES OF HEARING

District docket No. P-132. Date of hearing, December 13, 1945. Firm name, Campus Super Market. Board No. 85.2.1. Street address, 2007 Monroe Street. Time, 8:30 p. m. Owner, Frank Bradstreet.

(NOTE.—If partnership, list all partners; if corporation, list principal officers and State in which incorporated.)

Persons present: George King, board supervisor; M. L. Reese, panel chairman; Jay Mill, panel member; E. L. Forsyth, panel member; H. W. Cameron, panel member.

Details of hearing: Mr. Reese opened the meeting and explained the operation of the board to Mr. Frank Bradstreet as this was his first appearance before the board. Mr. Bradstreet uses the percentage mark-up only after he has thoroughly checked the community ceiling price list. He seemed very sincere and had most of his invoices with him. Explaining peanut butter, few jars were marked 59 cents, most marked 58 cents, he couldn't explain this and claims none were sold for 59 cents. Duff's Waffle Mix, one kind was marked 29 cents and the other three kinds marked 27 cents, always sold for 27 cents. He recently had to release from his employ an elderly man who he has had with him for a number of years. He stated since he lost his son overseas he has been making a number of mistakes. He felt he was right on some of items and the others they had been marked wrong and placed on the shelf without his noticing them. He went into a very lengthy discussion on the difference in the wholesaler's prices and for instance he stated they varied as much as $2 a case on tuna.

Conclusion of panel: Given T-806, retailer's compliance statement and asked to fill out as a self audit, and to check all items he has overcharged on and give the approximate number of items, audit to be from July 1944 and returned to this office by the 18 of December 1945.

Prepared by:

H. B., *Price Clerk.*

FORM DO-3—MINUTES OF HEARING

District docket No. P-132. Board No. 85.2.1. Firm name, Campus Super Market. Date of hearing, January 10, 1946. Street address, 2007 Monroe Street. Time, 7:30 p. m. Owner, Frank Bradstreet.

(NOTE.—If partnership, list all partners; if corporation, list principal officers and State in which incorporated.)

Persons present: M. L. Leese, price panel chairman; E. L. Forsyth, price panel member; Jay Mill, price panel member; Hazel Blanchard, price clerk; Donna Malstrom, price clerk.

Details of hearing: The board reviewed the letter submitted by Mr. Bradstreet as he had been advised by his attorney not to sign the T-806, Retailer's Compliance Statement. All the present board members had been present at the time when Mr. Bradstreet was personally interviewed and it was the general opinion of the board that he should be given an administrator's claim in the amount of $50.

Conclusion of panel: The clerk was instructed to notify Mr. Bradstreet that he was to settle an administrator's claim in the amount of $50. This remittance to be returned to this office not later than January 14, 1946.

Prepared by:

H. B., *Price Clerk.*

OFFICE OF PRICE ADMINISTRATION,
Corvallis, Oreg., January 11, 1946.

Mr. FRANK BRADSTREET,
Campus Super Market,
Corvallis, Oreg.

DEAR MR. BRADSTREET: At the meeting of the price panel last night they reviewed the letter you submitted to this office explaining apparent overcharges on Fargo orange juice, Lakeshore prune juice, S. & W. sliced beets, CHB peeled tomatoes, CHB catsup, Dennison's chili con carne, Duff's waffle mix, Hoody peanut butter, and Hunt's asparagus spears. After careful consideration of the evidence, it is the opinion of the board that you be asked to settle an administrator's claim in the amount of $50.

This remittance is to be made in the form of a certified check, cashier's check, or postal money order made payable to the Treasurer of the United States. If it was possible for you to know of each person who purchased these articles at above the ceiling price, there is a provision whereby you could make refunds to them. But inasmuch as there is no way that these consumers can be determined, it is provided that the United States Treasury be made the recipient so that in some way we all will benefit by this settlement.

We would appreciate it if we could receive your check, or your answer, by Monday, January 14, 1946, in order that we can inform our district office as to the disposition of this case.

Very truly yours,

HAZEL BLANCHARD,
Chief Price Clerk, 85.2.1.

Mr. President, that is the OPA's way of saying that they forced him to pay $50.

This case is a sample of how the enforcement, so-called, has been made in the field. The charges here represent allegations of overcharges, none of which was more than 3 cents on any item. There were nine alleged overcharges, and the checker spent over 4 hours in that little grocery store trying to find an overcharge. The total amount of overcharges shown and admitted represented in money less than $1. This man, Frank Bradstreet, paid his $50. That was one case.

Mr. President, I should like to refer to one other case, and then I shall not detain the Senate by going into the others. The other case to which I wish to refer is that of Mr. Grant Pyatt, of Corvallis, Oreg. I read his letter showing his trouble:

GRANT'S QUALITY MEATS,
Corvallis, Oreg., April 20, 1946.

Mr. M. E. WOODCOCK,
Commander, Corvallis Post No. 11,
American Legion, Corvallis, Oreg.

DEAR MR. WOODCOCK: Re our recent conversation, I enlisted in the Marine Corps during September of 1942. I hired my retail meat-market manager to take charge of the business while I was in the service. He followed OPA regulations to the very best of his ability.

OPA determines the retail-price ceilings in food stores by classifying them into groups. Groups 1 and 2, and groups 3 and 4. A merchant operating under groups 1 and 2 ceilings can get more for his merchandise than a retailer who is operating under groups 3 and 4. These groups are determined by the volume of sales. Any store or retail meat market doing less than $250,000 per year is classified as a group 1 or 2 market or store. Over that volume, the independent merchant is in group 4.

Since our volume ranges between $65,000 and $75,000 per year, my manager naturally assumed that we were to be in group 2. He sold our meat at group 2 prices, and when I returned from the service on April 1, 1945, I continued to sell at group 2 prices. As the owner of this market, I assumed complete charge from that date on.

On or about July 5, 1945, an OPA checker came into our market. He was from the main office of OPA for this territory. After a routine check, he informed me that my market should be in group 4, because we were in the same building with a grocery store. I told him that I was not aware of this ruling, and at his suggestion, I called our local price panel to find out. They informed me that they knew of no such ruling, and they thought that we were correct by being in group 2. Acting on the suggestion of the local board, I wrote to the OPA district office at Portland, and went along, selling meat at group 2 prices, pending an answer from the Portland office, for the checker had not told me to change. He said that he thought I was in the wrong group.

On or about July 30, 1945, I was asked to pay $750 to the Portland office, to avoid an OPA suit of treble damages, which was explained to me as quite likely to run $10,000 or more. A few days later I receivd a telephone call from the Portland OPA office asking me if I were going to pay the $750. I told him that I could not afford it, having recently been discharged from the service and just getting started again. He asked me if I could stand $500. When I told him I could not, he wanted to know what I could pay. We finally agreed on $150. On file I have a release from this damage suit sent to me after the OPA office had received my check for $150. I have been forced to sell at group 4 prices ever since.

Now, I feel that the provision of MPR 336 and 355, which I violated, is unfair and unjust. My business is entirely independently owned, and I believe that I should enjoy group 2 prices as well as any other meat retailer doing the same amount of business. It is not fair that I should be forced to sell my merchandise at approximately 7 percent less than my competitors, just because I happen to be in the same building with another business.

I also resent paying the $150 refund on the so-called "overcharges." Since the OPA checker was not sure of my proper group, and the local OPA board did not know, I think a warning would have been sufficient, especially since I am penalized by being placed in group 4 with less profit. My discharge pay was $200, and I hated to spend $150 of it that fast and in that manner.

Very truly yours,

GRANT PYATT.

Mr. President, I have given two examples of what is taking place on the retail store level. It is not prosecution; it is a species of persecution verging on black markets.

Mr. President, I can understand that the OPA has been faced with great difficulty in trying to enforce price regulations. I do not believe that they could ever be enforced. I can understand, also, that the OPA has been compelled to accept many untrained persons in making up its personnel. However, I examined the rules and regulations of the OPA which govern their price panel channels, and if the price panel does what it is directed to do, as it did in the case which I have cited, it is no longer subject to criticism. Instead, the criticism should be directed to the highest level. The price control panel in this case had no other alternative to follow than the course which it followed.

Among other things, Mr. President, I may say that a price control panel, as it is set up at the moment, cannot make any decision; it can only recommend a decision, and the final decision must be made by the boss of the man who made the investigation and filed the charges. The result, in substance, is, Mr. President, that, first, there is a sleuth who, having unearthed what he claims to be a violation, enters the picture as a prosecutor, files his complaint, and acts as a judge and as a jury, and finally executes the sentence. It is all done without recourse to law. It is all done under rules and regulations with no opportunity being afforded the defendant to be heard in his own defense under the ordinary rules of trial practice. It is true that a man may plead his case. But the panel is instructed, in that event, to go far beyond the charges. The rules and regulations provide that the panel shall inquire not only into the alleged violation, but shall go further and endeavor to ascertain what other violations, if any, the individual has committed. The defendant is called into a gestapo, into an inquisition. When the panel has made out whatever case it can, and it feels, perhaps, that it has obtained an admission upon which it can predicate further charges, it may be in position further to mulct the poor devil out of a fine of a minimum of $25.

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

Mr. CORDON. I yield.

Mr. TAFT. I have the same complaint to make with regard to the suburban boards as does the Senator from Oregon. However, I do not see that they are in any way to be abolished by the Senator's amendment. The Senator's amendment provides for establishing in each county, or political subdivision corresponding thereto, one or more local price-control boards. If one of those boards is set up in the city of Cincinnati, for example, what would be the result? There is already such a board in the city of Cincinnati. Yet there are several dozen suburban boards which would not, it seems to me, be abolished by the amendment. They would continue as they are. I do not see what the

Senator would accomplish by the amendment in carrying out the purpose he is seeking to carry out.

Mr. CORDON. Mr. President, if the Senator from Ohio will read the rules and regulations under which price panels are established at the present time, he will realize that those boards do not have authority to do anything. They only recommend what may be done. My amendment would give them the authority to do something. Under the rules and regulations as they are in effect at the present time, the boards are limited even in the recommendation which they may make. Under the amendment they will have authority, after a hearing has been granted to the individual, to determine themselves what shall be done in the particular case. If it is an aggravated case the board may recommend action. If the case is not an aggravated one, they may recommend a compromise settlement. If that proves to be satisfactory, the case is ended. It cannot be taken any further. In my opinion, the enactment of this amendment would for the first time permit the price control board in the local area to exercise its own independent judgment. Heretofore those boards have not been permitted to exercise their own judgment. They have had no standing except that which was given to them by virtue of the regulations of the OPA.

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

Mr. CORDON. I should like to add one more statement, and then I will be happy to yield to the Senator from Ohio.

Moreover, Mr. President, if the Senator from Ohio will carefully read the language of the amendment he will see that it provides for a local price control board to be appointed from among local citizens upon the recommendation of the Governor, or some comparable executive officer. In many cases, price control boards which were appointed have resigned in disgust because of what they were required to do. If we may start on the basis of a new act and have appointed boards on the recommendation of the Governors of the several States, and give to those boards authority under the law, I believe that the result will be a reasonable and equitable enforcement of the rules. If that can be accomplished, we will go far in putting an end to the present type of domination and duress which is rampant throughout the United States.

I now yield to the Senator from Ohio.

Mr. TAFT. I do not see anything in the Senator's amendment which would prevent the Administrator from appointing one board in the city of Cincinnati, for example, and maintaining all his other boards. No prohibition of that kind is incorporated in the amendment. There is no prohibition with respect to the kind of board which now exists and which has no legal power. The board is purely an extralegal one. It seems to me that if the Senator wishes to accomplish his purpose he will have to provide that there shall be no other type of board than the one which will be set up under his amendment. That is the suggestion which I wanted to make.

Mr. CORDON. Mr. President, I still feel that the Office of Price Administration will at least strive to administer the law according to its plain wording. This is the only board which will have the authority to act, and certainly if those who may be investigated and against whom violations may be charged are not enough interested in their own welfare to require the case to come before the appropriate board, then they are not in a position to complain at the result.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. CORDON. I shall take the balance of my time on the bill, and will have some time left over. If I may just refer briefly to the amendment itself, so that we may see its application, I shall conclude.

At the present time, as I have said, we have this type of duress, of forced settlement. This amendment provides a method by which there can be local boards with power to investigate and make settlement. The provision for the appointment of the boards on recommendation of the several governors is a provision which now appears in the selective service law, and was in the selective service law in 1917 and 1918. It has worked with reference to local selective service boards; I am satisfied it will work with the Office of Price Administration, if it is given a chance.

The board is appointed upon recommendation of the governor, or other like authority. The board acts under rules and regulations, and, Mr. President if we are to assume anything, we must assume that at least there is an intention on the part of the Government agency to administer the law according to its wording. The boards will have power, within their respective jurisdictions, to investigate alleged violations of the act or regulations, orders or price schedules prescribed thereunder. Of course, in operation the actual investigation in the field will be done by the Office of Price Administration, except in extraordinary cases.

Mr. President, this is the meat of the amendment:

> Notwithstanding any other provision of this act, the Administrator shall not institute any action under this section with respect to any such violation by any seller of goods at retail or any retail service establishment, unless the institution of such action has been recommended by the local price control board within the jurisdiction of which the violation occurred, and no such action shall be instituted for the imposition of any greater penalty or for the recovery of any greater sum than that recommended by such board. No such board shall recommend the institution of such an action unless the person charged with the violation has been given an opportunity to be heard before the board. The board may propose a settlement in the case of any such violation and upon the acceptance of the proposal by the person charged with the violation and his compliance with its terms, he shall not be subject to any further liability with respect to such violation.

Mr. President, in concluding, I desire to say only that my purpose in submitting the amendment is that we may, for such time as price control to any degree is necessary, afford throughout the United States an opportunity for the average American citizen to be heard before his own neighbors in cases of unintentional and minor violations at the retail level. I believe that the adoption of the amendment and its incorportation in the Price Control Act will go far to make that act at least palatable to the American people, and will at the same time in no wise lower the observance by the people themselves of price control.

Mr. MORSE. Mr. President, I rise to support every word my senior colleague, Mr. CORDON, has spoken in support of the amendment. As one of the coauthors of the amendment, I wish to make a few brief remarks in its support. I think it is a very important amendment. I think it is an amendment which seeks to correct one of the most serious allegations of the OPA abuse.

Certainly no one on this floor can question my support of the principles of price control, because I think during this debate on OPA legislation I have demonstrated rather clearly by the votes I have cast that I am a stanch supporter of the objectives of OPA. The Members of this body are also aware that for more than a year on numerous occasions I have sought on this floor to get the Senate to take what I consider to be necessary steps to correct OPA abuses, particularly in the realm of enforcement.

I venture the suggestion that if more than a year ago the Senate had been willing to adopt the resolution which I offered at that time, seeking to set up a committee of the Senate through which we could channelize the criticisms of the OPA as they came to us as Senators, a committee which, working in cooperation with OPA, could have separated the true charges from the false charges, OPA would not find itself in the plight in which it finds itself tonight.

I do not think the Senate of the United States can escape its share of responsibility for the storm of public criticism which has been raised during the past year against OPA, because the fact remains that in regard to the resolution I offered more than a year ago I could not even get hearings on it before the Committee on Banking and Currency, let alone a report of that committee of the resolution to the floor of the Senate.

Mr. President, I think it is also true that OPA, too, has itself to blame for much of the public criticism which has resulted, I think, in the emasculation of the OPA Act by the Senate. I do not think that criticism justifies the emasculation of the act, and the jeopardizing of the sound principles of OPA. It is a matter of judgment, of course, and we can have honest differences of opinion and variances in judgment among us as to what to do in regard to OPA. But I wish to say for the RECORD that I think future events will show that the Senate of the United States tonight is sentencing the American people to the cruelties of inflation. I am convinced that if this bill in its emasculated form becomes a

law for the 12 months' period ahead, wild inflation will prevail in this country.

I am glad to note that there are a great many businessmen in this country who, although somewhat late, are nevertheless beginning to open their eyes to the potential inflation dangers ahead. They are beginning to recognize that some of the great pressure groups in this country which have been insisting on the emasculating of OPA are really endangering the value of the American dollar. They are beginning to recognize that if that dollar is deflated in value as the result of inflation in prices, there will be a day of reckoning so far as our private property economy itself is concerned.

I was interested, for example, to read in this morning's New York Times a very small item, tucked away on the inside pages, but nevertheless an item which I think is one of great import. It is dated June 12, coming out of Chicago, and reads as follows:

Retail grocers were warned today that "we are nowhere near the end of acute food shortages" and that food rationing, including bread, may be restored in August. The warning was issued by—

Not by OPA, Mr. President.

The warning was issued by Tyre Taylor, general counsel for the National Association of Retail Grocers, in a letter to members of the group.

Mr. Taylor said that Washington information indicated that large scale food shipments abroad might continue "for an indefinite period" and that Herbert Morrison, Lord President of the British Council, had planned to visit Washington to aid in reinstating food rationing.

The only point I wish to make in connection with the article, Mr. President, is that I think that all over this land tonight there are a great many manufacturers, a great many leaders in the retail trade, a great many wholesalers, as well as millions and millions of consumers, who are mighty uncomfortable as they think of the potentialities and the effects of our action in the Senate, with respect to inflation in this country. If inflation comes, Mr. President, as I think it is bound to come to a much greater degree than it would have come had we not emasculated the OPA, the responsibility in part must be shared by the Members of this body.

As an indication of the point of view of many sound and wise businessmen I submit the contents of a letter from a substantial businessman in my State. In fact he is one of the most substantial businessmen in my State. Without taking the time of the Senate to read it, I should like to have inserted in the RECORD a letter which I have received under date of May 9, in support of OPA in which this very prominent and substantial businessman of my State issues a warning as to the effect upon the Nation of what we are doing tonight in connection with OPA. He warns what the effects of our crippling of OPA will have not only on consumers, not only on farmers and workers, but upon American businessmen, many of whom have been clamoring for an opportunity to ride roughshod over the consumers of the country on their horse of selfish interests and pure greed.

In asking for permission to insert the letter in the RECORD, Mr. President, I ask that the name of the writer not be printed, because I do not have his consent to use his name. I do think the points of view he expresses in the letter should, however, be made a matter of record, but I do not want to violate his confidence by making use of his name. I do wish to assure the Senate that he is one of the most substantial businessmen in the entire State of Oregon.

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

PORTLAND, OREG., *May 9, 1946.*

Hon. WAYNE MORSE,

United States Senate, Washington, D. C.

DEAR SENATOR: Pursuant to conversation today over the telephone with reference to the controversy between NAM—particularly Mr. Wason and yourself, regarding your position on the continuance of OPA, I frankly cannot understand their position. Any business or person that survived the 1921-22 panic either has a lapse of memory or would support your stand. OPA has been a stop-inflation measure. The arguments in its favor have always carried the theme of keeping down the cost of living, and therefore of benefit to consumers and helpful in controlling wage advances. That probably has been justifiable up to this point, but from my viewpoint, with plenty of costly experience, the main beneficiaries from here on will be manufacturers, packers, wholesalers, and retailers. If OPA is terminated, everyone should agree that there will naturally be material advances in prices of all raw products and manufactured items. Supply and demand would govern, and therefore the level would be raised on all items grown or manufactured in 1946 because of local and international requirements.

With the coming of the 1947 crop year, we would start buying raw products based on the 1946 level of prices. Everyone must realize that it will require at least two crop or manufacturing years to catch up with necessary warehouse stocks of all items in order to place manufacturers, packers, wholesalers, and retailers in a selling position. The 1947 base prices would therefore advance considerably over 1946 prices, again because of local and international requirements.

With the coming of the 1948 crop year, the same conditions would repeat themselves and we would be in an extremely high level of prices for all raw products, and with stocks finally becoming in a selling position, we would begin to experience declines.

Now, the point I want to make is that consumers buy an item at a time, therefore their loss, individually, is limited. The wholesaler, manufacturer, packer, and retailer must have stocks on hand sufficient to transact business regardless of cost, therefore they will be obliged to absorb the major losses. These losses make it impossible for them to pay bank loans, also dividends and interest payments are passed, which causes the banks to suffer, tightens everything and ultimately a panic is the natural result. In the case of most all manufacturers of nationally advertised products—they even protect floor stocks in jobbers' and retailers' warehouses against decline. In the 1921-22 panic this condition alone caused many manufacturers and packers to lose the bulk of their capital and in numerous cases made it necessary for them to operate under receivership for many years. I don't claim that OPA is working perfectly—neither is any business or an undertaking of any kind. The percentage is strictly in OPA's favor, and if it ultimately will partially stop a repetition of the panic of 1921-22, it will have served its purpose well, and inasmuch as the manufacturer, wholesaler, packer, and retailer absorb the losses, then I therefore feel that NAM representing these elements, should be in favor of retaining OPA and that no item, grown or manufactured, should be released by OPA until grown crops, stocks on hand, and manufactured items are sufficient to take care of the demand, then prices will adjust themselves.

Of course, the big argument is the black market. There is on point here that should be taken into consideration as the main reason for the so-called black market; that is, every item is either grown or manufactured. If the farmer, wholesaler, packer, and retailer cooperated, there would be no source of supply for these particular types of operators and in any event, the percentage of black markets, as compared to total business, would not be altogether out of line with any other similar transaction. Some slight changes in OPA would straighten out the major part of this type of operation.

Yours very truly.

Mr. MORSE. As I said, Mr. President, not only must we assume our fair share of responsibility for the emasculating of OPA, but OPA itself must assume its share of responsibility, too. A good many of us in past months have found that it was almost impossible to get anywhere with certain officials of OPA as we brought to them legitimate complaint after legitimate complaint for correction. That was one reason why so many times I have pleaded for the adoption of my resolution so that we could by way of a Senate investigation lay the foundation for necessary reforms in OPA procedure. I think the most needed reform, the most needed reform certainly of the past year, although I think there has been need for such reform since the inception of OPA, has been in the enforcement procedure of that Agency. That is why I was very happy to join with my colleague the senior Senator from Oregon and work out with him the amendment now pending before the Senate. In fact, Mr. President, for many months the two Senators from Oregon have assured their constituents in letter after letter that if the Committee on Banking and Currency did not bring out recommendations for modifications in the enforcement procedures of OPA we would.

I wish to say also that I should like to associate myself here and now with the commendable remarks made by the Senator from Illinois [Mr. LUCAS] this afternoon when he puts his finger on part of the same problem. He pointed out, as does the junior Senator from Oregon, that we ought to support and stand by the objectives and the principles of OPA, but that it is our duty to the American people to do what we can to improve the enforcement procedures of that body. That is exactly what the amendment which the Senators from Oregon now propose will accomplish.

Mr. President, let me say that the enforcement methods of the OPA can rightly be characterized as being too frequently curbstone trials, compromises by duress, and kangaroo court procedures. I do not think any fair investigation would fail to disclose the fact that the OPA enforcement officers all over the country, because of the relatively small amounts of money involved sometimes, have been able to get perfectly honest and patriotic American citizens to agree to accept the penalties that OPA has offered

by way of compromises in order to avoid further unfavorable publicity being heaped upon those honest and law respecting citizens. Frequently honest citizens, to avoid the costs of litigation in carrying the matter to higher courts, and to save themselves very valuable time, have yielded to OPA claims of violations although the alleged violations were innocent mistakes. I know in my own State and I am satisfied, on the basis of the mail I have received from many other States, that it has been a typical practice and procedure of OPA all over this country.

What has happened, Mr. President? There has been a growing revolt, and that is the proper term I think to use—there has been a growing revolt on the part of very substantial businessmen and other citizens who ordinarily would not even entertain for a moment the thought that they should defy the law. But that revolt has taken on many of the characteristics of the revolt that developed in the days of the Volstead Act, when law enforcement simply broke down because the people became entirely out of sympathy with the methods of the Government in enforcing the law.

I have in my hand, for example, an interesting exhibit which I could call exhibit A, showing this revolt on the part of substantial and patriotic citizens, prepared by one of the finest citizens in the capital city of my State. I shall ask that it be inserted in the RECORD. I will not take the time to read it in full.

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

SALEM, OREG., *May 3, 1946.*

Re notification to appear before the panel May 6 to discuss three violations of 1 cent each.

MARION COUNTY OPA PRICE PANEL,
Salem, Oreg.

GENTLEMEN: To remove any doubt in your minds as to our attitude I might say immediately: We don't intend to be there.

We don't say this with the sole intention of defying the local price panel. So far as we know, the local panel has conducted all its investigations in a fair and impartial manner, considering its indoctrination, training, and instructions. But why, we ask why, in the name of democracy, would any group of solid citizens continue to serve, on a volunteer basis, without pay, this many months after the actual shooting is over, in a program that is so un-American in its every aspect? If one is to concede that you are, as individuals, good democratic citizens, it can only be assumed that you are too busy, too blinded by OPA propaganda, or then too indifferent to think this thing through to a realistic conclusion.

The scramble to continue OPA, the struggle to perpetuate controlled economy, very obviously implies a desire on the part of someone, or some faction, to change the very nature and form of our Government.

The Vancouver price panel is to be commended for being the first panel that had the guts to admit the OPA is wrong. These men resigned in a body in protest to the policy of the Portland district office of dropping all pretense of working for compliance and concentrating exclusively on fines and penalties. It would be the best thing that's happened to our country this year if every panel in Oregon, and in the Nation, would follow their lead this coming week.

As many know and many more have forgotten, the price-control program was fathered by Leon Henderson, whose political coloring is held in question by numerous people. At any rate, his long-range political philosophy is beyond the depth of most plain Americans. His motives and intentions have been questioned by many substantial, old-fashioned, dyed-in-the-wool patriots. Mr. Henderson had this pet program well launched in 1941, but a reluctant Senate showed little enthusiasm for approval of it until the Pearl Harbor debacle. Then in the excitement of the first days of the war, the Senate did approve, as a strictly emergency war measure, and we all hesitantly swallowed it as a possible necessary wartime evil. But hostilities have ceased. We should be now, immediately, and forever rid of this unnatural and unwelcome war baby. This pinkish monster of a war-baby should not be tolerated in our midst for another day, to say nothing of another year, or longer.

"Divide and conquer" has been the war-cry of some political ideologies, and we are too far down that road in America today. Divide the casual-thinking consumer and doers in business. Then divide small business and big business. Guide all business into monopolies. That's what we're heading for and it's high time we put up some organized resistance. It's not too late, but it's late enough!

The results of this (divide-and-conquer program) as it affects individual cases is sad. To get down to personal and individual cases. Now: Ours is a small business, started 5 years ago, just before the war. With scarcely any money ($600 cash) and some help from friends, relatives, and firms wherever we could muster it, we built a shed and started selling groceries. We sold groceries beside the road where no trading dollar had ever changed hands before. Our volume grew steadily and continues to do so. We made the best of it when our right-hand man left at the start of hostilities, and when our butcher joined the Navy. We despaired of ever getting a meat cutter, so I took that over too. I had never cut any meat but I had to learn by trial and error. At the same time I continued buying for, and managing the grocery department.

There were some weeks we took care of volume (my wife in the groceries and I in the meat) that any experienced grocer would tell you no two people could possibly handle. We should have had at least two to three extra people. But no help was available—not even women nor children in the busy harvest season.

We waded through it some way until August 1944, when I suffered a serious heart attack. I was able to do nothing for over a year. All the load was then on Mrs. Dickson's shoulders. It has been only in the last 4 to 6 months that I have been able to take any active part in the operation of our business without threatening recurrence of the heart condition. Now we do have help again. Three returned veterans are back on the job and one other who spent the war years in a large aircraft plant.

Our worst troubles should be over. But they're not.

Now, we're faced with having to defend ourselves against a charge of violating OPA price ceilings—charges that are brought and handled in a way designed to alienate a merchant from the good-will of his customers. It is this good-will that he has worked so hard to deserve and hold. We must defend ourselves, or plead guilty. If we choose the latter course we shall be placed in the light of a culprit confessing to his customers that he has been robbing them, and that he is, therefore, unworthy of the loyalty they have given him.

The panel charge us with three 1-cent violations. The Portland Office charges us with a much longer list of violations, ferreted out on April 18 by Investigator Thorington of the Portland district OPA enforcement division.

There were several violations according to Mr. Thorington's investigation. The day following Mr. Thorington's investigation and my refusal to dig up all the old invoices to check the costs on his 40 items, we closed our store all day (Friday, April 19). We had the entire crew on hand and called in another store owner to spend the entire day checking the ceiling prices on, as nearly as we could check, every single item in stock. Since that day we have found any number of prices, dozens of them far below ceiling, none of which I would think of raising to full ceiling in our type of store.

Last year we sold close to $150,000 worth of food. While that's a small business, any man who has had any experience in the grocery business will assure you that no one can build up that much business in a new roadside location by charging prices that are too high. We have to be and are quite competitive on everything. Our balance sheet for the year 1945 would prove this. Our gross profit for the year was almost 1½ percent below that of a group of stores of our same type in the Portland area for the first half of 1945. But is the OPA interested in that? I doubt if a single one of their men ever once thought of that as a guide to determine if any individual merchant was inclined to profiteering practices. All they desire is a survey by a good investigator who can, with his practiced-snooper's eye, spot over half of all the violations in a large food store in less than 30 minutes' time.

Mr. Thorington did that. He did just that, and then demanded invoices on all these 40 items. We refused to take time that busy day to hunt invoices, but offered to, in fact expressed a desire to, change prices that were too high, immediately, if he would only point them out. But Snooper Thorington informed me threateningly that "that's not the way we do it."

We're mad. Not angry; just plain good old-fashioned, western-style mad. We have a deep feeling of resentment—and rebellion.

And we're ashamed. Not ashamed of any thing we've done, but rather of having done so little. We regret our lack of political activity for the protection of our country and our Government against the brain trusters who have wormed their way into positions of responsibility and power. We regret our hesitation to fight against their sinister activities in the making over of our Government into something very much different from the democracy that most of us like to think we inhabit.

We rebel. And we propose to launch at least the first blast of publicity ourselves.

We don't feel guilty of anything wrong. Our policy is to be below the average prices. If we always had at hand the information that the OPA checking squads could render us if they would, I know we would always be below the average prices of our competitors. But we are determined never in the future to subject ourselves to the humiliation and strain of discussing any 1-cent ceiling violations with the OPA inquisitors, behind their closed doors where the accuser is the prosecutor, the judge, and the jury combined. If we are forced into court, then so be it. We will at least be assured of a fair-minded referee in the person of the presiding judge, whether we defend our position or plead guilty.

We repeat, the OPA price panel of Vancouver is to be congratulated for at last rebelling against OPA district policy of busying themselves only with fines and penalties. OPA has repeatedly maintained in print and on the air that their sole aim was to strive for compliance and not to persecute. But that is a violation of the truth. They are furnishing proof every day that their aim is to incriminate every single petty violator they can find, give those violators such publicity in the daily newspapers as to imply that they are common gangsters, gougers, and crooks. The aim is to convince the

American housewife and consumer that they can do but one thing to protect themselves, and that is to rally to the support of their "champion and protector," the OPA.

If the OPA wins this fight for perpetuation, there is good reason to believe this may be the end of free enterprise as we know it; not only for this year and possibly next year but for all time.

Remember, the shooting is over. Those who like regimentation and centralized government are as busy as bees. The only good thing that can be said for them is that they are persistent. Undoubtedly they are clever.

Those of us who like free government by and for the people had better do something about it—and do it now. Make it known that we're aroused and that we won't forget who is for and who is against. Write letters, send wires, make phone calls to any Senator you may know, especially if he is on the Banking and Currency Committee, before which hearings are in progress this week and next on the OPA extension bill. Do it now. A week or 10 days from now may be too late to do any good.

DICKSON'S MARKET,
ELBERT E. DICKSON.

Mr. MORSE. Here is a substantial merchant—and I want to say that no one can justly accuse him of not being a fine citizen. He is one of the civic leaders of one of the important cities of my State, but so completely disgusted, so angered by what he considers to be most unjust methods practiced by OPA, that he sent an open letter to OPA when he was served with notice to appear in an enforcement case. Just listen to the first sentence of that letter. Here is no criminal. Here is no willful violator. Here is an American citizen of just as high standing as any Member of this body. But after all there is a limit to patience, and when these gestapo methods on the enforcement level of OPA are pressed down upon the people of my State as they have in all other States of this country it is to be expected that many fine citizens will finally defy the OPA. Here was one fine citizen who said in effect, "I have stood all I propose to stand." What did he say:

To remove any doubt in your minds as to our attitude I might say immediately—we don't intend to be there!

That is pretty serious, Mr. President. What were they calling him in for? For three violations in his market amounting to 1 cent per violation. He was perfectly willing, as the letter shows, to work the matter out. The violations were innocent violations. They were not willful. They were mistakes. He had been harassed by OPA. Their snoopers had been in his shop time and time again, until finally his patience was exhausted and he openly defied them.

Mr. President, I say that that is not a healthy state of affairs. He is no exception. That has been the growing attitude of thousands of law-abiding American citizens. I think it is most sad and unfortunate that we have not been able to work out voluntarily with OPA some such enforcement procedure as the two Senators from Oregon now offer in this amendment.

I invite attention to another case. Incidentally, it comes from the city from which the senior Senator from Oregon comes, Roseburg, Oreg. One of the finest merchants of that city, a man with whom I have worked in a civic capacity in civic bodies for many years, a man who had a son in the armed forces in this war, happened to sell in his store apparel for Boy Scouts and Girl Scouts. It seems that the clerk put the higher price of one of the Girl Scout suits on a Boy Scout suit by mistake. It so happened that instead of putting down on the sales slip a price of $1.37, as I recall the figure, the clerk charged $1.65, overlooking the fact that instead of selling a Girl Scout suit she was in fact selling a Boy Scout suit. It was a clear mistake of hand, made perfectly clear to the customer before the customer ever got out of the store, but the customer took the matter up with OPA, and this fine citizen was prosecuted for the error made by his clerk.

I cite that case as a typical case, Mr. President. I here and now allege, without any fear whatsoever of successful contradiction, examples of prosecutions for innocent mistakes could be multiplied by the thousands throughout the United States. Is that government by law? Is that American justice? That is the rankest type of arbitrary and capricious practice characteristic of gestapo methods and trial by curbstone.

Let me cite another case which is set forth in the following letter, which I read:

EUGENE, OREG., *May 3, 1946.*

Hon. WAYNE L. MORSE,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR MORSE: For some little time I have been going to write you a letter regarding practices of OPA—all of which you are undoubtedly keenly aware—and I know from newspaper articles and interviews that you do not approve of the practices that they are inflicting on the merchants throughout the country.

About 2 months ago I was notified to come to Portland and appear before the OPA to explain why we should sell dresses that cost between $29.75 and $39.75 due to the fact that in 1942, when our price sheet was filed, we did not have dresses between these two prices. The OPA contention was that if the dress cost $37.50 we were to drop back to the $29.75 cost to figure our margin of profit on that basis. Naturally, our competitors do sell dresses in these price ranges at a profitable mark-up, and we consider it very unfair to be compelled to sell our dresses without a profit. When I asked the young lady why we should be penalized, she turned to me and said, "If you would rather not pay us this amount (which was around $200), perhaps we can come back to Eugene and check your store further because, after all, we only checked a portion of the year." If this is not pure, unadulterated blackmail, I give up.

Knowing you as well as I know you, I know that you will agree that this was not right; however, rather than keep on arguing with them, our company did send them the check to cover this amount.

I have had no more trouble until today. The incident today was that the local OPA office came to us and said some lady had complained that we had sold her a dress at $10.95, and she had bought one similar at $8.30 in Salem that was preticketed. She also said that we refused to give her a sales slip, which was not true, and our dresses were not preticketed, so consequently we did not break any law. The mere fact that the lady who had charge of the local office comes in with the attitude that you have committed a crime and treats you accordingly is definitely not the American way of living.

This morning when I opened the mail I received a communication from the local Office of Price Administration notifying me of a price-control-panel conference. It says that you are requested to appear on such an hour and on such a day to explain why you sold a girdle for $11 when the ceiling price is $10.95. Of all the damn monkey business, this seems to climax our dealings with the OPA.

I know you are a very busy man and I sympathize with you for having to take care of all of the complaints that arise from the stupidity of the directors of OPA, but anything that can be done to rid the country of an organization which is doing so much unfair, unsatisfactory work would be a big help to everyone.

I could go through every department in my store with you or anyone else and prove to you beyond a reasonable doubt that the departments which have not been affected by OPA rulings in any way, shape, or form are departments that maintain prices and have run through the war without the shortages that were caused in price controlled departments.

After you have read this letter, you have my permission to throw it in the wastebasket and not bother about answering it, but at least I have gotten something off my mind that I have been wanting to get off for some time. At least we can look forward to some day seeing the United States return to a normal United States.

My kindest regards to Mrs. Morse and the children.

Sincerely yours,

MILLER'S,
J. E. HAYWARD,
Manager.

Let me cite one further case. In one of the large department stores in Portland an error was made by a clerk. It was not a case of confusing two items. The clerk simply made a mistake in reading the price label on the goods. The mistake was a mistake of a few cents, and it was caught by the time the customer got to the cashier's window. The management of the store attempted to correct the mistake at that point, but the customer demanded the original slip and OPA prosecuted.

Is it any wonder that such revolt against the unfair enforcement procedures of OPA has arisen in this land? It is most unfortunate, because it has done great harm to the legitimate objectives and the sound principles of price control. Let the RECORD speak for itself. It is the need for correction in enforcement procedure for which the Senators from Oregon have been pleading during the past year on the floor of the Senate. But we have been unable to get any cooperation from OPA, and we have been unable to get any help from Senators on the other side of the aisle when we have pleaded to get our resolution out of the Committee on Banking and Currency.

I do not think that there is any justification at this late hour for emasculating OPA. Rather I think there is a solemn duty upon us, even at this eleventh hour, to do what we can to improve the bill, to eliminate the type of bad enforcement practice and procedure of which we complain, and to send to conference the best possible bill. I do not share the views of the junior Senator from New York [Mr. MEAD] recently expressed upon this floor, that because the bill is so bad in his opinion he must vote against it

in its entirety. I agree with him that the bill is a bad bill in its present form; but it is better than no price control bill at all, and there is still hope that in the conference committee the bill can be strengthened. At least I think it is our duty, up to the last moment, to do everything we can to send to conference the best bill possible. Therefore I shall vote for this bill. On that point I differ with the Senator from New York; but I wish to vote for a bill which seeks at least to eliminate the bad enforcement practices which my distinguished colleague, Mr. CORDON, has pointed out, and which I have tried by way of supplement to emphasize.

I close by saying that we should keep in mind that what this amendment does is to say that the local pricing panels, appointed by the governors of the States to serve in the various communities or counties of the States—very similar, so far as pattern is concerned, to the selection of local selective-service boards—shall be granted jurisdiction, in the case of retail enforcement cases, to pass judgment upon any violation. They should be authorized as provided in this amendment to go into the alleged violation and give the retailer a hearing, to offer a compromise in settlement if in their opinion some settlement should be made by the retailer; and then, if he refuses such settlement, to authorize, within the discretion of the local board, a prosecution of the retailer. This plan has the great virtue of accomplishing one of the things that I think we need so much to do in the administration of our Federal Government.

In my opinion it illustrates one of the greatest differences in philosophy between my point of view and the point of view of those who wish to build up an all-powerful centralized Government in Washington. It looks toward the regionalization of administrative functions of our Government, and the granting of more and more power of decision with finality to fellow American citizens on the local level. In other words it involves recognition that men in Washington on the Federal level are no greater in ability, and no more competent than our fellow citizens at the local level. If we are to keep democratic government sound, if we are to preserve representative government in this country, its preservation and its strength will be largely dependent upon our regionalizing at the local level, because our Government at the Federal level can be no stronger and no more effective than our government at the local level.

What is happening in America, at a great loss to self-government, is that our people, subject of course to the great weakness of wishful thinking and the tendency to pass the buck, are more and more sending to us at the Federal level functions of government which should be performed at the local level. Mr. President, in my judgment only to the extent that we can start the trend back to local government and have the functionings of government administered more and more at the local level will there be any hope of stemming this serious tide toward the development of an all-powerful Federal Government at Washington which will lead to the next step—and let us not mince words about it, Mr. President—which will be a form of totalitarian government in this country.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. MORSE. I will take some of my time on the bill.

Mr. President, I wish to say that unless I suffer from some form of myopia, I think it is perfectly clear to those who will read that the great struggle in the America of the next decade will be the struggle between self-government by the people of the United States at the local level where they can best assume their responsibilities of citizenship, where they can best carry out their function of freemen in a democratic government, and this tendency to centralize more and more the power and rights of the people at the Federal level.

So I offer this amendment, with my senior colleague from Oregon [Mr. CORDON], as another effort on the part of the Senate of the United States not only to help check the enforcement abuses of OPA, but to give the people down at the local level another opportunity to assume their responsibilities of self-government.

Lastly, Mr. President, I would point out that this amendment is consonant with an extension of a very well-established principle of American jurisprudence, namely, that when one is accused of violation of the law, he should have an opportunity to be judged by his peers. I wish to point out that because of the particular features of the OPA and its methods of administration, I can think of no better amendment which would give to the retailers of this country an opportunity to be judged by their neighbors, than an amendment to vest in the local pricing panels an opportunity to pass judgment upon their alleged transgressions. Thus the amendment gives to the neighbors of an alleged violator a chance to decide, on the basis of the evidence which will be presented to those panels, the question as to whether or not the retailer is in fact the horrible law offender that the OPA has been inclined to make out of so many thousands of honest, law-abiding, patriotic American citizens. The amendment is a needed check against the maladministration of OPA in the field of enforcement of the pricing act. I think it is only fair to adopt such an amendment. I think it is the decent thing to do. Mr. President, if the Senate of the United States will adopt this amendment, I think it will give renewed assurance to a great many people that they can have fair and just enforcement of the OPA Act.

But they will never believe it, on the basis of their sad experience, if we permit to remain vested in the OPA enforcement department what amounts—and I use the term advisedly—to arbitrary and most unfair and unjust and capricious power. Here is a chance to decide whether we wish to be fair to a great many retailers who, because of innocent mistakes, are being labeled law violators.

Mr. President, you know what will happen. If a body of neighbors is brought in on any one of the cases which I have used for illustrative purposes in my remarks, what do you think the result will be? Do you think any body of neighbors would have prosecuted my Roseburg merchant for that mistake on the Girl Scout suit? Do you think any body of neighbors would have prosecuted that Portland merchant for the mistake he made, which he sought to correct even before the customer left the cashier's window? Mr. President, if this amendment had been in operation since the beginning of the OPA, it would have brought sense and justice to the enforcement program of OPA. It would have eliminated much of the criticism which has been heaped upon OPA. It would have resulted in the administration of the Price Control Act in accordance with American law and the basic concepts of American justice, rather than the arbitrary and capricious acts of the members of the staff of the OPA, many of whom have been drunk with power, many of whom in their reports boast about the thousands of dollars they have returned to the Treasury of the United States through fines imposed upon merchants. Of course, a willful violation of the OPA Act should be prosecuted. But I say, and I say it advisedly, Mr. President, that the OPA has never drawn a clear-cut line of demarcation between willful violations and innocent violations and unintentional mistakes. It was exactly that type of problem, I repeat—and then I shall close—which I sought to correct more than a year ago when I introduced my resolution calling for an investigation of the OPA. That resolution called for remedies which should have been adopted then.

I say I think it most unfortunate that those of us who have been motivated by the best of intentions toward OPA and a desire to strengthen OPA and to make it an effective weapon in checking the cruelties which I think are bound to be imposed upon the American people as a result of this emasculated act were not supported by the Administration forces in this Senate when we called for an investigation of OPA more than 1 year ago.

I close, Mr. President, with the prayer—yes; I will use the word—as well as the plea that the Senate will see fit at this late hour to attempt to remedy the unfair enforcement practices of OPA by adopting the amendment which the two Senators from Oregon have offered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON] on behalf of himself and his colleague [Mr. MORSE].

Mr. WAGNER. 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	Buck	Downey
Austin	Burch	Eastland
Barkley	Bushfield	George
Bilbo	Byrd	Gerry
Brewster	Capper	Gurney
Bridges	Carville	Hart
Brooks	Cordon	Hawkes

Hayden	Millikin	Stewart
Hickenlooper	Moore	Taft
Hoey	Morse	Taylor
Huffman	Murdock	Thomas, Okla.
Johnson, Colo.	Myers	Thomas, Utah
Johnston, S. C.	O'Daniel	Tobey
Kilgore	O'Mahoney	Tunnell
Knowland	Overton	Tydings
Lucas	Radcliffe	Wagner
McCarran	Reed	Walsh
McClellan	Revercomb	Wheeler
McFarland	Robertson	Wherry
McMahon	Saltonstall	White
Magnuson	Shipstead	Wilson
Maybank	Smith	
Mead	Stanfill	

The PRESIDING OFFICER. Sixty-seven Senators have answered to their names. A quorum is present.

Mr. TAYLOR. Mr. President, I should like to make a brief statement. I shall vote for the bill, though I feel that it is absolutely inadequate and will lead to inflation. The persons who have purchased war bonds will eventually receive perhaps only 50 cents on the dollar. The bill will not tend to promote full production, because of the strikes which it will foment. I believe that we are due for another boom and bust, and if we get into that condition again we will be in no position to start once more priming the pump. I feel that if we fail to enact a good OPA bill the resultant upheaval may lead to the end of our private-enterprise system. The American people have lived well during the past few years and they are in no mood to go through another 1929 or worse. Mr. President, as I have said, I shall vote for the bill, but with the hope that the conference will agree on some form of a measure which will be workable.

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

Mr. CORDON. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, I wish to say a word concerning this amendment. It provides that the Administrator shall appoint in each county, or similar subdivision of the State, a board to consist of three members who must be represented by the governor of the State. It seems to me that the amendment presents an impracticable situation. There will be a division of responsibility of enforcement between the Administrator and the governor of each State; and the responsibility of the governor to recommend to the Administration, a State officer, and determine whom the Federal officer shall appoint to assist in enforcing the statute, represents an entirely new theory in the enforcement of Federal law.

We have already agreed to an amendment which was offered by the Senator from Illinois that no legal proceeding shall be instituted against any person except with the approval of the United States district attorney.

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

Mr. BARKLEY. I yield.

Mr. SALTONSTALL. I may say to the distinguished Senator from Kentucky that this amendment would require the governor to recommend to the Administrator three or more persons in each county or political unit thereof. As one who went through the selection of the selective-service boards, and as one who tried to help obtain men to fill positions on the various rationing boards in my State during wartime, I may say that I believe that, while the amendment offered by the Senator from Oregon was offered with sincerity, it will be very impractical. To require the governor to select all these boards, the members of whom would act without pay and with no expense account, would be very unsatisfactory and, I may say, impractical.

Mr. BARKLEY. I thank the Senator.

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

Mr. BARKLEY. I yield.

Mr. MORSE. I may point out to the Senator from Massachusetts that at the present time price panels exist in practically every community of the country, and the people have demonstrated very clearly their willingness to cooperate in connection with such price panels.

Mr. BARKLEY. Rationing boards were appointed all over the country, but they have been disbanded and have gone out of business. As I have already said on two or three former occasions in regard to this bill, we are going down hill with it. We are tapering it off, as we used to say, when we would swing on a grapevine and it would gradually slow down and die. As time progresses, decontrol will be accelerated very much. Senators do not need to worry about that, so far as the pending bill is concerned. Whether the House version, the Senate version, or any mixture of the two is considered, there will be an accelerated decontrol all over the country. I anticipate that by the 1st of January next year only those commodities which are in extreme shortage will still be under control.

The pending amendment provides for the appointment of a new board in every county. The Federal Administrator may not appoint any person to the board unless such person has been recommended by the Governor. I believe that delay would be caused in setting up the board, even if such a board were necessary at a time when we are abandoning almost altogether the OPA.

Mr. WHITE. Mr. President, I have understood from what the Senator from Kentucky has said that the amendment sponsored by the Senator from Illinois provides that appointment shall be recommended by the district attorney.

Mr. BARKLEY. No; the amendment offered by the Senator from Illinois provides that no legal proceedings can be instituted against anyone for violation of any order of the OPA without the approval of the district attorney of the district in which the offense was alleged to have been committed.

Mr. WHITE. The pending proposal is that they may not be instituted except with the approval of the board. Which one is the Administrator going to follow, the recommendation of the district attorney, or the recommendation of the local board?

Mr. BARKLEY. If both provisions are kept in the bill, he would have to secure the consent of both before he could institute any sort of proceeding. In other words, the district attorney, after investigating the facts in any case, might decide that there should not be a legal proceeding, but if the local board decided there should be, then whose advice would the Administrator take, or would he have to have the consent of both of them? Is it really necessary or advisable, or is it practicable, during the last year of the operation of this law, for the Administrator to have to get the consent of the district attorney and the local board, which he would have to do, in order to institute any legal proceeding whatever? It seems to me utterly unworkable and impracticable and unnecessary.

If we had provided in the beginning that local boards should be set up and should determine whether any sort of proceeding should be instituted and that procedure had been prescribed, the amendment might have been appropriate, but now that we are nearly out of price control, it seems to me to be very inadvisable to set up this new organization in every county in the United States, so that the Administrator would be required to appoint, on the recommendation of the Governor, and, if the Governor did not recommend anybody, no one could be appointed. If that were done we would have a very spotty administration of the law all over the United States. It occurs to me that this is another one of the amendments which no one has thought anything about, which has not been considered, which has not even been printed, and which no Senator has had a chance to study. It seems to me it should not be adopted.

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

Mr. BARKLEY. I yield.

Mr. CORDON. I merely wish to suggest that the Senator indicated that he thought there were no price control boards, that they had gone out of fashion.

Mr. BARKLEY. I said the rationing boards were set up, and that they have all been disintegrated.

Mr. CORDON. The price boards now exist, and regulations governing them, and governing their handling of this type of jurisdiction, have been promulgated as late as January and February of the current year. I have copies of the regulations in my hand.

Mr. BARKLEY. There is no regulation I know anything about that sets up in every county in the United States such a board as is included in the Senator's amendment. Even if there were, they probably would not be able to function, under the Senator's amendment, because they had not been recommended by the governor.

Mr. CORDON. On that point I suggest to the Senator that the most successful emergency legislation which we have ever known in this country, and which has operated through two emergencies and two world wars, was the Selective Service Act, under which the local boards were recommended for appointment by the governors.

Mr. BARKLEY. The Selective Service Act provided for local county boards at the very beginning of the law. We did not wait until a year ago to set those boards up; we did not wait until the Selective Service Act was about to expire, and then set up the boards. We started

the boards at the very beginning, and they did a good job, and received no compensation for it, and they have not ever received the acknowledgment to which they were entitled. But they were a part of the machinery which was created at the very inception of the selective service, not after it was over.

Mr. MORSE. Mr. President, for purposes of verification I wish to supplement what my colleague, the senior Senator from Oregon [Mr. CORDON], has said, to the effect that there are hundreds of pricing boards and panels in existence all over this country, and it is taken for granted that the Governor in most instances sanctioned the boards. The amendment does provide a check.

I wish to say further, inasmuch as the Senator from Kentucky has referred to it, that the amendment is in no way inconsistent with the amendment of the Senator from Illinois. The amendment seeks to correct enforcement abuses on the retail level. It gives the pricing panels an opportunity to make the first judgment on whether or not they should proceed with prosecution. It gives them an opportunity to offer a compromise. If the retailer does not accept the compromise, it is at that point, in this type of case, that the provision of the Senator from Illinois as to the United States district attorneys would become applicable. So there is nothing inconsistent in it. In fact, it would go right along with the amendment of the Senator from Illinois.

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

Mr. BARKLEY. I yield.

Mr. TAFT. I merely wish to say there has been a good deal of discussion of the fact that the Committee on Banking and Currency did not report a resolution to investigate the OPA. The OPA has been steadily investigated for the past 12 months. The Small Business Committee has had frequent hearings. We had quite a hearing with Mr. Bowles. We started on the pending bill 2 months ago, and we have been having all sorts of complaints against the OPA.

The pending amendment was never presented to the committee. This particular matter was not urged before the committee. We had no opportunity to determine whether this particular set-up is practical under existing conditions or not, and frankly I do not know. The fact is that price panels exist today, and they do present an abuse. Price panels exist in many suburban districts and throughout the counties of the United States. Men are brought before the panels, and they do what they are authorized to do in the amendment, as I read it, but with legal authority instead of extra legal authority. They call in people, they investigate, they make settlements. This amendment particularly authorizes them to make settlements.

What kind of a board is it that will call a man before it for a criminal violation, and then make a settlement with him? I do not know any such legal procedure.

I think we should outlaw the present extra legal procedure, but this amendment does not do that. It may be 6 months before the Governor gets around to finding the right kind of people for the boards. These extra legal boards will function. They are not abolished in the amendment. I see nothing in the amendment that would prevent the Governor appointing one board for the city of Cincinnati, and the Price Administration retaining the price panels which exist, and proceeding without legal authority and without acting under the amendment.

There is an abuse, but we have not had opportunity to study the abuse, we have not had opportunity to have the OPA say what their set-up is, and how it can be best adjusted, and I do not think at this late date we should be asked to adopt a plan when we do not know whether it would be a good plan or not. I am sure it would have to be extensively amended before it became a workable plan.

Like the Senator from Massachusetts, merely from reading the amendment offhand, I do not think it proposes a practicable plan.

Mr. BARKLEY. Mr. President, I appreciate the remarks of the Senator from Ohio. In the case which he cited of his own home city of Cincinnati, where there is a board in existence and another would have to be appointed, there would be utter confusion in that metropolitan region.

Now, just a word about what we did today when we adopted the amendment offered by the Senator from Illinois. The district attorneys are all good lawyers, they know the law, they are outstanding men in the legal profession, everyone has been confirmed by the Senate of the United States. We have put upon them the stamp of our approval, and certainly there is sufficient protection in the amendment against illegal proceeding to justify us in not adding to the confusion by providing as this amendment does, for the creation of a lot of miscellaneous boards.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Idaho [Mr. GOSSETT] is absent by leave of the Senate.

The Senator from Missouri [Mr. BRIGGS], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Washington [Mr. MITCHELL], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from Florida [Mr. ANDREWS], the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Montana [Mr. MURRAY], are necessarily absent.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Rhode Island [Mr. GREEN] are absent on official business, attending the meeting of the Empire Parliamentary Association in Bermuda.

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.

The Senator from Louisiana [Mr. ELLENDER], the Senator from New Mexico [Mr. HATCH], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. MCKELLAR], and the Senator from Florida [Mr. PEPPER], are members of the committee on the part of the Senate attending the funeral services of the late Senator John H. Bankhead, of Alabama.

I also announce the following general pairs: The Senator from Arkansas [Mr. FULBRIGHT] with the Senator from Wisconsin [Mr. WILEY], the Senator from Rhode Island [Mr. GREEN] with the Senator from Michigan [Mr. FERGUSON]; and the Senator from Georgia [Mr. RUSSELL] with the Senator from Indiana [Mr. WILLIS].

I further announce that if present and voting, the Senator from Missouri [Mr. BRIGGS], the Senator from Rhode Island [Mr. GREEN], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from New Mexico [Mr. HATCH], the Senator from Alabama [Mr. HILL], and the Senator from Washington [Mr. MITCHELL] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. FERGUSON] and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate as members of the committee appointed by the United States Senate to attend the Empire Parliamentary Conference in Bermuda. The Senator from Michigan [Mr. FERGUSON] has a general pair with the Senator from Rhode Island [Mr. GREEN], and the Senator from Wisconsin [Mr. WILEY] has a general pair with the Senator from Arkansas [Mr. FULBRIGHT].

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 Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from North Dakota [Mr. LANGER], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent. He has a general pair with the Senator from Georgia [Mr. RUSSELL].

The Senator from Missouri [Mr. DONNELL] is absent as a member of the Senate committee attending the funeral of the late Senator Bankhead.

The result was announced—yeas 15, nays 52, as follows:

YEAS—15

Aiken	Capper	Morse
Austin	Cordon	O'Daniel
Brewster	Gurney	Revercomb
Bridges	Hickenlooper	Shipstead
Brooks	Moore	Wilson

NAYS—52

Barkley	Huffman	Myers
Bilbo	Johnson, Colo.	O'Mahoney
Buck	Johnston, S. C.	Overton
Burch	Kilgore	Radcliffe
Bushfield	Knowland	Reed
Byrd	Lucas	Robertson
Carville	McCarran	Saltonstall
Downey	McClellan	Smith
Eastland	McFarland	Stanfill
George	McMahon	Stewart
Gerry	Magnuson	Taft
Hart	Maybank	Taylor
Hawkes	Mead	Thomas, Okla.
Hayden	Millikin	Thomas, Utah
Hoey	Murdock	Tobey

Tunnell	Walsh	White
Tydings	Wheeler	
Wagner	Wherry	

NOT VOTING—28

Andrews	Ferguson	Mitchell
Bailey	Fulbright	Murray
Ball	Gossett	Pepper
Briggs	Green	Russell
Butler	Guffey	Vandenberg
Capehart	Hatch	Wiley
Chavez	Hill	Willis
Connally	La Follette	Young
Donnell	Langer	
Ellender	McKellar	

So the amendment offered by Mr. CORDON, for himself and Mr. MORSE, was rejected.

Mr. SHIPSTEAD. Mr. President, I have a short amendment to offer which will take only about 5 minutes to explain. My amendment is on page 22, in line 11, after the word "issued", to insert "and was in effect", so as to read "had been issued and was in effect under this act prior to April 1, 1946."

Last winter, rye was selling in Chicago at $2.07 a bushel. OPA issued a regulation cutting the price, effective on June 1, to $1.37 a bushel. The effect of that on the crop of 1945 was this: The American farmer would have to sell the crop of 1945 this year at the ceiling price, and the speculators can buy it here and send it to Canada, pay an import duty on it, and sell the rye today for $2.82 a bushel. The effect of my amendment would be to eliminate the ceiling placed by OPA on rye in order that the price shall seek the level that it has in the world market.

I shall not take the time of the Senate to read the price levels now under OPA ruling in the various States where rye is grown. But the effect of the OPA ruling is a swindle on the American farmer. The price for rye in Canada is $2.82 a bushel. The ceiling price, for instance, in California is $1.42. In Colorado it is $1.43. In Connecticut $1.51, in Arkansas $1.33, and in the Northwestern States it hangs around $1.35.

Mr. President, I ask that my amendment be adopted in order to protect the producers of rye in the United States.

Mr. BARKLEY. Mr. President, may I ask the Senator a question? I do not quite understand what he proposes to accomplish by his amendment. Subsection (7), beginning in line 5, on page 22, provides as follows:

> (7) No maximum price and no regulation or order under this act or the Stabilization Act of 1942, as amended, shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under this act prior to April 1, 1946.

The plain intention of that subsection is to abolish and nullify the order of the OPA with reference to margin requirements in the purchase of cotton on the cotton market. That is all it was intended to do. It was not intended to relieve any commodity which was already under a price ceiling of that ceiling if the order had been issued prior to April 1, 1946. What the Senator would apparently do would be to lift the ceiling or remove the ceiling from rye, and perhaps other products which would be covered by the amendment, if the order had been issued prior to April 1, but was not in effect on April 1. Is that it?

Mr. SHIPSTEAD. It was not in effect on rye on April 1.

Mr. BARKLEY. When did it take effect?

Mr. SHIPSTEAD. The 1st of June.

Mr. BARKLEY. The same situation might apply with regard to other matters. OPA always issues orders with respect to price ceilings in advance of their effective date. What the Senator is doing is—we might as well understand it—to take the ceiling off of rye; to single out rye as one agricultural product on which we will legislate the ceiling now as soon as the law is passed. Is that true?

Mr. SHIPSTEAD. Does the Senator from Kentucky think it is just to put that ceiling on American rye so that the speculators who buy it and export it to Canada can sell it there for $2.82?

Mr. BARKLEY. I am not very familiar with the rye situation, but I do not see any difference in equity between a ceiling on rye and a ceiling on any other agricultural product. The fact that it may be sent to Canada and sold at a profit may be incidental. That certainly was not the object of putting the ceiling on it.

Mr. SHIPSTEAD. That may not have been the object, but that was the effect of it.

Mr. BARKLEY. That may apply to any other agricultural product on which a ceiling was fixed. It might be sent anywhere in the world and sold at a profit. I do not see what that has to do with it.

Mr. SHIPSTEAD. It is plain what happens to the American citizen who raises rye. If there is any other commodity in the same category that is treated in the same way, I do not know what it is.

Mr. BARKLEY. There has been a ceiling on tobacco. We decontrolled it under the amendment which we adopted today. There has been a ceiling price on tobacco ever since 1942. It was bought in this country and shipped abroad, and those who bought it and sold it abroad made a profit on it. It was not the object of the ceiling to make that possible, but, of course, they did. In the very nature of things they would not buy American tobacco or anything else and send it abroad unless they made a profit on it.

Mr. SHIPSTEAD. Does the Senator from Kentucky believe that there is justice in that kind of a transaction?

Mr. BARKLEY. I do not think there is any greater injustice than might exist with respect to any other agricultural product. The mere fact that it happens to be rye does not seem to me to create any different situation from what would exist in regard to any other agricultural product.

Mr. SHIPSTEAD. It is difficult for me to believe that any other agricultural product could be exported abroad and sold at such a terrific profit.

Mr. BARKLEY. All agricultural products which are bought here for overseas sale and shipment are sold at a profit. I do not know whether they bring as great a profit as does rye. It may be that the purposes for which the rye is to be used have something to do with the amount of profit that may be obtained from it. I do not see any difference in principle between rye and any other agricultural products. The whole thing may not be worth talking about, but it seems to me that it is dealing with one agricultural product in a different way from that in which we have dealt with any other agricultural products.

Mr. SHIPSTEAD. This is the only product with respect to which this kind of a transaction has been shown to exist. This is a special case in which the OPA seems to have made it possible for the speculator to farm the farmer.

Mr. BARKLEY. The OPA is the legitimate whipping boy for everyone who has a complaint. I suppose there is no way to avoid that. I have not the facts as to why the OPA imposed a ceiling on rye. I do not know what the OPA would say as to the reason why it did so. I am quite sure that it would say—and I think it would be true—that it did not do so in order that speculators might make a profit. There must have been some legitimate reason. We do not know what it was. We do not know what the facts are.

Mr. SHIPSTEAD. I am telling the Senator the facts. I have them from the records. I have the records taken from the market reports at Winnipeg.

Mr. BARKLEY. I am not questioning the figures as to what rye brought in Winnipeg, and the price in Minnesota. But the OPA must have had some legitimate reason for imposing a ceiling on rye. I do not know what it was. We have not gone into this question. We did not go into it in the committee. We did not ask the OPA. I do not know.

Mr. SHIPSTEAD. I am telling the Senator.

Mr. BARKLEY. I know the Senator is attempting to do so. It may be that due to my obtuseness I cannot understand what he is driving at.

Mr. SHIPSTEAD. I am giving the Senator the figures as to the cost in the United States, due to regulations of the OPA, and showing that the rye could be sold abroad for more than twice what the American farmer gets for it.

Mr. BARKLEY. If I had the time to scrape up some figures, perhaps I could show that some of our tobacco was sold under a price ceiling, and shipped abroad for twice as much as was paid for it.

Mr. SHIPSTEAD. The Senator might render a service to his constituents in Kentucky if he did so.

Mr. BARKLEY. I have not the time to scrape up the figures.

Mr. SHIPSTEAD. I have scraped up some figures for the Senator.

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

The amendment was rejected.

Mr. WHERRY. Mr. President, on behalf of my colleague [Mr. BUTLER] and myself 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 Nebraska will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new section:

SEC. —. (a) In the event producers of wheat are required by an order issued pursuant to the Second War Powers Act, 1942, as amended, to sell all or any part of wheat delivered to an elevator prior to April 1, 1947, the Commodity Credit Corporation shall offer to purchase the wheat so required to be sold at a price determined as follows: The purchase price paid for the wheat shall be the market price at the point of delivery as of any date the producer may elect between the date of delivery and March 31, 1947, inclusive: *Provided, however,* That only one election may be made for each lot of wheat: *And provided further,* That the producer may not elect a date prior to the date on which he mails a written notice to Commodity Credit Corporation of his election. In the event the producer does not notify Commodity Credit Corporation in writing by March 31, 1947, of his election of a date for determining the market price, such date shall be deemed to be March 31, 1947.

(b) Any producer of wheat who, prior to the date of enactment of this act, has sold any wheat pursuant to the requirements of paragraph (ee) (1) of War Food Order No. 144, may, at any time within 30 days after the date of enactment of this act, pay to the Commodity Credit Corporation a sum equal to the amount for which he sold such wheat. Any producer paying any such sum to the Commodity Credit Corporation shall be deemed to have sold and delivered to the Commodity Credit Corporation as of the date he pays such sum a quantity of wheat equal in grade and quality to the quantity sold by him pursuant to such requirements and the purchase price to be paid to him for such wheat shall be determined in the same manner as in the case of a sale of wheat to the Commodity Credit Corporation pursuant to the provisions of subsection (a) of this section.

Mr. WHERRY. Mr. President, the main part of the amendment which I think should be called to the attention of the Senate is subsection (a), which requires the producer of wheat of the new crop to elect a date for the determination of the price of the wheat which he may be compelled to set aside by an order issued pursuant to the Second War Powers Act of 1942. In a moment I shall read the order which shows what is required to be set aside. The date elected must be between the date of delivery and March 31, 1947.

The amendment is offered on behalf of the senior Senator from Nebraska [Mr. BUTLER] and myself.

The wheat order which was issued, and which requires this legislation, was issued by Clinton P. Anderson, Secretary of Agriculture, on the 22d of May 1946. I shall read the important section of the order, and I ask that the entire order be printed in the RECORD at this point as a part of my remarks.

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

[WFO 144, Amendment 8]

PART 1468—GRAIN

WHEAT AND FLOUR

War Food Order No. 144 (11 F. R. 2501, 3243, 3392, 4289, 4323, 4445) is further amended as follows:

1. By deleting paragraph (g) and substituting in lieu thereof the following:

(g) 1946 crop wheat exemptions: The provisions of this order with reference to supply certificates, preference orders, and inventory restrictions shall not apply to wheat of the 1946 crop.

2. By deleting paragraph (bb) and substituting in lieu thereof the following:

(bb) Use of wheat by millers: (1) Except for export purposes or for delivery to the Commodity Credit Corporation, no miller shall, during May 1946, process wheat into flour in excess of the quantity of wheat necessary to produce 75 percent of the quantity of flour distributed by such miller for domestic use or consumption during the month of May 1945.

(2) Except for export purposes or for delivery to Commodity Credit Corporation, no miller shall during the month of June 1946 process wheat into flour in excess of the quantity of wheat necessary to produce 75 percent of the monthly average quantity of flour distributed by such miller for domestic use or consumption during 1945.

(3) Except for export purposes or for delivery to Commodity Credit Corporation, no miller shall, during any calendar month beginning July 1946, process wheat into flour in excess of the quantity of wheat necessary to produce 85 percent of the monthly average quantity of flour distributed by such miller for domestic use or consumption during 1945.

3. By adding, immediately after paragraph (dd), the new paragraph:

(ee) Set-aside requirements. (1) The requirements of this paragraph (ee) shall apply only to wheat grading No. 3 or better, or grading No. 4 or No. 5 on test weight, produced in the following States: California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Texas, Utah, Washington, Wyoming. No producer shall deliver such wheat to a country elevator, or by truck, wagon, or water to a subterminal elevator, terminal elevator, or mill elevator unless, within 15 days from the time of delivery, not less than one-half of all such wheat shall be sold to such country elevator, subterminal elevator, terminal elevator, mill elevator, or to a merchandiser, miller, or other processor: *Provided, however,* That this provision shall not apply to wheat delivered for the account of the Commodity Credit Corporation.

(2) No merchandiser, miller, or other processor, and no owner or operator of a country elevator, subterminal elevator, terminal elevator, or mill elevator shall purchase or accept delivery of wheat unless he shall:

(i) Set aside, reserve, and hold for delivery to the Commodity Credit Corporation not less than one-half of all wheat purchased by him from producers.

(ii) Deliver to Commodity Credit Corporation, in the form of either wheat or flour, all wheat set aside, reserved, and held under paragraph (ee) (2) (i) hereof. Such delivery shall be made as directed by Commodity Credit Corporation.

This amendment shall become effective at 12:01 a. m., e. s. t., May 24, 1946. With respect to violations, rights accrued, liabilities incurred, or appeals taken, prior to said date, under War Food Order No. 144, as amended, all provisions of said order shall be deemed to remain in full force for the purpose of sustaining any proper suit, action or other proceeding with respect to any such violation, right, liability, or appeal. (E. O. 9280, 7 F. R. 10179; E. O. 9577, 10 F. R. 8087.)

Issued this 22d day of May 1946.

CLINTON P. ANDERSON,
Secretary of Agriculture.

Mr. WHERRY. This is the set-aside order:

The requirements of this paragraph (ee) shall apply only to wheat grading No. 3 or better or grading No. 4 or No. 5 on test weight, produced in the following States: California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, New York, North Dakato, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Texas, Utah, Washington, Wyoming.

Those are the States which raise this particular type of wheat, and produce the grades mentioned in the order.

This is the part of the order for which we are asking consideration:

No producer shall deliver such wheat to a country elevator or mill elevator unless, within 15 days from the time of delivery, not less than one-half of all such wheat shall be sold to such country elevator, subterminal elevator, terminal elevator, mill elevator, or to a merchandiser, miller or other processor.

There are some further provisos which we do not need to consider. I am quite satisfied that it is because of this order that the Department of Agriculture asked for the authority to buy this wheat. The order applies only to the new wheat crop. It does not involve any bonus for what has happened.

Senators from large wheat-producing sections know that farmers store their wheat in elevators. They pay a cent a bushel a month for storage. Then they elect to sell it whenever they choose. This order provides that they must sell one-half of the wheat when it is delivered to the elevator. Within 15 days they must sell half of the wheat which they put in the elevator to the local miller, the terminal miller, or someone else.

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

Mr. WHERRY. I am glad to yield.

Mr. MOORE. Where does the Secretary of Agriculture get the authority to make such an order?

Mr. WHERRY. In the hearings before the food subcommittee of the Small Business Committee, during the past 3 days, they claimed they get the power under the Second War Powers Act. Then I said, "How do you get the power to police the bill? Assume that I am a farmer and that I put the wheat in an elevator and refuse to sell you one-half of it. How can you compel me to sell one-half of it to you?" They said, "The millers do it."

I asked, "What do you do if they refuse?"

They replied, "Well, we have to get some additional authority."

And, Mr. President, as surely as I am standing on my feet here now, the authority they have asked for this afternoon is the authority they wish to have in order to require the millers to sell them the wheat. I do not challenge the authority of the Secretary of Agriculture, but I think it is seizure. I think it is forcing the farmers to sell the wheat at that price.

The wheat farmers could withhold the wheat; they could say, "We will not store

it in an elevator." But that would defeat the very program the Secretary is trying to carry out now, which is to get wheat and to get it immediately.

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

Mr. WHERRY. I yield.

Mr. BARKLEY. As I understand the situation, no producer is required to take his wheat to an elevator.

Mr. WHERRY. That is correct.

Mr. BARKLEY. He can keep it on the farm as long as he wants to.

Mr. WHERRY. Yes.

Mr. BARKLEY. But let us assume that he takes 1,000 bushels of wheat to an elevator, to sell it at the market price then prevailing, and let us assume that the Government says to him, "We are going to have half of it." He will sell the other 500 bushels to the elevator company, or to whoever is there to purchase it, at the price which prevails on that day. But under the provisions of this amendment he would have the right to elect to receive for the 500 bushels he sold to the Government a price existing on some day between the date when he delivered the wheat and the 31st of March 1947. He would have the right to say, "I think wheat is going to increase in price. I will turn this 500 bushels of wheat over to the Government, and I will select a day some time in the future, some time between now and March 31, and the price prevailing on that day will be the price I will get for the 500 bushels I sell to the Government." That would be the case, although he would have accepted for the one-half of the wheat which the elevator company or someone else bought at that time the price which existed on the day when he took the wheat to the elevator.

Mr. WHERRY. Mr. President, I do not agree with the last statement the Senator has made, because the wheat producer might place the wheat in the elevator for storage. He might leave the wheat on the farm. To assume that the farmer who places a thousand bushels of wheat in an elevator is going to sell one-half of it to the elevator man is an assumption which is not justified.

Mr. BARKLEY. Of course, a farmer who takes wheat to an elevator may place it there for storage or he may sell it.

Mr. WHERRY. Yes.

Mr. BARKLEY. Many of those who take it there sell it at once.

Mr. WHERRY. Yes; particularly the poor men who need the money most. They are very likely to sell it in that way.

Mr. BARKLEY. Yes. Of course, a man can simply store his wheat there. But if he sells it then, he takes the market price, the price existing on that day, for the one-half which he sells to the elevator; but under the amendment he would select the price existing on a future day as the price which he would be paid for the wheat the Government would take, and under the amendment the Government would be compelled to pay him the price as of a day, for instance, 6 months later, or the price on whatever day the farmer might select.

Mr. WHERRY. No; the amendment would require him to make an election.

Mr. BARKLEY. Yes.

Mr. WHERRY. If the farmer does not write a letter and make an election, he will have to take the price existing on whatever date the Government chooses.

Mr. BARKLEY. Yes. But if he writes them a letter and says, "I choose the price on October 20 as the price which I wish to receive," and if that price is 15 or 20 cents a bushel higher than the price on the day when he delivered the wheat to the elevator, the Government will pay him the increase of 15 or 20 cents a bushel.

Mr. WHERRY. That is correct. I think the Senator from Kentucky understands the amendment perfectly.

Mr. BARKLEY. Yes; I think perhaps I do understand it. In the case I have mentioned, the Government would pay the farmer more for the wheat which it took than the farmer would be paid by the private person or the elevator man who purchased the other half of the wheat on the day when all of the wheat was delivered at the elevator.

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

Mr. WHERRY. I yield, if the Senator from Kentucky is through.

Mr. BARKLEY. I am through.

Mr. REED. Mr. President, the distinguished Senator from Kentucky has only touched the surface of the problem. Let me say to him that the Department of Agriculture is greatly concerned as to whether it will be able to get sufficient wheat offered freely to fill its commitments for relief export. I speak advisedly because just this week I have discussed this question with those in authority in the Department of Agriculture. I have also discussed the question of marketing wheat in Texas, Oklahoma, and Kansas with the grain trade and the millers, over the long-distance telephone and by telegraph.

If I may have the attention of the Senate for a few minutes, I wish to describe what is one of the most important situations confronting the Government, namely, the need to obtain wheat to fill our commitments throughout the world.

Let me refer to last December, when I went home to Kansas. I stopped over in Kansas City for several days, as I usually do, for although Kansas City is located partly in Missouri, nevertheless it is the market and the commercial center and commercial capital of Kansas. There I spent parts of 2 days in consultation with the millers. Let me say that Kansas raises more wheat than does any other State of the Union. Kansas has the largest milling capacity of any State. Approximately between 20 and 25 percent of all the wheat grown in the United States is grown in Kansas, and about the same percentage of wheat is ground into flour in the mills in Kansas and along the Missouri River on the Kansas side. I talked to those millers, who then were unable to get wheat. The farmers were not letting go of the wheat. We had two conferences on two different days, and the conferences took most of each day. The millers had been relying upon the Commodity Credit Corporation for wheat. The Commodity Credit Corporation, in order to fill the commitments for export, had cut the millers off from wheat. The result was that their supply of wheat available for milling purposes was no more than 3 weeks ahead, except in a very few cases.

We discussed the matter. There was some telegraphic communication on the part of both myself and the millers with the production and marketing administration of the Department of Agriculture. The millers made the point that the farmer in Kansas was feeling bullish; he did not have to sell his wheat, because he could borrow money from his bank. So he was holding up his wheat and he would not sell it. They said, "He will not sell his wheat unless there is an official statement from the OPA that the ceiling price of wheat will not be raised for the rest of the crop for this year." I smiled at the gentleman who said that, and I said to him, "You do not expect me to tell the OPA to tell the wheat farmers that they cannot get any higher price than they can get now; do you?" He said he did not.

But in the latter part of December or the first part of January the OPA made an official statement that there would be no further increase in the ceiling price of wheat. The milling trade thought that statement was necessary, and I assume they requested the OPA to make that statement. At any rate, it was made.

What happened? Later, the ceiling price on wheat was increased 3 cents because of the increase in the parity price. Later, the Commodity Credit Corporation adopted the very plan which is contained in this amendment, and offered to buy wheat and issue a certificate to the effect that the farmer might choose the time when he would sell his wheat. Still later a premium of 30 cents a bushel was paid for wheat during a given period. I believe that the period expired on April 25. Later, there was an increase in the ceiling price of wheat by 15 cents a bushel. Mr. President, I ask you to consider the frame of mind of the average wheat farmer who was told where would be no further increase in the price of wheat, and on the basis of that statement sold his wheat. The frame of mind of the average farmer in the Wheat Belt is that of believing no one in the Department of Agriculture or the OPA.

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

Mr. REED. I yield.

Mr. KILGORE. Was the recent differential occasioned by law or by a rule in the Department of Agriculture?

Mr. REED. It was the result purely of a change in the regulations of the Production and Marketing Administration, I would say, but it was done with the approval of the OPA.

Mr. KILGORE. Then, the differential did not result entirely from a change in law. That is what I am trying to say.

Mr. REED. As the Senator from West Virginia knows, the change in connection with parity is automatic.

Mr. KILGORE. That is the reason I asked the question. Some slight changes have been made in the parity rule. I was wondering if the 3-cent change to which the Senator referred was occasioned by legislative action or some other action.

Mr. REED. I do not recall any legislative action with regard to the parity rule.

Mr. President, during the past week I talked with representatives of the grain trade and millers. I had telephone conversations with them. I have received thousands of letters from my farmer friends who grow wheat. I have received many letters and telegrams from operators of country elevators. The general trend of all information which reaches me is that, in the light of their disheartening experience during the first 6 months of this year, the wheat farmers will not sell their wheat if they can avoid doing so. I ask Senators not to underrate the importance of that fact. The Department of Agriculture does not.

In what I am about to say, I do not commit the Department of Agriculture with reference to anything. I am not speaking for it formally or informally. But I have discussed this problem, just as I have discussed all similar problems, with the Department of Agriculture. I discussed what they might do to offset the sad experience which the farmers suffered during the first 6 months of this year. I was told that until the Congress disposed of this bill so that the Department of Agriculture would know what rule, if any, Congress would lay down to correct the situation, the Department of Agriculture would do nothing.

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

Mr. REED. I yield.

Mr. TYDINGS. Do I understand the Senator from Kansas to urge the argument that unless this amendment is adopted, most of the wheat farmers will not take their wheat to the grain elevators?

Mr. REED. I was about to come to that point. I cannot dispose of the situation as easily as the Senator from Maryland has stated it.

Mr. President, I have received the impression that the Department of Agriculture, fully appreciating the embarrassment to which it, as well as all wheat purchasing agencies are subjected, would be satisfied to have this amendment agreed to, and that if the amendment is not agreed to it will probably be necessary for the Department of Agriculture to place in its regulations virtually the amendment which the Senator from Nebraska has offered. That statement is not official. I am not committing the Department of Agriculture, but because of long contact for many years with this question, I am familiar with it and I have discussed it with the Department of Agriculture on many occasions.

In answering the Senator from Maryland, I may say that the chief individualists of this country are the farmers. As a class there is no group of men who are so highly developed individually as are the farmers. The wheat farmer had a sad experience. He was told that he might as well sell his wheat as to hold it, because its price would not be increased. Then the price was increased 3 cents a bushel, later 30 cents a bushel, and then increased permanently 15 cents a bushel. The result was that bills were introduced in both Houses of Congress—I introduced one in the Senate—for the purpose of taking care of the wheat-marketing situation between January 1 and May 26, if I remember correctly the dates.

In the light of such experience, there was issued by the Department of Agriculture the order to which I have referred. If a farmer can store his wheat on the farm, very well. He may put it in a building or store it on the ground. But when he does that, no one gets any of it. If he takes it to a commercial storage place, under the order of the Department of Agriculture, he must sell to the elevator within 15 days 50 percent of the wheat. In turn, the elevator operator or the storage operator must sell one-half of it to the Government.

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

Mr. REED. Allow me to complete this statement.

I have discussed all these matters with officials of the Department of Agriculture. The Department—I am speaking of it as the responsible representative of the Government—wants 250,000,000 bushels of wheat for export. This year we will produce probably about a billion bushels. The present estimate is a little more than that. So, Mr. President, can we conceive of farmers taking all their wheat and placing it in storage? If they sold 500,000,000 bushels to the elevator, the elevator would have to sell one-half of it, which would be 250,000,000 bushels, and that is the way the Government expects to get its 250,000,000 bushels of wheat.

I now yield to the Senator from Montana.

Mr. WHEELER. Mr. President, I concur with what the Senator from Kansas has said. Many farm organizations and others in my State have written to me. I have in my hand a resolution which was adopted by the Yellowstone County Farmers' Union. The resolution reads as follows:

> Whereas the farmers are patriotic people and have produced to the utmost; and
>
> Whereas the Government sent out an urgent call asking for wheat for starving people of foreign countries; and
>
> Whereas through the urgent appeal from our Government, the same farmers emptied their granaries in support of this appeal; and
>
> Whereas the facts stated in the general letter from the AAA and CCC led the producers to believe that the price of wheat had reached its top; and
>
> Whereas the price of wheat had been increased 3 cents within a week, later a 30-cent bonus, and finally an increase of 15 cents on ceiling on wheat not sold: Therefore be it
>
> *Resolved*, That this meeting go on record urging this price increase be retroactive to January 1, 1946.

Mr. President, what happened is that the Government sent out word that the price of wheat would not be increased. It made a patriotic appeal to the farmers. What was the result? The small, patriotic farmer delivered his wheat. Later the Government increased the price of wheat by 3 cents, then by 30 cents, and later on it increased the wheat permanently by 15 cents. Who profited by it? In my State the Campbell Corp. and one or two other large producers of wheat operate. The farmers of Montana saw that those big fellows had inside information, and I am not sure that they did not have it, with reference to what was about to take place. But each small farmer in that State who was patriotic enough to sell his wheat was gypped because the Government had told him to deliver his wheat and that the price would not be increased. However, the big fellow held his wheat. When the little fellow had brought in his wheat and sold it to the Government, the price was increased by something like 48 cents a bushel.

Mr. WHERRY. Mr. President, I yielded to the Senator from Kansas who yielded to the Senator from Montana for the purpose of asking a question.

Mr. REED. Let me answer the question of the Senator from Montana.

The PRESIDING OFFICER. The Chair wishes to say to the Senator from Nebraska that his 30 minutes on the amendment has expired.

Mr. WHERRY. I should like to take 30 minutes on the bill.

Mr. REED. The 3-cent increase was a permanent increase, because it was a parity increase. The 30 cents was a temporary increase for a given period. I have forgotten the date it started, but I think it ended on May 25. Then the 15-cent increase was a permanent increase so far as the crop harvested this year was concerned, and continues over into next year.

I shall be glad to answer the question of the Senator from Maryland.

Mr. TYDINGS. I see the force of the idea behind the amendment of the Senator from Nebraska, and he has evidently devoted a great deal of thought to the subject of how to break this unfortunate situation. I was wondering if he had considered a proposition in this general vein: Suppose the Department of Agriculture were to say that during the 90-day period, for example, or the 60-day period, covering the general harvest, when the wheat of the whole country would be harvested—we will say, merely for the sake of the illustration, from the 15th of July until the 15th of September—if the farmer who had stored his wheat in the elevator would sell half of the wheat to the Government, half the wheat which is in the elevator during that period, he would receive a premium of 5 cents a bushel. I ask whether or not that would be a simpler thing than prolonging the formula, so to speak, until the 31st of March, with all the fluctuations, with all the bookkeeping that would be involved, with all the chances for fraud, and with all the chances of exploitation of someone who might buy the rights of the seller and then pyramid those rights into a good profit. Has the Senator considered that approach?

Mr. WHERRY. I should like to state to the Senator from Kansas that if he wishes to answer the question, he may do so. Then I should like to reply myself. The Senator from Kansas is one of the leaders in the wheat business, and I should like to have him reply.

Mr. REED. Mr. President, let me say again, I talk back and forth over the telephone with the men in the Department of Agriculture on the days when I talk to them about some method of reaching the situation we are discussing. I have suggested to them over the telephone what is substantially provided in the amendment.

Their answer to me was that they were not going to do anything with it until Congress finished its work on this bill, which I told them was a good thing, because we might repeal the whole act. I said, "What would you do if you were a Kansas wheat farmer?" I know the man I was talking to was grinning at the other end of the telephone. He said, "If I were a Kansas wheat farmer, I would hold my wheat and see what would happen."

Mr. TYDINGS. Why not adopt my idea?

Mr. REED. There is this difference in the way to proceed. I think the Department of Agriculture, while it will never officially say so, would be very glad to have us adopt this amendment, for the reason that there is a general disbelief in the wheat section about any promise made by the OPA as to the wheat crop. The farmers were solemnly assured that there would be no increase, and then there were three different increases.

If the Congress of the United States lays down a rule as to what we are going to do, and the rule is to govern through the marketing of the 1946 wheat crop up to June 30, 1947, the farmer will take it, and the Department of Agriculture will have to take it.

Therefore, from the standpoint of the psychology of the farmer, it is much better for us to legislate on this subject, because the Department of Agriculture is going to have to do something of that kind anyway.

Mr. President, I shall ask recognition in my own right later.

Mr. MILLIKIN. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. MILLIKIN. I wonder if I have an understanding of just what the amendment provides. Under a free economy the farmer can keep his wheat on the farm, he can keep part of it, he can take part of it to the elevator, he can sell it today, he can store it on the farm or in the elevator, and he can keep it for a year if he wants to.

Mr. WHERRY. Yes.

Mr. MILLIKIN. He can sell it whenever he pleases at the price available to him.

Mr. WHERRY. Yes.

Mr. MILLIKIN. Is that correct?

Mr. WHERRY. It is.

Mr. MILLIKIN. Through the processes of Government which the Senator from Nebraska has described, the Government interferes with these rights of the farmer as to one-half of the wheat he takes to the elevator.

Mr. WHERRY. Yes.

Mr. MILLIKIN. The Senator's amendment provides a method for putting the farmer in the same position as to the one-half of his wheat which he must sell to the Government that he would have been in had the Government not interfered with his free right of choice. Is that the essence of it?

Mr. WHERRY. That is absolutely the essence of it.

I am perfectly willing to take a vote. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. WHERRY]. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the Senator from Utah [Mr. THOMAS]. I transfer that pair to the Senator from Nebraska [Mr. BUTLER] and will vote. I vote "aye."

The roll call was concluded.

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Idaho [Mr. GOSSETT] is absent by leave of the Senate.

The Senator from Missouri [Mr. BRIGGS], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Washington [Mr. MITCHELL], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. BURCH], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Montana [Mr. MURRAY], the Senator from Utah [Mr. THOMAS], and the Senator from Delaware [Mr. TUNNELL] are necessarily absent.

The Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Rhode Island [Mr. GREEN] are absent on official business, attending the meeting of the Empire Parliamentary Association in Bermuda.

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.

The Senator from Louisiana [Mr. ELLENDER], the Senator from New Mexico [Mr. HATCH], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. MCKELLAR], and the Senator from Florida [Mr. PEPPER] are members of the committee on the part of the Senate attending the funeral services of the late Senator John H. Bankhead, of Alabama.

I also announce the following general pairs: The Senator from Arkansas [Mr. FULBRIGHT] with the Senator from Wisconsin [Mr. WILEY]; the Senator from Rhode Island [Mr. GREEN] with the Senator from Michigan [Mr. FERGUSON]; and the Senator from Georgia [Mr. RUSSELL] with the Senator from Indiana [Mr. WILLIS].

I announce that if present and voting, the Senator from Pennsylvania [Mr. GUFFEY] would vote "nay."

Mr. WHERRY. The Senator from Michigan [Mr. FERGUSON] and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate as members of the committee appointed by the United States Senate to attend the Empire Parliamentary Conference in Bermuda. The Senator from Michigan [Mr. FERGUSON] has a general pair with the Senator from Rhode Island [Mr. GREEN], and the Senator from Wisconsin [Mr. WILEY] has a general pair with the Senator from Arkansas [Mr. FULBRIGHT].

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 Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from North Dakota [Mr. LANGER], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Indiana [Mr. WILLIS] is necessarily absent. He has a general pair with the Senator from Georgia [Mr. RUSSELL].

The Senator from Missouri [Mr. DONNELL] is absent as a member of the Senate committee attending the funeral of the late Senator Bankhead.

The Senator from Nebraska [Mr. BUTLER] would vote "yea" if present.

The Senator from Vermont [Mr. AIKEN] is unavoidably detained.

The result was announced—yeas 48, nays 15, as follows:

YEAS—48

Ball	Hawkes	Revercomb
Bilbo	Hickenlooper	Robertson
Brewster	Huffman	Saltonstall
Bridges	Johnson, Colo.	Shipstead
Brooks	Johnston, S. C.	Smith
Buck	McCarran	Stanfill
Bushfield	McClellan	Stewart
Byrd	Magnuson	Taft
Capper	Millikin	Taylor
Carville	Moore	Thomas, Okla.
Cordon	Morse	Tobey
Downey	Murdock	Tydings
Eastland	O'Daniel	Wheeler
Gerry	O'Mahoney	Wherry
Gurney	Radcliffe	White
Hart	Reed	Wilson

NAYS—15

Barkley	Knowland	Mead
George	Lucas	Myers
Hayden	McFarland	Overton
Hoey	McMahon	Wagner
Kilgore	Maybank	Walsh

NOT VOTING—32

Aiken	Ellender	Mitchell
Andrews	Ferguson	Murray
Austin	Fulbright	Pepper
Bailey	Gossett	Russell
Briggs	Green	Thomas, Utah
Burch	Guffey	Tunnell
Butler	Hatch	Vandenberg
Capehart	Hill	Wiley
Chavez	La Follette	Willis
Connally	Langer	Young
Donnell	McKellar	

So the amendment offered by Mr. WHERRY, for Mr. BUTLER and himself, was agreed to.

Mr. WHERRY's amendment, as agreed to, is as follows:

At the proper place in the bill insert the following new section:

"SEC. —. (a) In the event producers of wheat are required by an order issued pursuant to the Second War Powers Act, 1942, as amended, to sell all or any part of wheat delivered to an elevator prior to April 1, 1947, the Commodity Credit Corporation shall offer to purchase the wheat so required to be sold at a price determined as follows: The purchase price paid for the wheat shall be the market price at the point of delivery as of any date the producer may elect between the date of delivery and March 31, 1947, inclusive: *Provided, however,* That only one election may be made for each lot of wheat: *And provided further,* That the producer may not elect a date prior to the date on which he mails a written notice to Commodity Credit Corporation of his election. In the event the producer does not notify Commodity Credit Corporation in writing by March 31, 1947, of his election of a date for determining the market price, such date shall be deemed to be March 31, 1947.

"(b) Any producer of wheat who, prior to the date of enactment of this act, has sold any wheat pursuant to the requirements of paragraph (ee) (1) of War Food Order No.

144, may, at any time within 30 days after the date of enactment of this act, pay to the Commodity Credit Corporation a sum equal to the amount for which he sold such wheat. Any producer paying any such sum to the Commodity Credit Corporation shall be deemed to have sold and delivered to the Commodity Credit Corporation as of the date he pays such sum a quantity of wheat equal in grade and quality to the quantity sold by him pursuant to such requirements and the purchase price to be paid to him for such wheat shall be determined in the same manner as in the case of a sale of wheat to the Commodity Credit Corporation pursuant to the provisions of subsection (a) of this section."

Mr. HICKENLOOPER. Mr. President, in connection with my remarks on the meat situation made earlier in the day, I wish to place in the RECORD certain telegrams. Earlier I said I would report the results of certain inquiries made by me with respect to pharmaceuticals. I now ask to place in the RECORD six or seven telegrams I have just received from some of the prominent pharmaceutical houses in the United States indicating the conditions with respect to pharmaceuticals as the result of the meat shortage.

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

NEW YORK, N. Y., *June 13, 1946.*
Senator B. B. HICKENLOOPER,
Washington, D. C.:

Present situation acute because of the fact that the various glands from animals have been in short supply due to small kill. We oppose a recent suggestions to increase prices for glands because we know a higher price for glands will not make more glands available for pharmaceutical products, since the packers now recover practically all glands. On the other hand it is important that legitimate packing houses handle kill inasmuch as they have the facilities and personnel for collecting animal glands.

E. R. SQUIBB & SONS.

BOSTON, MASS., *June 13, 1946.*
Hon. B. B. HICKENLOOPER,
United States Senate:

Your telegram 13th: Liver products supplies for pharmaceuticals not too plentiful, however, other gland-product derivatives very scarce.

UNITED-REXALL DRUG CO.,
F. J. HAILER, *Vice President.*

NEW YORK, N. Y., *June 13, 1946.*
Hon. B. B. HICKENLOOPER,
United States Senator, United States Senate, Washington, D. C.:

Re your wire today to J. C. Chilcott, present situation unchanged since wiring you May 15. Look for no improvement in the future supply of necessary materials derived from animal sources for pharmaceutical manufacturing unless decided changes are made in OPA control. We strongly urge immediate correction of this legislation.

THE MALTINE CO.,
E. R. JANES, *Vice President.*

RICHMOND HILL, N. Y., *June 13, 1946.*
Hon. B. B. HICKENLOOPER,
United States Senate,
Washington, D. C.:

Reply your telegram. Greater livestock killed in regular channels at controlled ceiling prices needed to meet demand for granular and other livestock products for medicinal manufacturing. Manufacturing here virtually stopped because of unavailability ox-bile due to small cattle kill and uncontrolled price bidding for available supplies ox-bile.

O PRODUCTS, INC.,
SAMUEL M. GORDON, *Vice President.*

NORTH CHICAGO, ILL., *June 13, 1496.*
Hon. B. B. HICKENLOOPER,
United States Senate Office,
Washington, D. C.:

Re your telegram June 13, situation worse. Raw materials from livestock virtually unavailable. No prospects in sight for improvement under present regulations. Situation critical on the entire group. Unless raw material can be provided for pharmaceutical industry many individuals in this country will suffer for failure to get proper medication. This may even result in death.

ABBOT LABORATORIES,
E. L. DRACH,
Director of Purchases.

CHICAGO, ILL., *June 13, 1496.*
Hon. B. B. HICKENLOOPER,
United States Senate Building,
Washington, D. C.:

As has been true in the past and is a fact now and we believe will maintain for the future unless OPA ceilings are removed from livestock and meat products, it is practically impossible to obtain materials in this country to produce pharmaceuticals. Our stocks of some items are exhausted and there is no prospect of receiving materials to continue manufacture.

JOHN G. SEARLE.

Mr. HAWKES. Mr. President, I would be very reluctant in taking the time of the Senate at this late hour if I had not sat here very patiently for 4 days and listened to other Senators elucidate the subject before us. I feel, however, I should make a few remarks.

One thing that has impressed me as much as anything in the debate which has taken place in the Senate for the past 4 days is the fact that there has been no ill will, there has been very little crimination or recrimination in the debate, and from that it seems to me, after a life of experience that practically every Member of the Senate feels as I do, that is, he does not know positively the answer to this question. I think we are all trying to return to the American way. I think we are all trying to get out from under controls. I believe that nearly every Senator feels that he would like to get rid of all the controls tomorrow if that could safely be done. I know, so far as I am concerned, that I have never yet been able to convince myself that we should get rid of rent controls, though I know a great injustice has been done and is being done to those individuals who have saved their money and put it into homes and apartments and are using that method to make their living.

We have heard many dire predictions made. Again I say no one knows what will happen. I shall not make any predictions, except to say that the reactions of the Senate mean to me that the people are revolting—not the Senate, but the people—are revolting against the things that have happened.

The black market is thriving. That has been said many times. There is nothing new in the statement. But the people are revolting because the black market is thriving, and the people by the millions in this country know that ceiling prices of themselves mean nothing if they cannot get the things they need. They know very well that one cannot eat price lists or ceiling price lists, and one cannot be nourished by them. We have got to get production, and we have got to get materials, the things we need and some of the things we may just want.

Notwithstanding all the statistics which have been presented here the people know very definitely that production is not what it should be. Regardless of comparisons with the past, they know that production is on a low level. I know it, for in the business in which I was interested, and in which 1,800 men were formerly employed, 600 men are now working, because of OPA and because of regulations which have taken away raw materials and let them go abroad, from South America to other places. I am merely attempting to show that production is not what it ought to be. It is not what it can be if we get the kind of cooperation we must have in this country between worker and capital—honest, decent cooperation based upon decent wages. But when we talk about decent wages let us remember that under our American system we cannot continue to pay decent wages unless a decent full day's service is rendered in return for decent wages. This is a reciprocal arrangement. We must all do our part. The system cannot be regulated by law. The main part of the program about which we are talking must depend upon voluntary cooperation and understanding. I believe that every Member of the Senate knows that no matter what the ceiling prices may be, whether we keep OPA or not, if we do not get production we shall face the danger of inflation.

I shall not detain the Senate much longer, but I wish to read something which I have found in the books of history of the past. I think it applies to what we are doing today; and I think the causes which made this thing happen are the same causes which are making us change our feelings with regard to regulation and the extension of OPA.

This statement is entitled "The Law of the Maximum":

The tragic collapse of public and private prosperity in France at the close of the eighteenth century is familiar to any student of the period. Historians of the times invariably point to the excessive issuance of paper money secured by the confiscated lands of emigrants, royalty, and the church as the basic cause for this economic disaster.

Closer inspection of the period, however, reveals it to be one in which many economic experiments were attempted by the "planners" of the French socialistic revolutionists in an effort to meet the difficulties which arose not only as a result of a cheap currency but also because of diminished production consequent upon the interruptions of industry and general disorder due to the War of Revolution.

One of the most important and disastrous of these experiments was the attempt to fix a maximum beyond which the prices of the necessities of life could not advance.

Mark this, because to me this is very important. Human nature is pretty much the same today as it was then.

In 1793 the law of the maximum was enacted with the sponsorship of St. Just the

Terrorist, associate of Robespierre. Prices were established for grain, meat, fuel, clothing, vegetables, tobacco, beer, and many kinds of raw materials—in all, about 39 items.

Though high-handed this was not careless legislation and its enactment was preceded by studies by committees of experts—

The same kind of experts we now have—

who reviewed distribution systems, commodity supplies, and consumer demands. A base period was selected (1790) and the price for each necessity controlled was established at 1⅓ of its price in that year.

They selected a base period, just as we did.

To the base price was added an allowance for transportation and fixed wholesale and retail mark-ups. The new law was reported to the people with great fanfare. Barrére, a great orator of the Revolutionists, said—

I digress to remark that we have had some very great orators here who have been elucidating the problem. Barrére said:

"Monarchial commerce * * * sought only wealth"—France, to revive, needed "Republican commerce—a commerce of moderate profits and virtuous. France alone enjoys such a commerce."

Immediately upon the announcement of the law it was violated and scarcities increased. Tickets were issued to the people to entitle them to buy necessities at official prices. This was followed by increasingly stringent penalties in an effort to support the law—to prevent private sales and hoarding. Finally a death-penalty law was passed to punish those who possessed stocks of the controlled commodities and refused to sell them at the legal price and on the daily guillotine lists of 1793-94 appear the names of violators of the law of the maximum.

Mark how far they went and failed.

In spite of all the evasions, the law brought agriculture, manufacturing, and commerce practically to a standstill. Farmers and peasants soon produced little more than sufficed for their own consumption. Hardly anything was produced for sale. Many crops remained unharvested; factories were closed; fishermen refused to go to sea. People would not work if they saw no chance of getting remunerative prices for their produce. Many people were imprisoned for the crime of refusing to pursue trades in which they were not allowed to make profits, or of selling at prices which purchasers were glad to pay, but, which were often 200 percent above legal maximum.

Frightful distress followed, especially in cities and other areas where people could not produce sufficient food supplies for their own support.

That refers to areas such as our cities. When I read the next sentence I am reminded of the insertion made yesterday in the RECORD by the distinguished Senator from Massachusetts [Mr. WALSH]. When we read it we see that the people of this country are already trampling on one another and injuring one another in seeking the things they need. Mark this:

Many were crushed in the scramble at the bakers' shops. Many, especially the children, were literally starved. After the fall of Robespierre (July 1794) the law was openly broken. Fortunately, it had neglected to take into cognizance live cattle and sheep, and, consequently, though bread was scarce, meat became tolerably plentiful when it could be sold at a fair price. Agriculture and manufacturing began to revive, especially after the maximum law had been formally repealed (December 1794).

Mr. President, I wish very much to leave a thought with this body tonight. I want every American to understand what I am talking about. There is no way from where we have gone, back to where we must go, that does not involve injustices, trials, and tribulations. If I could do one thing tonight to help solve this very difficult problem, it would be to try to ask the American people not to be quite so critical about everything as they have been, and to ask myself not to be quite so critical about everything as I have been. Let us see if we cannot unite. Let us understand what is in front of us.

Let us believe in the American system, which made this country the greatest Nation on the face of the earth. Certainly we may have trouble. Certainly prices may go up for two or three months or longer. Certainly the people may make them go still higher if they reach into the black market and bid against each other for the things they do not need. Our great job is to work together and understand the problem which we have before us. If we believe in this great system, let us make every sacrifice within our power to teach the other fellow what is necessary in order that we may work together harmoniously in trying to go through this unknown land until we reach the other side where we shall find the real America again.

If we are to throw everything overboard, if each of us is to act selfishly, if no one has any regard for the preservation of sacred things, if no one has a decent sense of intelligent selfishness to help the other fellow and to bring back voluntary cooperation, harmony, production, and competition, which has always controlled the price of everything for us and which has made us a great people, then all I have to say is, God help America.

I know one thing as I vote tonight. I am going to vote for this bill as it is, even though it may not be exactly as I would have it. I know very definitely, as I prepare to vote on the bill tonight, that no one can go through the situation in which we find ourselves to the goal we are striving to reach, without being a good American and without being prepared to carry his full share of the load that lies ahead of us, so that we may come out in the "tomorrow" to the sunrise of prosperity which belongs to the American system of freemen.

The PRESIDING OFFICER. The question is on the adoption of the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question recurs on the engrossment of the amendment and the third reading of the bill.

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

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. GEORGE. Mr. President, it would have been my purpose to resist any effort to have stricken from the price control bill the so-called Bankhead-Brown amendment, but inasmuch as no effort was made to strike that provision from the bill it was unnecessary for me to make any statement to the Senate.

However, I have a statement of the history of the Bankhead-Brown amendment which is very brief, and which I understand had the full approval of our late colleague, Senator Bankhead. I ask that it be inserted in the RECORD prior to the final vote on the passage of the bill.

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

THE HISTORY OF THE BANKHEAD-BROWN AMENDMENT

The present difficulty in requiring OPA to allow the current cost of cotton in textile ceilings is not new. We have had trouble in this regard since the beginning of the price-stabilization program. In 1944, just about 2 years ago, OPA's attention was called to the fact that cotton prices had advanced around 2 cents a pound since the ceiling prices were fixed in April 1942 and that an adjustment in prices was necessary. At that time cotton was still considerably below parity, when most major farm commodities were at or above parity, and though cotton had increased slightly the textile ceilings were prohibiting cotton reaching parity. The OPA, however, flatly refused to make adjustments of any consequence in cotton textile ceilings. Production had already fallen off about 1,500,000,000 yards.

To stop any further decrease in production, Congress passed what came to be known as the Bankhead-Brown amendment to the Stabilization Act of 1944, which was intended to provide a practical formula for determining ceilings on major cotton textile items to encourage production. Object of the amendment was to require that ceilings on any major item should not be less than the sum of the following three factors: First, the cost of the cotton used in making the item, computed at not less than the parity price for that grade and staple of cotton delivered to the mill; second, a weighted average of the cost of manufacturing that item; and, third, a reasonable profit on that item. Certainly no sensible person could believe that any manufacturer would produce a piece of goods if the ceiling price on that goods was any less than the actual cost, plus a reasonable profit.

But the intent of the Bankhead-Brown amendment was not carried out. The OPA maintained a constant attitude of resentment toward carrying out the intent of the law. They had fought it bitterly when it was before Congress and then used all tactics at their command including the most-effective measure of delay. When Mr. Bowles appeared before the Senate Banking and Currency Committee on March 1, 1945, to ask for another extension of the price-stabilization law, he had to admit there were still ceilings on cotton-textile items that had not been adjusted. All this time costs were continually increasing.

To require the OPA to follow the spirit and intent of the original Bankhead-Brown amendment, an interpretation of the amendment was included in the June 27, 1945, conference report on Senate Joint Resolution 30 extending the Emergency Price Control Act to 1946. The report, signed by the managers on the part of the House on the cotton-textile amendment, reads as follows:

"The conferees have given consideration to the operation of the Bankhead-Brown amendment to the Stabilization Act of 1942, relating to the pricing of cotton textiles. The

conferees are in agreement with the conclusion of the Senate and House committees, that the purpose of that amendment will not be carried out unless the maximum price for each major cotton-textile item is fixed and maintained at not less than the sum of the following:

"1. The cotton cost (which must be computed at not less than the landed mill parity equivalent for the grade and staple of cotton used; except that, after the initial adjustments required under the amendment have been made, the amendment does not require the continued use of a cotton cost figure which is, and for a representative period has been, above or below the actual cotton cost);

"2. A weighted average of mill conversion costs; and

"3. A reasonable profit."

The conferees are advised that the Price Administrator has informed the chairman of the Senate Banking and Currency Committee that the policy which he intends to follow in administering the amendment will be in full accord with this opinion as to its requirements.

The significant language in this report is that contained in the last phrase of the paragraph No. 1, "above or below the actual cotton cost." To the conferees this meant that the OPA would allow the current cost of cotton. However, Mr. Chester Bowles still refuses to follow the intent of the act by arguing that the law does not require him to allow the current cost of cotton above parity.

The amendment in the price-control bill which passed the House was an attempt to write into law the spirit and intent of the conference report of June 27, 1945. This House amendment reads as follows:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price, applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and maintained at not less than the sum of the following:

"(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"(2) A weighted average of mill conversion costs; and

"(3) A reasonable profit."

Wool was included in the amendment because representatives of the wool growers and wool manufacturers in the House committee felt their problem was the same as that of the cotton people and asked to be included.

The definition of a reasonable profit as the profit per unit of production in the base period 1939–41 and the incentive plan to increase production, both of which are now embodied in the amendments introduced by the late Senator Bankhead, developed as a result of the investigation into the shortage of cotton goods conducted by the Subcommittee of the Senate Committee on Agriculture and Forestry.

The testimony from various witnesses during the hearings, which lasted almost 2 weeks, pointed specifically to the need for changing from the industry-earning standard for calculating profits to a per unit basis in order to permit manufacturers to realize a profit on each unit of production. Textile-industry earnings as determined by OPA included the production and finishing not only of cotton-textile production but the production of rayon fabrics which have been shown to be more profitable than cotton and also dyeing and finishing. In other words, over-all profits are no indication that the manufacturers can make a profit on low-cost work clothes, for instance, in which the margin of profit is very small. The investigation also indicated the need for the over-all incentive plan to compensate for payment of premium wages for third shifts and overtime in order to get all-out production.

Mr. STEWART. Mr. President, I wish to have printed in the RECORD a telegram I sent to the Secretary of Agriculture concerning the latest control order, and regarding the black market in meat.

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

WASHINGTON, D. C., *June 12, 1946.*

Hon. CLINTON P. ANDERSON,
Washington, D. C.:

Recent news stories purporting to contain statements of OES and OPA charge:

1. That the latest control order is stopping the black market and channeling livestock through legitimate slaughterers which is shown by an alleged increase of 9 percent in federally inspected slaughter from April to May 1946, and

2. That we have a meat famine caused by farmers withholding livestock from market and packers hoarding meat, both producers and packers hoping to profit from removal of controls on livestock and meat an June 30.

Figures in my possession from the Department of Agriculture show that both of these statements are untrue. As to the alleged increase of federally inspected slaughter for May over April, the increase is only three-tenths of 1 percent, not 9 percent, and was due to a seasonal increase of hog slaughter, whereas federally inspected cattle slaughter declined sharply and representative legitimate packers found it more difficult to buy cattle at legal prices. As to the withholding of livestock by farmers, while it is true that there is a decline of cattle marketed at central markets from May to April from 714,727 to 613,210 or 101,517 fewer, this is no proof that producers are holding back cattle, but is clear evidence that the bootleggers are now buying livestock at the farms and auctions, the latter which you know is growing and flourishing all over the country. As to the packers' hoarding meat, the amount of cattle which legitimate slaughterer's are able to buy is so limited that if all of it were hoarded it would not appreciably affect the amount available at retail levels. Furthermore, of the small numbers of cattle slaughtered federally inspected slaughterers are required to set aside for the Government 55 percent of the lower grades and 60 percent of all canned meat. In the case of hogs these slaughterers must set aside for the Government 40 percent of their weekly production of pork and nearly 50 percent of their lard. Since these facts are readily available to you please advise by return wire if it is not true that the current meat shortage is mainly attributable to black-market diversion of livestock and maldistribution of meat and that you have no evidence that farmers are withholding livestock or packers are hoarding meat. Also please advise if it is not a fact that slaughter-control program is failing "to direct these cattle back into decent channels. To persuade people that they have got to buy in compliance. To get food for the American people at decent prices."

Regards.

TOM STEWART,
United States Senate.

Mr. McMAHON. Mr. President, Senators who worked for this bill are, in my opinion, largely motivated by the idea that the OPA is interfering with our system of private enterprise and because they resent what they choose to call State authoritarianism. In my opinion they will be the very Senators who will try to sink the hooks the deepest into labor when it protests by strikes against the increased prices which will come about as the result of this bill. Then they will go all out for State authoritarianism in the field of labor relations.

Mr. BARKLEY. Mr. President, I wish to say just a word. I am sure many Senators have been perturbed with respect to what they should do on the question of the final passage of this bill. I can very well understand that, because I myself have endured the same sort of perturbation.

The President sent a letter to the Committee on Banking and Currency during its consideration of this measure. In that letter the President stated that if a bill such as the one which was passed by the House of Representatives came to him, he would be compelled to veto it. I had hoped that the deliberations in the Senate committee and in this Chamber might result in improvement of the bill as it was passed by the House; and regardless of that, I had hoped that out of the conference committee might come legislation which would be substantially satisfactory to the American people. Whether the Senate version of the bill is better or worse than the bill as it was passed by the House of Representatives, I pass no judgment upon at this time.

The bill is not what I wanted nor what I sought to obtain both in the committee and on the floor of the Senate. It falls so far short of being what I had hoped for that I had hesitated to vote for it at all, and I expressed that hesitation and also my hesitation to become one of the conferees on the bill, which I would be entitled to be in view of my rank on the committee, when the bill has passed the Senate and goes to conference.

But, Mr. President, the failure to pass this bill would mean the end of all price controls on the 30th day of June, 2 weeks from next Saturday. Inadequate as many of its provisions seem to me to be, and short as it falls of the aspirations which many of us had at the time of the inception of the measure, nevertheless it seems to me it would be an inexcusable mistake for the Senate not to pass the bill, however unsatisfactory it is in its present form. Also I have given consideration to whether I owe any duty and whether other Members of the Senate who would be conferees owe any duty to the Senate and to the country with respect to this measure, notwithstanding our dissatisfaction with some of its provisions.

Therefore, Mr. President, I wish to say that I shall vote for the bill. The chairman of the committee indicated that he would suggest my name as one of the conferees to meet with the conferees on the part of the House to see what can be done with the measure. I shall vote for the bill because I am unwilling to see price control end on the 30th of June and to see all price regulations and controls end at that time, and because I believe the defeat of this bill in the Senate would not facilitate the obtaining in the next few weeks of any better legislation which we might hope for, so that we could feel any happier regarding the situation

or so that we might hope that the President would be given a bill which would be better than the one we have now completed.

Therefore, I feel it my duty as a member of the Committee on Banking and Currency which worked on the bill for 2 or 3 months, and worked very assiduously and industriously, and I also feel it my duty as a Senator, independently of my position on the committee, to vote for the bill, in the hope that out of the conferees' deliberations which will take place, inasmuch as we have eliminated all of the House bill and have substituted a new bill, the conference committee may arrive at a bill which will be more satisfactory than the bill as it was passed by the House of Representatives and more satisfactory than the bill as passed by the Senate.

Therefore, I shall vote for the bill, and I shall do the best I can, insofar as I shall be in a position to do anything about it, to work out the best possible bill in the light of all the considerations involved, in the hope that it may be approved by the Chief Executive and may become the law and may extend the price-control system for another year, and in the hope that when that year has expired it will no longer be necessary for any price control or other similar regulations to be imposed upon commodities, and that long before the year expires, in the gradual process which has been worked out here, most of the controls may be lifted without any serious injury to the economy of our Nation or to the people as a whole.

Mr. TAFT. Mr. President, I wish to say only a few words. I think this bill preserves an effective control of many prices and a generally effective protection against the kind of inflationary rise which we might face if we passed no bill at all. Again I wish to call attention to the fact that I think it would be entirely reasonable to abolish all price control. There is an argument to be made for that. It would not be something which would be out of the question.

However, we have chosen a policy partly between that and complete continuation of the present power. But the amendment offered by the majority leader himself, which is incorporated in the bill, says very clearly that—

> Therefore, it is hereby declared to be the policy of the Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provisions of this act, be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

Everyone agrees to that policy. There is no difference of opinion, except with regard to Mr. Bowles, as to the general theory of progressive decontrol. We have chosen to decontrol perhaps 25 to 30 percent of the commodities which go into the ordinary cost of living. We permit the OPA to retain control on 70 to 75 percent of those commodities. So we are merely beginning, perhaps somewhat more quickly than some believe to be wise, the decontrol policy which has been agreed to by everyone who has participated in a consideration of the subject. So this proposal is not a departure from the general policy. It merely represents a more rapid approach, perhaps, than some persons think we should take.

The various other amendments are merely provisions to make the enforcement of control more reasonable, and to emphasize to the Price Administration that they must be liberal in price fixing in order to encourage the production of articles which are not to be decontrolled. So I would say that the bill preserves a substantial part of the price control which now exists, that it is in full accord with the policies which we all agree to, and that there is no reason why we should not pass the bill and make it the final guide for the Price Administration during the next 12 months.

Mr. BARKLEY. Mr. President, in fairness to Mr. Bowles, I do not believe the implication should be left that he has objected to the termination of price control. So far as I recall, he expressed no objection to the provision of the amendment which I offered in the committee, terminating the Office of Price Administration by June 30, 1947. He did disagree, and does disagree, with some of the rapid decontrols which are provided for specifically in the bill. There is a difference of opinion, and an honest difference, in respect to that matter. The Senate has accepted the decontrols, and has provided for them more rapidly than Mr. Bowles felt would be wise. But I do not wish the implication to be left unnoticed which might lead to the belief that Mr. Bowles objected to the termination on June 30, 1947, of price controls, because he did not object so far as I know, and does not object today.

Mr. TAFT. Mr. President, I am glad to accept Mr. Bowles within the ranks of the rest of us who feel that during the next year intelligent and progressive decontrol should take place as rapidly as possible, consistent with the policies and purposes of the act. If Mr. Bowles joins with us he can hardly say that we differ with him in principle by passing the bill which is before us. He can say only that any difference in opinion which may exist between us is one of degree.

Mr. McMAHON. Mr. President, in view of the remarks which I have made and the position which I have taken with regard to this bill, I wish the RECORD to show that when I vote I shall do so solely for the reasons which motivated the majority leader, as stated by him a few minutes ago.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays having been demanded and ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the Senator from Utah [Mr. THOMAS]. I understand that if present and voting, he would vote as I intend to vote. Therefore, I am at liberty to vote. I vote "yea."

The roll call was concluded.

Mr. JOHNSTON of South Carolina. Mr. President, the Senator from Delaware [Mr. TUNNELL] requested me to state that he had arranged to deliver an address over the radio at 9 o'clock and that if present and voting, he would vote "yea."

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] is absent because of illness.

The Senator from Idaho [Mr. GOSSETT] is absent by leave of the Senate.

The Senator from Missouri [Mr. BRIGGS], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Washington [Mr. MITCHELL], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from Florida [Mr. ANDREWS], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Montana [Mr. MURRAY], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Rhode Island [Mr. GREEN] are absent on official business, attending the meeting of the Empire Parliamentary Conference in Bermuda.

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.

The Senator from Louisiana [Mr. ELLENDER], the Senator from New Mexico [Mr. HATCH], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. McKELLAR], and the Senator from Florida [Mr. PEPPER], are members of the committee on the part of the Senate attending the funeral services of the late Senator John H. Bankhead of Alabama.

I also announce that on this question the Senator from Texas [Mr. CONNALLY] is paired with the Senator from Washington [Mr. MITCHELL]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Washington would vote "nay."

I announce further that on this question the Senator from Tennessee [Mr. McKELLAR] is paired with the Senator from Pennsylvania [Mr. GUFFEY]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Pennsylvania would vote "nay."

I also announce the following general pairs: The Senator from Arkansas [Mr. FULBRIGHT] with the Senator from Wisconsin [Mr. WILEY]; the Senator from Rhode Island [Mr. GREEN] with the Senator from Michigan [Mr. FERGUSON]; and the Senator from Georgia [Mr. RUSSELL] with the Senator from Indiana [Mr. WILLIS].

I further announce that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Missouri [Mr. BRIGGS], the Senator from Louisiana [Mr. ELLENDER], the Senator from Rhode Island [Mr. GREEN], the Senator from New Mexico [Mr. HATCH], the Senator from Alabama [Mr. HILL], and the Senator from Utah [Mr. THOMAS] would vote "yea."

Mr. WHERRY. The Senator from Michigan [Mr. FERGUSON] and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate as members of the committee appointed by the United States Senate to attend the Empire Parliamentary Conference in Bermuda. The Senator from Michigan [Mr. FERGUSON] has a general pair with the Senator from Rhode Island [Mr. GREEN]. If present the Senator from Michigan would vote "yea." The Senator from Wisconsin [Mr. WILEY] has a general pair with the Senator from Arkansas [Mr. FULBRIGHT].

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 necessarily absent. He has a general pair with the Senator from Georgia [Mr. RUSSELL].

The Senator from Missouri [Mr. DONNELL] is absent as a member of the Senate committee attending the funeral of the late Senator Bankhead.

The Senator from Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from North Dakota [Mr. LANGER], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate. The Senator from Indiana [Mr. CAPEHART] would vote "yea" if present.

The Senator from Vermont [Mr. AIKEN] is unavoidably detained. If present he would vote "yea."

The Senator from Vermont [Mr. AUSTIN] is unavoidably detained.

The result was announced—yeas 53, nays 11, as follows:

YEAS—53

Barkley	Hickenlooper	Radcliffe
Bilbo	Hoey	Reed
Brewster	Huffman	Revercomb
Bridges	Johnson, Colo.	Robertson
Brooks	Johnston, S. C.	Saltonstall
Buck	Knowland	Shipstead
Burch	Lucas	Smith
Byrd	McCarran	Stanfill
Capper	McClellan	Stewart
Carville	McFarland	Taft
Cordon	McMahon	Taylor
Eastland	Magnuson	Tobey
George	Maybank	Tydings
Gerry	Millikin	Walsh
Gurney	Morse	Wheeler
Hart	Murdock	White
Hawkes	O'Mahoney	Wilson
Hayden	Overton	

NAYS—11

Ball	Mead	Thomas, Okla.
Bushfield	Moore	Wagner
Downey	Myers	Wherry
Kilgore	O'Daniel	

NOT VOTING—31

Aiken	Ferguson	Murray
Andrews	Fulbright	Pepper
Austin	Gossett	Russell
Bailey	Green	Thomas, Utah
Briggs	Guffey	Tunnell
Butler	Hatch	Vandenberg
Capehart	Hill	Wiley
Chavez	La Follette	Willis
Connally	Langer	Young
Donnell	McKellar	
Ellender	Mitchell	

So the bill (H. R. 6042) was passed.

Mr. BARKLEY. Mr. President, I move that the Senate insist on its amendment, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. WAGNER, Mr. BARKLEY, Mr. RADCLIFFE, Mr. DOWNEY, Mr. TOBEY, Mr. TAFT, and Mr. MILLIKIN conferees on the part of the Senate.

Mr. BARKLEY. Mr. President, I ask that the order I send to the desk be entered.

The PRESIDING OFFICER. The clerk will read.

The CHIEF CLERK. Ordered by unanimous consent that House bill 6042, the price-control bill, be printed showing the Senate amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARKLEY. I do not think it is necessary, although if it is necessary I ask that the Legislative Drafting Service show the House and Senate bills in comparative columns as nearly as possible so that when the conferees meet they can compare the identical or similar provisions in the two bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. BARKLEY. Mr. President, it is my purpose, when we conclude our business, to ask that the Senate recess until tomorrow at 12 o'clock.

I ask unanimous consent that immediately upon the assembling of the Senate tomorrow the Senate proceed to the consideration of bills on the calendar to which there is no objection. I make the request in order that we might clear the calendar of a large number of bills which may be passed on the call so as to know what bills are left which will have to be dealt with in another fashion.

The PRESIDING OFFICER. Does the Senator include in his request that the call of the calendar begin at the point where the call was concluded on April 12?

Mr. BARKLEY. Beginning with the April 12 call.

The PRESIDING OFFICER. Without objection, the request is agreed to.

Mr. TYDINGS. Mr. President, I ask the Senator if it is his plan, when the calendar of unopposed bills has been disposed of, to take up the legislative appropriation bill.

Mr. BARKLEY. I hope to be able to do that. I will say to the Senator from Maryland, however, that there are several bills of an emergent nature which will take very little time. The Senator from Massachussets [Mr. WALSH] has a bill in regard to the authority to use the old ships which are on their way to the Pacific to be used as targets. There are three or four other small matters which will take a little time, but I think that after we finish the calendar tomorrow we can very easily consider the legislative appropriation bill.

Mr. President, I ask Senators to remain in the Chamber. The Senator from South Dakota has a matter of urgent importance which he wants to dispose of and which will take very little time. It involves the ability of the conferees on the extension of the Selective Service Act to come to an agreement with respect to the bill the Senate passed on that subject. I hope Senators will remain.

INCREASE IN PAY FOR PERSONNEL OF THE ARMY, NAVY, ETC.

Mr. GURNEY. Mr. President, the conferees on the selective service bill met day before yesterday and by unanimous consent of the Senate conferees the chairman of the Senate conferees has been asked to present a request of the conferees to take up this matter tonight.

We are about at a stone wall in going ahead with the conference, for the reason that the House conferees are not completely empowered to consider all the provisions of the Pay Act because the Senate did not cover all the categories of officers and men in Senate bill 2057.

What I want to do tonight is take up the House bill which is on our calendar as order of business 1202, strike out all after the enacting clause in the House bill, and substitute the pay sections of the selective-service measure which we passed a few days ago, without change. Then the two bills will be in conference, the provisions at the front end of the bill, then the other House bill, with the identical provisions which were adopted affecting pay and retirement.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 6084) to amend the Pay Readjustment Act of 1942 as amended, so as to provide an increase in pay for personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health.

Mr. GURNEY. Mr. President. I ask unanimous consent that the Senate proceed to the consideration of House bill 6084, to amend the Pay Readjustment Act of 1942, as amended, so as to provide an increase in pay for personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health; that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof that part of the Senate amendment to H. R. 6064, to-wit: Sections 8 to 12 inclusive, extending the Selective Service and Training Act of 1940, as amended, which fixes the monthly base pay of certain enlisted men of the Army, Navy, Marine Corps, and Coast Guard, and members of the band of the United States Marine Corps; and the retired or retirement pay of persons whose names are borne on the emergency officers retired list; that the bill as so amended be considered as having been read the third time and passed; that the Senate insist upon its amendments to the said bill, and ask a conference with the House of Representatives thereon, and that the conferees on the part of the Senate be appointed by the Presiding Officer.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair appoints the Senator from Utah [Mr. THOMAS], the Senator from Colorado [Mr. JOHNSON], the Senator from Alabama [Mr. HILL], the Senator from California [Mr. DOWNEY], the Senator from Vermont [Mr. AUSTIN], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from South Dakota [Mr. GURNEY], conferees on the part of the Senate.

THE RAILROAD STRIKE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as part of my remarks, the resolution I introduced on June 4 in regard to the investigation of the events leading up to the railroad strike, and certain newspaper articles which I think adequately support the investigation.

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

Resolved, That the Senate of the United States request its Committee on Education and Labor to conduct an investigation forthwith of the events of Saturday, May 25, and prior thereto, leading up to the settlement of the railroad strike, said investigation to include an investigation of all charges that the administration knew, or should have known several hours before the President's speech, that the strike would not continue after 4 p. m. Further that said investigation includes the examination by the order of the committee of not only the representatives of the brotherhoods but also of the President's advisers and such members of the Congress as well as others who can offer testimony and evidence based on their knowledge of the surrounding facts and circumstances of events that occurred on Saturday, May 25, and prior thereto, in relation to the railroad strike. Further, that all testimony shall be taken by the committee from witnesses under oath.

[From PM of May 30, 1946]

STARTING TODAY—THE SECRET RECORDS ON TRUMAN'S HANDLING OF RAIL CRISIS

(By John P. Lewis)

This is the first installment of the story of the recent railroad-strike crisis, and President Truman's crack-down on labor as it is revealed in the secret files of the two great brotherhoods, the Railway Trainmen and the Locomotive Engineers.

It is the story of President Truman's heretofore unpublished conversations with the brotherhood leaders and of their conversations with the President's aides in the strike crisis, John R. Steelman and Secretary of States Byrnes.

It is the story of what Truman has done and how he did it, through the eyes of the men on the receiving end.

The President has told his side directly in two addresses—the first, his Nation-wide address to the people last Friday night, and the second, his address to Congress last Saturday demanding legislation to throw workingmen into the Army if they strike on a property temporarily operated by the Government.

This is the workers' side of the events leading up to that time. It was given to PM by A. F. Whitney, the venerable president of the railroad trainmen, whose right to speak as a railroad man is attested by the missing tips of two fingers from one hand, and Alvanley Johnston, grand chief engineer of the locomotive engineers, a heavy-set, gray-headed man, who delights more than anything else in being known as an "eagle-eye"—an engineer.

Seated together in Whitney's walnut-paneled office in the brotherhood-owned Standard Building in Cleveland, they took out all of their secret files and records and laid them on the table. For hours they collaborated with each other in going through the files and in calling on their recollections to piece together in one chronology the things that had happened to them since it became apparent about 3 weeks ago that their membership (approximately 300,000 railroad men) were facing a life-and-death struggle in their efforts to get an adjustment on their grievances with the American railroads.

Whitney sat at his glass-topped desk, an American flag on a standard behind his left shoulder, a miniature flag, together with a British emblem, stuck on his desk with such paraphernalia as a miniature train coupler and a pair of metallic horses.

OPERATE AS A TEAM

Johnston lounged his ample frame on a couch at one side. It was obvious that, by long association, the two had come to operate as a team. Whitney did most of the talking, but Johnston would break in from time to time. The net effect was as coherent as if a single man were speaking.

Their secret files and their words pieced together to tell a story which, from the viewpoint of the workers, was one of frustration, of a double-cross by the administration at Washington, of a deliberate and planned setting up of the railroad brotherhoods into a position for the cracking-down by Truman, which came last Friday and Saturday.

The evidence is not conclusive that it was intended by the administration to be a double-cross or to be a cynical plan to build a stage from which the President could launch his attack on labor.

But from where the strikers' representatives sat the record adds up either to that or to a colossal ineptness of handling which kept the strikers deceived as to where they stood all the way through.

Records kept by the trainmen on one day's conversations with the White House make the point. The day was May 18—the date the strike was scheduled to be effective at 4 p. m.

Three times that day Whitney and Johnston talked by long distance to the White House. They talked from Whitney's office in Cleveland. On the Washington end of the three conversations were John R. Steelman, the President's labor aide, and, at times, the President himself. During one of the conversations, Steelman was alone. During the other two, the President was at Steelman's elbow at such time as he was not himself on the line.

On the Whitney-Johnston end of the line, there was a third man, a stenographer, who took down the conversation, which is now being released by the brotherhoods.

INTERESTING ON TWO SCORES

The conversations are especially interesting on two scores:

(1) The arrangement by which the White House took the initiative to protect the union leaders from prosecution under the Smith-Connally Act. (Technically, Whitney and Johnston feared they would be in violation of the law if they called off the strike and then reinstituted it later. The strike, as originally called, was legal. If, by their acts, they canceled it, the strike when it resumed might be technically a new strike—an illegal one.)

(2) The assurance which the White House gave that there was some point to a delay: That further concessions could be expected by the workers.

On the second point, note that President Truman, in his press conference a few minutes after he left the phone, told the reporters that "he had not consulted with management spokesmen before calling the union chiefs, but reiterated, nevertheless, that progress could be made in negotiations." The quotation is from the New York Times account—substantially the same as reported by the rest of the press.

The record of the phone conversation shows that this was not the impression Whitney and Johnston received.

That the assurances were only in words and not based on reality was confirmed in the next 5 days, while the strike was held up. Until the last hour of the period of delay there was not so much as a negotiating conference arranged for the rail chiefs with the railroads. The only concession was an ultimatum from the President which eliminated gains in working conditions recommended by his emergency board and offered an equivalent amount of wage increase instead.

Here are the texts of the three conversations from Whitney's files:

2:05 P. M. MAY 18, 1946

Dr. John Steelman called from The White House in Washington, and with President Whitney and Grand Chief Engineer Johnston each on the telephone, the following conversation took place:

"Dr. STEELMAN. Hello.

"Brother JOHNSTON. Hello, John.

"Dr. STEELMAN. Which Al is this.

"Brother JOHNSTON. This is Eagle Eye Al.

"Dr. STEELMAN. Whitney?

"Brother JOHNSTON. No, Johnston.

"Dr. STEELMAN. Oh, Johnston; oh, yes, Al. All right. How does it look today, fellow?

"Brother JOHNSTON. No change in the weather.

"Dr. STEELMAN. Is Whitney there with you?

"Brother JOHNSTON. He is in the next room.

"Dr. STEELMAN. Well, look, Alvanley, what I wanted to say, I am calling you on my own here, I am calling you personally to see if you have anything in mind that we could do.

"Brother JOHNSTON. I don't know; it's your move to move down there; they are the ones that took the play away from us.

"Dr. STEELMAN. That's right; and pretty fast, too. I was a little disappointed in the way things worked out; I thought there might be a way out; I will tell you confidentially what I had in mind. I just want to talk to you between us first. From what I can learn I just can't help but tell you, and I tell you this in all sincerity, I can't help but believe there is a chance for you, Al, there is a better chance for you if we find some way out at the last hour; it will be at least better than this strike.

"Brother JOHNSTON. And how about us under this Smith-Connally business? We couldn't do——

"Dr. STEELMAN. You could if you reached some kind of an understanding; if there was a postponement of 4 or 5 days.

"Brother JOHNSTON. I know; but John, what right have we got to do that? We would be violating the law.

"Dr. STEELMAN. Well, no; I don't think you would. I will tell you what I had in mind; getting the boss on the telephone and talk to you two together, and just ask you as the President of the United States—to ask you to do two things—to send out word postponing the strike for 5 days at least—5 or 10—and to come immediately back to Washington, and he would order the operators in here with you and start you into negotiations immediately. There is a hell of a lot of pressure here to get him to go on the radio and make a speech explaining the whole thing, and putting the blame where it belongs; but I don't believe in the long run it would do a bit of good.

"Brother JOHNSTON. It will not do any good. After all, we have to start from the beginning; they granted us nothing in 6 months.

"Dr. STEELMAN. Well, what do you think?

"Brother JOHNSTON. Yes; we are willing to do anything in reason, but by God he has to take the onus; we will not take the chance of jeopardizing our position.

"Dr. STEELMAN. That's right, and I had in mind that is the way to do it, and from what I learn here today I don't believe it is going to do any good to let the thing go and not make this last-minute effort and I thought if he personally asked you to postpone it and to return to Washington immediately and to meet here with the operators.

"Brother JOHNSTON. What assurance have we got that they are not going to tell us the same gol-darned story, that they have no money; what assurance have we got that they won't tell us the same thing? What assurance can the President give us that the railroad will do something?

"Dr. STEELMAN. That is just what I think—that he should get on the telephone; he wanted to do that, and if he had reason to believe it was the thing to do and that you would gain rather than lose by it. I think we can go further.

"Brother JOHNSTON. Well, that's all right, if he can give us some kind of assurance.

"Dr. STEELMAN. That's what I want to talk over with him, but I wanted to be sure.

"President WHITNEY. I think that if we postpone the strike and then we fail to settle and the men go out we are definitely in violation of the Smith-Connally Act, and I think we cannot afford to do that; that is my view after having consulted some very capable attorneys.

"Dr. STEELMAN. Yes—you have done that?

"President WHITNEY. Yes.

"Dr. STEELMAN. Well, of course my whole idea would be that you come back here for the purpose of settling.

"President WHITNEY. I know, but we know the railroads so well, that we appreciate the fact that all they would want to do would be to throw a few crumbs and say they had offered us something, and I don't know, I wouldn't want you to embarrass the President by having him call us.

"Dr. STEELMAN. That's the point; I don't want him to call you unless there is some use. If I found he was inclined to call and ask you to postpone the strike for a period that you thought was right and to come immediately back to Washington and come into conference, and he told you he had reason to believe that would lead toward a settlement, I think you would be better off.

"Brother JOHNSTON. Well, John, if we could get a commitment, if they would make a commitment as, for example, that they would increase the rates to 18 percent and negotiate the rules—but to go in there with empty hands—we will come out with empty hands. We have to have something from the railroads.

"President WHITNEY. The railroads have been encouraged because of the attitude of Colonel Johnson. We will stand ready to settle any time they want to talk with us. We realize a settlement must be made, and we will try to make ourselves available on very short notice.

"Dr. STEELMAN. What I think you can do, Al, is the same thing John Lewis has done; in fact, if you agreed with the President to postpone the strike for a certain number of days—you could even set the hour—if you postpone the strike and come back here immediately for these negotiations, I don't think you would be legally tied, so far as I can see, any more than you are now—just like Lewis—he has a deadline set for next Saturday night.

"President WHITNEY. I know, but if he doesn't settle and his men go out he is definitely in violation of the Smith-Connally Act.

"Dr. STEELMAN. No, he isn't; he has done it four or five times during the war; the only trouble is if he ordered them out anew; he doesn't do that, and you won't either.

"Brother JOHNSTON. You only have an hour and 45 minutes before the dead line. I think we should have some kind of a commitment from somebody down there that there is something in the bag for the men if we go back; what's the use of running back and forth if they are broke and can't do anything.

"Dr. STEELMAN. Well, I realize that, Al, but I think they themselves know, they realize now better than they did before that there is a strike coming; it isn't going to be funny to you or them before it's over.

"Brother JOHNSTON. We can't be charged with putting on this show, because we asked 6 months ago. There's hope now if we can get some sort of an assurance, otherwise I don't see where we would get off; we are not looking for any red fire or anything like that.

"Dr. STEELMAN. I know it.

"Brother JOHNSTON. We have got to protect these men. If you can secure a commitment out of them and the President will give us any assurance, we will give it consideration; we are not disposed to insult him or anybody, but we want to protect our men's interests.

"Dr. STEELMAN. If you did find a way of postponing it at his request, I think you would be in a better position right from here on out.

"Brother JOHNSTON. That might be; getting something out of us—get something out of the other fellows, too.

"Dr. STEELMAN. I think I can, but I do not think I can do it today.

"Brother JOHNSTON. Well, then, in an hour and 45 minutes the balloon goes up.

"Dr. STEELMAN. It is for him to talk to you and to tell you he wanted you to do this at his request, and to come back immediately, and tell all of you to go into the room and stay there, not dicker around like you did this week but go into negotiations and stay right through.

"Brother JOHNSTON. That's it. We worked for 6 months. I get your thought and your idea, and I am sure that Whitney and I and the committees would go along if we had some kind of an assurance that something would happen, but our men would give us the horselaugh if we didn't get something.

"Dr. STEELMAN. I think you will. What you wouldn't be able to say is that he asked you—that there was something that was worth trying.

"Brother JOHNSTON. Yes; if something didn't turn out we would consider he double-crossed us.

"President WHITNEY. We want something pretty definite, Doctor.

"Dr. STEELMAN. If you think it is worth while I will talk with him and see what he feels he can say to you.

"President WHITNEY. I don't believe it's worth while unless he gets something from the railroads; if he could talk with the railroads and give us some assurance, why then it might be worth while.

"Dr. STEELMAN. I will see if I can get hold of him. I just wanted to talk with you before I went into it. I will call you back.

"Brother JOHNSTON. So long.

"Dr. STEELMAN. Good-by."

3:02 P. M. MAY 18

Dr. Steelman called from the White House, and with Grand Chief Johnston on one phone and President Whitney on another the following conversation took place:

"Dr. STEELMAN. I am here with the President; I came over to his office since I talked with you, and we have talked a little about the point you mentioned; it still looks like it is worth while trying. I have told the President what your problem is if you called off the strike and came back here and get exactly the same answer you have been getting you would be the laughing stock; you cannot afford to do that and if the President can assure you that we will see that you do make some progress when you get back here and keep in conference with these fellows then I think you will be in a better position, and so that is the way it looks at this moment. The President is ready to say something along that line to you.

"Brother JOHNSTON. Well, John, what do the railroads say?

"Dr. STEELMAN. I can see to that—and you know it.

"Brother JOHNSTON. If they want to give us the same old song and dance—that they are broke; if he sees to it—but they say they are broke—if we can get something out of it now.

"Dr. STEELMAN. The President doesn't—he was disinclined to call you, but I don't want to let loose on this thing if I can see that you get back into conference and you do make some progress on these rules.

"Brother JOHNSTON. How about the money; we have to have some money.

"Dr. STEELMAN. You know what I told you about the money; we are going to get the rules out of the way and then get the money. And, also, the President doesn't even want to be in a position, and you know him well enough to know that he doesn't want to ask you to do something and then have it work out some other way, and he isn't trying to pull any trick on the Smith-Connally Act. He doesn't think any more of it than you do. So, we have a suggestion here on that, and you would rather he mention it than me; you are not going to get into trouble over that if you agree to a postponement.

"Brother JOHNSTON. Well, John, as I said, all that we have got to do is to get some assurance from somewhere that we will get somewhere.

"Dr. STEELMAN. You can take the President's word for that. So, I am going to ask him to talk to you.

Brother JOHNSTON. I would like to get something out of the railroads.

"Dr. STEELMAN. Well, we can handle that end of it.

"Brother JOHNSTON. Well—O. K.

"The PRESIDENT. Hello, I was talking to John about his conversation with you.

"President WHITNEY. Yes.

"The PRESIDENT. And Byrnes also called me on the telephone and told me he had a conversation with you. And it seems to me that further negotiations might get somewhere on this. I thought it would, yesterday, but didn't have a chance to tell you that and as far as a postponement is concerned, if it is properly handled, I don't think there is any chance of any trouble if you don't work it out.

"Brother JOHNSTON. Well, Mr. President, as I said to you yesterday—the other day—I know we would not get anywhere; they gave us the same old song and dance that they are broke.

"The PRESIDENT. I can't answer for that, but I am satisfied that is not the idea; I wouldn't be asking you to negotiate further if I thought it was.

"President WHITNEY. This is Mr. Whitney, Mr. President. Can you give us assurance that you have talked with the railroads and that they want a conference and are willing to do something definite.

"The PRESIDENT. Yes.

President WHITNEY. And, further, that in case we don't settle that the Smith-Connally Act will not be used against us.

"The PRESIDENT. If you handle the matter in the manner suggested to you, why there is no possibility of your getting into any trouble on that.

"President WHITNEY. Our attorneys advised us if we postpone this strike for 5 days, we will say, and then we don't settle, and the strike goes on, that that might be considered a violation of the Smith-Connally Act.

"The PRESIDENT. I don't think it would be if you follow the directions that Steelman has dictated to you.

"President WHITNEY. And you will protect us with the Attorney General, as far as you can?

"The PRESIDENT. Yes.

"President WHITNEY. Well * * *

"Brother JOHNSTON. That's a long ways to go if you will do that.

"The PRESIDENT. What's that?

"Brother JOHNSTON. If you will protect us with the Attorney General.

"The PRESIDENT. I will. I have been trying to protect you, but you were not very kind to me when I talked to you before. I felt mighty badly about that because you were in the President's corner before, and you were not this time.

"Brother JOHNSTON. You were all right; but they weren't—the railroads.

"The PRESIDENT. I understand that, but you didn't give me a chance to do anything about that. I am asking you now to give us that chance.

"President WHITNEY. We will talk with our committees here and call you back within 10 minutes. Will that do?

"The PRESIDENT. That will be all right.

"Dr. STEELMAN. Wait a minute.

"Brother JOHNSTON. He said wait a minute.

"Dr. STEELMAN. Hello, A. F., what I had in mind here, just for your own benefit, if you are going to discuss it; we don't want to pull any tricks on you with that Smith-Connally Act, and if you agree with the President and you announce at the President's request you are postponing the strike, here is the way you put it: 'We have moved the strike date over from 4 p. m. May 18 to 4 p. m.—whatever date. * * *'

"President WHITNEY. The 23d.

"Dr. STEELMAN. I would like to have 10 days, but if you think we can do the job quicker we want to do it; the quicker the better, of course. You move the strike date from 4 p. m. May 18 to 4 p. m. some other date; see what I mean?

"Brother JOHNSTON. Yes.

"President WHITNEY. Yes.

"Dr. STEELMAN. We cannot say—nobody can criticize you or get after you on the law about that.

"President WHITNEY. All right.

"Brother JOHNSTON. You understand the only way we can call this off or postpone it we have to put out a code word. Now then, I want to have the assurance if we postpone this thing and we later got to reinstate another code word that will not be considered a violation of the law.

"Dr. STEELMAN. You use a code word now to postpone it?

"Brother JOHNSTON. To call it off, which will advise the postponement, that's right.

"Dr. STEELMAN. Then, I think after you do that you could send a wire and get yourselves on record that you have agreed upon the request of the President to move the strike from-to.

"Brother JOHNSTON. That is not it. They will have to have this code word if we postpone. Now then, we want another code word to take care of it, and I want to ask—that wouldn't be a violation?

"Dr. STEELMAN. No.

"Brother JOHNSTON. O. K.

"Dr. STEELMAN. No, that's right.

"President WHITNEY. We will call you in a few minutes.

"Dr. STEELMAN. The President will see to it that the railroads will make some further concessions, but you cannot quote it. Say you are postponing at his request and returning here immediately for further negotiations.

"President WHITNEY. I think we understand the situation he is in.

"Dr. STEELMAN. All right.

"President WHITNEY. O. K.

"Dr. STEELMAN. Good-by."

3:38 P. M. MAY 18

At 3:38 p. m., President Whitney and Brother Johnston called the White House, and the following conversation took place:

"President WHITNEY. Hello; Dr. Steelman?

"Dr. STEELMAN. Yes; I am still sitting here with the President.

"President WHITNEY. Can you listen in and have one of your stenographers take down what I say, so you will have it.

"Dr. STEELMAN. Yes; we can get somebody on the line to take it down; wait just a minute. [A pause.] O. K. You want to give it to me and say a word to the President later?

"President WHITNEY. All right. The organizations have agreed to postpone the strike date.

"Dr. STEELMAN. Have agreed to postpone the strike date.

"President WHITNEY. From 4 p. m., May 18, to 4 p. m., Thursday, May 23.

"Dr. STEELMAN. Start over.

"President WHITNEY. All right; we will start over. The engineers and trainmen have agreed to postpone the strike date from 4 p. m., May 18, to 4 p. m., Thursday, May 23, 1946, if the President will immediately announce this action, and state that our action is responsive to a request from the President, with his assurance that further concessions can be made with the railways, and that the organizations will not become involved by such postponement under the terms of the Smith-Connally Act. Is that enough?

"Dr. STEELMAN. Is that it, now, Al?

"President WHITNEY. Now, can the President make that announcement?

"Dr. STEELMAN. Yes; I want to talk to you a minute about that so there is no misunderstanding. This statement; now, I will get our man here to type that immediately and bring that in to us while we hold you on the telephone.

"President WHITNEY. We only have 20 minutes to get this word out now.

"Brother JOHNSTON. If we don't do that and do it damned quick, they will be out anyway.

"Dr. STEELMAN. That's right.

"President WHITNEY. Now, another thing; I think you should announce that the Trainmen's code word is 'convention' so our men would understand it.

"Dr. STEELMAN. The trainmen's code word is 'convention'?

"President WHITNEY. That's it.

"Brother JOHNSTON. And the engineers' code word is 'Johnston.'

"Dr. STEELMAN. 'Johnston'?

'Brother JOHNSTON. All right; I will hold the wire.

"Dr. STEELMAN. Does that mean to continue operations.

"President WHITNEY. That to them means that they will continue operations until next Thursday at 4 p. m.

"Dr. STEELMAN. Now, then, I will let you explain that to Charley Ross; you want us to mention that from here, too.

"Brother JOHNSTON. If you want to get these men to work—otherwise they will be out.

"Dr. STEELMAN. What does Mr. Ross say to the press?

"President WHITNEY. Just say to the press that the Trainmen's code word is 'convention' and that the Engineer's code word is 'Johnston.'

"Brother JOHNSTON. Now, John, another thing; can you have the President arrange for transportation in a plane out of here tomorrow morning to take care of our 9–10 men?

"Dr. STEELMAN. Yes; we can get a plane to bring you in here tomorrow.

"Brother JOHNSTON. What time; you don't know?

"Dr. STEELMAN. We will get a plane out there and get you in here.

"Brother WHITNEY. We can talk about that later today.

"Brother JOHNSTON. All right.

"Dr. STEELMAN. There is one word here—I don't personally think the President ought to say he has assured you about the Smith-Connally Act. I think you move the strike from such a date to such a date. I will see the Smith-Connally Act is not involved.

"Brother JOHNSTON. Ray Miller wants to talk to you.

"Mr. RAY T. MILLER. John.

"Dr. STEELMAN. Yes, Ray.

"Mr. MILLER. You are going to make the announcement from the White House?

"Dr. STEELMAN. We will make it right this minute.

"Mr. MILLER. I am very much concerned about the postponement of this thing resetting a strike date which could be in violation of the Smith-Connally Act.

"Dr. STEELMAN. You set a strike date and move it and nobody can touch you for moving the day.

"Mr. MILLER. Here is what I think you might do; when you make the announcement, do this—'That this postponement was agreed to for the purpose of arriving at a settlement at the request of the President of the United States which entails notice to all employees, officers, and so forth, and calls for the setting of a new strike date on May 23, 1946, with the understanding that no violation of the Smith-Connally Act is involved.'"

"Dr. STEELMAN. Yes.

"Mr. MILLER. Then, I think we are all set.

"Dr. STEELMAN. We could say that the Smith-Connally Act is not involved in this postponement.

"Mr. MILLER. Because I think a postponement is definitely a violation unless agreed to.

"Dr. STEELMAN. Look here, Ray, the President doesn't think we ought to say a word about that—to handle it in your own notice; we will say that you moved the strike date, but the President has given you his word that it doesn't apply.

"Mr. MILLER. Since we have that, that's all right. Say, better get hold of Tom Clark and have him so understand.

"Dr. STEELMAN. Well, there is no trouble.

"Mr. MILLER. Now you think we ought to use the word 'move' instead of 'postpone.' All right.

"Dr. STEELMAN. We will put out notices accordingly.

"President WHITNEY. Hello, Mr. President.

"The PRESIDENT. Hello. This message you have dictated is O. K., and Steelman understands it.

"President WHITNEY. We would like to have you announce it to the public immediately because we haven't got time enough to call the strike off now.

"The PRESIDENT. All right.

"President WHITNEY. But we will do the best we can to reach everybody possible.

"The PRESIDENT. We will announce it here.

"Brother JOHNSTON. You take care of it from your end. Thank you.

"The PRESIDENT. Thank you; good-by.

[From PM of May 31, 1946]

STORY BACK OF TRUMAN'S LABOR CRACK-DOWN

(By John P. Lewis)

Yesterday PM published stenographic records of the telephone calls by which President Truman and his labor aide, John R. Steelman, persuaded the Brotherhoods of Railroad Trainmen and Locomotive Engineers to postpone their rail strike for 5 days. That was on May 18—minutes before the time first set for the strike to be effective. For the big chiefs of the Brotherhoods, A. F. Whitney and Alvanley Johnston, that was the beginning of the great contradiction of the rail crisis.

The two, seated together in Whitney's Cleveland office overlooking windy Lake Erie, opened up their private files to PM to tell their story of the President's telephone calls and to reveal their memoranda on the events that followed. From all the evidence on their side of the table—and this is not contradicted by any information so far made public elsewhere—there is every reason for

the railroad men to believe that the White House request for a delay was made in bad faith and that its only purpose was to provide time and a platform for the President's crack-down on labor 6 days later.

That is a serious statement, and the best that can be said for the Administration is that was not its purpose, explanations are long overdue.

Turn back to the telephone calls on May 18. The administration's request for a 5-day delay in the strike was predicated on this telephone statement by Steelman to Whitney and Johnston:

"I will tell you what I had in mind, getting the boss [Truman] on the telephone and talk to you two together and just ask you as the President of the United States—to ask you to do two things—to send out word postponing the strike for 5 days at least—5 or 10—and to come immediately back to Washington and he would order the operators in here with you and start you into negotiations immediately."

That was reinforced by this direct exchange between Whitney and the President:

"President WHITNEY. Can you give us assurance that you have talked with the railroads and that they want a conference and are willing to do something definite?

"The PRESIDENT. Yes."

So the strike was called off for 5 days. In an atmosphere of great concern for speed by the administration—Washington suggested a plane would be faster—Whitney and Johnston left Cleveland to work out a settlement in negotiations with the carriers. They arrived in Washington the next morning—May 19, Sunday.

By the time they reached Washington, the atmosphere of urgency had evaporated—only they didn't know it. Immediately after putting up at the Mayflower, they called Steelman at 9 o'clock that Sunday morning. They hadn't needed to hurry. Whitney tells of it:

"So Steelman says, 'There's nothing doing right now, and I will call you after I have conferred with the carriers.' We learned through some of the carriers later that some of them were not even in the city on Sunday. Enochs [H. S. Enochs, chairman of the executive committee for the eastern group of railroads] had gone home and some more of them had gone home. So there was no particular effort."

That afternoon Steelman called at the Whitney-Johnston hotel rooms. He didn't bring any word from the railroads. He didn't bring plans for resumption of the negotiations and he didn't bring any indication that the railroads were "willing to do something definite." He did bring information which throws some light on the thinking which was going on in the White House. Here's the memorandum prepared by Whitney and Johnston a few minutes after the talk:

"Dr. John Steelman called at our rooms and discussed with Johnston and me the national rules-wage situation, and stated that beginning yesterday morning, May 18, the President's office was deluged with telegrams and calls, indicating that businessmen began to get panicky, fearing the strikes would go as scheduled, and that by noon the President began to look upon the matter rather seriously.

"He added that the Honorable James Byrnes, Secretary of State, called upon the President and urged him to take some action toward a settlement of the rules-wage case, reminding him that nothing would please Molotov more than to hear of a Nation-wide strike in the United States; that Byrnes was very much in earnest.

"He did also say that the President had insisted all along that we abandon the rules (changes in working conditions to bring the railroad men closer to the 8-hour day, 40-hour week that prevails in other segments of American industry) and undertake to get more money. We advised him that this position was the position of the railroads and the other three organizations (nonstriking unions) and had been ever since November 1945, and that it was a face-saving proposal, but that we positively would not abandon the rules.

"Dr. Steelman said that the reasons he had not arranged a conference for us with the railroads today was because he felt that it would be better for him to have a long talk with them first.

"The conference brought forth no results that we could put our finger on."

That transcript, from the files of the railroad chiefs, indicated for the first time that possibly administration thinking on the railroad strike was being colored by the fears that the United States of America would lose face or prestige in dealing with Russia. The idea was that American workers had to be kept in line, apparently for fear that Molotov would laugh if capitalistic democracy couldn't keep them quiet.

On this point the arguments advanced made a deep impression on both Whitney and Johnston and they said later that one of their reasons for finally settling up, after the President's club had fallen on them, was that they didn't want to divide the country and embarrass international dealings.

So there were no negotiations with the railroads on Sunday, the first day of grace in the 5-day waiting period on the strike. Nor on the second day, Monday. Steelman called on the rail chiefs during that afternoon—May 20, 3 days before the new strike dead line—"and indicated that he had been talking with the carriers, that they were not in a mood to talk to us and we would be better off to defer the meeting for a day or two." When Steelman first called that day, he said he would be in at 9:30 a. m., called again and made it 11, and finally arrived around 4 p. m., the brotherhood files disclose.

On that day Steelman asked for a revised proposition from the brotherhoods. In response they prepared a proposal which was delivered to him the following day. In that proposal the brotherhood chiefs slashed deeply into the demands they had originally made for 44 changes in rules governing working conditions. They asked for an 18 percent wage boost with a minimum increase of $1.44 on the basic day. They asked, of course, that they be granted the 7 rules changes which had been granted them in whole or in part by the President's emergency board in an earlier unsuccessful effort to settle the grievances and left 24 still in dispute. They added to the proposal a demand that there should be no reprisals against railroaders who had left the job on the 18th due to failure to get the orders canceling the strike. (This battle to prevent reprisals was finally won at the last minute on the day the brotherhoods settled after the President's crack-down.)

It was on that day—Tuesday, May 21, now 2 days before the strike that the shape of things to come was coming clear.

Finally, that day, the direct question was put to Steelman: "Are we being double crossed here?"

The question was better answered by developments later that week than by anything Steelman said at the time.

On Wednesday—May 22, the day before the new strike deadline—the brotherhood files show one conference with Steelman and another with the President. Whitney and Johnson went to the White House at 4:45 p. m. Steelman and Reconversion Director John W. Snyder were in the President's office when they entered. They were all seated, the two railroad chiefs directly across from the President, seated at his big desk.

"Well, the President opened the conversation and he was quite friendly that day," said Whitney.

The President said that he proposed to offer the railroad men an 18½-cent an hour wage increase (the President's emergency board which had made an award earlier in the strike crisis after hearings on the unions' demands had proposed a 16-cent-an-hour increase plus support for changes in seven rules governing working conditions).

Whitney tells what happened:

"Well, we said, how about the rules that were awarded by the board? He said, 'We are not going to grant the rules. I don't know anything about the rules.'

"We said, 'Rules are something that we prefer to wages. You said to us the other day that you propose to back your board and we are just wondering why you are repudiating the board's decision.'

"We said that we thought more of the rules than of the 2½ cents. He kept saying he didn't know anything about rules."

The President's offer differed from the award made by his emergency board only in that the President eliminated the seven changes in working rules, and gave the men an amount of money, 2½ cents an hour, which was equivalent to what the rules changes would have cost the railroads. Consequently, it didn't increase the award previously rejected by the workers, but merely changed its terms into money as an alternative to a combination of money and working conditions.

The railroaders left the President's office, conferred in the White House Cabinet room, talked to Dr. Steelman, and then returned to the President for 3 minutes to tell him they would answer his proposal the next day. That night the brotherhood wage committees refused the offer and the next day the President was informed by letter.

That night—May 22, the day before the strike was to be resumed—Whitney and Johnston packed up to return to Cleveland. No direct negotiations with the railroads had been held and no further concessions had been made. They were intercepted at the Washington station by calls from Steelman, who said that the President wanted to meet them the next day and urgently requested that they remain.

Whitney and Johnston stayed overnight for the meeting with the President—but there was no meeting.

That day they spent most of their time at the White House with Steelman, but nothing happened. They met a few of the railroad officials at 12: 50 p. m. But it wasn't a negotiation conference. That was just 3 hours and 10 minutes before the strike was to be resumed again—and 4 days, 20 hours, and 50 minutes since the brotherhoods had postponed the strike at the President's request so he could "order the operators in here with you and start into negotiations immediately" with assurances that further concessions from the roads would be forthcoming.

Actually, there wasn't a meeting with the railroads' conference committee (the railroads' negotiators) until 4:05 p. m. that day—5 minutes after the delayed strike was again effective. That meeting again was in the Cabinet room at the White House.

All that happened was that Whitney and Johnston read to the railroad negotiators the transcripts of their telephone talks with Steelman and the President. The response from the railroaders was:

"This is the first we have ever heard of this."

Nothing happened.

So the strike was on. American transportation was tied up. The American press screamed. And the stage was set for President Truman's dramatic address to the American people on the following night to castigate Whitney and Johnston of the brotherhoods and to lay the foundation for his appeal to Congress to pass legislation to do these things:

Give the President the power by proclamation and injunction to end strikes on his terms at his own will in esential industries.

Provide penal terms for union officers who do not end strikes in plants taken over by proclamation.

Strip striking workers of their jobs, seniority, and other rights if they fail to obey the President's request to return to work.

Put defiant strikers in the Army. (This part of the plan has now been killed by the Senate.)

Whitney and Johnston of the railroad brotherhoods, the country and Congress were told, had made it necessary to ask for this legislation. They had been arrogant. They had been ill-advised and misguided. They had been unpatriotic. They had refused to arbitrate the matter for their unions.

Now flash back to one more record from the secret files of the brotherhoods. It is a memo of a meeting with the President at the White House on February 21. The meeting was called at the President's request in the middle of the railroad dispute (it actually started way back last July) after the railroad trainmen and the locomotive engineers had sent their members a strike ballot as the first action to set the wheels of the Railway Labor Act in motion and get adjustment of their demands.

Whitney and Johnston entered the President's office together. The President was cordial. There was talk about their mutual friendship.

The President asked about the status of the rail controversy. Whitney and Johnston explained that while other brotherhoods had chosen to drop requests for changes in rules on working conditions so they could arbitrate demands for additional pay, the Locomotive Engineers and Railroad Trainmen were more concerned with eliminating the injustices and inequities in working conditions and decided to press their demands. They said they were proceeding with a strike vote under the Railway Labor Act. (Under the terms of this act, a strike vote is the first resort, rather than the last by which the employees can get serious consideration of their demands.)

From the files of the brotherhoods comes this report on the conclusion of that meeting:

"We added, 'We are now taking a vote of our members; reports coming in indicate that the vote is ranging from 98 to 100 percent in support of our demands. We are attempting, if you please, Mr. President, to avoid an unauthorized strike such as we experienced in 1920, at which time we lost thousands of members and chaos prevailed throughout the Nation. We must have prompt action, and that the railroads have not given us.'

"The President stated that under all the circumstances he could not blame us for refusing to arbitrate a portion of our demands."

[From PM of Sunday, June 2, 1946]

UNANSWERED QUERIES ON TRUMAN'S LABOR CRACK-DOWN—WHY WERE OFFICIAL EFFORTS FOR SETTLEMENT SUDDENLY DROPPED?

(By J. P. Lewis)

There are several unanswered questions about the rail strike, which was the basis for President Truman's recent crackdown on labor. Among them, are these:

Why did the White House fail to make good on its pledges to the railroad brotherhoods that if they would delay their strike for 5 days immediate negotiations with the railroads would be arranged with assurances of "further concessions"? (See PM Friday edition.)

Why were proposals for settlement of the strike, which were presented to Secretary of State Byrnes before the President went on the air with his antilabor program to the people and Congress, permitted to die?

Why were all official efforts to settle the strike dropped abruptly several hours before President Truman appeared before Congress to propose his drastic antilabor legislation?

Settlement of the strike was agreed to, according to the union leaders, half an hour before the President appeared before Congress—why were announcements held up until after the President had started speaking?

COULD ONLY GUESS

Alvanley Johnston, grand chief of the Brotherhood of Locomotive Engineers, and A. F. Whitney, president of the Brotherhood of Railroad Trainmen, who pieced together their story of the strike from their private files for PM last week, didn't get the answers to these questions from their side of the conference table. They could only guess how the timetable of their own frustation fitted into that of the President's appeal to the people and Congress for restrictive legislation against labor.

The forthcoming issue of the Trainman, organ of Whitney's union, will say that:

"Several hours before he (the President) went on the air, his representative was given a compromise proposal * * * We never received a reply to this proposal. It was ignored, and if presented to the carriers would probably have been adopted * * *."

That proposal was made Friday, the day after the strike was made effective, the railroad chiefs say—and before Truman went on the air to the people Friday night. Johnston and Whitney referred to it in a letter sent to the President on the following day:

"As you have by now heard, we had last (Friday) evening a very constructive talk with the Honorable James F. Byrnes, Secretary of State, and the Honorable Lewis B. Schwellenbach, Secretary of Labor. It was suggested that if the Government feels that it should not enter into a permanent agreement with the Engineers and Trainmen, we would be willing to negotiate a temporary agreement for the duration of Federal control if you would approve an increase of 18.5 cents an hour, or $1.48 a day, and the seven rules recommended by your board, with appropriate interpretations, with the further proviso that we would be willing to arbitrate such other rules as we are unable to settle through negotiations with the railroads."

The day that letter was delivered, Saturday, the brotherhood met with Byrnes and Schwellenbach again in the morning. This is their story of what happened:

They told Byrnes that they would be willing to go back to a settlement proposal—which they had once rejected—by the President's emergency board, accept that offer as far as it went, and arbitrate some remaining dispute over rules governing working conditions that had not been settled by the emergency board's findings. The emergency board had proposed a 16-cent-an-hour wage increase and gave support to changes in seven rules governing working condition out of 44 rule changes which the brotherhoods had asked. Previously, Johnston and Whitney had themselves withdrawn a number of these proposed rule changes, so there were only 20 or so left in dispute. Byrnes raised some questions on the number of rule changes involved, and on the effect of the offer on other rail brotherhoods which had been granted a 16-cent-an-hour increase in wages by arbitration and had dropped their disputes over rule changes at the time they entered arbitration. He asked if the unions had some other offer they could make.

ANOTHER OFFER

Then Whitney and Johnston made another:

They offered to accept a proposal by the President of an 18½-cent-an-hour wage increase without the seven rule changes that the President's emergency board had supported—but with the proviso that the disputed rule changes then would be arbitrated. (The President's proposal was the same as that of his emergency board, except that he dropped the rule changes and proposed to give the men an amount of money equivalent to the cost of the rule changes—2½ cents—plus the 16-cent-an-hour wage increase the board had recommended.)

During the conversation, as the rail chiefs reconstructed the scene, Schwellenbach indicated that if the brotherhoods were willing to accept the arbitration, he was willing to act as arbitrator. They said they were willing to have a Government-appointed arbitrator and pledged to accept his decision.

There was no formal acceptance of either formula by either Byrnes or Schwellenbach—the brotherhood chiefs knew Byrnes and Schwellenbach did not have the authority. But the railroaders left the conference with the opinion that their second proposal was all right to Byrnes. And Schwellenbach had affirmatively said that he was willing to be the arbitrator. Byrnes said he would lay the proposals before the President, and that they should go to the railroads.

About 40 minutes later Johnston called Byrnes back by telephone. In Johnston's words, here is the way the call went:

"I said: 'Jimmy, what about the proposition you were going to put to the railroads?'

"'Well,' he said, 'I didn't do it.' He said: 'Things have happened so that I've got to wash my hands of the whole thing'."

To nail down the thing that had happened, Steelman arrived at the brotherhood hotel rooms about half an hour later, and told them that he, too, had been forbidden further to negotiate officially by the President.

After that time, Steelman continued to meet with the brotherhood chiefs, but these last-day consultations were conducted by Steelman on his own, as a private citizen.

The entire status of the proceedings on that crucial day was changed and all official attempts at settlement were abandoned by the White House many hours before the President appeared before Congress to ask for antilabor legislation on the basis of the rail strike.

Actually, the strike was settled before the President started speaking. The men had been beaten by noon of that Saturday. The negotiations and the concessions which the President had promised during the 5 days of delay hadn't come through, and the President had gone on the air to denounce the strikers.

Despite the dropping of official mediation, Johnston and Whitney met with the carriers and with Steelman at 3 p. m., Saturday. By 3:30 p. m., the railroaders say, it was clear that the strike was off. Says Whitney:

"We have every reason to believe that the President knew at 3:32 or 3:33 that the strike had been called off, but he wanted to get in a wallop—and he got it in."

Johnston first called his headquarters to notify the men to return to work, followed by Whitney, who was on the phone by 3:58 p. m. to release the trainmen. At 4 p. m., Truman appeared before Congress with his climactic request for legislation, basing his speech on the fact that the strike was still on (and interrupting it in the middle with a dramatic announcement that he had just received word of a settlement).

What really happened that day? And before?

Johnston and Whitney could only guess that a settlement of the strike earlier would have impaired the President's plans for his appeal to the people and Congress for restrictive labor legislation.

From the whole chronology of the strike, particularly of the closing hours, who can blame the railroad workers—or for that matter other workers—if they feel that the White House led them on, lending its dignity as a front to the railroads in resisting the workers' demands—and carefully set the brotherhoods up for a knock-down in a labor crack-down to establish Truman as the master in all future labor crises?

I cannot blame anyone for believing just that. For, after reading the secret brotherhood files, going over the story with Johnston and Whitney in great detail, and checking what facts have otherwise been made public, that's what I believe.

[From PM of June 3, 1946]

REVEALED FOR FIRST TIME—WHAT HAPPENED IN TRUMAN'S TALKS WITH RAIL UNION CHIEFS—PRESIDENT SMASHED FIST ON DESK IN ORDERING MEN TO CONFER

(By John P. Lewis)

A week ago President Truman pilloried Alvanley Johnston, grand chief of the Brotherhood of Locomotive Engineers, and A. F. Whitney, president of the Brotherhood of Railroad Trainmen, as the foundation for his crack-down on labor. Before that he had met with them on four occasions in connection with the railroad strike crisis.

What goes on at such meetings between a President and the labor leaders who are to feel the stinging weight of a public Presidential rebuke? What kind of a chance does he give them for their white alley? Does he tell them privately—when they can answer back—what he says in public?

The two brotherhood chiefs have made available to PM the full texts of their written reports, plus their recollections of the conferences in the White House which preceded their castigation. The first of these texts are published below. The rest will follow tomorrow.

FIRST CONFERENCE

The first meeting was held in February, this year, at the time the two brotherhoods were conducting the poll which led to the recent strike. On February 19, Johnston and Whitney received wires from Matthew J. Connelly, secretary to the President, asking them to see the President at noon on February 21. They accepted, of course. The memorandum of the meeting was written immediately after the meeting, and bears the initials of A. F. Whitney:

"On arriving at the President's office he (the President) directed his remarks to me, and said: 'Mr. Whitney, you are responsible more than any other man for me being here; you urged me to run for Vice President at the Chicago convention when I was undecided what to do.' I said; 'Yes, Mr. President, I said to you—this is a wonderful opportunity; it may never rap at your door again, and I suggest that you become a candidate for Vice President.'

"He added: 'Both of you gentlemen are my friends, and I am dependent upon the support of my friends to carry through. Some of the people on the Hill, for political reasons, are trying to embarrass me, but we will be able to surmount these difficulties.' "

(The President's friendly greeting to the brotherhood chiefs was in striking contrast to his rancor about that time against the big three in labor outside of the brotherhoods—Philip Murray, of the CIO; William Green, of the AFL; and John L. Lewis, of the United Mine Workers. As far back as last December, Truman was making no secret, in his private conversations, of his feeling against these three. More than one White House visitor came away with the word that he was bitter because they had promised to support his labor program and he felt they were not making good. Visitors were also told that the President felt that labor was against him and had been ever since the Chicago convention where he was nominated for Vice President over Henry Wallace, who had the backing of most of labor.)

"The President then asked about the status of the national rules-wage matter as it concerned engineers, train and yard men.

"Johnston and I gave him a brief history of the case, explaining how we had come to break with the other three transportation brotherhoods, and advised that the carriers had delayed conferences with us 4 months and 3 days after the filing of our demands, and that thereafter there was no attempt on the part of the carriers to negotiate, but they insisted that we divide our rules and wage demands and handle them separately; this we declined. We stated that mediation was invoked and that the Mediation Board became an advocate for the railroads and insisted that we divide our proposal, which we declined to do. Thereafter the Board proffered arbitration on wages only and proposed a moratorium on the rules; we declined arbitration. We have declined to split our proposition, as there has been no improvement in working conditions for our men during the past 25 years."

(Last July all of the railroad unions—Johnston's engineers, Whitney's trainmen, 3 other brotherhoods of operating workers, and 15 unions of nonoperating or office workers—asked for wage increases and for 44 changes in rules governing working conditions. The railroads refused and the situation fiddle-faddled until January. Then the 15 nonoperating unions, which had little or no stake in changing the working rules, agreed to arbitrate wage demands and drop rules changes. The other three operating unions, aside from the trainmen and locomotive engineers, took the same course.

(The Johnston-Whitney unions decided to press for changes in the rules which would bring them closer to the 8-hour day, 40-hour week standards enjoyed by other workers. Under the Railway Labor Act, a strike vote is the first, instead of a last, step to getting serious consideration of grievances, so that course was taken.)

"We added: 'We are now taking a vote of our memberships; reports coming in indicate that the vote is ranging from 98 to 100 percent in support of our demands. We are attempting, if you please, Mr. President, to avoid an unauthorized strike such as we experienced in 1920, at which time we lost thousands of members and chaos prevailed throughout the Nation. We must have prompt action, and that the railroads have not given us.

"Johnston stated that prompt action in appointing a President's Board would be very helpful, and I concurred. The President countered that he feared he did not have authority to appoint a board until an emergency arose, and we advised him that an emergency was here, that our reports indicated that the men we represent on more than 60 percent of the railroads had voted almost unanimously in favor of a strike; that that created an emergency.

"We stated to the President that the Mediation Board had broken down, that the only member on the Board capable of functioning fairly was Judge Douglas (Frank P., formerly of Oklahoma oil business); that Board member Cook (George A., formerly on old Railroad Labor Board and one time a timekeeper on Chicago Great Western Railway) was a person who generally favored the carriers; that Chairman Schwartz (H. H., former Senator from Wyoming) was a very fine gentleman who knew but little about the technique of mediation and that he was past 76 years of age, and the Board should be reorganized.

"The President stated that under all the circumstances he could not blame us for refusing to arbitrate a portion of our demands."

(PM previously reported this section of the conversation, which expressed the President's approval of the refusal of the two unions to arbitrate. The President's statement on that occasion was completely contradictory to his later public attack on the union chiefs for refusing arbitration.—See PM's Friday edition.)

"We went from the President's office to the Cabinet room where we conferred with Dr. John R. Steelman for 30 minutes. We reviewed the wage case and our talk with the President, as we desired that he be kept informed of the situation, since he is the President's labor expert.

"We gleaned from our talk with Dr. Steelman that he was very bitter toward Board Members Schwartz and Cook. He stated that when the task of selecting a referee for the Board of Arbitration of the other three (operating) organizations was under consideration, the White House had asked the Board to submit the name of the proposed arbitrator to the White House before announcing it. He added the White House was double-crossed; the Board went to Chicago and announced the name of Arbitrator (William F., Jr.) Mitchell, through the press from Chicago, and the first the White House knew of it was through the columns of the press.—A. F. W."

SECOND CONFERENCE

The second meeting between the rail chiefs and the President came on May 14. The strike was now set for four days away and negotiations with the carriers had been stalled since May 2.

On May 13, a girl in Secretary Connelly's office called Johnston and Whitney separately, and asked them to see the President on the following day. They were requested to report at the east entrance—the back door, in effect—so that their presence wouldn't be known to the reporters at the customary Pennsylvania Avenue entrance.

At 3:20 p. m., on the 14th, with their attorney, Ray T. Miller, they entered the White House as requested, and were taken by a guard through a long hallway to the Cabinet Room, a short distance from the President's office. They were met there by Steelman who took them to the President's office. Truman greeted them, shook hands, and presented them to Labor Secretary Schwellenbach, H. H. Schwartz, Chairman of the National Mediation Board, and John Snyder, Stabilization Director.

The President sat at his desk, the others around and across from him, in sequence: Snyder, Schwartz, Schwellenbach — with Steelman, Miller, Johnston, and Whitney taking their places in chairs left for them—the latter two directly across from the President.

The President was stern, unsmiling.

The brotherhood record of that conference, written in collaboration by Johnston, Whitney, and Attorney Miller, immediately after it broke up:

"The President seated himself at his desk and the narrative conversation, in substance, is as follows:

"The PRESIDENT. I brought you gentlemen in here to discuss with you the present emergency of a threatened railway strike. I think you should call this strike off and continue to negotiate with the railroads as to your rules.

"Mr. WHITNEY. Mr. President, this strike has been called for Saturday, May 18, at 4 p. m., and unless we can secure some additional fundamental rules, the strike will go on as scheduled, and we must have more money.

"The PRESIDENT. The President's board recommended 16 cents an hour increase and several rules (changes in working conditions) which brings your increases up to about 18½ cents an hour. I propose to support my board. I think that you ought to accept this award and you can later negotiate further."

(This referred to an award of the emergency board appointed by the President as the first step to try to settle the grievances under the Railway Labor Act. Emergency board awards are not binding—as in the case of arbitration—and the workers rejected this one, to press their demands directly on their employers. More than money, the issue was

rules—changes in working conditions to correct such things as loss of time without pay while workers wait before starting runs, waiting between runs, appearing in court in railroad claim cases, etc. The emergency board had supported 7 of 44 requested rules and ignored or rejected the rest.)

"Mr. WHITNEY. That would be tantamount to scuttling our program.

"The PRESIDENT. I propose to have all of the interested parties meet here and settle this issue.

"Mr. WHITNEY. We will not meet with the other three organizations. There is no emergency existing as far as they are concerned. They withdrew their rules and there is no one involved in this emergency except engineers and trainmen."

(The other three organizations referred to by Whitney were the three operating brotherhoods which had dropped the fight for improving working conditions through rules changes. These three had agreed to arbitrate their money demands and abandon the requests for rules changes altogether. The Johnston-Whitney brotherhoods, however, were not proceeding under arbitration, but were taking further steps under the Railway Labor Act, seeking both pay increases and rules changes.)

"The PRESIDENT. You will meet them and settle these matters here. Otherwise the Government will run the railroads. [At this point the President smashed his fist down on the desk.]

"Mr. WHITNEY. Do you mean to say, Mr. President, that the Government will act as strikebreaker on engineers and trainmen?

"The PRESIDENT. No; but I propose to see that the American people are protected."

[From PM of June 4, 1946]

THE MYSTERY OF TRUMAN'S RAIL STRIKE COURSE—UNION HEADS STILL PUZZLED BY THE PRESIDENT'S PROCEDURE

(By John P. Lewis)

Yesterday PM started publication of the texts, heretofore unprinted, of the meetings between President Truman and the chiefs of the Brotherhoods of Locomotive Engineers and Railroad Trainmen prior to the recent railroad strike. The accounts of the meetings were made available to PM by Alvanley Johnston, grand chief of the locomotive engineers, and A. F. Whitney, president of the railroad trainmen.

At a conference on May 14, 4 days before the railroad strike was to start, the President demanded that Johnston and Whitney meet with three other operating railroad unions, which had taken another course in the controversy with the railroads.

The reason for this demand by the President is completely unclear. This was the situation:

The five railroad brotherhoods which operate the trains, together with 15 unions of nonoperating employees—office workers, etc.—last summer joined in demands on the railroads. Locomotive engineers and trainmen demanded 25-percent wage increases, plus improvement in working conditions through changes in 44 working rules. The other three operating unions asked for a pay increase of $2.50 a day, and joined in backing the demands for rules changes. The nonoperating unions asked for raises and had no stake in the rules changes.

In January three of the brotherhoods—the Order of Railway Conductors, the Switchmen's Union, and the Brotherhood of Firemen and Enginemen—agreed, along with the nonoperating unions, to drop demands for rules changes, and to submit wage demands to arbitration. The locomotive engineers and railroad trainmen refused to give up their demands for rules changes, cutting themselves off from arbitration.

So the demands of the workers took two different courses:

Eighteen of the unions—now asking only for pay increases—went to arbitration, and the arbitrator awarded 16-cent-an-hour wage increases.

The locomotive engineers and trainmen—asking for both pay increases and rules changes—went on to hearings before an emergency board, appointed under the Railway Labor Act, which recommended a settlement to these unions of 16-cent-an-hour pay increase, plus changes in 7 of the 44 working rules. The engineers and trainmen rejected this, and pressed for direct negotiations with the carriers for fuller settlement.

There were differences with the other brotherhoods—differences of long standing—but the crucial difference in the strike crises of the engineers and trainmen was not with the other unions, but with the carriers.

Nevertheless, the President demanded that the Johnston-Whitney unions meet with the three operating brotherhoods which had taken another course. Today's installment goes on with the records of the meetings from that point.

MEETING OF FEBRUARY 14

"Mr. WHITNEY. Mr. President, we have always supported you and your administration, and we are in earnest about this strike. One hundred and twenty-five of my general chairmen have instructed me to refrain from meeting with the other three organizations, and I am not going to meet them. I will resign first.

"The PRESIDENT. If that is your position, I am telling you here that I am going to protect the public and we are going to run these railroads—and you can put that in your pipe and smoke it."

At this point the President was visibly emotional.

"Mr. JOHNSTON. Mr. President, with the many questions that come before you every day, I am convinced that you do not understand this question.

"The PRESIDENT. Yes; I do understand it. I know all about it.

"Mr. JOHNSTON. I cannot understand how you would know all about this question, and I want to say that these two organizations [the locomotive engineers and trainmen] started this movement over a year ago and upon a request from the railroads that we defer until such time as the other three organizations could go with us, we did defer. And the other three organizations went with us and prepared these proposed rules, and request for increase in pay. They later ran out on us and withdrew their request for rules and went ahead by themselves for a wage increase. This is the second time this has happened. They did the same thing with President Roosevelt and us on the vacation question in 1943. [It was not until that year that the brotherhoods won annual vacations of 7 days from the carriers.] They requested a flat increase in pay. We are requesting a percentage increase in pay. We think it is no more than right that these large engines get the higher rate of pay than the smaller engines, and the Emergency Board, if you will read, handed down a recommendation that that be done and we are asking that now. It is my opinion, Mr. President, the thing that should be done is for the railroads and ourselves to continue negotiations and let Dr. Steelman [the President's labor aide] or Secretary Schwellenbach sit in as in the role of mediator and see if something cannot be worked out. We don't care what the railroads do with the other three. That's up to them. But we are of the opinion that if an honest effort is put forth, something can be worked out in the nature of a settlement.

"Dr. STEELMAN. Do you think that a settlement could be made that would be satisfactory to the other organizations if they would be present? [The last part of this question appears to be in error, either in transcription or in understanding. Probably it should read '* * * if they were not present?'] The railroads were afraid that it could not be done.

"Mr. JOHNSTON. We believe a settlement could be made, and if any settlement was reached, we would be willing to recommend that that same settlement be given to the other organizations. We did that before in the vacation agreement when we requested President Roosevelt to give the other three organizations the same settlement that was given to us.

"The PRESIDENT. Go into the Cabinet room while I see these other parties and I will talk to you later."

At this point Johnston and Whitney, with their attorney, Ray T. Miller, who attended the conference with them, went into the big meeting room where the President holds his Cabinet sessions. After 15 minutes Steelman left the President's office, where he had remained behind with Truman, Labor Secretary Schwellenbach, Stabilization Director John Snyder, and H. H. Schwartz, Chairman of the National Mediation Board. He joined Johnston, Whitney, and Miller in the Cabinet room. The brotherhood record of that talk follows:

"Dr. STEELMAN. The President did not have information in ample time to know the differences existing between yourselves and the other organizations, and as a consequence there is some confusion. I have been sent in here to talk to you and ask you whether or not you would be willing to reopen negotiations with the carriers and whether or not you would object to the carriers meeting the three organizations separately and on their own.

"Mr. JOHNSTON-Mr. WHITNEY. We don't care who the carriers negotiate with, or what they say or what they do with the other organizations. We are desirous of averting a strike and are willing to negotiate with the carriers and attempt to work out a proper settlement.

"Mr. MILLER. Dr. Steelman, I argued this case to the Emergency Board. Our testimony disclosed and our arguments pointed out that we would not be bound by a pattern handed down by the arbitration boards. Our emergency board knew that and, when it adopted the 16 cents an hour and attempted to apply it as a pattern on the engineers and trainmen, the board knew, or should have known, that it was not acceptable. Our issue was different. The evidence and the arguments presented in our case were different than that presented by the arbitration boards, and any finding made by those arbitration boards should not and could not have been impressed on us. We requested a percentage raise. They requested a cents-per-hour increase. We had rules. They had no rules. They were bound by agreement to accept the findings of the arbitration boards. We were not bound.

"Dr. STEELMAN. Yes; I understand that situation. I have read thoroughly the President's emergency board report which you sent to me. Would you consent to postponing this strike for 30 days pending negotiations?

"Mr. JOHNSTON-Mr. WHITNEY (with great emphasis). No; if we can't settle in 4 days, we can't settle in 4 months."

Steelman then left for the President's office and returned in the course of 10 minutes and the meeting went on:

"Dr. STEELMAN. It will be quite agreeable to the President if you will immediately open negotiations with the carriers. The President has seen the representatives of the other three organizations and they stated that their position was that all organizations together should negotiate for settlement. But the President, after talking

to the railroads, stated to me that the railroads were willing to negotiate either way as the President requested. That is, either with the engineers and trainmen and separately with the other three organizations; or, to negotiate with them all together. The President stated that because of our position and the willingness of the carriers to negotiate with us separately, that he would immediately contact them and arrange for a time to start negotiations. Would it be agreeable to you for me to see the carriers and arrange a time to start negotiations?

"Mr. JOHNSTON-Mr. WHITNEY. 'Yes, we will meet them any time, day or night.' "

Steelman said the carriers were willing to meet with the railroaders at 6 p. m. that night in the Transportation Building in Washington. He pushed aside the secrecy shrouding their visit—they had been brought to the White House by the east entrance to escape notice—and asked Johnston and Whitney to step out and tell the reporters that a meeting with the carriers was on for 6 p. m. that night. They did, and then, with their attorney, left the White House. As they left, it was raining. They returned to their hotel room at the Mayflower by foot, wet and bedraggled.

The rail chiefs met with the carriers at 6 p. m. and indicated to the carriers some concessions we were willing to make.

"When we adjourned that night, after a 3½-hour conference with the carriers, they said they would give us a proposition," Whitney said of the meeting. "That proposition has not been received."

Instead, the carriers stalled for 2 days, and on May 16 called in the brotherhoods to say that the carriers were not in a position to grant anything beyond the rates and rules recommended by the President's Board. That afternoon, the 16th, Steelman met with the brotherhood heads. Their records contain this account of that meeting:

"During our discussion he said that he would like to secure something concrete to submit to the President and believed that the President might recommend to the railways the basis of a settlement, whereupon we advised the doctor that it was necessary for us to secure an 18-percent increase in wages [the original demand was for 25 percent], and we furnished him a list of eight rules, the adoption of which was imperative, and stated that we would be willing to negotiate further in connection with the other rules with the understanding that the rules recommended by the President's Emergency Board would be adopted."

MEETING OF MAY 17

Steelman called Johnston and Whitney the next morning, May 17, the day before the strike was to start. Here are the brotherhood records of that day, initialed by Whitney:

"Dr. Steelman was at our rooms and advised us that the President had stated that he did not wish to become involved in the rules program. He asked how much money it would require to settle the issue and for us to hold the rules in abeyance. We advised him that several of the rules were of such importance that it was imperative that they be granted.

"Later we received a call from Secretary Connelly's [one of the President's secretaries] office advising that the President desired to see us at 2:30 p. m. We arrived at the White House at 2:15 and were admitted to the inner reception room and waited until 2:45 when we entered the President's office, where we found Dr. Steelman and Mr. John Snyder.

"The President asked us what progress we had made. We told him none. We advised him that on Tuesday evening following our conference with him we conferred with the carriers from 6 to 9:30 o'clock and proposed a number of modifications in our rules, almost to the compromising point, but received no comment from them; that the carriers stated that they desired to meet us on Wednesday morning at 10 o'clock; that we reported to the meeting room in the Transportation Building, only to be advised that they were preparing a reply which was not ready and asked that we retire, stating they would call us later; we further advised the President that we remained at our rooms during the day and received a call later in the afternoon advising that the carriers would meet us Thursday morning at 10 o'clock; that at the appointed time our wage committees, Johnston, and the undersigned met the carriers and they advised they had nothing to offer; that they did not even extend the courtesy of giving us a written reply, but did hand us copy of a statement they later released to the press.

"The President asked us if we had anything further to offer and we told him "No"; that there was no change in the situation.

"He said: 'I am sorry, gentlemen, if that is your last word,' and I replied: 'Yes, Mr. President, that is our last word,' and he reached for some papers in front of him and said: 'I will sign an order for the Government to take the railroads over.'

"We both told him that we were sorry that a settlement could not be reached and he said he was sorry, too, and then we bid him and the others in the room goodbye and left the Executive offices.

"A. F. W."

The rules changes referred to in this conference are rather technical regulations under which railroaders work and are paid. As a sample: the men were asking for a change in the rules so that they would receive pay for "terminal delay." When a railroader is called to go on a train, he reports to the yard, but doesn't get paid until the train goes out. The railroaders originally asked that pay start 15 minutes after a man reported for work at the hours assigned by the railroad, whether or not the train went out. They modified this demand to ask that pay begin 45 minutes after the man reported to work.

The President's demeanor, the rail chiefs reported, was more agreeable that day than during the conference of the 14th. Whitney gave the picture:

"He just sat and listened and pretended he didn't know anything about the situation.

"He asked, 'What's your position?'

"At the end he just reached over for a bunch of legal papers and started to sign.

"I said, 'Mr. President, are you through with us?'

" 'Yes,' he said.

"And we walked out. There was no discussion. That was snappy."

Johnston and Whitney returned to their offices in Cleveland, and the next day, May 18—the day the strike was set for 4 p. m.—they received calls from Steelman and Truman by telephone. This was the day brotherhood records show that the White House assured the railroaders that if they would delay the strike for 5 days negotiations with the railroads would be arranged and "further concessions" would be forthcoming. Records of these conversations were published in PM last Thursday.

After the telephone talks, Johnston and Whitney postponed the strike to May 23, and returned to Washington for the negotiations with the carriers and the "further concessions" which had been promised. Neither was forthcoming.

MEETING OF MAY 22

On May 22—the day before the strike was now set—they were called to the White House. They arrived via the Pennsylvania Avenue entrance—no secrecy had been requested this time—a few minutes before 3:45 p. m. Steelman and Stabilization Director Snyder were already with the President. Whitney's files give this account of the meeting:

"A. Johnston and I met the President of the United States for 15 minutes, after which we retired to the Cabinet room and talked to Dr. Steelman intermittently. We then returned to the President's office and talked with him about 3 minutes. He asked us for our decision in connection with the national rules-wage case and we advised him that we would confer with our committees and give him an answer before noon May 23. We left the White House at 5:30 p. m."

That record doesn't give details of the talk, but Johnston and Whitney elaborated:

"Well, the President opened the conversation and he was quite friendly that day. He said that he proposed to offer as a basis of settlement an 18½-cent-an-hour increase.

" 'Well,' we said, 'how about the rules that were awarded by the Board?'

"He said, 'We are not going to grant the rules. I don't know anything about the rules.'

"We said: 'Mr. President, you are trading off our rules for money for the other groups, and rules are something that we prefer to wages. You said to us the other day that you propose to back your board, and we are just wondering why you are repudiating the Board's decision.'

"We said that we thought more of the rules than of the 2½ cents.

"He kept saying he didn't know anything about rules."

The 18½-cent settlement proposed by the President was not a further concession. The emergency board, which had previously made a recommendation, had suggested a settlement on the basis of a 16-cents-an-hour wage increase, plus changes in seven of the operating rules, which would have cost the railroads an additional 2½ cents and hour. The President discarded the rules changes and lumped the 2½-cent cost onto the 16-cent wage increase to reach his proposal of an 18½-cent-an-hour wage increase.

During the second part of the Presidential conference the railroaders brought up the fact that the negotiation meetings with the railroads and further concessions he had promised had not been forthcoming. They told of it this way:

"We told him that we had postponed the strike, 'as you know, Mr. President, in the belief and with the assurance that we would have further negotiations with the carriers, and up to this moment we have not seen them.' "

The President made no answer or explanation. The only explanation the railroaders ever were to receive came the following week end when it became clear that the time futilely wasted by the brotherhoods waiting for the President to make good on his promise was used by the White House for preparation of Truman's program of restrictive labor legislation and the crack-down speeches against Johnston and Whitney with which he launched it.

[From PM of Wednesday, June 5, 1946]

A MAXIMUM OF FAIRNESS

I have spent most of the past week working on and writing about the recent railroad strike crisis. The things which stand out as the broad background for the 48-hour tie-up in American transportation are these:

That the American railroads today stand secure with the profits of the most prosperous years in their history. The Commerce Department has estimated that profits of class I railroads increased 1,164, percent above the prewar average from 1941 to 1944, inclusive.

That productivity per railroad worker has increased tremendously due to such things as bigger locomotives, multiple Diesel or electric locomotives operated in tandem by

single crews, longer trains, and bigger loads. The Commerce Department estimated the increase in productivity per man-hour at more than 40 percent between 1940 and 1945.

That the wages of railroad workers have not kept pace with the increase in their productivity, with the increasing prosperity of their employers, or with the advancing wages of workers in other industries. In the 10 years just ended, transportation employees have slipped from second to twenty-seventh position—the bottom of the heap—in percentage raises in hourly compensation. In the last 10 years, up to the settlement of this strike—they had received increases of only 44 cents a day in 1937, a top of 76 cents in 1939, and 32 cents in 1943, falling further and further behind in the race with living costs.

That in working conditions, the record is worse. It has been 25 years since railroad workers have had an improvement. In the meantime workers in other industries—over almost the entire Nation—have gone on an 8-hour day, 40-hour week. Suburban passenger service rail workers have not. The 7-day week prevails on passenger runs and the 10-hour day without overtime is commonplace. Many workers—and you can verify it by asking the ticket collectors the next time you ride a suburban train—spend 12 and 14, sometimes 16, hours a day to get credit for a working time of 8 to 10 hours.

The facts on working conditions may sound startling. Really they aren't startling. The railroad has grown as a corporate colossus further and further away from the people it serves and from the men who work for it. The startling thing is that conditions aren't worse. Railroading, more than any other American industry, is a creature of bond brokers, stock sellers, and stock-market financeers. By tradition, since its very earliest days, railroad ownership has been made the play toy of men who make their money by moving stocks and bonds, rather than by moving cargo.

By tradition, the railroad industry has always struggled along trying to earn interest on capital structures so tremendously watered that earnings could support them only during times of tremendous transportation—such as war. In the lean years the industry's excess capitalization has kept it chronically in the hands of receivers and stock and bond reorganizers. Its ownership and capital structure are so complex and so rigged in the interests of the stock and bond market, as against the interests of workers and customers, that the control of whole railroad empires sometimes is bartered around in the banking houses like a stack of blues in a Reno casino.

A few years ago, a Wall Street speculator picked up control of the $2,000,000,000 Van Sweringen empire—almost a tenth of the American railroad system—by a total investment in rail securities estimated at only $4,000,000. Of the $4,000,000 securities purchased in that deal, most were immediately marketable, and only a little over $250,000, by the estimate of Senator BURTON K. WHEELER, represented stock actually necessary to be held to control these tremendous properties.

Unlike steel and other industries, in which there is a similar situation, railroad management in many cases is in the hands of men who don't even have a tradition in railroading—only in banking or bond selling or stock marketing. Small wonder that such an industry pays small attention to the men who run the trains.

It was against this kind of set-up that the Brotherhoods of Locomotive Engineers and Railroad Trainmen set out some months ago to try to bring their workers back up with the procession.

Get this point clear before you go further: These are responsible unions, not harum-scarum operators or hell raisers—but organizations of conservative trade unionists who do not live by adventuring. You may be confused about that because you remember that you have read a lot of talk in the newspapers for years and years back about railroad strike votes. You should also remember that railroad strike votes rarely have been followed by railroad strikes.

The reason for the frequent strike talk and for the occasional strike vote is not that either the men or their leaders are strike-happy, but that under the Railway Labor Act a strike vote is the first step toward getting serious consideration and setting the machinery of settlement in motion whenever the men have a request to make on the management. Other unions make their requests first, and when all other recourses for settlement fail, they sometimes take a strike ballot. The railroad unions have to start with a strike ballot.

It was against this set-up, too, that President Truman set out to handle the recent crises after another strike had been voted and efforts at settlement had stalled. Three things stand out in Truman's handling of the situation:

That Brotherhood transcripts of White House telephone calls show the President and his labor aide, John R. Steelman, made definite commitments to the Brotherhoods on May 18, that if they would stall their strike 5 days they could negotiate with the railroads (the carriers had stalled all negotiations for days and days) and that "further concessions" would be forthcoming. The White House pledges were not fulfilled. Neither negotiations nor concessions materialized. The only possible effect was to dissipate the workers' strength, dramatize the case against them—and to protect the railroad management from public pressure to meet their workers across the conference table and settle up the deadlock speedily.

That the President called off all official negotiations to settle the strike hours before he went before Congress to castigate the strike leaders as the foundation for his legislative program to substitute Presidential proclamations and injunctions for collective bargaining in settling major labor disputes. This action balked official action on compromise offers by the Brotherhood chiefs that were tantamount to complete surrender. It followed the President's previous radio denunciation to the people and the course of the broken pledges which already had won the issue for the railroad managements by subjecting the men to an unremitting 5-day campaign in the press, while the managements were protected from the consequences of their refusal to deal with their workers.

That if the President did not in fact know at the time he made his final crack-down appearance before Congress that the strike was settled, he could have known it. It was known by those at the last settlement conference in plenty of time for the President to learn that he did not have to use this club on the railroad workers.

These things not only raise the question, but they add up to a conclusive indictment that President Truman's concern was not so much to save or to spare the country from the effects of the railroad strike as to establish himself as a dictatorial master of American labor for the remainder of his term in the White House. He counseled the brotherhood chiefs into a position of weakness and then he struck them down—and with them the rest of labor.

The grievances were just, but possibly critics of the strike do have a point in the way it was handled on the union side. Union leaders, like generals, are supposed to win—or, if defeat looms, to back away and husband their forces for a later try. Maybe the leaders of this strike can be criticized for their failure either to win or to get away in time. But it must be said that whatever mistake was made was chiefly one of misplaced confidence in the White House.

These unions and these leaders had been to the wars before. They don't resent firmness of the Government in settling a strike, if the firmness is evenly distributed. As recently as 1943, when President Roosevelt was still alive, there was a strike vote—but under Roosevelt there was no strike. A. F. Whitney, president of the Brotherhood of Railroad Trainmen, told about it in the official publication of his union:

"A Nation-wide * * * strike was forestalled by firm, but not unfriendly action of President Roosevelt. He demonstrated his firmness when he said right off the bat that the railroads would operate strike or no strike. He demonstrated his friendliness when he indicated that he was for overtime payment after 40 hours a week, for compensation for away-from-home expenses and for vacations with pay. * * * He suggested how we could get a maximum of fairness. * * *"

President Truman did not need his restrictive labor legislation to avert or to settle his railroad strike. The key to settlement was already available to Truman—if he had cared to know it. If he had spent 5 minutes reading the records on Roosevelt's handling of the previous situation, he would have known that the key was in that last statement of Whitney's * * * "a maximum of fairness."

The President may feel that he has won the power to impose labor peace on this country. He has not. Laws and Presidential crackdowns cannot do it. The only thing then, or now, or in the future which can bring industrial peace is the Roosevelt formula * * * "a maximum of fairness."

JOHN P. LEWIS.

MORSE ASKS PROBE OF TRUMAN RAIL PARLEYS

WASHINGTON, June 5.—Senator WAYNE MORSE, Republican, Oregon, who yesterday introduced a resolution asking for investigation of the events which led up to the May 25 settlement of the Nation-wide rail strike, revealed today that the leaders of the striking railroad brotherhoods decided to surrender about 7 hours before President Truman made his speech to Congress demanding emergency draft-labor legislation.

Here is MORSE's story as he told it:

"I was and still am exceedingly critical of the conduct and bad judgment exercised by representatives of the brotherhoods and told them so, but the fact is that at 9 o'clock on Saturday morning in my office I had a conference at the request of the brotherhoods with Ray T. Miller, counsel for the trainmen.

"I told him that in my opinion the brotherhoods didn't have a leg to stand on. I advised him to proceed without further delay to notify the White House that the men would go back to work and that the brotherhoods would accept the recommendations of the President's own emergency board, following which the railroads and brotherhoods could work out by negotiations in accordance with those recommendations any unsettled differences over working rules.

"Miller left my office, went directly to Whitney and Johnston and communicated my advice to them, which they accepted. I was so notified by telephone.

"But when they tried to carry out the surrender, they found that they were unable to get a conference at the White House. Whitney and Johnston then went to Secretary of State James F. Byrnes to notify him of their intentions.

"Byrnes went from the State Department to the White House. I am reliably informed that he took the matter up with Steelman. Before noon on Saturday, Steelman notified Whitney and Johnston that the President had instructed him (Steelman) not to carry on any further negotiations in the President's name with Whitney and Johnston. The President took that position in spite of the fact that Whitney and Johnston had notified his advisers that they had no intention of going ahead with the strike.

"I appreciate the fact that the President was obviously angry and that he had cause to be angry, but he also had the obligation inasmuch as he had set the 4 o'clock dead line himself to do everything he could to consummate a settlement of the matter before he made his speech at 4 o'clock.

"I am informed that at any time on Saturday the controversy could have been settled by the President or any of his advisers with his consent. I say that it was the President's public duty to try to complete the settlement before he came to the hill for his speech irrespective of the fact that Whitney and Johnston had previously been adamant in their position."

[From PM of June 6, 1946]

INSIDE WASHINGTON—MORE ON THE RAIL CRACK-DOWN

White House insiders contend that A. F. Whitney and Alvanley Johnston, who led the short-lived railroad trainmen and engineers strike, could have won seven rules changes in addition to the 18½ cents an hour increase if they had been willing to let well enough alone.

Whitney and Johnston probably will deny the White House version of the story, which follows:

On several occasions, John R. Steelman, special assistant to President Truman and mediator in the railroad dispute, suggested that Whitney and Johnston agree in writing to accept the 18½ cents, plus the seven rules changes recommended previously by a Presidential fact-finding board.

But Truman's aides have indicated that each time the two brotherhood chiefs would maintain that additional rules changes should be included.

It was not until after Whitney and Johnston had declined flatly to take the 18½ cents and the seven rules, according to the White House sources, that Truman grew weary of continued dickering on the rules and resolved on the take-it-or-leave-it offer of 18½ cents with no rules changes whatsoever.

The two striking brotherhoods first tried to leave it, but were forced to take it when Truman threatened to call out the Army and prepared to call on Congress for support in breaking the strike.

Reached by phone at his home in Cleveland, Whitney said about the White House story:

"There is not one word of truth in such a statement. Mr. Johnston and I, on the 24th—the day before the crackdown—offered to settle with Jimmy Byrnes on the basis of 18½ cents and the seven rules changes, and that we'd withdraw 20 rules and arbitrate the rest. We offered to take Mr. Schwellenbach as arbitrator, but Schwellenbach said the President would be displeased and suggested that an outsider do the job.

"The President was even displeased at Byrnes in the picture, too. That even went for John Steelman—the President fired him on Saturday morning and Steelman met with us as a private citizen later. No, we never turned down the 18½ cents and the rules changes."

TRIBUTE TO MARINE LT. JOHN H. LEIMS

Mr. BROOKS. Mr. President, tomorrow five young men will be decorated with the Congressional Medal of Honor by the President of the United States. One of these young men is a first lieutenant in the Marine Corps, who comes from Chicago, Ill., Lt. John H. Leims. This young man at Iwo Jima led his contingent ahead of the line so far that the other troops could not support him, and his contingent had to be pulled back. He led them back, but found that two of his men were badly wounded, and he made two trips to bring those wounded men back to the lines.

Lieutenant Leims was one of the outstanding heroes of the war. He has been listening to this debate. He is in the gallery now, sitting up here to my right. I want the Senate to know how proud we of Illinois are to have Lieutenant Leims in the Senate, and how proud we will be again tomorrow when the President puts the Congressional Medal of Honor ribbon around his neck.

[Applause, Senators rising, and Lieutenant Leims arising and acknowledging the tribute.]

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 REPORTS OF COMMITTEES

The following favorable reports were submitted:

By Mr. WAGNER, from the Committee on Banking and Currency:

Ivy W. Duggan, of Mississippi, to be Governor of the Farm Credit Administration for a term of 6 years from June 15, 1946 (reappointment).

By Mr. WALSH, from the Committee on Naval Affairs:

Midshipman Samuel A. Pillar to be an assistant paymaster in the Navy with the rank of ensign, from the 5th day of June 1946.

By Mr. HATCH, from the Committee on Public Lands and Surveys:

Warner W. Gardner, of New York, to be Assistant Secretary of the Interior, vice Michael W. Straus; and

C. Girard Davidson, of Oregon, to be Assistant Secretary of the Interior, vice Oscar L. Chapman.

By Mr. GEORGE, from the Committee on Foreign Relations:

Executive F, Seventy-ninth Congress, second session: A supplementary protocol, signed at Washington on June 6, 1946, modifying in certain respects the convention between the United States of America and the United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income which was signed at Washington on April 16, 1945.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Charles Fahy, of New Mexico, to be legal adviser of the Department of State.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WAGNER. Mr. President, I had intended to make a statement on behalf of Mr. Fahy, but I now ask unanimous consent that it may be printed in the RECORD.

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

In casting my vote to confirm Mr. Fahy as legal adviser to the Department of State, I take this opportunity to express once again my admiration for the devotion, ability, and courageous leadership manifested by him in his brilliant career.

His career of patriotic service began during World War I, when he pioneered in naval aviation and earned the Navy Cross. More recently, of course, he has served with great distinction as assistant solicitor of the Interior Department, general counsel of the National Labor Relations Board, Solicitor General of the United States, and legal adviser to General Eisenhower in the military occupation of Germany. For that and other wartime achievements President Truman has awarded him the Medal of Merit, our highest civilian award, given only "to such civilians of the nations prosecuting the war under the joint declaration of the United States and other friendly foreign nations, as have, since the proclamation of an emergency by the President on September 8, 1939, distinguished themselves by exceptionally meritorious conduct in the performance of outstanding service."

The citation for this rare award discloses the full measure of the service he rendered:

"Charles Fahy, for exceptionally meritorious conduct in the performance of outstanding service to the United Nations. As the only civilian member of the President's Base-Lease Commission, Mr. Fahy represented the United States in the negotiations held in London early in 1941 between the United States of America and the British Government with regard to the acquisition of United States bases in the British Atlantic possessions, which resulted in an agreement that has served as a precedent and pattern for other vital agreements. While with the Army of the United States, Mr. Fahy has distinguished himself as legal adviser to the Military Governor for Germany and United States member of the Legal Directorate, Allied Control Authority for Germany, from July 15, 1945, to May 15, 1946; as Director of the Legal Division, United States Group, Control Council (Germany), from July 15, 1945, through September 30, 1945; as Director of the Legal Division, Office of Military Government for Germany (United States), from October 1, 1945, through May 15, 1946; as Chief of the Legal Branch, Civil Affairs Division of the General Staff, Headquarters, United States Forces, European Theater, from July 15, 1945, through September 30, 1945; and as Director of the Legal Division, Office of the Military Government (United States zone), from October 1, 1945, through May 15, 1946. While serving in these capacities, Mr. Fahy, through scholarly legal ability, sagacious political insight, sound judgment, and painstaking work, contributed in a high degree to the cooperation between the United States, British, Soviet, and French Governments required for successful quadripartite government of Germany as a whole and to the success of the military government of the United States areas of occupation in Germany.

"HARRY TRUMAN."

DEPARTMENT OF THE NAVY

The legislative clerk read the nomination of John L. Sullivan, of New Hampshire, to be Under Secretary of the Navy.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Foreign Service.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the nominations on the calendar.

Mr. BARKLEY. I ask that the President be notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

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 9 o'clock and 30 minutes p. m.) the Senate took a recess until tomorrow, Friday, June 14, 1946, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 13 (legislative day of March 5), 1946:

DEPARTMENT OF STATE

Charles Fahy to be legal adviser of the Department of State.

DEPARTMENT OF THE NAVY

John L. Sullivan to be Under Secretary of the Navy.

FOREIGN SERVICE

TO BE FOREIGN-SERVICE OFFICERS, UNCLASSIFIED, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Robert M. Beaudry	John Y. Millar
Lewis D. Brown	James O. Morgan
Edwin D. Crowley	Edward F. Rivinus, Jr
Alexander J. Davit	Richard Sears, Jr.
Robert B. Hill	Forrest Shivers
Edward W. Holmes	Joseph A. Silberstein
Edward L. Johnson	David G. Sprague
William E. Knight 2d	James S. Sutterlin
Thomas W. McElhiney	

UNITED STATES PUBLIC HEALTH SERVICE

APPOINTMENTS AND PROMOTIONS IN THE REGULAR CORPS

To be senior assistant scientists, effective date of oath of office

John L. Schwab	Don E. Eyles
David B. Lackman	Frederick S. Philips
Howard W. Bond	

To be assistant scientists, effective date of oath of office

Grover C. Pitts
Howard K. Schachman

To be senior surgeons

John R. Murdock	Anthony P. Rubino
Joseph F. Van Ackeren	William W. Nesbit

To be temporary surgeons

Kenneth M. Endicott	Ralph W. Pagel
Malcolm J. Ford	Raymond S. Roy
Leslie W. Knott	Rudolph F. Sievers
Stanley E. Krumbiegel	Robert L. Smith
Arnold B. Kurlander	Samuel S. Spicer

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 13, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Master of Galilee, Thou hast said: "Learn of Me, for I am meek and lowly of heart." O great Teacher of the fine art of right living, in Thine earthly life Thou didst pass through manifold circumstances with such wondrous courage and strength that we would learn of Thee, in joy and in sorrow, in labor and in leisure, in success and in failure. In all these experiences do Thou steady our souls and guide us in the way. May Thy example glow in our conduct until it becomes the very music and poetry of our daily lives. Quicken our consciences toward all things upright, and keep us mindful that self-control is by way of self-will, that liberality is by way of giving, and that magnanimity of soul is by way of self-denial.

Be very near us today, full of sympathy for those who mourn, ignoring our failures, whispering peace into our breasts, and strengthening us in all things, and Thine shall be the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 11, 1946:

H. R. 238. An act for the relief of Henrietta Silk;

H. R. 845. An act for the relief of Mrs. Luther S. Sykes;

H. R. 941. An act for the relief of Mrs. C. A. Lee, administratrix of the estate of Ross Lee, deceased;

H. R. 1299. An act for the relief of Morris Fine;

H. R. 2576. An act for the relief of William F. Schmeltz;

H. R. 2665. An act for the relief of Acchille Guillory and Olivia Guillory;

H. R. 2747. An act for the relief of George A. West;

H. R. 3018. An act for the relief of Crystal R. Stribling;

H. R. 3100. An act for the relief of Rolland Lee Frank;

H. R. 3125. An act for the relief of Lovie M. Trotter;

H. R. 3365. An act for the relief of Kay Beth Bednar;

H. R. 3523. An act for the relief of Sam Damico and Clint Hamm, operating as the D and H Grocer;

H. R. 3641. An act for the relief of M. Martin Turpanjian;

H. R. 3676. An act for the relief of Pershing W. Ridgeway;

H. R. 3702. An act for the relief of Maurice C. Ritter;

H. R. 3751. An act for the relief of Mrs. Theodora O. Anzures, and the legal guardian of Bernice Anzures and Andrew Anzures;

H. R. 3770. An act for the relief of Lyndon T. Montgomery;

H. R. 3781. An act for the relief of Mabel M. Fischer and Nora M. Steinmetz;

H. R. 3822. An act for the relief of the estate of Charles M. Overcash, deceased;

H. R. 3823. An act for the relief of Gertrude McGill;

H. R. 3828. An act for the relief of James R. Vaughan;

H. R. 3967. An act for the relief of Ahto Walter, Lucy Walter, and the legal guardian of Teddy Walter, a minor;

H. R. 3968. An act for the relief of the estate of Charles W. Stewart;

H. R. 4016. An act for the relief of Dorothy Morgan;

H. R. 4047. An act for the relief of Edward A. Hollis, Sr.;

H. R. 4074. An act for the relief of Mrs. Jennie Burnison;

H. R. 4115. An act for the relief of the estate of Eleanor Doris Barrett;

H. R. 4142. An act for the relief of Johnnie V. Nations;

H. R. 4176. An act for the relief of the estate of Earle R. Woodfall, Jr., deceased;

H. R. 4210. An act for the relief of the estate of Bob Clark and the estate of George D. Croft;

H. R. 4237. An act for the relief of the estate of Vedal B. Brooks, deceased; Mrs. Katherine I. Brooks; and the legal guardian of Sally Brooks, a minor;

H. R. 4244. An act for the relief of Fundador Nieves del Valle;

H. R. 4338. An act for the relief of Anna Blanchard and others;

H. R. 4352. An act for the relief of Ola L. Wright, Mrs. Margaret Wright, and the legal guardian of Betty Bea Wright, a minor;

H. R. 4400. An act for the relief of the legal guardian of Hershel Dean Curry, a minor;

H. R. 4405. An act for the relief of John Bakelaar;

H. R. 4414. An act for the relief of Eva D. Champlin, Robert H. Howell, Emily Howell, and Stella Ward;

H. R. 4491. An act for the relief of Vertie Bea Loggins;

H. R. 4510. An act granting the consent and approval of Congress to an interstate compact between Colorado and New Mexico with respect to the waters of Costilla Creek;

H. R. 4527. An act for the relief of O. T. Nelson and wife, Clara Nelson;

H. R. 4537. An act for the relief of Lillian Jacobs;

H. R. 4545. An act for the relief of George Leslie Dobson;

H. R. 4567. An act to amend the act entitled "An act conferring jurisdiction upon the United States Court of Claims to hear, examine, adjudicate, and render judgment on any and all claims which the Ute Indians, or any tribe or band thereof, may have against the United States, and for other purposes," approved June 28, 1938;

H. R. 4607. An act for the relief of Margaret Lee and Mike Sopko;

H. R. 4609. An act for the relief of Jerome Dove;

H. R. 4639. An act for the relief of C. LeRoy Phillips;

H. R. 4640. An act for the relief of Gladys Hastings;

H. R. 4647. An act for the relief of Albert R. Perkins;

H. R. 4723. An act for the relief of John M. Shipp;

H. R. 4777. An act for the relief of the Sawtooth Co.;

H. R. 4854. An act for the relief of Mrs. Pearl Smith;

H. R. 4915. An act for the relief of Irving W. Learned;

H. R. 4976. An act for the relief of Mrs. Catherine Fortunato;

H. R. 4977. An act for the relief of Mrs. Theresa Ebrecht;

H. R. 5111. An act for the relief of Mrs. Mildred L. Bupp;

H. R. 6334. An act for the relief of the estate of Carmen Aurora de la Flor, deceased;

H. R. 6343. An act authorizing the Secretary of War to lend certain property of the War Department to national veterans' organizations for use at State and National conventions;

H. J. Res. 340. Joint resolution to amend the joint resolution creating the Niagara Falls Bridge Commission; and

H. J. Res. 347. Joint resolution to correct a technical error in the act approved April 18, 1946 (Pub. Law 347, 79th Cong., 2d sess.).

On June 12, 1946:

H. R. 2569. An act for the relief of Daphne Webb;

H. R. 3525. An act for the relief of Owen Young;