By Mr. FARRINGTON:

H. R. 2807. A bill for the relief of American Brewing Co., Ltd.; to the Committee on the Judiciary.

H. R. 2808. A bill for the relief of Mrs. Wong Shee Goo; to the Committee on the Judiciary.

H. R. 2809. A bill for the relief of Vernon J. Medeiros; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 2810. A bill for the relief of Wang Cho King; to the Committee on the Judiciary.

By Mr. JENNINGS:

H. R. 2811. A bill for the relief of G. F. Allen, former Chief Disbursing Officer, Treasury Department, and for other purposes; to the Committee on the Judiciary.

By Mr. KELLEY:

H. R. 2812. A bill for the relief of Mary Kouloura Drosseau; to the Committee on the Judiciary.

By Mr. PETERSON:

H. R. 2813. A bill for the relief of George E. Morris, Jr.; to the Committee on the Judiciary.

PETITIONS, ETC.

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

257. By the SPEAKER: Petition of the Protestant War Veterans of the United States, Inc., petitioning consideration of their resolution with reference to redress of grievances and violation of rights as free and uncontrolled citizens of this Republic; to the Committee on the Judiciary.

258. Also, petition of Morris H. Gaunach, and others, petitioning consideration of their resolution with reference to opposition to the 1-cent increase in the District of Columbia gasoline tax; to the Committee on the District of Columbia.

259. Also, petition of the Bar Association of Hawaii, petitioning consideration of their resolution with reference to H. R. 854, a bill relating to salary of justices and judges in the Territory of Hawaii; to the Committee on the Judiciary.

260. Also, petition of Rafael Arjona Siaca, senator at large, Senate of Puerto Rico, petitioning consideration of his resolution with reference to the political status of the people of Puerto Rico; to the Committee on Public Lands.

261. By Mr. GRAHAM: Petition of 21 residents of Lawrence County, Pa., in support of S. 265, a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of alcoholic-beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

262. By Mr. MANSFIELD of Montana: Montana House Joint Memorial 11, relating to predatory animals and urging that the Federal Government allocate more money to assist in bringing said predatory animals under control; to the Committee on Public Lands.

263. Also, Montana House Joint Memorial 10, requesting that funds be made available from Federal public-land funds, Indian Department funds, and War Department funds for assisting in the location and construction of a bridge across the Missouri River between Poplar and Brockton, Mont.; to the Committee on Public Works.

264. Also, Montana Senate Joint Memorial 9, requesting an investigation of the railroad boxcar shortage, appropriate legislation to relieve such shortage, and appropriate action by the Interstate Commerce Commission to correct the present inequitable distribution of cars; to the Committee on Interstate and Foreign Commerce.

265. Also, Montana Senate Joint Memorial 12, requesting the appropriation of funds for the completion of construction of that portion of the Broadus-Crow Agency highway, known as State Route No. 8, lying within the northern Cheyenne Indian Reservation between Ashland and Lame Deer, Mont.; to the Committee on Public Works.

266. Also, Montana Senate Joint Memorial 7, requesting the enactment of legislation authorizing the State of Montana to lease State lands for the production of oil, gas, and other hydrocarbons for such periods of time and on such terms and conditions as may be provided by the Legislative Assembly of the State of Montana; to the Committee on Public Lands.

267. Also, Montana Senate Joint Memorial 8, requesting the enactment of legislation allowing for and directing the annual payment of grants by the United States Government to the State of Montana for the use and benefit of the several counties of Montana in lieu of taxes on lands owned by the United States Government in the State of Montana; to the Committee on Public Lands.

268. Also, Montana Senate Joint Memorial 6, requesting legislation to grant certain servicemen and veterans who have been prisoners of war the benefits of section 251 of the Internal Revenue Code; to the Committee on Ways and Means.

269. Also, Montana Senate Joint Memorial 10, requesting the continuation of the present Commodity Credit Corporation wool-purchase program and requesting price support for wool; to the Committee on Agriculture.

270. Also, Montana Senate Joint Memorial 11, requesting the United States Civil Aeronautics Board to give early consideration to providing that northern area of the United States as the crow flies from Duluth, Minn., to Seattle, Wash., with regular air transportation serving Chicago via the Twin Cities and Duluth and the intermediate points of Grand Forks, Devils Lake, Minot, Williston, Wolf Point, Glasgow, Malta, Havre, Great Falls, Shelby, Cut Bank, Kalispell, and Spokane; to the Committee on Interstate and Foreign Commerce.

271. Also, Montana Senate Joint Memorial 13, opposing the transfer of operating functions from Helena regional office to the Seattle subzone office, War Assets Administration; to the Committee on Expenditures in the Executive Departments.

272. Also, Montana Senate Joint Memorial 14, requesting action to provide funds for and to expedite the rural electrification program; to the Committee on Agriculture.

273. Also, Montana Senate Joint Memorial 15, requesting legislation to reimburse wheat growers who sold their 1945 wheat early and were deprived of benefit of advance in price; to the Committee on Agriculture.

274. Also, Montana Senate Joint Memorial 16, requesting allocation of funds for construction and maintenance of farm-to-market roads by States and political subdivisions thereof; to the Committee on Public Works.

275. By Mr. PRICE of Illinois: Petition transmitted by Mr. William Frech, local financial secretary, in behalf of Local Union No. 4, Progressive Mine Workers of America, at Belleville, Ill., petitioning Congress to make revision upward in the benefits of social-security annuitants and for the reduction in the age requirement from 65 to 60; to the Committee on Ways and Means.

276. Also, petition transmitted by Mr. Henry Elliott, recording secretary, in behalf of Local Union No. 75, Progressive Mine Workers of America, at O'Fallon, Ill., petitioning Congress to make revision upward in the benefits of social-security annuitants and for the reduction in the age requirement from 65 to 60; to the Committee on Ways and Means.

277. By Mr. SMITH of Wisconsin: Petition presented by a group of citizens of Racine, Wis., requesting favorable consideration of S. 265, a bill which penalizes interstate transmission, by mail or otherwise, of newspapers, periodicals, news reels, photographic films, or records advertising alcoholic beverages or soliciting orders therefor; advertising by radio is also prohibited, as well as the sending of circulars, letters, etc., into States which bar liquor advertisements; to the Committee on Interstate and Foreign Commerce.

278. By Mr. HAND: Petition of Local Union 573, American Flint Glass Workers Union of North America, Vineland, N. J., opposing Senate bill 55 as legislation which will hurt every working man and woman in this country; to the Committee on Labor and Public Welfare.

279. Also, petition of Local Union No. 559, American Flint Glass Workers Union of North America, Vineland, N. J., opposing Senate bill 55 as legislation which will bring about slavery and exploitation of the American workman; to the Committee on Labor and Public Welfare.

280. Also, petition of Local Union 550, American Flint Glass Workers Union of North America, Vineland, N. J., opposing Senate bill 55 as legislation that is the beginning of the end of freedom for American workers; to the Committee on Labor and Public Welfare.

SENATE

THURSDAY, MARCH 27, 1947

(Legislative day of Monday, March 24, 1947)

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

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our Father, that we stand to join our hearts in prayer is our acknowledgment of our great need of Thy guidance. We know that by ourselves we are not sufficient for these days, or for problems beyond the measure of our best wisdom. We are finding out that government of the people by the people is not good enough. We pray for government of the people by God. As this Nation was founded under God, so we confess that our freedom, too, must be under God. Then, and only then, shall we achieve the peace we seek and the righteousness which alone exalteth a nation.

Hear our prayer, O God, and grant unto the Members of this body Thy guidance, we humbly beseech Thee in Jesus' name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., March 27, 1947.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. HENRY CABOT LODGE, JR., a Senator from the State of Massachusetts, to perform the duties of the Chair during my absence.

A. H. VANDENBERG,
President pro tempore.

Mr. LODGE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Wednes-

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day, March 26, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF 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 today, March 27, 1947, the President had approved and signed the act (S. 276) to provide for payment and settlement of mileage and other travel-allowance accounts of military personnel.

EXECUTIVE COMMUNICATIONS, ETC.

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

WHITE HOUSE POLICE FORCE

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize an adequate White House Police force (with accompanying papers); to the Committee on Public Works.

EXEMPTION OF COAST GUARD PERSONNEL FROM PAYMENT OF TOLLS ON GOLDEN GATE BRIDGE

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend the act of March 14, 1944, to include Coast Guard personnel in the exemption from payment of tolls on the Golden Gate Bridge; to the Committee on Public Works.

REPORT OF FEDERAL POWER COMMISSION

A letter from the Chairman of the Federal Power Commission, transmitting, pursuant to law, a statement showing the names and compensation of the members and employees of the Federal Power Commission as of June 30, 1946, together with the annual report of that Commission for the fiscal year 1946 (with accompanying papers); to the Committee on Public Works.

PETITION

Mr. CAPPER presented a petition of sundry citizens of Argonia, Kans., praying for the enactment of Senate bill 265, to prohibit the transportation of alcoholic beverage advertising in interstate commerce, which was referred to the Committee on Interstate and Foreign Commerce.

REPORT OF A COMMITTEE

Mr. BRIDGES, from the Committee on Appropriations, to which was referred the joint resolution (H. J. Res. 159) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, reported it without amendment and submitted a report (No. 79) thereon.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. TAFT, from the Committee on Labor and Public Welfare:

William R. McComb, of Missouri, to be Administrator, Wage and Hour Division, Department of Labor.

BILLS INTRODUCED

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

(Mr. IVES (for himself, Mr. SALTONSTALL, Mr. SMITH, Mr. MORSE, Mr. CHAVEZ, Mr. DOWNEY, Mr. MURRAY, and Mr. MYERS) introduced Senate bill 984, to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. JOHNSTON of South Carolina:

S. 985. A bill to repeal the tax on oleomargarine; to the Committee on Finance.

By Mr. LODGE (by request):

S. 986. A bill to amend the Servicemen's Readjustment Act of 1944, and for other purposes; to the Committee on Labor and Public Welfare.

(Mr. BREWSTER (for Mr. WHITE, Mr. MCCARRAN, himself, and Mr. MCMAHON) introduced Senate bill 987, to amend the Civil Aeronautics Act of 1938, as amended, to provide for the creation of a consolidated international air carrier for the United States, and for other purposes, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. BUCK (by request):

S. 988. A bill to amend the District of Columbia Traffic Act, 1925, to permit compulsory tests of the blood, urine, or breath of persons charged with certain offenses, and for other purposes; to the Committee on the District of Columbia.

By Mr. LANGER (for himself and Mr. CHAVEZ):

S. 989. A bill to amend the Trading With the Enemy Act so as to permit certain aid to civilian recovery in occupied zones; to the Committee on Civil Service.

PREVENTION OF DISCRIMINATION IN EMPLOYMENT

Mr. IVES. Mr. President, out of order, I ask unanimous consent to introduce a bill and request that it be appropriately referred. In doing this I want to state the reasons for and the purposes of the bill.

It will be called, if enacted into law, the National Act Against Discrimination in Employment. It is not an FEPC bill, and I should like to have that definitely understood. It proposes to establish a new approach for handling the problem of discrimination in employment—discrimination because of race, religion, color, national origin, or ancestry.

Heretofore, as I understand, legislation on this subject which has been proposed in the Congress of the United States has contained a large measure of legal compulsion. I do not believe in legal compulsion in dealing with problems of this kind. It is necessary to have a certain amount of it—a minimum—otherwise, no attention whatever is paid to that which the legislation attempts to do. To that extent this bill has a minimum of legal compulsion, with minor penalties.

What this bill does do is to make a new approach—an approach by mediation, by conference, by conciliation—in the handling of these problems, and in dealing with this particular problem which has to do with discrimination in employment this particular step is mandatory in the bill. Moreover, the bill provides for a broad educational approach in handling this immediate problem through the establishment of local, State, and regional advisory and conciliation councils for the purpose of enabling the localities voluntarily to settle questions of this kind.

This bill, I might say, is patterned to a considerable extent after the New York State statute, which was enacted 2 years ago and which has been working very effectively in New York. Recently the report for the year 1946 was issued by the New York State Commission Against Discrimination, and that report shows that 752 cases of this kind came before the commission during the year 1946, and that of those 752 cases not one went to the courts—not one. A large majority were thrown out because they were inappropriate; in about one-third there was evidence of an act of real discrimination, and every single case in that third was resolved by conference, conciliation, and persuasion.

In this connection I ask unanimous consent to insert in the RECORD at this point an editorial recently appearing in the New York Herald Tribune, commenting upon that record.

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

PROGRESS AGAINST PREJUDICE

Two years ago the Legislature at Albany was arguing the establishment of the State commission against discrimination, first agency of the kind in the United States. There was a good deal of head shaking, and many a sincere voice was raised that no amount of law would eliminate prejudice. One remembers well the misgivings at that time, but there was also great hope. And now, as the commission reports on its 1946 activities, it is a pleasure to hear again that the hope was justified.

In this year the commission had 752 cases before it involving allegations of bias in employment practice, 448 dealing with Negroes, 118 with Jews, and so on down the list of groups. Of the cases disposed within the year, 277 were withdrawn, found unmeritorious, or outside the commission's jurisdiction. But there were 290 cases in which violations were indicated, and the commission proudly reports that each was settled purely and simply by persuasive conference. Not once has the commission resorted to the courts for punishment which the law provides up to a year's imprisonment and $500 fine.

These are the statistics, but far more important is the commission's work in education. Instead of existing as a narrow agency of prosecution the commission has always taken the large view that the way to eliminate employment discrimination is to keep it from arising in the first place. Corporations, unions, trade groups, employment agencies are constantly approached in this campaign of education. We think the results have been plain enough in the commission's brief history. Any reader can call up examples out of his own experience.

Maybe the antidiscrimination law was not solely responsible, but it certainly has pointed to a way of doing things. At least one phase of prejudice is being successfully attacked. Every resident of the State of New York can be proud of the story.

Mr. IVES. Mr. President, in closing I want to say that this bill is being introduced by me in collaboration with my

very distinguished colleagues the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. SMITH], the Senator from Oregon [Mr. MORSE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], and the Senator from California [Mr. DOWNEY]. We might have had many more with us in this undertaking, but we felt it inadvisable to delay any longer the introduction of the bill. This measure is typical of the best way to meet great problems which now confront us in this country.

We are dealing nowadays with great questions involving human relations. These same fundamental questions are involved in the subject matter of the bill I am now introducing. Yet more and more people nowadays seem to be turning to the law, to legal compulsion, to solve these problems. These problems in the final analysis can never be solved by legal compulsion alone. That is one of the things we should remember constantly in dealing with all these questions involving human relations which are before us.

Our great job in this country at the present time is to make our free society in America work successfully. Call it capitalism, call it the society of free competitive enterprise, call it the private profit system—it does not make any difference what we call it, our job is to make the system work.

We have heard a great deal about communism on the floor of the Senate in recent days. No one hates and loathes communism more than I do. But I wish to say that the great answer we should make to communism, which will insure once and for all that there will be no communism in this country, is to make our own great system work as effectively and successfully as it can be made to work. This can be done only through the full use of the voluntary processes which should always be available in this country.

In the consideration of legislation of the type I am introducing, in the consideration of legislation dealing with labor relations, the basic test should be whether that legislation will permit and encourage the effective exercise of the voluntary processes, so that out of their use can come that understanding, that grasp, that appreciation of the viewpoint and position of one another which will enable all of us to work together more happily in our own country.

The ACTING PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred.

The bill (S. 984) to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry, introduced by Mr. IVES, for himself, Mr. SALTONSTALL, Mr. SMITH, Mr. MORSE, Mr. CHAVEZ, Mr. DOWNEY, Mr. MURRAY, and Mr. MYERS, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. CHAVEZ. Mr. President, in reference to the remarks made by the Senator from New York, I may say that I was most happy to join the Senator and the other Senators mentioned by the Senator from New York, in introducing and sponsoring the proposed legislation. It is my honest opinion that it is the right approach to a problem which is very apparent in our country.

Lately we have been hearing much about communism, lately we have been impressed, through the radio, through the press, through the voices of public officials, about democracy everywhere.

By considering and acting on the proposed legislation, Congress can say whether or not the democracy we are talking about and are trying to impose throughout the world shall exist even in the United States.

AMENDMENT OF THE CIVIL AERONAUTICS ACT OF 1938, AS AMENDED

Mr. BREWSTER. Mr. President, I ask unanimous consent, out of order, to introduce for appropriate reference a bill on behalf of my colleague the senior Senator from Maine [Mr. WHITE], who is unable to be here this afternoon, and for the Senator from Nevada [Mr. MCCARRAN] and for myself and for the Senator from Connecticut [Mr. MCMAHON]. The bill deals with the amendment of the Civil Aeronautics Act of 1938, as amended. I also ask unanimous consent that the Senator from Nevada [Mr. MCCARRAN], may make a brief statement regarding the bill.

Mr. WHERRY. Mr. President, will the Senator repeat the request?

Mr. BREWSTER. My request is that I be permitted, by unanimous consent, to introduce a bill, and that the Senator from Nevada [Mr. MCCARRAN], may be permitted to make a brief statement regarding it, inasmuch as he is obliged to take a train.

The ACTING PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (S. 987) to amend the Civil Aeronautics Act of 1938, as amended, to provide for the creation of a consolidated international air carrier for the United States, and for other purposes, introduced by Mr. BREWSTER (for Mr. WHITE, Mr. MCCARRAN, himself, and Mr. MCMAHON), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The ACTING PRESIDENT pro tempore. Under the unanimous-consent agreement, the Senator from Nevada is recognized at this time.

Mr. MCCARRAN. Mr. President, my colleagues in the Senate know that for some years now I have been striving for the enactment of legislation to provide for the creation of a community company to operate throughout the world, under the American flag, in international air transportation—a company which would give proper representation to our domestic air carriers and to the other elements in our great transportation system, a company which would have the full weight of our Government behind it, and which, therefore, would permit us to present a united front against our real and formidable competition in the airways of the world, namely, the chosen instruments of other nations.

In my efforts to secure this legislation, I was for several years as a "voice crying in the wilderness." The succession of bills which I introduced gained small support at first; but the need for such a community company as I have proposed has come to be more and more widely recognized as time has passed. In the Seventy-ninth Congress, the junior Senator from Maine [Mr. BREWSTER], stood shoulder to shoulder with me on this proposition; and in that Congress my bill was lost in committee by a tie vote, 10 to 10.

World events have demonstrated beyond question the soundness of my proposal for the all-American flag line. The present financial plight of many of our air lines demonstrates the desirability of pooling our interests in international air transportation, for the good of the carriers themselves, as well as for the national welfare. I believe in this principle today even more strongly than I did 3 or 4 years ago, if that is possible. We can no longer delay action in this matter with safety to our national interests in world trade and in global air transportation. I, therefore, welcome the turn of events which today sees the Republican leadership adopting this principle and taking responsibility for pushing the legislation to final enactment.

I want to say just a word, Mr. President, about the bill which has just been introduced. My colleagues know that in the past I have introduced a succession of bills on this subject. Each of those bills, in succession, represented not only a renewal of the basic principle involved, but also an attempt to improve the language designed to carry that basic principle into effect. Thus, my bill S. 326 of the Seventy-ninth Congress was somewhat different in language from my bill S. 1790 of the Seventy-eighth Congress. The amendment in the nature of a substitute for Senate bill 326, which I proposed toward the end of the Seventy-ninth Congress, involved changes of language which I felt constituted an improvement upon that bill as originally introduced. The bill just introduced for the senior Senator from Maine [Mr. WHITE], in behalf of himself, the junior Senator from Maine [Mr. BREWSTER], the senior Senator from Nevada [Mr. MCCARRAN], and the senior Senator from Connecticut [Mr. MCMAHON] again contains changes of language from my bill S. 197, which was the successor in this Congress to Senate bill 326 of the Seventy-ninth Congress. But I want the Senate and the country to understand that the principle involved remains unchanged. Certain perfections of language will, I hope, help to gain support for this new bill. Expansion of the provisions respecting subsidies to the proposed community company, and fixing definite limits to such subsidies, will, I hope, meet the criticism that the language of my earlier bills in this regard was too broad. Details of language will, of course, be threshed out in committee and on the floor of this body, and I anticipate that perhaps other and further changes will be made. For myself, I shall welcome any change in

language which will strengthen the workability of this legislation. The vitally important thing is that the principle involved in this bill, the principle which I have advocated for all these years past, the principle for which the junior Senator from Maine and the senior Senator from Nevada fought in the Seventy-ninth Congress, the principle which is simply a common-sense application to the field of international air transportation of the American theory of "united we stand, divided we fall"—that this principle shall be embodied in law, so that at long last this Nation will have with respect to international aviation a fixed policy which will give us the basis we need, and which we must have, to preserve our position in world trade and commerce, in our dealings with the other nations of the earth, and in the air lanes of the world.

CHANGE OF NAME OF COMMITTEE

Mr. JOHNSTON of South Carolina. Mr. President, I send to the desk a resolution amending the rules of the Senate, changing the name of the Committee on Civil Service to Committee on Post Office and Civil Service. Under the reorganization bill of last year the name of the committee in the House was Civil Service, but when the bill reached the House it was amended, and the name of the committee on that side is Post Office and Civil Service. We want the name of the committee in the Senate to be the same. I am submitting the resolution at the request of the committee. It is unanimously supported by the members of the committee.

The ACTING PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 99), was referred to the Committee on Rules and Administration, as follows:

Resolved, That paragraph (1) (e) of rule XXV of the Standing Rules of the Senate is amended by striking out "Committee on Civil Service," and inserting in lieu thereof "Committee on Post Office and Civil Service."

Such change in identification of this committee shall be effective January 1, 1948.

UNAUTHORIZED IMPORTATION OF GARBAGE INTO THE UNITED STATES—AMENDMENT

Mr. CAPPER submitted an amendment intended to be proposed by him to the bill (H. R. 597) to protect American agriculture, horticulture, livestock, and the public health by prohibiting the unauthorized importation into, or the depositing in the territorial waters of, the United States of garbage derived from products originating outside of the continental United States, and for other purposes, which was ordered to lie on the table and to be printed.

AID TO GREECE AND TURKEY—AMENDMENTS

Mr. BALL submitted an amendment, and Mr. LODGE submitted three amendments intended to be proposed by them, respectively, to the bill (S. 938) to provide for assistance to Greece and Turkey, which were referred to the Committee on Foreign Relations, and ordered to be printed.

THE LILIENTHAL NOMINATION—ARTICLE FROM THE KNOXVILLE (TENN.) JOURNAL

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article relating to the Lilienthal nomination, written by William Moore, and published in the Knoxville (Tenn.) Journal of March 25, 1947, which appears in the Appendix.]

EFFECT OF UNIFICATION ON MARINE CORPS

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article by David Lawrence, entitled "Move To Undermine Marine Corps Is Seen—Armed Forces Merger Bill Could End Organization," published in the Washington Evening Star on March 27, 1947, which appears in the Appendix.]

THREATENED TELEPHONE STRIKE—ADDRESS BY J. A. BEIRNE

[Mr. MORSE asked and obtained leave to have printed in the RECORD a radio address on the subject of the threatened telephone strike delivered by J. A. Beirne, president of the National Federation of Telephone Workers, which appears in the Appendix.]

AID TO GREECE AND TURKEY—ADDRESS BY HON. HENRY A. WALLACE

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a radio address delivered by Hon. Henry A. Wallace on the subject of aid to Greece and Turkey, which appears in the Appendix.]

THE PRESIDENT'S PROPOSALS FOR AID TO GREECE AND TURKEY

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a statement entitled "The President's Proposals for Aid to Greece and Turkey," prepared by Alvanley Johnson, grand chief engineer, Brotherhood of Locomotive Engineers, and A. S. Whitney, president, Brotherhood of Railroad Trainmen, which appears in the Appendix.]

TRUMAN PURGE IS FAR FROM JEFFERSONIAN—ARTICLE BY KENESAW M. LANDIS 2D

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an article entitled "Truman Purge Is Far From Jeffersonian," written by Kenesaw M. Landis 2d, and published in the Chicago Sun of March 26, 1947, which appears in the Appendix.]

WHY AN ARMS INVESTMENT?—EDITORIAL FROM CHICAGO SUN

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an editorial entitled "Why An Arms Investment?" published in the Chicago Sun of March 26, 1947, which appears in the Appendix.]

NOMINATION OF DAVID E. LILIENTHAL—EDITORIAL FROM KNOXVILLE JOURNAL

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD an editorial entitled "Selection of Lilienthal To Become Chairman of Atomic Energy Committee Most Logical," published in the Knoxville Journal of October 29, 1946, which appears in the Appendix.]

PROTECTION OF INTERNAL SECURITY OF THE NATION

Mr. McKELLAR. Mr. President, yesterday Mr. J. Edgar Hoover, the head of the Federal Bureau of Investigation, appeared before the House Committee on Un-American Activities and last night made a statement over the radio. It is one of the finest, most thoughtful, and most convincing arguments on communism that I have seen anywhere. I ask unanimous consent that it be inserted in the body of the RECORD, so that Senators can the better see it. Regardless of how Senators may feel concerning the confirmation of the nomination of Mr. Lilienthal I hope that every Senator will read this wonderful, patriotic, thoughtful statement by Mr. J. Edgar Hoover.

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

The aims and responsibilities of the House Committee on Un-American Activities and the Federal Bureau of Investigation are the same—the protection of the internal security of this Nation. The methods whereby this goal may be accomplished differ, however.

I have always felt that the greatest contribution this committee could make is the public disclosure of the forces that menace America—Communist and Fascist. That is why the venom of the American Communist and the now defunct German-American Bund has been directed at this committee as it has also been directed at the Federal Bureau of Investigation. This committee renders a distinct service when it publicly reveals the diabolic machinations of sinister figures engaged in un-American activities.

THE ROLE OF THE FBI

The FBI has great responsibilities to the Nation. In addition to being charged "with the duty of investigating violations of the laws of the United States, collecting evidence in cases in which the United States is or may be a party in interest, and performing other duties imposed * * * by law," the FBI has been charged by Presidential directive, dated September 6, 1939, "to take charge of investigative work in matters relating to espionage, sabotage." In implementing this charge the President called upon all law-enforcement officers to promptly "turn over to the nearest representative of the Federal Bureau of Investigation any information obtained by them relating to espionage, counterespionage, sabotage, subversive activities."

The FBI is essentially an investigative agency. It is our duty to get the facts. We do not establish policies—that is the responsibility of higher authority. We do not make decisions as to prosecutions—that is the responsibility of the Attorney General, his assistants and the various United States attorneys.

To the end that our responsibilities may be discharged it is necessary not to lose sight of the fact that our chief responsibility is the duty to obtain information and to protect confidence. Thus, when a citizen furnishes information on a confidential basis his confidence must be respected. In any intelligence operation, security of information is of primary concern. I recall in the prewar years that the FBI was criticized on the ill-founded premise that nothing was being done to meet the Nazi-Fascist-Japanism threat to our internal security. The real facts are now a matter of record. What was being done, and done successfully, could not then be discussed and publicized. When the time came to act the FBI was fully prepared to carry out its responsibilities. There was not one successful enemy-directed act of sabotage during the war and enemy espionage was kept under complete control.

In one of our espionage cases, a spy ring was kept under close surveillance for over 18 months. The arrests when made broke the backbone of the Nazi spy system in America. I shudder at what might have happened had there been a disclosure of our operations and our sources of information in the initial days of that investigation. That was the very time we were most criticized for inaction. I hope this committee will understand our situation and I know you will readily

agree that there are many questions that you might like to raise which I would for obvious reasons be unable to answer in a public hearing.

THE COMMUNIST PARTY

My feelings concerning the Communist Party of the United States are well known. I have not hesitated over the years to express my concern and apprehension. As a consequence, its professional smear brigades have conducted a relentless assault against the FBI. You who have been members of this committee also know the fury with which the party, its sympathizers and fellow travelers can launch an assault. I do not mind such attacks. What has been disillusioning is the manner in which they have been able to enlist support often from apparently well-meaning but thoroughly duped persons.

Anyone who opposes the American Communist is at once branded as a "disrupter," a "Fascist," a "Red baiter," or a "Hitlerite," and becomes the object of a systematic campaign of character assassination. This is easily understood because the basic tactics of the Communist Party are deceit and trickery.

The great god of the American Communists, Comrade Lenin, whose writings are their Bible, in various speeches and writings urged the use of deceit and trickery, and his converts live by his injunction:

"The strictest loyalty to the ideas of communism must be combined with the ability to make all necessary practical compromises, to maneuver, to make agreements, zig-zags, retreats, and so on, so as to accelerate the coming to power." (Left-Wing Communism, an Infantile Disorder, pp. 75–76, V. I. Lenin, International Publishers Co., Inc., 1940.)

Lenin's views were incorporated in the "Thesis on the Fundamental Tasks of the Second Congress of the Communist International," and the following provision is familiar to all American Communists:

"In all countries, even the freest, 'legal and peaceful' in the sense that the class struggle is less acute in them, the time has fully matured when it is absolutely necessary for every Communist Party systematically to combine legal with illegal work, legal with illegal organization. * * * It is necessary immediately for all legal Communist Parties to form illegal organizations. * * * Illegal work is particularly necessary in the Army, the Navy, and police."

Continuing, the Thesis states:

"The absolute necessity in principle of combining illegal with legal work is determined, not only by the sum total of the specific features of the present period, the period of the eve of the proletarian dictatorship, but also by the necessity of proving to the bourgeoisie that there is not, nor can there be, a sphere or field of work that cannot be won by the Communists." (Volume X, Selected Works of Lenin, pp. 172–173; International Publishers Co., Inc., 1943.)

The Communist movement in the United States began to manifest itself in 1919. Since then it has changed its name and its party line whenever expedient and tactical. But always it comes back to fundamentals and bills itself as the party of "Marxism-Leninism." As such, it stands for the destruction of our American form of government; it stands for the destruction of American democracy; it stands for the destruction of free enterprise; and it stands for the creation of a Soviet of the United States and ultimate world revolution.

THE HISTORIC MISSION

The preamble of the latest constitution of the Communist Party of the United States, filled with Marxian "double talk," proclaims that the party "educates the working class, in the course of its day-to-day struggles, for its historic mission, the establishment of socialism."

The phrase "historic mission" has a sinister meaning. To the uninformed person it bespeaks tradition, but to the Communist, using his own words, it is "achieving the dictatorship of the proletariat"; "to throw off the yoke of imperialism and establish the proletarian dictatorship"; "to raise these revolutionary forces to the surface and hurl them like a devastating avalanche upon the united forces of bourgeois reaction, frenzied at the presentiment of their rapidly approaching doom."

In recent years the Communists have been very cautious about using such phrases as "force and violence." Nevertheless it is the subject of much discussion in their schools and in party caucus where they readily admit that the only way in which they can defeat the present ruling class is by world revolution.

The Communist, once he is fully trained and indoctrinated, realizes that he can create his order in the United States only by bloody revolution.

Their chief textbook, The History of the Communist Party of the Soviet Union, is used as a basis for planning their revolution. Their tactics require that to be successful they must have—

1. The will and sympathy of the people.
2. Military aid and assistance.
3. Plenty of guns and ammunition.
4. A program of extermination of the police, as they are the most important enemy, and are termed "trained Fascists."
5. Seizure of all communications, busses, railroads, radio stations, and other forms of communications and transportation.

They evade the question of force and violence publicly. They hold that when Marxists speak of force and violence they will not be responsible—that force and violence will be the responsibility of their enemies. They adopt the novel premise that they do not advocate force and violence publicly, but that when their class resists to defend themselves then they are thus accused of using force and violence.

PARTY FOUND ILLEGAL

On May 28, 1942, Hon. Francis Biddle, then Attorney General, in reviewing the deportation proceedings of Harry Bridges, found that the Communist Party from the time of its inception in 1919 believes in, advises, advocates, and teaches the overthrow by force and violence of the Government of the United States.

Since then much has happened. In 1944 the party dissolved and became the Communist Political Association. The constitution of the new CPA in 1944 omitted references to "Leninism" and the "historic mission." That was the era when Browder was preaching a second front and all-out production. But even then they secretly held to their historic mission, for in an injunction to party members, Eugene Dennis, now general secretary of the party, said:

"Irrespective of name, we are, and shall continue to be, an American working class political organization, guided by the science of Marxism-Leninism."

But that era was short-lived. Immediately after Jacques Duclos, the French Communist leader, blasted the American Communists as deserting the Marxian cause, Browder was repudiated, the CPA was relegated to oblivion and the present Communist Party of the United States was reborn. A new constitution adopted in July 1945, as I have already indicated, referred to the party as basing itself "upon the principles of scientific socialism, Marxism-Leninism" and reincorporated the reference to the party's historic mission.

In establishing the party's illegal character in 1942, the then Attorney General Biddle based his findings on the contents of the same Communist publications which today are being sold and circulated in party circles. The American Communist, like the leopard, cannot change his spots.

THE PARTY LINE

The Communist Party line changes from day to day. The one cardinal rule that can always be applied to what the party line is or will be is found in the fundamental principle of Communist teachings that the support of Soviet Russia is the duty of Communists of all countries.

One thing is certain. The American progress which all good citizens seek, such as old-age security, houses for veterans, child assistance, and a host of others is being adopted as window dressing by the Communists to conceal their true aims and entrap gullible followers.

The record of the American Communists conclusively proves their true feelings. In the prewar days, when they were allied with Hitler, they marched on Washington protesting selective service, lend-lease, shouting "The Yanks are not coming." The American Peace Mobilization picketed the White House until the day before the Nazis marched into Russia and then within less than a month reconverted it into the American People's Mobilization, demanded all-out production, and started the chant for the second front.

We are witnessing the same tactics today. Since Secretary Schwellenbach advocated outlawing the Communist Party, and President Truman called for aid to Greece and Turkey, the Communists have been mobilizing, promoting mass meetings, sending telegrams and letters to exert pressure on Congress. The American Communists fail to realize that already they have outlawed themselves in the minds and hearts of loyal Americans.

The mad march of Red fascism is a cause for concern in America. But the deceit, the trickery, and the lies of the American Communists are catching up with them. Whenever the spotlight of truth is focused upon them they cry, "Red baiting." Now that their aims and objectives are being exposed, they are creating a committee for the constitutional rights of Communists, and are feverishly working to build up what they term a "quarter-million-dollar defense fund" to place ads in papers, to publish pamphlets, to buy radio time. They know that today it is a fight to the finish and that their backs will soon be to the wall.

STRENGTH OF THE PARTY

A few days ago word leaked out that the annual Communist convention scheduled to be held in Chicago had been shifted from July to September in order that they might carry on their campaign of obstruction to American foreign policy and increase their membership. They have been conducting an active membership campaign as the leadership is concerned over the manner in which membership has slipped.

The numerical strength of the party's enrolled membership is insignificant. But it is well known that there are many actual members who because of their position are not carried on party rolls.

New York leads in the number of enrolled party members, 30,000; followed by California, 8,553; Illinois, 6,500; Ohio, 3,838; Oregon, 3,654; Washington, 2,752; New Jersey, 2,487; and Michigan, 2,135. The Daily Worker boasts of 74,000 members on the rolls.

What is important is the claim of the Communists themselves that for every party member there are 10 others ready, willing, and able to do the party's work. Herein lies the greatest menace of communism, for these are the people who infiltrate and corrupt various spheres of American life. So rather than the size of the Communist Party, the way to weigh its true importance is by testing its influence—its ability to infiltrate.

The size of the party is relatively unimportant because of the enthusiasm and iron-clad discipline under which they operate. In this connection it might be of interest to observe that in 1917, when the Communists overthrew the Russian Government, there was

1 Communist for every 2,277 persons in Russia. In the United States today there is 1 Communist for every 1,814 persons in the country.

One who accepts the aims, principles, and program of the party, who attends meetings, who reads the party press and literature, who pays dues and who is active on behalf of the party shall be considered a member. The open, avowed Communist who carries a card and pays dues is no different, from a security standpoint, than the person who does the party's work but pays no dues, carries no card and is not on the party rolls. In fact, the latter is a greater menace because of his opportunity to work in stealth.

IDENTIFYING UNDERCOVER COMMUNISTS, FELLOW TRAVELERS, AND SYMPATHIZERS

The burden of proof should be placed upon those who consistently follow the ever-changing, twisting party line. Fellow travelers and sympathizers can deny party membership but they can never escape the undeniable fact that they have played into the Communist hands, thus furthering the Communist cause by playing the role of innocent, gullible, or willful allies.

PROPAGANDA ACTIVITIES

The Communists have developed one of the greatest propaganda machines the world has ever known. They have been able to penetrate and infiltrate many respectable and reputable public opinion mediums.

They capitalize upon ill-founded charges associating known honest progressive liberals with left-wing causes. I have always entertained the view that there are few appellations more degrading than "Communist" and hence it should be reserved for those justly deserving the degradation.

The Communist propaganda technique is designed to promote emotional response with the hope that the victim will be attracted by what he is told the Communist way of life holds in store for him. The objective, of course, is to develop discontent and hasten the day when the Communists can gather sufficient support and following to overthrow the American way of life.

Communist propaganda is always slanted in the hope that the Communist may be aligned with liberal progressive causes. The honest liberal and progressive should be alert to this and I believe the Communists' most effective foes can be the real liberals and progressives who understand their devious machinations.

The deceptiveness of Communist "double talk" fulfills the useful propaganda technique of confusion. In fact, Lenin referred to their peculiar brand of phraseology as, "* * * that cursed Aesopian language * * * which * * * compelled all revolutionaries to have recourse, whenever they took up their pens to write a 'legal' work." Lenin used it for the purpose of avoiding censorship. Communists today use it to mislead the public.

The use of the term "democracy" by the Communists, we have learned to our sorrow, does not have the meaning to them that it does to us. To them it means Communism and totalitarianism and our understanding of the term is regarded by them as imperialistic and Fascist.

The Daily Worker on Independence Day last year, for example, proclaimed: "It is a dramatic fact that on July 4, 1946, the independence of other countries is menaced by the United States in the grip of trusts and tories."

CORRESPONDENCE CAMPAIGNS

Communists and their followers are prolific letter writers and some of the more energetic ones follow the practice of directing numerous letters of protest to editors but signing a different name to each.

Members of Congress are well aware of Communists starting their pressure campaigns by an avalanche of mail which follows the party line.

RADIO

The party has departed from depending upon the printed word as its medium of propaganda and has taken to the air. Its members and sympathizers have not only infiltrated the airways but they are now persistently seeking radio channels.

MOTION PICTURES

The American Communists launched a furtive attack on Hollywood in 1935 by the issuance of a directive calling for a concentration in Hollywood. The orders called for action on two fronts: (1) An effort to infiltrate the labor unions; (2) to infiltrate the so-called intellectual and creative fields.

In movie circles, Communists developed an effective defense a few years ago in meeting criticism. They would counter with the question, "After all, what is the matter with Communism?" It was effective because many persons did not possess adequate knowledge of the subject to give an intelligent answer.

Some producers and studio heads realize the possibility that the entire industry faces serious embarrassment because it could become a springboard for Communist activities. Communist activity in Hollywood is effective and is furthered by Communists and sympathizers using the prestige of prominent persons to serve, often unwittingly, the Communist cause.

The party is content and highly pleased if it is possible to have inserted in a picture a line, a scene, a sequence, conveying the Communist lesson, and, more particularly, if they can keep out anti-Communist lessons.

INFILTRATION

The Communist tactic of infiltrating labor unions stems from the earliest teachings of Marx, which have been reiterated by party spokesmen down through the years. They resort to all means to gain their point and often succeed in penetrating and literally taking over labor unions before the rank and file of members are aware of what has occurred.

With few exceptions the following admonitions of Lenin have been followed:

"It is necessary to be able to withstand all this, to agree to any and every sacrifice, and even—if need be—to resort to all sorts of devices, maneuvers, and illegal methods, to evasion and subterfuge, in order to penetrate into the trade-unions, to remain in them, and to carry on Communist work in them at all costs" (p. 38, Left-Wing Communism, an Infantile Disorder, vol. I, Lenin, 1934, International Publishers Co., Inc.).

I am convinced that the great masses of union men and women are patriotic American citizens interested chiefly in security for their families and themselves. They have no use for the American Communists, but in those instances where Communists have taken control of unions it has been because too many union men and women have been outwitted, outmaneuvered, and outwaited by Communists.

The Communists have never relied on numerical strength to dominate a labor organization. Through infiltration tactics they have in too many instances captured positions of authority. Communists have boasted that with 5 percent of the membership, the Communists, with their militancy, superior organizational ability, and discipline, could control the union.

They regard as political every movement of the working class which seeks to gain concessions by exerting pressure from without as a political movement. Thus, as Lenin puts it: "The economic strike develops into a political strike and the latter develops into insurrection" (p. 12, Left-Wing Communism, vol. I, Lenin, 1934, International Publishers Co., Inc.)

That the Communists feel themselves ordained for a special mission in penetrating labor is revealed by the statement made by Eugene Dennis, general secretary of the Communist Party of the United States of America, at a recent party meeting: "No trade-union or people's organization," he said, "not even the great CIO, could long remain progressive if it were to exclude or to attack Communists."

The Communists have long viewed with envy the A. F. of L. They admit they play a very small role with only a handful of Communists active in the A. F. of L. locals. Recently there has been agitation in the party to reorganize to influence the A. F. of L.

A few months ago a party functionary said it was imperative that 3,000 party members be infiltrated into the A. F. of L. without publicizing this fact. They say this action is necessary because of the danger of a Third World War and the need to fulfill the Communist plan of creating a third party.

If more union members took a more active role and asserted themselves it would become increasingly difficult for Communists to gain control. Patriotic union members can easily spot sympathizers and party members in conventions and union meetings because invariably the latter strive to establish the party line instead of serving the best interests of the union and the country.

FOREIGN LANGUAGE GROUPS

The party for the past 18 months has been giving special attention to foreign language groups and has called for a sweeping self-critical examination of its work in this field. As long ago as 1945, in urging the importance of penetrating these groups, party leaders said, "We need only mention the Polish, Italian, Yugoslav and Greek questions," and in characteristic party double talk observed that they occupied an important relationship "to the entire democratic camp and to the broader peoples movements." In other words, the Communists now seek strength from foreign groups who may have relatives in countries which Russia seeks to influence.

GOVERNMENT

The recent Canadian spy trials revealed the necessity of alertness in keeping Communists and sympathizers out of Government services. In fact, the high command of the Communist party regards such assignments of sufficient importance to demand that party members not contact fellow members in the Government and if such Government employees are carried on party rolls at all they are assigned an alias. Last fall a high-ranking party leader instructed that all party membership cards of Government employees be destroyed and that party organizational meetings in Government circles be discontinued although informal social or union gatherings which could not be identified as Communist meetings could be continued. The dangers of permitting Communists or sympathizers to work in Government circles are too obvious to mention.

There has developed, however, as a result of Communist propaganda, some fanciful feeling among Communists that no distinction should be drawn and that Communists have a right to Government jobs.

Since July 1, 1941, the FBI has investigated 6,193 cases under the Hatch Act, which forbids membership upon the part of any Government employee in any organization advocating the overthrow of the Government of the United States.

For the purposes of investigation the Attorney General has ruled that a number of organizations in addition to the Communist Party are subversive under the Hatch Act because of Communist influence.

One hundred and one Federal employees were discharged as a result of our investigation, 21 resigned during the investigation, and in 75 cases administrative action was taken by the departments. A total of 1,906 individuals are no longer employed in the government while 122 cases are presently pending consideration in the various Government agencies.

The FBI does not make recommendations; it merely reports facts and it is up to the interested Government Department to make a decision. Almost invariably, of course, subjects of investigations deny affiliation with subversive groups, often despite strong evidence to the contrary.

The following is a case in point:

The FBI submitted a 57-page report to the Federal Security Agency on March 7, 1942, on Doxey Wilkerson. The investigation recorded interviews with persons who stated he was a member of the Communist Party. Following the submission of the report we were advised by the Federal Security Agency that further investigation failed to show that Wilkerson was subversive or disloyal to our Government. Wilkerson subsequently transferred to OPA and resigned on June 19, 1943. Within less than 24 hours he announced his new job as a Communist Party organizer. He was subsequently appointed a member of the National Committee of the Communist Party. To be eligible for service in the National Committee one must have been a member of the party in continuous good standing for at least 4 years.

MASS AND FRONT ORGANIZATIONS

The united front program of the Communist Party was launched at the seventh world congress of the Communist International in 1935. The Communist Party in the United States immediately took up the program and a systematic plan was worked out of infiltrating existing organizations with Communists.

For the most part, front organizations assumed the character of either a mass or membership organization or a paper organization. Both solicited and used names of prominent persons. Literally hundreds of groups and organizations have either been infiltrated or organized primarily to accomplish the purposes of promoting the interests of the Soviet Union in the United States, the promotion of Soviet war and peace aims, the exploitation of Negroes in the United States, work among foreign-language groups, and to secure a favorable viewpoint toward the Communists in domestic, political, social, and economic issues.

The first requisite for a front organization is an idealistic sounding title. Hundreds of such organizations have come into being and have gone out of existence when their true purposes have become known or exposed while others with high sounding names are continually springing up.

THE AMERICAN YOUTH FOR DEMOCRACY

Illustrative of how the Communists bury one organization and conceive another is the Young Communist League. In convention assembled in New York City, the Young Communist League was dissolved on October 16, 1943, and the next day the American Youth for Democracy was born.

At first the Communists denied paternity for the AYD, but in April of 1946 the party's national board indicated that the AYD was the successor to the YCL. William Z. Foster, the Communist Party head, at the AYD National Intercollegiate Conference in New York City in 1945, told the delegates in the concluding session that "the atomic age is the age of socialism, of communism. This is the greatest lesson that the youth of America has to learn." This new front set up youth centers ostensibly to combat juvenile delinquency. More properly, these centers could be termed Communist youth-recruiting centers.

THE TEST OF A FRONT ORGANIZATION

I feel that this committee could render a great service to the Nation through its power of exposure in quickly spotlighting existing front organizations and those which will be created in the future.

There are easy tests to establish the real character of such organizations:

1. Does the group espouse the cause of Americanism or the cause of Soviet Russia?

2. Does the organization feature as speakers at its meetings known Communists, sympathizers, or fellow travelers?

3. Does the organization shift when the party line shifts?

4. Does the organization sponsor causes, campaigns, literature, petitions, or other activities sponsored by the party or other front organizations?

5. Is the organization used as a sounding board by or is it endorsed by Communist-controlled labor unions?

6. Does its literature follow the Communist line or is it printed by the Communist press?

7. Does the organization receive consistent favorable mention in Communist publications?

8. Does the organization represent itself to be nonpartisan yet engage in political activities and consistently advocate causes favored by the Communists?

9. Does the organization denounce American and British foreign policy while always lauding Soviet policy?

10. Does the organization utilize Communist double talk by referring to Soviet-dominated countries as democracies, complaining that the United States is imperialistic and constantly denouncing monopoly-capital?

11. Have outstanding leaders in public life openly renounced affiliation with the organization?

12. Does the organization, if espousing liberal progressive causes, attract well-known honest patriotic liberals or does it denounce well-known liberals?

13. Does the organization have a consistent record of supporting the American viewpoint over the years?

14. Does the organization consider matters not directly related to its avowed purposes and objectives?

NATIONAL DEFENSE

The Communist Party of the United States is a fifth column if there ever was one. It is far better organized than were the Nazis in occupied countries prior to their capitulation.

They are seeking to weaken America just as they did in their era of obstruction when they were alined with the Nazis. Their goal is the overthrow of our Government.

There is no doubt as to where a real Communist's loyalty rests. Their allegiance is to Russia, not the United States.

A top functionary of the Communist Party recently said, "A war by the United States against the Union of Soviet Socialist Republics would be an unjust war, which is why it must be fought against, but that if it should come the Communist Party in the United States would be with Russia, and make no mistake about that."

In another section of the country another Communist leader made the following statement, "I believe that everyone should know that we are for Russia and, if need be, we will die for the cause. I don't mean that war with Russia is coming soon; I hope not, so that Russia will be better prepared."

WHAT TO DO

What can we do? And what should be our course of action? The best antidote to communism is vigorous, intelligent, old-fashioned Americanism with eternal vigilance. I do not favor any course of action which would give the Communists cause to portray and pity themselves as martyrs. I do favor unrelenting prosecution wherever they are found to be violating our country's laws.

As Americans, our most effective defense is a workable democracy that guarantees and preserves our cherished freedoms.

I would have no fears if more Americans possessed the zeal, the fervor, the persistence, and the industry to learn about this menace of red fascism. I do fear for the liberal and progressive who has been hoodwinked and duped into joining hands with the Communists. I confess to a real apprehension so long as Communists are able to secure ministers of the gospel to promote their evil work and espouse a cause that is alien to the religion of Christ and Judaism. I do fear so long as school boards and parents tolerate conditions whereby Communists and fellow travelers under the guise of academic freedom can teach our youth a way of life that eventually will destroy the sanctity of the home, that undermines faith in God, that causes them to scorn respect for constituted authority and sabotage our revered Constitution.

I do fear so long as American labor groups are infiltrated, dominated, or saturated with the virus of communism. I do fear the palliation and weasel-worded gestures against communism indulged in by some of our labor leaders who should know better but who have become pawns in the hands of sinister but astute manipulations for the Communist cause.

I fear for ignorance on the part of all our people who may take the poisonous pills of Communist propaganda.

I am deeply concerned whenever I think of the words of an old-time Communist. Disillusioned, disgusted, and frightened he came to us with his story and concluded:

"God help America or any other country if the Communist Party ever gets strong enough to control labor and politics. God help us all."

The Communists have been, still are, and always will be a menace to freedom, to democratic ideals, to the worship of God and to America's way of life.

I feel that once public opinion is thoroughly aroused as it is today, the fight against communism is well on its way. Victory will be assured once Communists are identified and exposed, because the public will take the first step of quarantining them so they can do no harm. Communism, in reality, is not a political party. It is a way of life—an evil and malignant way of life. It reveals a condition akin to disease that spreads like an epidemic and like an epidemic a quarantine is necessary to keep it from infecting the Nation.

SUMMARY OF AUDIT OF TENNESSEE VALLEY AUTHORITY

Mr. AIKEN. Mr. President, under date of March 17 of this year the Comptroller General's office submitted to the Congress a report of an audit of the Tennessee Valley Authority for the fiscal year ending June 30, 1945. There have been a great many requests for the report, and copies are not presently available. I understand that the report is to be printed as a House document, but will not be available for several days. In the meantime, with the discussion of the nomination of Mr. Lilienthal before the Senate, the report is likely to be referred to frequently in the course of the debate. The report itself is so voluminous that I shall not ask to have it all printed in the RECORD. However, I do ask to have a summary, which contains the findings and recommendations of the General Accounting Office, printed in the body of the RECORD, preferably at the end of today's debate on sugar.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Vermont?

Mr. McKELLAR. Mr. President, let me say to the Senator that I am informed that the report will be printed

and in the hands of all Members of Congress within the next few days. Would it not be better for Congress to see the entire report, rather than a part of it?

Mr. AIKEN. I shall be very glad to submit the entire report to be printed in the RECORD; but it would occupy a great deal of space.

Mr. McKELLAR. I think that is true. It is unnecessary, because I have been informed by the Government Printing Office that the entire report will be printed by next Monday, I believe.

Mr. AIKEN. I have been informed today that the proof has not yet even gone to the General Accounting Office to be edited. In the meantime the debate on the nomination of Mr. Lilienthal will be under way. I hope it will be under way. I think Members of the Senate ought at least to have the findings and recommendations of the General Accounting Office available.

Mr. McKELLAR. I shall not object to the Senator's request. However, I warn Senators that I have read the report, and I was told that it was in the hands of the Government Printing Office, and that printed copies would be available within a few days. If that is so, I do not believe that culled-out parts should be printed. I shall not object to the request of the Senator from Vermont, but I invite the attention of all Senators to the fact that they can obtain the entire report in a short time.

Mr. AIKEN. It is in the hands of the printers, but the body of the report contains tables and charts which are difficult to print, and which take time to set up. Therefore, I ask unanimous consent to have only the summary of the report printed in the RECORD.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Vermont?

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

SUMMARY AS CONTAINED IN THE AUDIT REPORT ON THE TENNESSEE VALLEY AUTHORITY SUBMITTED TO THE CONGRESS BY THE COMPTROLLER GENERAL MARCH 17, 1947

1. Tennessee Valley Authority is a wholly owned Government corporation created by the act of Congress approved May 18, 1933 (48 Stat. 58; 16 U. S. C. 831 et seq), for the purpose of improving the navigability and providing for flood control of the Tennessee River, providing for the agricultural and industrial development of Government properties at and near Muscle Shoals, Ala., including Wilson Dam. Although power production and sale is considered in the act as incidental to these purposes, that activity is one of the most important of the Authority's activities. The Authority has been managed by a Board of Directors independently of any other Government agency or department.

2. The Authority received appropriations from the Congress and Executive allotments from emergency funds aggregating approximately $668,000,000 to June 30, 1945, for the purpose of financing construction of additional dams and power and other facilities in the Tennessee Valley and for covering the costs of development programs, navigation, and flood control. Other sources of funds have included net revenues of the power department, aggregating approximately $100,000,000 (before charges for depreciation) and borrowings of $65,000,000 from the Treasury and Reconstruction Finance Corporation.

3. Of the total investment of $718,000,000 in property, plant, and equipment, less depreciation, at June 30, 1945, the amount allocated to power facilities was $391,000,000, and to navigation and flood control, $284,000,000. The allocation of the property investment reflects direct classification of the costs of facilities installed for single uses and apportionment of the depreciated cost of multiple-use dam facilities ($331,000,000). The method of allocation selected by the Board of Directors is based largely upon prorating the cost of the joint investment between power, navigation, and flood control in ratio to the hypothetical justifiable-alternate-single-use investments for the three purposes. As a result, the cost allocated to power, thus far the main revenue-producing program, was less than the estimated cost of a hypothetical single-use investment for that purpose. Similarly, the cost allocated to navigation and flood control was less than the hypothetical single-use investments for those respective purposes. The basis of allocation of the investment is also used in allocating operating costs for maintenance and depreciation of the multiple-use facilities. Therefore, the effect of the cost allocation is to reduce operating costs of each activity below what would have been borne on the basis of single-use operations. For this and other reasons, the cost of power operations may not be compared with a private power corporation's operations.

4. Power sales for the fiscal year 1945, amounting to $38,959,400 (10,314,746 thousand kilowatt-hours), were the largest in the Authority's history. During this year more power was produced than by any other single integrated power system in the Nation, and it is estimated by the Authority that more than three-fourths of its power system output was utilized in war production. Substantially all of the power generated is sold wholesale to municipalities, cooperatives, other Federal agencies, large industrial power users, and private public utilities.

5. Net income of $17,982,034 from power operations was based upon the method of allocation of costs of multiple-use facilities and certain other accounting and financial policies subject to comment on pages 22 to 26. As indicated therein, charges to power operations do not include the following items:

DEPRECIATION

As discussed on pages 61 and 62, no depreciation has been provided on the costs of land rights and clearing for transmission lines and reservoirs and costs of relocations and removals of former occupants, because such provision is not required by the Federal Power Commission.

TAXES

The Tennessee Valley Authority contributes to the support of State and local governments in its area through payments in lieu of property taxes, but, like other Federal agencies and other governmentally owned public utilities, it is not required by law to make any contribution to the general support of the Federal Government through the payment of income taxes.

INTEREST

Interest paid by the Tennessee Valley Authority and charged to power operations is limited to the interest on its bonds held by the United States Treasury and Reconstruction Finance Corporation. Bonds having a principal amount of $56,500,000 held by the Treasury carry an interest rate by temporary agreement of 1 percent, which is less than the interest cost of long-term bonds to the United States Treasury.

No interest is required by law to be paid on the remainder of the Government's investment in power operations, which in the aggregate amounted to approximately $400,000,000 at June 30, 1945. The interest rate on long-term borrowing of the United States Treasury is 2½ percent. Based upon this rate and investment in power facilities, the annual interest cost to the United States Government on its investment in power facilities would be $10,000,000, or approximately $9,274,000 in excess of interest charged in the income statement for power operations for the fiscal year 1945.

Contrary to the customary practice in public utility accounting, the Authority's investment in property, plant, and equipment does not include any interest during construction. If interest had been paid on the investment and capitalized during construction, depreciation on property, plant, and equipment would be increased.

EMPLOYEES' COMPENSATION CLAIMS

Claims for employees' injuries are allowed and paid by the United States Employees' Compensation Commission (now Bureau of Employees' Compensation, Federal Security Agency) without charge to TVA. As in the case of interest, the cost of property, plant, and equipment does not include the cost of employees' injuries and damages applicable to construction. If such costs had been paid and capitalized, the annual depreciation charges would reflect some increase.

It is recommended that the Congress consider specific amendments in the TVA Act or other legislation, as follows:

(a) All claims for injuries and damages should be paid by the Tennessee Valley Authority and not charged to separate appropriations from the United States Treasury for the United States Employees' Compensation Commission unless such charges are reimbursed to it by TVA.

(b) Interest should be required to be paid to the Treasury on the entire investment of the Government in power operations.

(c) Retroactive adjustments should be required as to both interest and claims for injuries and damages to the end that TVA shall reflect in its accounts such costs for the prior years as additional capital invested by the United States Government. (It is understood that that portion applicable to construction would be added to the cost of property, plant, and equipment and made the subject of annual depreciation charges.)

The Tennessee Valley Authority Act states it to be the policy of Congress that in order, as soon as practicable, to make the power projects self-supporting and self-liquidating, "the surplus power shall be sold at rates which, in the opinion of the Board, when applied to the normal capacity of the Authority's power facilities, will produce gross revenues in excess of the cost of production of said power."

An enterprise is self-supporting only when its revenues at least equal the sum of the costs properly chargeable against its revenues. It is self-liquidating when its revenues are sufficient not only to cover its costs but also to afford repayment of its capital. It is believed that the Authority's revenues for the year ended June 30, 1945, were in excess of the sum of all its costs, including those costs which we have recommended be required by law to be taken into account. It appears, therefore, that the power rates for the year ended June 30, 1945, produced "gross revenues in excess of the cost of production of said power." However, we cannot say this positively, and there can be no consistent showing of whether TVA is self-supporting and self-liquidating unless and until every element of cost is recorded on its books and shown in its financial statements.

6. Non-income-producing and developmental activities showed the following costs for the year ended June 30, 1945, based on a

method of accounting similar to that used for power operations:

Navigation	$2,114,981
Flood control	1,408,756
Chemical division, after deducting research and development expenses of $1,355,146	859,373
Other development activities:	
Agricultural resources	2,839,487
Forest resources	451,078
Mineral resources	339,180
Other resources	178,398
Other development activities	285,684
Administrative and general expenses therein	760,148
Total	4,853,975
	9,237,084

7. TVA is required to deposit annually into the general fund of the Treasury—as distinguished from the Authority's funds in the Treasury—the net proceeds from power sales and other sources under section 26 of the act. The TVA Board determined that for the year ended June 30, 1945, a payment was due for the first time under this section; it determined that the sum of $12,597,744 was so payable. This determination was consistent with prior interpretations of the Authority, apparently acquiesced in by the Congress, and, as indicated on page 51, has had the approval of the House Appropriations Committee. The amount payable to the Treasury under section 26, pursuant to such interpretations, is not subject to conclusive, independent-audit verification. The effect of such interpretations is to avoid an effective basis for assuring return of the Government's investment in power facilities and, in turn, to avoid control by the Congress over capital expenditures for power facilities financed by revenues withheld by TVA. The interpretations of the TVA Board and our comments are presented fully on pages 50 to 54. The result of our consideration of section 26 and of the problems of legislative and executive control of the Authority's affairs indicates that section 26 is inadequate as a means of assuring ultimate liquidation of the Government's investment in the Authority's power operations and that some of the controls to which the Authority is subject are too restrictive, while others are inadequate or are inappropriate to the nature of some of the Authority's most important activities. These defects should be corrected, and as means of correction we recommend that section 26 be repealed and the following be adopted as an integrated plan to reserve to the Congress complete and effective control over the Authority's programs, provide definitely for the return to the Government of its capital investment with interest, and yet leave to the Authority all necessary flexibility for its authorized business operations:

(a) That the over-all capital requirements of the Authority as it is now constituted be determined and formalized.

(b) That future capital needs of the Authority from the United States Treasury be financed by appropriating funds for subscriptions to capital by the Treasury. (Recommendation (g), which contemplates discontinuance of the making of direct appropriations for capital needs, is a concomitant of this recommendation. The Government Corporation Control Act gives Congress sufficient control over expenditures to obviate the necessity for using direct appropriations as a means of controlling capital outlays. Under this act the Authority's annual intentions are required to be submitted to legislative review, and its expenditures are independently checked by the General Accounting Office for Congress against the budget plan authorized by Congress. The Congress has ample opportunity under the Government Corporation Control Act to control over-all policies, the adoption or alteration of programs, and the authorization of major construction projects to implement these policies, independently of appropriation procedure. It is sufficient, therefore, to provide money for capital outlays by authorizing subscriptions to capital to be used therefor. Moreover, this deals with the matter at the level at which it should be dealt with, recognizes the corporate nature of the activities involved, and in other respects puts the authorization of these activities on a more appropriate basis.)

(c) That the Authority have the power to borrow only temporarily from the United States Treasury within limits established by the Congress at current interest costs, and that it not have authority to borrow either temporarily or on a long-term basis from any other source.

(d) That the Authority determine and show separately on its books that portion of its capital derived from appropriated funds and invested in power facilities or otherwise used in the power activity. (This is a necessary prerequisite to implementation of the announced intention of Congress that the power projects of the Authority be made self-liquidating. Implementation of this intention is proposed in recommendation (e).)

(e) That a definite plan for the repayment of the appropriated funds invested or otherwise used in the power activity and the payment of interest on this capital at a definite rate be provided for by law. (This action should be related to repeal of section 26 and is proposed as a more satisfactory and definite arrangement for repayment of the Government's investment in power facilities. The management of TVA is engaged in a study of this matter and is expected to make recommendations concerning it shortly.)

(f) That the net income from power operations, after deduction of all costs of these operations, be carried to an earned surplus account.

(g) That the practice of making direct appropriations for the construction of dams, reservoirs, and other power facilities not taken care of under sections 12 and 26, and for machinery, equipment, and other commercial facilities, be discontinued.

(h) That the act be amended to permit the Authority to use temporarily any of its unappropriated funds and, if necessary, its borrowing power to finance extensions of its existing commercial facilities that the Authority's Board of Directors deem necessary to proper discharge of the authority's commercial obligations and responsibilities. (The management of the Authority must have this power in order to meet the requirements for prompt action that arise almost daily in the commercial undertakings for which it is responsible. Managers of similar private commercial undertakings commonly have such power, and it should be unhesitatingly given here. Possession of it by the managers of the Authority would promote efficiency and thus be advantageous to the Government. Note that the extension of authority contemplated by this recommendation is meant to apply only to expenditures made pursuant to actions already taken by Congress by budget adoptions or otherwise.)

(i) That separate appropriations be made for the operating expenses of the Authority's navigation, flood control, and other essentially or entirely nonincome-producing developmental programs. (This recommendation is made on the theory that Congress alone should determine how much should be spent for programs and activities that are primarily matters of spending; that there is danger that this prerogative will be invaded when appropriations for such programs and activities are lumped; and that the best way to avoid this danger and leave no doubt is to establish definite limitations through the medium of specific appropriations. This recommendation would strengthen legislative control over expenditures that are required to be financed from the United States Treasury.)

(j) That the Authority be permitted to combine under one depository account all of its funds from whatever source derived, in the same manner as corporations generally, governmental as well as private. (It is not necessary to separate money according to the purposes for which it is provided in order to safeguard or control the application of it. To do so merely creates a difficult and unnecessarily costly accounting situation. Money can be safeguarded in one account as well as in several, and its application can be determined by commercial-type accounting procedures; that is, by classifying and allocating expenditures by programs or activities which are the subject of control. Reasonably satisfactory procedures as to this already have been developed by TVA, and the expenditures determined on this basis are satisfactorily auditable annually by the General Accounting Office under the Government Corporation Control Act; therefore, the present requirements that call for much complex cash accounting are superfluous and unjustifiably expensive.)

(k) That the act of November 21, 1941, 55 Stat. 775, containing the requirement that the Authority render accounts to the General Accounting Office under the Budget and Accounting Act, 1921, be repealed. (Auditing of the Authority's affairs as now required by the Government Corporation Control Act is adequate and renders such rendition of accounts unnecessary.)

These recommendations are discussed at greater length on pages 43 to 49. They have as their purposes, and the adoption of them would afford: The establishment of a definite plan of financing TVA consistent with its corporate status and its functions; budgetary presentation of the financial requirements of the Authority in a manner that will afford Congress opportunity for firmer control of the Authority's programs and policies; tightening of congressional control of those activities of the Authority that primarily involve only the expenditure of funds; full use of the means of fiscal control that are contemplated by the Government Corporation Control Act; desirable limitation upon, and equally desirable extension of the use of, the Authority's borrowing powers; fully informative accounting for the Government's investment in and earnings from the Authority's power operations; a definite plan for the payment of interest on, and the liquidation of the Government's investment in, the Authority's power operations, as contemplated by the TVA Act; freeing of the management of the Authority from unnecessary and hampering restrictions; and elimination of unnecessary accounting requirements.

8. In our opinion, TVA's accounts generally are well conceived, supervised, and maintained, and the Authority is to be commended as one of the foremost Government corporations in the use of accounting in management, comparing quite favorably in this respect with well-managed private corporations.

9. Insofar as we are qualified to make general observations regarding the character of the management of TVA, and insofar as covered within the scope of our audit, we believe that the management is entitled to the highest commendation for the effectiveness with which the Authority functions and for its accomplishments in carrying out the objectives of the TVA Act. However, we reserve the privilege of commenting in future reports, after further study, upon navigation, fertilizer, and other developmental operations. The accounting recommendations made in this report are not intended as a criticism of the management with respect to the manner in which they have discharged their broad responsibilities, and may not be so construed.

LEGISLATIVE PROGRAM

Mr. TOBEY. Mr. President, the unfinished business before the Senate is the proposed sugar legislation, and there is an amendment pending which takes prior consideration. My purpose in rising, in behalf of the Senator from Vermont [Mr. FLANDERS] and myself, who I know shares my views in this matter, is to point out to the distinguished Members of this body, in connection with the pending sugar legislation, that the sugar controls will expire next Monday. There has been 1 day of debate on the bill, interrupted by several extraneous matters, which certainly were brought up in all good faith.

I am now going to make an appeal to my colleagues in the Senate that this day, after the one exception I shall speak of in a minute, Senators refrain from introducing other matters during the consideration of the sugar legislation, for this prime reason: Time is of the essence, as I said yesterday. After the joint resolution shall be passed in the Senate it must go to conference between the two bodies; it must then be engrossed and go to the President for signature, or there will be chaos and rampant disorder in connection with sugar next Monday.

We will proceed with the consideration of the proposed sugar legislation soon, I hope, and I should like to make the request of the distinguished acting majority leader that if we do not finish consideration of the joint resolution by 6 o'clock today he will hold the Senate tonight until we do complete action on the legislation. It is important.

The distinguished Senator from Ohio [Mr. TAFT] came to me this morning in amity and stated that he also had an important measure, proposing to extend a law which will expire on March 31, which he desired to have taken up, and of course I yielded. There may be a dispute arise over it, and if so, the Senator has made me a very fair promise that he will then withdraw his matter so that we may again take up the sugar legislation.

So I make this appeal in good faith. It is important to enact the sugar legislation. It is not a personal matter with me; I think it is the concern of the Senate; it is a matter affecting the American people. I submit my case to the Senate's sense of fairness.

Mr. WHERRY. The distinguished Senator from New Hampshire has made an observation I was about to make, and he has made it much better than I could have done. However, I should like to have the Senate know that we would like to finish the pending sugar measure today. When its consideration is resumed, we shall go right on through and finish it, if that is possible.

Mr. BARKLEY. If the Senator from Nebraska will yield, I wish to associate myself in the remarks of the Senator from New Hampshire [Mr. TOBEY] as well as the Senator from Nebraska [Mr. WHERRY]. The matter that is in a moment to be taken up is somewhat in the same category with the sugar legislation, because of the expiration of the law on the 31st of March, and I hope we may promptly dispose of the matter the Senator from Wisconsin will bring forward, and then promptly dispose of the sugar legislation.

TERMINATION OF WAR POWERS AND CONTROLS UNDER SECOND WAR POWERS ACT

Mr. WILEY. Mr. President, will the Senator from Nebraska yield

Mr. WHERRY. I yield.

Mr. WILEY. I take the floor to ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to consider Senate bill 931 and dispose of it as quickly as possible.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 931) to extend certain powers of the President under title III of the Second War Powers Act.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 931?

Mr. WHERRY. Reserving the right to object, I should like to ask the distinguished Senator a question. If the unanimous-consent agreement is made and the Senate proceeds with the bill referred to, is it the Senator's idea that it can be concluded within a reasonable length of time?

Mr. WILEY. I think so.

Mr. WHERRY. And if we find it cannot be concluded in a reasonable time, the consideration of the unfinished business now before the Senate may be resumed?

Mr. WILEY. Yes.

The ACTING PRESIDENT pro tempore. The Chair might state, for the information of the Senate, that at any time during the consideration of Senate bill 931 it would be in order for any Senator to ask for the regular order, at which time the Senate would recur to Senate Joint Resolution 58.

Is there objection to the request of the Senator from Wisconsin?

There being no objection, the Senate proceeded to consider the bill (S. 931) to extend certain powers of the President under title III of the Second War Powers Act, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That this act shall be cited as the First Decontrol Act of 1947.

SEC. 2. The Congress hereby declares that it is vital to a free economy and full production in the United States that all emergency controls and war powers under the Second War Powers Act be removed except in certain limited instances.

The Congress further declares that in each such limited instance the authority for such emergency controls and war powers should not be exercised by the grant of broad, general war powers but should be granted by restrictive, specific legislation.

SEC. 3. For the purpose of liquidating existing emergency controls and war powers and for the purpose of affording further opportunity for the appropriate committees of the Congress to consider specific legislation granting restricted authority in limited instances, title III of the Second War Powers Act, as amended, shall (except as provided in S. J. Res. 58 and H. J. Res. 118, 80th Cong., 1st sess.) remain in effect only until June 30, 1947: *Provided*, That any material or facilities which were not being allocated by the President on March 24, 1947, shall not be allocated hereafter under the provisions of such title III.

Mr. WILEY. I think if I read section 3 of the bill every Senator will very quickly understand the meat of the matter which we are now considering. Section 3 reads:

For the purpose of liquidating existing emergency controls and war powers and for the purpose of affording further opportunity for the appropriate committees of the Congress to consider specific legislation granting restricted authority in limited instances, title III of the Second War Powers Act, as amended, shall (except as provided in S. J. Res. 58 and H. J. Res. 118, 80th Cong., 1st sess.)—

By the way, I interpolate, those are the rubber and sugar resolutions, one of which has passed, the other of which is being considered—

remain in effect only until June 30, 1947: *Provided*, That any material or facilities which were not being allocated by the President on March 24, 1947, shall not be allocated hereafter under the provisions of such title III.

It will be remembered that the President of the United States, on March 14, as I recall the date, submitted a request for an extension of titles I, III, and V of the Second War Powers Act. It was then, after that request, that we were able in our committees for the first time to learn from the various departments the real reasons or the real need for a continuation of these war powers. Because of the President's message, although there was no bill before us, the Committee on the Judiciary held several sessions with the result as set forth in section 3.

At this time I ask that there be inserted in the RECORD an explanation, as set forth in the report of the committee which was filed on the 24th day of March. I refer especially to part II, beginning on page 3, and terminating on page 5. I ask that that be printed in the RECORD.

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

II. RÉSUMÉ OF PRINCIPAL CONTROLS CURRENTLY IN FORCE

A. UNDER TITLE I.—EMERGENCY POWERS OF THE INTERSTATE COMMERCE COMMISSION OVER MOTOR AND WATER CARRIERS

The only control power under title I for whose continuance extensive testimony was submitted was that control currently in force to provide transportation services presently furnished by Capital Transit Co. to the Pentagon Building and vicinity under temporary orders from the Interstate Commerce Commission.

B. UNDER TITLE III.—PRIORITIES AND ALLOCATION POWERS

Of the thousands of orders which have at one time or another been issued under title III of the Second War Powers Act only a relatively small number of general orders remain in effect. A sketch of the chief provisions of the principal remaining orders, grouped by subjects, is as follows:

1. Rails (ODT General Orders 1, 16C and 18A):
(a) Minimum loads prescribed;
(b) Permit required for transportation of carload shipments of overseas freight to certain port areas for storage or delivery to ocean carriers.
(c) Loading requirements prescribed.
2. Rubber (CPA Order R-1):
(a) Restrictions on deliveries, consumption, inventories, importation, and end-use.
(b) Specifications and manufacturing regulations.
(c) Export controls.
3. Automobiles and trucks (CPA Order L-352): Export controls; same percent of total production as exported during 1935-39.
4. Farm wheel-type and track-laying tractors (CPA Order L-356): Limits production and shipment for export to any foreign country except Canada.
5. Manila (abaca), agave fiber and cordage (CPA Order M-84):
(a) Controls production.
(b) Limits uses.
(c) Limits inventories.
6. Cinchona bark and cinchona alkaloids—(CPA Order M-131):
(a) Deliveries must be authorized by CPA.
(b) Deliveries to consumer only through physician's prescription—amount restricted.
7. Streptomycin (schedule 119 to CPA Order M-300):
(a) Producers, importers, distributors must apply to CPA for authority to make delivery.
(b) Each mixture must be tested by FDA.
8. Antimony (CPA Order M-112):
(a) Controls delivery.
(b) Directions concerning use.
(c) Inventory restrictions.
(d) Reporting provisions.
9. Tin (CPA Orders M-43 and M-81):
(a) Restrictions on deliveries of pig tin.
(b) Allocation of pig tin.
(c) Restriction on use of pig tin.
(d) Restriction on sale and delivery of articles containing tin.
10. Steel (CPA Directives, 10 to M-21): Certain steel exports to be rated by Office of International Trade.
11. Sugar (War Food Orders 7, 63, 64):
(a) Raw-sugar allocation.
(b) Import control—sugar and sugar products.
(c) Sugar rationing.
12. Rice (War Food Order 10): Set-aside order—percentage for Government use.
13. Cheddar cheese (War Food Order 15): Set-aside order—percentage for Government use.
14. Meats and meat products (War Food Order 63): Importation control.
15. Fats and oils (War Food Order 63): Importation control.
16. Beans (War Food Order 63): Importation control.
17. Peas (War Food Order 63): Importation control.
18. Protein feeds (War Food Order 63): Importation control.
19. Grain and grain products (War Food Order 63): Importation control.
20. General export restrictions (CPA Priorities Regulation 28): Minimum quantities of materials vitally needed in the United States permitted to be exported as necessary to the restoration of foreign countries.
21. General inventory regulation (CPA Regulation 32): Restricts ordering, deliveries, receipts, and processing of materials in short supply.

C. TITLE V.—WAIVER OF NAVIGATION AND INSPECTION LAWS

The waivers under this title are largely on an individual vessel basis. At present such waivers are in effect with reference to a number of vessels including both Government and privately operated. These waivers relate not only to safety and inspection requirements but also relate to crews.

Mr. WILEY. At one time, under the War Powers Act, more than a thousand orders were outstanding, but my understanding is at this time there are only some 21.

On June 30 the Export-Import Control Act expires unless continued, and it is the judgment of the committee that the President's request and the Export-Import Act should be considered together, and that between now and June 30 we should have the complete answer as to which of these controls should be continued for a longer time.

That in substance is the issue before the Senate. It has been stated dramatically by the Senator from New Hampshire [Mr. TOBEY] in relation to sugar. I personally feel that if this action is not taken and there should be a hiatus between the 30th of March and the time when we could get a bill passed, the consequences might be serious. I understand, a few nights ago, the President pro tempore of the Senate [Mr. VANDENBERG], the Senator from Kentucky [Mr. BARKLEY], and several of the distinguished Members of the House were called to confer with the President. I may say that we had favorably reported our bill before that conversation took place. While I have not talked with any of these gentlemen, I am informed that the chief concern of the President was that there would be such a hiatus. In that respect, we agreed with the President.

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

Mr. ELLENDER. Mr. President——

Mr. WILEY. I will yield in a moment. Up to the time of that message, however, we received no cooperation from the executive department in relation to giving us information.

At this time I ask that there be printed in the RECORD that portion of the report of the Committee on the Judiciary beginning on page 2 and extending down to "II" on page 3.

The ACTING PRESIDENT pro tempore. Without objection, the excerpt will be printed in the RECORD.

The excerpt is as follows:

I. STUDY AND HEARING

TWOFOLD NATURE OF PROBLEM

The subject of war controls as they have been considered by the Senate Committee on the Judiciary may be divided into two categories:

(1) The most immediate problem and the subject of this report relates to the extensions proposed in the Presidential message dated January 31, 1947, requesting a 1-year extension to March 31, 1948, for titles I and V and for title III for limited purposes of the Second War Powers Act.

(2) The much broader and only slightly less immediate problem relating to all other emergency and wartime controls which (in addition to second war powers controls) come within the purview of Senate Resolution 35. This broader problem is not directly involved in this report.

HEARINGS

Pursuant to the Presidential message dated January 31, 1947, and pursuant also to the provisions of Senate Resolution 35, a subcommittee consisting of Senator WILEY, chairman, and Senator KILGORE, conducted hearings of Government witnesses on Friday, March 7, and Saturday, March 8, 1947, and further conducted hearings of nongovernmental witnesses on Tuesday, March 11, 1947.

STUDIES PRECEDING HEARINGS

Following is an approximate chronology and substantial résumé of the studies preceding the hearings:

On November 29, 1946, the present chairman of the Senate Committee on the Judiciary addressed letters to members of the Cabinet and to the Veterans' Administration stating his belief that termination of wartime and emergency controls would be high on the agenda of the committee and asking for statements of opinion from these offices as to (a) which wartime and emergency powers currently applied to his department or office, (b) which powers could be terminated and why and when, and (c) which powers could not be terminated and how long those powers should remain in force.

Replies to these letters contained or transmitted lists of laws and authorities in answer to (a). None contained complete answers to (b) and (c)—all stating in effect that information pertinent to (b) and (c) had been transmitted or would be transmitted to the President for study and correlation by Dr. John R. Steelman, assistant to the President, and the Attorney General.

By letter dated December 17, 1946, the present chairman called this situation to the attention of the President, asking that the requested information be furnished because of its importance to the formulation of recommendations to the majority conference scheduled for December 30.

By letter dated December 27 the Chief Executive replied in effect that he had directed the Cabinet officers to answer the first question (a): That a complete survey was being made; that the conclusion must be on an over-all basis; not on a departmental basis; and that information would be furnished to Congress as soon as available.

On January 8, 1947, the chairman of the Senate Committee on the Judiciary submitted Senate Document No. 5 to the Senate and introduced Senate Resolution 35 directing the standing committees to make full and complete studies of all existing temporary and permanent wartime legislation and to make recommendations to the Committee on the Judiciary not later than March 15, 1947. The resolution was agreed to on January 29, 1947.

By letters dated January 30, 1947, attention of the various chairmen of the standing committees was directed to Senate Resolution 35 and the required studies.

By letter dated February 8, 1947, following the Presidential message to the Congress dated January 31, 1947, requesting the extension of titles I and V and title III (for limited purposes) of the Second War Powers Act, the chairman of the Senate Committee on the Judiciary again sought the cooperation of the Chief Executive and requested specifically that the President direct the various departments to present justifications for continuation of any specific wartime and emergency authorities deemed absolutely essential.

No substantial information was forthcoming, however, until Tuesday, March 4, 1947, when Mr. Harold Stein, Commissioner of War Mobilization and Reconversion, and Mr. Aaron Lewittes, counsel to Dr. John R. Steelman, and Mr. George T. Washington, Assistant Solicitor General of the Department of Justice, meeting with the chairman of the Senate Committee on the Judiciary and with representatives from the Committees on Armed Services, Banking and Currency, and Interstate and Foreign Commerce, gave assurances that Government witnesses would be available on Friday, March 7, 1947, to present evidence supporting the Presidential request of January 31, 1947.

It is felt that the chronology outlined above clearly indicates delay on the part of the executive department in supplying data and justification evidence to the committee.

In connection with committee consideration of the Second War Powers Act terminations, it should be noted that the Committee on the Judiciary has had the benefit of consultation with the three standing commitcees of the Senate involved in the three pertinent titles. These three committees are Armed Services, Banking and Currency, and Inerstate and Foreign Commerce.

In connection with any further report from the Committee on the Judiciary with reference to all other emergency and wartime controls as studied under the terms of Senate Resolution 35, the committee will utilize the reports made by all of the standing committees of the Senate.

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

Mr. WILEY. I yield.

Mr. ELLENDER. Do I understand correctly, that should the Senate enact the pending measure it would mean that the allocation and rationing authority would expire on the same day that the Price Control Act expires, that is, June 30?

Mr. WILEY. Yes; and also the export-import control would expire on that day.

Mr. ELLENDER. So that in the event the Senate should enact this legislation all controls over and rationing of sugar would remain in effect until at least June 30?

Mr. WILEY. The pending bill especially excepts sugar. There is a special measure before the Senate dealing with sugar. We have taken sugar out of this measure because of the conflict which otherwise would exist with respect to that subject.

Mr. ELLENDER. I see. I was not aware of such a provision. Would it not be a good idea not to exempt sugar so that in the event Congress should fail to pass sugar legislation by March 31 both the Price Control Act and the Allocation and Rationing Act would expire on June 30?

Mr. WILEY. I might say that my personal answer to that question would be yes. But because of the conflict between the two measures now before the Senate we felt we should resolve all fields of conflict outside this particular proposed extension, so we could get this particular extension passed by the Senate, because it covers the entire field except sugar.

Mr. BARKLEY. And rubber.

Mr. WILEY. A measure relating to rubber has already been passed by the Senate.

Mr. BARKLEY. The object of this temporary extension of 3 months is to enable the Congress to consider to what extent, if at all, there should be any extension beyond June 30 of control over the items which are now under control.

Mr. WILEY. The Senator states the situation perfectly.

Mr. BARKLEY. The President, as we know, has been releasing controls over various commodities as fast as he felt was justified under the circumstances, but there are a few upon which controls must be retained for a while in order that Congress may further examine the question, and not be obliged to act separately on each one of them, as we have done with respect to rubber and are now about to do with respect to sugar. So the measure before us would give Congress a 3-month period in which to determine what shall be done hereafter with respect to all items now under control.

Mr. WILEY. That is exactly the situation existing. I thank the Senator from Kentucky.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment to Senate bill 931.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill (S. 931) was ordered to be engrossed for a third reading, read the third time, and passed.

EXTENSION OF SUGAR CONTROLS

The Senate resumed the consideration of the resolution (S. J. Res. 58) to extend the powers and authorities under certain statutes with respect to the distribution and pricing of sugar, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on the amendment of the Senator from New Hampshire [Mr. TOBEY] to the first committee amendment.

Mr. WHERRY. Mr. President, the Chair has stated that the pending question is on the amendment offered by the distinguished Senator from New Hampshire [Mr. TOBEY] to the first committee amendment. The amendment of the Senator from New Hampshire is to the committee amendment on page 2, line 20, and proposes at that point to insert a colon before the period and the following: *"And provided further*, That refined sugar shall be allocated for home consumption at a rate of not less than 35 pounds per capita per calendar year, and any increase in the amount of sugar available for allocation in the calendar year 1947 over the amount recommended by the International Emergency Food Council for allocation to the United States for 1947 shall be allocated for home consumption until the allocation for such use equals 50 pounds of refined sugar per capita."

Mr. President, I should like to say for the benefit of the Members of the Senate that as the Committee on Banking and Currency reported the joint resolution it did not contain the provision which the Senator from New Hampshire now proposes to insert in it. It was only after there had been considerable discussion and urging on the part of many Members of the Senate that the amount of the allocation of sugar to the housewife or to the individual be equalized, that the distinguished Senator from New Hampshire apparently then became receptive to incorporating in the joint resolution an amendment which would accomplish the purpose sought by many Senators who had asked for such equalization, by adding to the amount to be allocated to housewives, on the theory that during the past month the housewife had been discriminated against.

We were told in the beginning that it was impossible to do this because the Department did not feel that there was sufficient sugar for that purpose. At that time the Department did not know enough about the Cuban crop, it did not know exactly what the production would be, and did not know exactly what the allocations would be. But since the hearings have been held and since there has been a reexamination of the figures, which are much more encouraging, indicating, for example, an increase in Cuban production, and also the availability of nearly 600,000 tons which the Department did not count on from Cuba, if I remember correctly the figures given by the Senator from Wisconsin [Mr. MCCARTHY], a member of the subcommittee, there seems to be now a disposition on the part of the Department of Agriculture and those in charge of the legislation to agree that it is possible to do the first thing provided by the distinguished Senator from New Hampshire in his amendment, and that is to make a firm commitment of 35 pounds to the individual. I wish to compliment the distinguished Senator from New Hampshire on what he has provided in that respect, because that is exactly what the amendment I am about to offer does, except that I want to go further than the Senator does in the matter of allocation.

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

Mr. WHERRY. I yield.

Mr. REVERCOMB. I think it would be helpful to us at this time in the discussion if the able Senator were to state the amount of sugar per capita that is being received for domestic use at this time.

Mr. WHERRY. At this time the housewife is being allocated 35 pounds per annum, or rather the individual is being allocated 35 pounds per annum. That, however, is not mandatory. It is under a directive issued by the Department of Agriculture. The amendment offered by the distinguished Senator from New Hampshire would make it mandatory that the individual should receive 35 pounds per annum.

Mr. REVERCOMB. For the sake of clarity, will the able Senator state the amount received per capita during the year 1946?

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

Mr. WHERRY. I yield to the Senator from New Hampshire.

Mr. TOBEY. I may say to the distinguished Senator from West Virginia that for the year 1946 the housekeeper or the individual received a total of 25 pounds, 15 pounds for each allotment across the board for any use the individual wanted to put it to, and 10 pounds which were earmarked for canning purposes, making a total of 25 pounds. But I point out, as the Senator doubtless realizes, that many individuals did not use the 10 pounds for canning purposes, but took the 10 pounds for general use.

Mr. REVERCOMB. Many individuals did not make use of the sugar for canning purposes. Did such individuals receive 15 or 25 pounds in the year 1946, that is, was each individual entitled to receive that amount?

Mr. TOBEY. The individual received 25 pounds all in all.

Mr. REVERCOMB. The proposal now before the Senate is that a guarantee be

made of 10 pounds more for each individual?

Mr. TOBEY. The proposal is to guarantee 35 pounds to each individual, or a 40 percent increase.

Mr. REVERCOMB. Which would mean 10 pounds more for each individual for 1947?

Mr. TOBEY. Yes.

Mr. REVERCOMB. I thank the Senator from New Hampshire.

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

Mr. WHERRY. I yield.

Mr. McCARTHY. I believe it is generally understood that the Senator from Ohio [Mr. BRICKER] and myself, who were members of the subcommittee studying the sugar situation, at the conclusion of the hearings were firmly convinced, and still are firmly convinced, that we have more than enough sugar and that therefore sugar can immediately be decontrolled. I assume it is also understood that the question of rationing or derationing has nothing whatsoever to do with the world allocation program. That would in no way interfere with that program.

However, we have been prevailed upon—at least I have been; I am not sure about my colleague from Ohio—to consider a compromise in the nature of ending allocations as of October 31 of this year, on condition that the housewife get her fair share of the sugar allotment. I took the question up with the Senator from Vermont [Mr. FLANDERS] and suggested that there be added to the joint resolution a provision giving the housewife an additional 10 pounds of sugar during the canning season. The present plan is to give her 10 pounds on July 1. I suggested to the Senator from Vermont that there was sufficient sugar available to give her 20 pounds during that period. He has rejected that suggestion.

The Senator from New Hampshire [Mr. TOBEY] has offered an amendment which I think is completely meaningless—I shall go into that question later—and completely deceptive so far as the housewife is concerned.

Within the past 10 minutes I have received word from the Department of Agriculture that they have gone over the figures which we have been submitting, and now wish to discuss with us the possibility of agreeing to make available to the housewife during the third quarter—that is, during the canning season—a total allotment of 20 pounds of sugar, to be made available half during the first part of the third quarter and half at some other point in the third quarter.

Frankly, I feel that if we could do that, if we could add an additional 10 pounds to the canning sugar ration, personally I would have no objection to extending the controls to October 31, although I can see no reason for it.

I should like to give the figures. I shall not object to being questioned in detail as to the figures. I feel that this is entirely a question of figures. Either we have sufficient sugar to do away with rationing, or we have not. It is a matter of tons.

Originally the Department of Agriculture estimated the Cuban sugar production at 5,000,000 tons for the current year. That figure was later revised upward to five and a half million tons. The rationing program was based upon an assumed Cuban sugar production of five and a half million tons. However, we now have the final figures, and they no longer represent an estimate. As we all know, the harvesting of the Cuban sugar crop commences in January. It ends some time in May or early June. So any figures as to that production are now no longer an estimate. They represent an actual counting of noses.

There has been completed within the past few days a survey of 97 percent of the Cuban sugar producers. The new estimate of the Cuban crop is 6,137,000 tons. I should like to have Senators bear that figure in mind. We have a contract with Cuba, the contents of which seem to be not a matter of general knowledge. I have taken the trouble to go over it very thoroughly. This contract provides that we shall obtain a large percentage of the Cuban sugar crop. The Commodity Credit Corporation has purchased America's quota of the Cuban crop for 1946 and 1947. We shall get all the 1947 crop, less 350,000 short tons for local consumption, and less 300,000 tons for what is referred to as "export free." Ordinarily the 300,000 tons of "export free" sugar would go to Latin America. I am taking the figures of Mr. Marshall, who will be in charge of the sugar-rationing program if and when it is turned over to the Department of Agriculture. He tells us that this year there is a surplus of sugar in the Argentine; there is a surplus of sugar in Peru; and there is a surplus of sugar in Brazil. So it follows, as night follows day, that a part of the 300,000 tons "export free" sugar will be available to us. But even assuming that it is not, let us see how much sugar we can get from Cuba.

Let me make a correction. I stated that we would get all of the Cuban sugar crop, less 350,000 short tons for local consumption and less 300,000 tons for what is referred to as "export free." In addition there has been allocated to foreign nations a total of 1,600,000 tons. This is, roughly, 600,000 tons more than the foreign nations got before the war, but it is made necessary because of the shortage of sugar in other producing areas. So we get all the Cuban crop except a total of 2,250,000 tons.

Coming back to our figures, the original estimate, based upon the estimates which were made at the time when we did not know how much sugar we would get from Cuba, and upon which the Department of Agriculture and the OPA planned their rationing program—and we cannot blame them for it, because that was the best estimate they had at that time—was that we would get 3,146,000 tons of sugar from Cuba. However, taking the revised figures representing the amount of available sugar in Cuba, that figure now goes up to 3,387,000 tons, which gives us an additional 741,000 tons of sugar.

Mr. Marshall takes the position that we should not decontrol. So we cannot very well question his figures when he estimates an additional tonnage. He tells us that Hawaii will give us an extra 50,000 tons over what we originally estimated. So that will give us 791,000 tons of sugar upon which we had not counted.

Mr. WHERRY. Mr. President, perhaps the Senator has already stated it, but if so, I did not hear him. How many tons of sugar would be required to provide an increase of 5 pounds for each individual in the United States?

Mr. McCARTHY. Between 600,000 and 700,000 tons.

Mr. WHERRY. For 5 pounds?

Mr. McCARTHY. No; for 10 pounds.

Mr. WHERRY. How much would be required for 5 pounds?

Mr. McCARTHY. About half that amount.

Mr. WHERRY. How much is that?

Mr. McCARTHY. Approximately 300,000 tons.

Mr. WHERRY. That is, provided they all take the sugar.

Mr. McCARTHY. That is correct.

Mr. WHERRY. Has the Senator any idea how many persons might not take the sugar made available by such an increase?

Mr. McCARTHY. All I can say is that the average prewar consumption of sugar—I do not refer to total consumption, but to the granulated sugar which the housewife buys—was slightly more than 50 pounds a person. Again, that figure is deceptive in that the housewife in the lower-income group, the woman with a family of four, five, six, or seven children, ordinarily does her own canning and preserving of fruit. She uses far more than 50 pounds. The housewife in the higher-income group, who does not do her own preserving of fruits and vegetables, uses much less. I could not make a guess. I know that many farm women use 100 pounds of sugar during the canning season. My mother, who had seven children, used to get 100 pounds of sugar to put up her fruits and berries. Undoubtedly many housewives in the upper-income brackets would not take the additional 5 or 10 pounds of sugar. I hope they would know some woman on a farm or in the lower-income group to whom to give the sugar.

This one figure gives us nearly 800,000 tons of sugar. I am proposing a 10-pound increase, and I believe the Agriculture Department will go along with me. We have the figures to show that the sugar is available.

Mr. WHERRY. If there is an increase of 5 pounds per individual, or 10 pounds——

Mr. McCARTHY. Let us talk about 10 pounds.

Mr. WHERRY. The Senator's point is that not all individuals will consume that increase.

Mr. McCARTHY. I think there is no question about it. At present some of the women in the higher income group do not use their full quota. I talked with some ladies in the Press Gallery, and they say they have plenty of sugar. They do not do their own canning and preserving. I presume that is true of one or two million families.

Let me point out this further fact in connection with the question of surplus sugar. At the beginning of this year, using round figures, we had a stock pile or inventory—call it what we may—of

1,400,000 tons of sugar. It is proposed that we ration 6,800,000 tons, based on a Cuban production of 5,500,000 tons, and that we add to our stock pile half a million tons of sugar, so that at the end of the year, instead of having a stock pile of 1,400,000 tons, we shall have built the stock pile up to 1,900,000 tons. So we have the fantastic picture of attempting during a period of scarcity to increase the stock pile by half a million tons.

Let me quote briefly from the hearings——

Mr. WHERRY. Let me propound a question to the Senator while he is looking up his reference. The Senator was a member of the subcommittee and heard the testimony. What evidence was submitted that we need an addition of 500,000 tons to the stock pile?

Mr. McCARTHY. The reasons given were varied. Mr. Marshall appeared before the subcommittee. As bearing upon the Senator's question, I propounded this question to him:

Just one further question: Mr. Marshall, in view of the world food shortage, in view of the apparently undisputed fact that unless the milk processors get more sugar there will be a great waste of food, namely, milk, would you not think it might be wise, even if you continue rationing, instead of building up the stock pile in the United States by 500,000 tons during the current year, that you take at least a part of that 500,000 tons and allocate that to the milk processors?

That is the question which I propounded to Mr. Marshall.

He did not agree to that. However, the next day Mr. Anderson said they would use part of the 500,000 tons for milk processors to prevent milk from being wasted.

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

Mr. McCARTHY. Let me finish my answer first.

There were a number of excuses given. One of the gentlemen said that the reason we had to build up the stock pile was to bring it up to normal; that, regardless of whether we were in a period of scarcity or of plenty, there should be an increase in order to maintain a normal stock pile.

Another gentleman—all of them were opposing derationing or decontrol—said that unless we had a stock pile of 1,900,000 tons some hardship would be entailed in moving sugar from the west coast to the east coast. At that time the statement was made that the 1947 beet crop would not be available for consumption until 1948.

In making that statement that gentleman did not check the Department's own records.

Mr. FLANDERS. Mr. President, the Senator is getting away from the point on which I wanted to question him.

Mr. McCARTHY. I shall not yield to the Senator until I finish my answer.

I have in the pile of material before me some charts issued by the Department of Commerce in which they show that, beginning in February, Cuban sugar is not available to the refineries but is available to the consuming public on a fairly even scale from February until late in August. The charts also show that the beet crop, starting in the West and slowly rolling eastward, becomes available before the first of the year, and that the low point of availability of sugar is some time in September. I understand that the low point in consumption is after the canning season has ended.

I now yield to the Senator from Vermont.

Mr. WHERRY. I shall be glad to yield to the Senator from Vermont to ask a question of the Senator from Wisconsin.

Mr. McCARTHY. Let me apologize to the Senator from Nebraska for taking his time. I forgot that he had the floor.

Mr. FLANDERS. The Senator from Wisconsin has raised questions so fast that I am having difficulty in keeping up with him. I should like, first, to refer to the 500,000 tons which has been spoken of as being added to the stock pile of the United States this year. That is not the plan of the Department of Agriculture and the OPA. As was repeatedly stated, the Department's figure for additions to stock this year is 458,000 tons, the difference between the anticipated stock of 1,900,000 tons on January 1, 1948, and the 1,440,000 tons which existed on January 1, 1947.

This increase in stock is largely the automatic result of the large beet-sugar crop which is expected this fall. The beet-sugar crop of 1947 will begin to reach the market in late 1947. Only a small portion of this year's crop can be marketed during the last 3 months of the year.

I merely want to indicate, in regard to the first question, that there is an automatic increase due to beet sugar.

On the various points on which I am at issue with the Senator from Wisconsin, I wish to say that we cannot deal cavalierly with the question of sugar stocks. Figures regarding the Cuban crop, the receipts, the amounts——

Mr. McCARTHY. Mr. President, I sat here for 4 hours yesterday while the Senator from New Hampshire [Mr. TOBEY] and the Senator from Vermont [Mr. FLANDERS] held the floor on this subject. I do not object to being asked questions, but I do not think the Senator should make a speech at this time. I do not mind being questioned thoroughly on anything I say, but I would prefer that the Senator not make a speech until I have concluded.

Mr. FLANDERS. I was under the impression, after listening to the speech of the Senator from Wisconsin, that he was not present during the remarks made yesterday.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. DONNELL. Who has the floor?

The PRESIDENT pro tempore. The Senator from Nebraska [Mr. WHERRY] has the floor.

Mr. DONNELL. So I understood.

Mr. TOBEY. Mr. President——

Mr. WHERRY. I yield to the Senator from New Hampshire in order that he may ask a question.

Mr. TOBEY. Did I correctly understand the Senator in the course of his remarks to make the statement that he had talked with representatives of the Department of Agriculture and that they had agreed that ten additional pounds of sugar could be allotted to housewives?

Mr. McCARTHY. The assistant to the Senator from Nebraska [Mr. WHERRY] stated that the gentlemen from the Agricultural Department wanted to discuss this matter with us and talk about the possibility of allocating 20 pounds instead of 10 pounds during the third quarter, which is the canning season, on the basis of giving part of it at the beginning of the period and part later during that period.

Mr. TOBEY. Was it the understanding of the Senator from Wisconsin with reference to increasing the allotment for the calendar year from 35 pounds to 45 pounds, or did he mean merely to speed up and give 10 pounds of the 35 pounds to housewives to be used at canning time, continuing the total allottment at 35 pounds?

Mr. McCARTHY. In view of the fact that I feel confident that sugar rationing will not be extended beyond October 31, I frankly do not care what anyone has in mind for any period beyond October 31.

Mr. TOBEY. No; but let me point out that a few minutes ago the Senator stated, as I think the RECORD will show, that he talked to the Department of Agriculture and they advised him that they could give 10 pounds more sugar this year.

Mr. McCARTHY. Mr. President, the gentleman from the Department will be here shortly.

Mr. TOBEY. That is not the question. I ask the Senator whether he said that or whether he did not say it?

Mr. McCARTHY. Mr. President, I ask the Senator to let me finish.

Mr. TOBEY. Mr. President, the Senator from Wisconsin is not answering the question. He is dodging it.

Mr. McCARTHY. Mr. President, I ask the Senator to let me finish. The gentleman from the Department will be here shortly. What I have stated is the word I have received; namely, that they can give the 20 pounds which I mentioned. I shall be glad to have the Senator from New Hampshire sit down with us when the gentleman comes, and I shall be glad to ask him a further question.

Mr. TOBEY. Mr. President, I ask the Senator to wait a moment. He talks too fast.

Mr. McCARTHY. Mr. President, if the Department of Agriculture does agree with me on my findings that we can give the housewife an additional 10 pounds of sugar during the canning season, then I ask whether the Senator from New Hampshire will go along with that idea, or will he still insist that the industrial user get it?

Mr. TOBEY. Mr. President, I will answer the Senator's statement now and forthrightly; here the answer comes: The Department of Agriculture's announced position was misrepresented by the Senator from Wisconsin today. Here is the answer which came from Secretary Anderson just 3 minutes ago, over the telephone, to me:

I authorize you to state that I have not, at any time, made a statement that we can give more sugar for home consumption now.

What I did tell Senator McCARTHY was simply that we were happy that we could now allot 10 pounds per person for home consumption over and above what we gave them last year.

I stand unqualifiedly behind the 35 pounds, and there is no more sugar available for home consumption. But I support your amendment that if any more does come across the horizon, we will allocate it to the housewives.

That is Secretary Anderson's statement, and it refutes the statement which has been made by the Senator from Wisconsin.

Mr. McCARTHY. Then, Mr. President, let me say that in view of the unquestioned figures, I do not give a tinker's dam what Secretary Anderson says about the matter. The sugar is here.

Mr. TOBEY. But he has said the sugar is not available. That is his own statement. Yet the Senator from Wisconsin, putting himself in a higher orbit, above Secretary Anderson, the Secretary of Agriculture, says the sugar is available. On a question of veracity, I would not choose between the two gentlemen, but on a question of fact, I take the Secretary of Agriculture any time.

Mr. McCARTHY. Mr. President, do I still have the floor.

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

Mr. WHERRY. Mr. President, I am glad to yield to the Senator for an observation.

Mr. McCARTHY. I wish to point out to the Senator from New Hampshire that we sat through more than 2 weeks of hearings on this question. We heard all the available evidence. Mr. Anderson was not there.

Mr. DONNELL. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. DONNELL. I desire to state that, as I understand the rule, a Senator who has the floor cannot yield save for questions. I now make the point of order that the recent debate has gone entirely too far, and that the Senator from Nebraska can yield only for a question.

The PRESIDENT pro tempore. The Senator from Missouri is entirely correct in his interpretation of the rule. Under the latitude of debate, it is the practice of the Senate to permit substantial interruptions, but at any time a Senator wishes to call for the enforcement of the rule he is entitled to do so. The Chair is forced to rule that the Senator from Nebraska can yield only for a question.

Mr. WHERRY. Mr. President, I shall be glad to yield to the Senator from Wisconsin for a question.

Mr. McCARTHY. Mr. President, let me point out that I may be rather longwinded in answering the question, but I am answering it. If there is objection to this procedure, I should like to request the Senator from Nebraska to yield the floor to me.

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

Mr. McCARTHY. Let me say to the Senator that in view of the fact that I have spent a great deal of time on this matter, I shall get all the figures at my fingertips. If the Senator from Missouri [Mr. DONNELL] objects to having me take the floor in this manner, I should like to suggest, respectfully, that the Senator from Nebraska yield the floor to me.

Mr. WHERRY. Mr. President, I shall be glad to yield the floor when I conclude my statement. I cannot yield the floor at this time to the Senator from Wisconsin unless he is recognized. However, he can get the floor in his own right when I have concluded my statement.

The PRESIDENT pro tempore. The Senator from Nebraska is recognized for the moment.

Mr. WHERRY. Mr. President, I should like to continue and conclude my statement relative to the amendment which I hope to offer in the event the amendment now being considered, which has been offered by the distinguished Senator from New Hampshire [Mr. TOBEY], is defeated.

Let me explain the present parliamentary situation. The amendment which the distinguished Senator from New Hampshire has offered is an amendment in the second degree. It is impossible for a Senator to offer another amendment changing any of the provisions of his amendment, under those circumstances. Another amendment—one requiring the allotment of more pounds or requiring more firm commitments—can be made only if the amendment which has been offered by the Senator from New Hampshire is rejected.

I have been endeavoring to point out the difference between his amendment and the one which I propose to offer if his amendment is defeated. I hope it will be defeated; but I have tried to say as kindly as possible that in the first part of his amendment he is attempting in principle to do what I am attempting to do, but his amendment does not go as far as mine does. In other words, the distinguished Senator from New Hampshire [Mr. TOBEY], the chairman of the Banking and Currency Committee, who is speaking here for the Department of Agriculture, because he is receiving letters and telephone calls from the Department——

Mr. TOBEY. Mr. President, the Department of Agriculture is not my tutelary deity; but after all, the witnesses from the Department of Agriculture are the principal witnesses, and I am taking the position that they can be depended upon to tell the truth.

Mr. WHERRY. Mr. President, I am not taking exception to the Senator's statement. But after consulting with the Department of Agriculture, as is evidenced by the letters which have been read into the RECORD and the observations which the Senator has made, based upon telephone calls—one of them made only 3 minutes ago—there seems to be considerable confusion in the Department of Agriculture and the Committee on Banking and Currency as to what can be done in the way of a firm commitment.

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

Mr. WHERRY. I ask the Senator to wait a moment.

Mr. President, further evidence is presented to us by the fact that when the bill was reported by the Banking and Currency Committee, it did not provide for the firm commitment which now is proposed by the amendment of the distinguished Senator from New Hampshire, chairman of the Banking and Currency Committee, namely a commitment for 35 pounds. So in the last 3 or 4 days we have pried loose, apparently, an available sugar supply, as to which the Secretary of Agriculture now has advised us that we can give the housewife or the individual 35 pounds, although that was not provided for when the bill came from the Committee on Banking and Currency.

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

Mr. WHERRY. I yield first to the distinguished Senator from New Hampshire, who first requested that I yield.

Mr. TOBEY. I thank the Senator for his courtesy.

Mr. President, the distinction the Senator from Nebraska has made is a distinction without a difference. The point I affirm is that when the bill came from the Committee on Banking and Currency, as both the hearings and all the evidence will show, the intention was to give the 35 pounds. But I am one of those who like to have things ironclad, so I simply provided that the 35-pound allotment should be mandatory, that it should be a mandatory feature of the bill, instead of simply being based on the assurance of the Department. That is all.

Mr. WHERRY. Yes; and we are not in disagreement as to that.

Mr. TOBEY. No; not at all.

Mr. WHERRY. Let me state in one sentence what the Senator's amendment does. His amendment now provides that for the individual, the firm commitment per annum will be 35 pounds. He also provides in his amendment that if there is any increase above the allocation allotted to the International Board—the I. E. C.—which amounts to 6,800,000 tons, the housewives shall have priority use to 50 pounds a person.

Mr. TOBEY. That is correct—which is the amount they had before the war.

Mr. WHERRY. Yes. I think that is the amendment, fairly stated.

The amendment I intend to offer came about after a conference we had with the distinguished Senator from New Hampshire and the other members of the Banking and Currency Committee who submitted the majority report, as well as with the members of the committee who submitted minority views. The first commitment was simply that if there was an increase in the sugar supply, 35 pounds would be given. This amendment provides for a commitment of 35 pounds, for which we are hopeful.

The amendment I shall offer, if the amendment of the Senator from New Hampshire is defeated, provides for 40 pounds a person for the current year. That is an addition of 5 pounds per capita.

To be perfectly frank about it, there is no dispute that that will require approximately 375,000 tons, if all the individuals ask for the additional sugar

that is allocated. However, that does not mean that the entire 375,000 tons will be used, because not all of them might ask for that much sugar, as has been ably explained by the distinguished Senator from Wisconsin; and I think all of us will agree to that.

Mr. REVERCOMB rose.

Mr. WHERRY. I am glad to yield to the Senator from West Virginia.

Mr. REVERCOMB. If 375,000 tons, approximately, is required in order to provide for the additional 5 pounds per capita, let me ask the Senator what is to be done with the additional 700,000 tons which it has been discovered will be added to the sugar supply, but which was not known, as I understand, when the bill was reported by the committee?

Mr. WHERRY. Mr. President, I shall answer that question in the remarks I am about to make. My amendment has to do with that matter.

Mr. REVERCOMB. As I understand from the figures given by the Senator from Wisconsin [Mr. McCARTHY] in his very able discussion showing a splendid knowledge of this subject and deep study of it, it has been discovered that we may receive an additional seven-hundred-thousand-odd tons of sugar which we did not know we would receive when the original bill came to the floor of the Senate. Is that correct?

Mr. WHERRY. That is the statement made by the Senator from Wisconsin [Mr. McCARTHY], and as a member of the subcommittee he had the evidence, and the figures as he interpreted them warrant that statement. That is not my statement. I am not familiar with the figures he presented.

Mr. REVERCOMB. The Senator from Nebraska says he wants to add 5 pounds, which will take up only three-hundred-and-some-odd thousand of the seven-hundred-thousand-odd. The question is, What is to be done with the remainder of the tonnage?

Mr. WHERRY. In answer to the question of the distinguished Senator, which is a very fair one, the last paragraph of the amendment I propose to offer, if the amendment of the distinguished Senator from New Hampshire should be defeated, provides:

> In the event the quantity allocated to nonprovisional industrial users during the portion of the period from April 1, 1947, until the expiration of the allocation authority is increased above the base allocation of such users, the quantity herein required to be allocated for home consumption during such portion of such period shall be appropriately increased.

That is, the difference between what the firm commitment is and any increased quantity of sugar which may become available will be allocated proportionately to the housewives and the industrial users.

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

Mr. WHERRY. I yield.

Mr. FERGUSON. In other words, the Senator provides a firm commitment, and then he adopts the amendment of the Senator from New Hampshire?

Mr. WHERRY. No, Mr. President, that is not my amendment. My amendment provides that if any allocations are made from any source of supply above that now estimated they must be made on a proportionate basis between the housewives and the industrial users.

Mr. FERGUSON. I thank the Senator. I see the distinction.

Mr. LANGER. It would be in proportion?

Mr. WHERRY. If industry or any segment of industry is given an increase of, say, 5 percent, the same proportionate percentage of increase would have to be given to the housewife.

Mr. FERGUSON. What are we going to do about the fact that industry in the past has had 10 percent more than the housewife? Is it not time that at least this year, when the cost of living is high, the housewife should be permitted to have an increase? That is why I am in favor of the amendment of the Senator from Nebraska; but if we cannot obtain the amendment of the Senator from Nebraska, I shall support the amendment of the Senator from New Hampshire. I think, however, that the proposal of the Senator from Nebraska is better from the standpoint of assuring additional sugar to the housewife for the coming year.

Mr. WHERRY. I thank the distinguished Senator for the observation.

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

Mr. WHERRY. The Senator from North Dakota was questioning me.

Mr. LANGER. I wanted to know if the proportionate division would come after the 10 percent.

Mr. WHERRY. Oh, yes; that is in addition to the firm commitment that has been made of the 35 pounds. If this amendment shall be agreed to, it would be above the 40 pounds.

Mr. TOBEY. Mr. President, if the Senator from Nebraska will yield; I did not catch the suggestion of the Senator from Michigan.

Mr. FERGUSON. What I have in mind is that if the amendment of the Senator from Nebraska cannot be adopted, I naturally favor the amendment of the Senator from New Hampshire. The only reason why I voted to table the amendment of the Senator from New Hampshire yesterday was in order that the amendment of the Senator from Nebraska might be voted upon. My reason for the statement I made is that in the past, as the information comes to me, industry has received 10 percent more sugar, in proportion, than the housewife has received, and from what I learn from housewives, and others who do canning, when the cost of living is so high, they need the sugar. The time has come, in my opinion—it has been in the past, for that matter—when the housewife should be able to obtain sugar at least on an equal basis with industry, or, in proportion, more than industry, when we consider that some of the industries' use is certainly for the production of luxuries, compared with the actual use to which the housewife puts the sugar.

Mr. TOBEY. It seems to me the Senator is very much in favor of my amendment, without realizing it.

Mr. FERGUSON. I am in favor of the Senator's amendment providing we cannot get the amendment of the Senator from Nebraska.

Mr. TOBEY. The Senator from Nebraska would give 5 pounds more, making it mandatory, making it 40 instead of 35.

Mr. WHERRY. That is correct.

Mr. TOBEY. My amendment is inclusive. If the sugar is not available, the Department cannot allot 5 pounds more, and they have said they cannot. Secretary Anderson said this morning they cannot. I point out the fact that my amendment makes it mandatory that if there appears on the horizon an increase in the allocation recommended by the international organization it is to be prorated among the housewives of the country, whether it be 5 pounds or 15 pounds. The ceiling is 50 pounds.

Mr. FERGUSON. If it were not for the word "if" in the amendment, there would not be so much difficulty. The Senator from Nebraska wants to give an additional amount to the housewife.

Mr. TOBEY. He wants to give it even though it is not available.

Mr. FERGUSON. He wants to take it away from the so-called industrial users, which I think should be done.

Mr. WHERRY. Mr. President, I am glad to yield for any question, but at least I should like to interpret my own amendment, and not have it misinterpreted.

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

The PRESIDENT pro tempore. The Chair reminds the Senator that the Chair is under the compulsion of enforcing the rule strictly. Does the Senator yield to the Senator from New Hampshire?

Mr. WHERRY. I am glad to yield.

Mr. TOBEY. My question is addressed to the two Senators jointly. Do the Senators from Michigan and Nebraska realize that there is in this country today a far larger number of businessmen engaged in businesses using sugar than we ever had before the war? Eight thousand veterans have come back and gone into industries which require the use of sugar, which has increased the commercial uses, and the spread between the industrial users and housewives varies around 50 as a median point, a little above 50 and a little below 50 at the present time. That allocation has been gone over most carefully. I wonder whether the Senators realize that that is the Department's position.

Mr. McCARTHY. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I am glad to yield to the Senator from Wisconsin.

Mr. McCARTHY. I wish to read very briefly from the evidence taken at the hearings on the question being covered by the Senator from New Hampshire and the Senator from Nebraska. I was questioning Mr. Overman, who represented, according to his own testimony, a tremendous number of industrial users. I read:

> Senator McCARTHY. On further question: You recognize, of course, the fact that the average farm wife, as well as many other housewives, are processors of food?
>
> You realize that women in the small towns and farming areas do their own canning, they

put up their own jellies and preserves, you know that, do you not?

Mr. OVERMAN. That is right.

Senator McCARTHY. When you allot such a woman 35 pounds of sugar, do you realize that is far below the 80 percent which it is proposed your industry be allowed? There is no question about that, is there?

Mr. OVERMAN. That is true.

Let me reread that question and answer by the man who is here representing the industrial user:

Senator McCARTHY. When you allot such a woman 35 pounds of sugar, do you realize that is far below the 80 percent which it is proposed your industry be allowed? There is no question about that, is there?

Mr. OVERMAN. That is true.

Senator McCARTHY. Would you recommend that we reduce your 80 percent sizably and try to level off this situation and give the housewife some more?

Mr. OVERMAN. I would hesitate to recommend that, certainly.

Senator McCARTHY. In other words, you say that we have been unfair to the housewife who cans her own food, but, representing bottling works as you do, you would recommend against trying to alleviate that condition?

Mr. OVERMAN. For the moment I would, sir.

Senator McCARTHY. In other words, you say that you have the sugar, she is not being treated fairly. "As long as we have got it, let us keep it," that is your answer?

Mr. OVERMAN. It is not. To tell the truth, if historical rationing had followed through as intended, from the start, I think we would have had a much different picture, and you would not have had this criticism of all industry because they have gotten a little additional perhaps over the housewife.

In other words, historical rationing, as I understand it, was based upon what the public asked for prior to the war, what the public had set up as its pattern of purchases.

If it was in soft drinks, it meant a certain pattern of the brands they liked—or in jellies, jams, and preserves.

I had set its pattern of what it wanted.

A historical pattern of what the public preferred had been set up, and I think the OPA and the rules made a definite effort to reflect that pattern.

However, there have been pressures, and the soft-drink industries certainly have not profited by that.

They are perhaps one of the few who have been held to the 50, 60, and 70 percent, with very little opportunity of using substitute sweeteners and with certainly no history of having increased their business by 400 percent during the time when this rationing was in effect, so if there is any complaint from the housewife it certainly does not come from the—it should not be laid down at the door of the soft-drink industry.

Senator McCARTHY. You understand you are in a rather peculiar position. You admit that while it is proposed that your particular industry gets 80 percent of its normal sugar consumption, that the housewife is presently getting far below that percentage.

I then asked you a question. I said: "Would you recommend that in view of this unfairness, that we try to at least bring things into balance by reducing the amount of sugar which your bottling companies and confectioners get and increasing the amount of sugar that the housewife who processes fruits and berries gets?" Your answer to that, I gather, is "No"; you think we should continue this unfairness.

At that point the Senator from Vermont [Mr. FLANDERS] came to the rescue of the man who was representing the industrial users, and would not allow him to answer the question.

Mr. FLANDERS. Mr. President, will the Senator yield? I rise to a question of personal privilege.

The PRESIDENT pro tempore. The Senator will state his question of privilege.

Mr. FLANDERS. Instead of making that statement, may I ask the Senator if he will read from the RECORD?

Mr. McCARTHY. I shall be glad to do so. I quote:

Senator FLANDERS. If I were in Mr. Overman's position across the table, I think I would suggest that the extra sugar be taken from the processors of jams and preserves rather than from myself.

I made exactly that suggestion to the Senator from Vermont, and he said, "No, we will not do it; we are going to introduce some type of fictitious amendment which in effect will do nothing more nor less than deceive the housewife"——

Mr. FLANDERS. Mr. President, I rise to a point of order.

Mr. McCARTHY. And the Tobey amendment——

Mr. TOBEY. Mr. President, that is a personal challenge, and I demand an opportunity to answer it.

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

Mr. TOBEY. I rise to a question of personal privilege. The Senator made a charge against me of offering a fictitious amendment. I want to answer it.

The PRESIDENT pro tempore. The Senator from New Hampshire will have to ask the Senator from Nebraska to yield.

Mr. TOBEY. I ask to be heard on a matter of personal privilege.

The PRESIDENT pro tempore. The Chair is advised by the Parliamentarian that the Senator from New Hampshire is required to request the Senator from Nebraska to yield.

Mr. TOBEY. I ask that the Senator yield.

Mr. WHERRY. I yield.

Mr. TOBEY. I heard the statement by the Senator from Wisconsin. My hearing is fairly good. The Senator just said, "The Senator from Vermont said, 'We are going to introduce a fictitious amendment to cover this matter.'" He charged that my amendment is deceptive and fictitious. I take exception to his derogatory remarks. The Senator's statement, I submit, far contravenes the truth, to put it plainly. I want to go a little further and say that this amendment was not offered as a fictitious amendment, but as an honest-to-God amendment—as sincerely as anything the Senator from Wisconsin ever wanted to do. I stand here and defend a fellow Senator. To call it fictitious is not a fair commentary on the Senator's action.

Mr. McCARTHY. Mr. President——

Mr. TOBEY. I am not quite through yet, sir. I point out that the Senator is confusing the Senate of the United States by a heterogeneous mass of figures, which will not stand test of accuracy, and will be taken care of a little bit later by the Senator from Vermont and the Senator from New Hampshire with interest.

Mr. McCARTHY. Mr. President, will the Senator from Nebraska yield, so that I may answer the Senator from New Hampshire?

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Wisconsin?

Mr. WHERRY. I shall be glad to yield so that the Senator from Wisconsin may reply to the Senator from New Hampshire.

Mr. McCARTHY. In answer, Mr. President, I might say that anyone who sat through the sugar hearings, who heard Mr. Dice testify, who knows that if the Department of Agriculture takes over the rationing of sugar, Mr. Dice, who was only temporarily loaned to OPA, will return to the Department and will still be in charge, must realize that the Senator's amendment will mean absolutely nothing, except that it will mislead the American public. I can find in the record two or three or four cases—I shall be glad to point them out to the Senator—where the industrial users repeatedly referred to Mr. Dice as "our friend, Mr. Dice."

The PRESIDENT pro tempore. Under the point of order made by the Senator from Missouri, the Chair is forced to say again to the Senator from Nebraska that he can yield only for a question, or he will lose the floor.

Mr. WHERRY. Mr. President, returning to the statement that I was making on the amendment which I desire to offer, in the event the amendment of the distinguished Senator from New Hampshire is rejected, as I hope that it will be, I should like to call the attention of the Senate to the provisions of my amendment so that the Senate will have the information, and so that when the amendment offered by the Senator from New Hampshire is voted upon, the Senators can make up their minds whether they care to support his amendment or the one I expect to propose.

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

Mr. WHERRY. I yield.

Mr. MARTIN. I should like to ask unanimous consent that I be excused for the remainder of the afternoon, to attend to some other very important business.

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

Mr. WHERRY. Mr. President, as I said a moment ago, as I analyze the amendment offered by the distinguished Senator from New Hampshire, it now proposes to give a firm commitment of 35 pounds to the individual consumer; and, certainly, if there is an increase above the 6,800,000-ton figure, then the Senator proposes to give a priority to the housewife up to 50 pounds.

Mr. President, in the amendment that I shall offer I propose to give the individual 40 pounds of sugar. Regardless of whether there is an increase in the supply, the 40-pound provision of the amendment runs straight across the board.

One of the reasons why I think individual consumers are entitled to it is made plain in the very forceful argument made by the distinguished Senator from Michigan that it has been admitted

in the hearings by the industrial users of sugar that there has been a discrimination in the percentage the housewife has had compared with industrial users.

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

Mr. WHERRY. I am glad to yield for a question.

Mr. McCARTHY. The Senator has an amendment which has been printed, and which is lying on the table. He has another amendment on his desk, which contains certain language suggested by myself. I am very curious to know which amendment the Senator proposes to offer if and when the amendment proposed by the Senator from New Hampshire is defeated.

Mr. WHERRY. Mr. President, I shall not read it, but I send the amendment to the desk and ask that the clerk read it for the information of the Senate.

The PRESIDENT pro tempore. Without objection, the clerk will read the amendment for the information of the Senate.

The CHIEF CLERK. Before the period on page 2, line 20, it is proposed to insert a colon, and the following: "*And provided further*, That in exercising the authority extended by this act, the Secretary of Agriculture shall allocate, and permit the purchase of, refined sugar for home consumption at a rate of not less than 40 pounds per person per year; providing further that having in mind the need for sugar for home-canning purposes not less than 15 pounds per person shall be made available for home consumption during the third quarter of 1947. In the event the quantity allocated to nonprovisional industrial users during any portion of the period from April 1, 1947, until the expiration of the allocation authority is increased above the allocation of such users, the quantity herein required to be allocated for home consumption during such portion of such period shall be proportionately increased."

Mr. WHERRY. Mr. President, the amendment really can be explained very simply. There are three provisions. One is that the housewife gets 40 pounds. It is possible to cite a vast array of figures. I want to say that while there seems to be considerable disagreement among some of the distinguished members of the Committee on Banking and Currency, I compliment the work of the subcommittee, including the distinguished Senator from Vermont, the chairman of the subcommittee, and those who helped him, the Senator from Wisconsin, and the Senator from Ohio; and I also commend the leadership of the chairman of the Committee on Banking and Currency in this sugar problem. It is an acute problem, and it is a difficult one to settle. All of us have our respective opinions about what should or should not be done, but it is my humble opinion, after listening to the testimony and after learning about the discriminations which the housewife has experienced in the past, that the time has come when we ought to eliminate that discrimination, we ought to try to make some retribution for it. As a compromise, I think that giving them five additional pounds over this firm commitment can be reached, if we try it. I do not take exception to the remarks of the distinguished Senator from New Hampshire, the chairman of the Committee on Banking and Currency; neither do I dispute the letter written by the Secretary of Agriculture.

I should like to say for the RECORD that I have much confidence in, and I highly respect, Clinton P. Anderson, the Secretary of Agriculture. No one was more helpful to me when I was gathering statistics relating to the meat situation durthe Seventy-ninth Congress than was the distinguished Secretary of Agriculture, and I appreciate what he did. I respect his point of view. He takes the position that any other administrator would take. The final figure for the sugar still depends upon the weather in Cuba. There are certain things about which the Secretary might be apprehensive. His position at this time is that possibly there might be some doubt respecting the size of the sugar crop. He has not given me a clearance that we should provide 40 pounds, and I wish so to state now to the Senate. But his Department has led me to believe that there will be the expected increase in the sugar crop. The figure given by the distinguished Senator from Wisconsin in respect to stock piling 500,000 additional tons certainly should have our careful consideration.

Mr. President, the fact that the chairman of the Committee on Banking and Currency has offered an amendment which would make a firm commitment of 35 pounds convinces me that there is ground for optimism with respect to the increased sugar production in Cuba, and that we may expect an increase not only from Cuba but from other countries of the world. My amendment, however, provides that the individual consumer shall be allotted 40 pounds of sugar. I think that can be done. If the feeling prevails that 35 pounds can be allotted to each individual, I think it can be increased to 40 pounds. That would represent an increase of only 375,000 tons.

Mr. President, in considering the various figures we are assuming that each individual would avail himself of the amount allotted. The Department of Commerce estimates that only 30,000,000 individuals will use their full allotments. So it cannot be said with certainty that an allotment of 40 pounds to each individual will require an addition of 375,000 tons. Only if every last citizen of the United States asks for the proposed additional sugar allotment will 375,000 tons additional be required.

Mr. President, I think we are a little bit too apprehensive respecting the existing situation. I think some extravagant statements have been made here as to what can or what cannot be done. I think the Department of Agriculture can shoot at the figure of 40 pounds for each individual without creating as much disturbance as has been indicated might result. Such things have been done in connection with other commodities, and I am satisfied they can be done with respect to sugar.

I doubt if anyone, even the Secretary of Agriculture, can state with authority that there can or cannot be an increase to 40 pounds for each individual. What can be done is to make use of all the available statistics, and make an estimate on that basis. But between now and the time the housewives receive the proposed allotment of 40 pounds, it may be that 50 pounds instead of 40 will be available.

I believe, on the basis of the crop reports and the statistics furnished by the distinguished Senator from Wisconsin that we can pick up the additional sugar needed to provide 40 pounds for each individual, without jeopardizing to any great extent the distribution of sugar throughout the United States. In fact I have been told that a fairer estimate would be that there will be an additional 100,000 tons available above the amount heretofore suggested. But once again I say I cannot give any authority for such an estimate. I suppose the Secretary of Agriculture is as high an authority as we can avail ourselves of. But like all administrators, he surely does not want to make a commitment which he himself probably feels cannot be fulfilled by reason of weather conditions or for other reasons.

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

Mr. WHERRY. I yield for a question.

Mr. TOBEY. The Senator from Nebraska spoke about someone having told him that there would probably be 100,000 tons of sugar additional coming along over and above other figures which have been suggested.

Mr. WHERRY. I should like to correct that statement. What I meant to say was that 100,000 tons additional might be required if an allotment of 40 pounds to each individual were made.

Mr. TOBEY. My purpose in rising was to call the attention of the Senate to the fact that should the mythical 100,000 tons additional which may be needed appear on the horizon and in fact become available, under the Tobey amendment that amount would go to the housewife. Would it not?

Mr. WHERRY. I feel that the amendment does provide that it should go to the housewife.

Mr. TOBEY. Under my amendment it would be mandatory, would it not?

Mr. WHERRY. If the amount is rationed.

Mr. TOBEY. It is mandatory, is it not?

Mr. WHERRY. I shall come to that point in a moment when I discuss the provisions of the Senator's amendment and compare his proposal for increase with my proposal.

The second part of my amendment has not been touched upon to any great length up to this time. During the first quarter of this year there was an allocation of 5 pounds of sugar to each individual, that is for the months of January, February, and March. In the second quarter an allocation of 10 pounds of sugar is made, for the months of April, May, and June. My amendment

provides that for the third quarter of this year there shall be allotted for the use of the individual, or I might say the housewife, because the third quarter is the canning season, 15 pounds of sugar. That is a firm commitment which is not contained in the Senator's amendment. I feel that if there is any time of the year when this proposed increase is needed, it is during the canning season. So I ask that an additional 5 pounds of sugar, as provided in my amendment, be allocated during the third quarter. My amendment does not disturb the situation in the first quarter or in the second quarter, but it provides that in the third quarter, that is during the months of August and September, a total of 15 pounds of sugar shall be allotted to each individual.

My reason for proposing an allotment of 15 pounds during the third quarter is obvious, and does not require any lengthy explanation. My proposal is simply that an additional 5 pounds shall be given the individual, or the housewife, during the time of year when it is most needed, which is during the canning season.

Mr. President, I have received hundreds of letters telling of food spoilage, or fruit that has been lost simply because there was not sufficient sugar to preserve it. We are paying out millions of dollars to provide floors for agricultural products, but on the other hand, we permit vegetables and fruit to go to waste, to be dumped into the sewers, because sufficient sugar is not allotted for preserving purposes. It is nonsense to have floors under agricultural production, and to encourage the fruit and vegetable producers to greater production, and then deny sugar to preserve the increased production. So the least we can do, if it is possible, is to provide 5 pounds more sugar to each individual during the third quarter, the canning season.

I should like to say for the benefit of the distinguished Senator from Wisconsin that I, too, have been in telephonic conference with the Department of Agriculture almost as constantly as has the distinguished Senator from New Hampshire, and I have asked the Secretary this question over and over again: Can you not work out a provision for 5 more pounds, or a total of 45 pounds for each individual? I have asked him if he could not find a way to provide 20 pounds for each individual during the canning season. I wish to verify what the Senator from Wisconsin has said that now there is an effort to find out if it will not be possible to allocate 20 pounds during the canning season.

Mr. President, I do not want to have the Senate enact legislation providing an arbitrary, mandatory program impossible of being carried out, but I am willing to vote for a proposal which will give to each housewife every pound of sugar which can be given her during the canning season. I think it is smart to give the housewife as much sugar as possible during that time. There is a need for preserving the food which is produced. I think we should preserve every pound of food we can preserve.

Mr. President, in that respect my amendment is different from the amendment of the Senator from New Hampshire. I beg of Senators that they will give it their earnest consideration.

A suggestion has been made by the Department of Agriculture that they ration the 10 pounds up to a certain date, and then if they could provide 15 pounds thereafter set the allotment of 15 pounds ahead, perhaps to the last week in July. I do not know whether that will be worked out or not, but regardless of whether it is worked out, when the time comes I shall offer the amendment I have suggested, that 15 pounds, an addition of 5 pounds over the 10 pounds, be allotted to the housewife in the canning season. I do not see why anyone should object to it. Certainly, if the housewives are to get the sugar, that is the time of the year they must have it.

Reference is made to stock piles. It is all very well to have stock piles, and it is all very well to increase the stock piles, if it is the opinion of the Secretary that they should be increased. But I think it is just as important, increased stock piles or no increased stock piles, to try to take care of food that is produced, and preserve it, if we are to have floors under production.

The third difference between my amendment and the amendment of the distinguished Senator from New Hampshire [Mr. TOBEY] is relative to the allocation in the event there is an increase. Under the terms of the Senator's amendment, there must be an increase above 6,800,000 tons before the housewife gets any increase. I am sure that is correct. At least that is my interpretation. So until we reach the figure of 6,800,000 tons, the housewife gets no more than 35 pounds.

My amendment provides that regardless of the 6,800,000 tons, if there is any additional allocation of sugar to industrial users, whether there be an increase or not, the allocation shall be made proportionately in the same percentage of allocation as between industry and the housewife in the future. I think that is sound. I think there should be no further discrimination. The meaning of my amendment in that respect is entirely different from that of the amendment of the distinguished Senator from New Hampshire. My amendment provides that if any additional allocation is made, in addition to the firm commitment, whether there be an increase above 6,800,000 tons or not, the allocation shall be made on a percentage basis, allowing a proportional increase to the housewife.

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

Mr. WHERRY. I yield.

Mr. TOBEY. As I understand the Senator's amendment, as he has explained it, when, as, and if an increase occurs, it will be allocated proportionately as between homemakers and commercial users.

Mr. WHERRY. In the percentage in which commitments are now made to industry and to the housewife.

Mr. TOBEY. The distinction between the Senator's thought and the thought expressed in my amendment is that in the case of my amendment the homemakers would get it all.

Mr. WHERRY. The distinction is that an increased allocation might be made whether there was an increase above 6,800,000 tons or not. In the past we have not had sugar for new users, or for hardship cases. The percentage of increase has been greater in some directions than in others. That is the reason why the housewife has been discriminated against to the extent of 10 percent. My amendment would take care of any increased allotment. The Senator's amendment provides a priority to the housewife provided there is an increase beyond 6,800,000 tons. I want it provided in the law that if there is any increased allocation of sugar, whether or not there is an increase beyond the 6,800,000 tons, it must be made proportionately, in the same percentage to the housewife as to any industrial user.

Mr. WATKINS. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum? I think this subject is important enough so that Senators should hear the discussion.

Mr. WHERRY. I yield for that purpose.

Mr. WATKINS. 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	Myers
Baldwin	Hawkes	O'Conor
Ball	Hayden	O'Daniel
Barkley	Hickenlooper	O'Mahoney
Brewster	Hill	Overton
Bricker	Hoey	Pepper
Bridges	Holland	Reed
Brooks	Ives	Revercomb
Buck	Jenner	Robertson, Va.
Butler	Johnson, Colo.	Russell
Byrd	Johnston, S. C.	Saltonstall
Cain	Kem	Smith
Capehart	Knowland	Sparkman
Capper	Langer	Stewart
Chavez	Lodge	Taft
Connally	Lucas	Taylor
Cooper	McCarran	Thomas, Okla.
Cordon	McCarthy	Thomas, Utah
Donnell	McClellan	Thye
Dworshak	McFarland	Tobey
Ecton	McGrath	Umstead
Ellender	McKellar	Vandenberg
Ferguson	McMahon	Watkins
Flanders	Martin	Wherry
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Murray	Young

Mr. WHERRY. I announce that the Senator from Oregon [Mr. MORSE] is absent by leave of the Senate.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness.

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Nevada [Mr. MALONE] are necessarily absent.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from West Virginia [Mr. KILGORE] are absent on public business.

The Senator from California [Mr. DOWNEY], the Senator from Washington [Mr. MAGNUSON], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

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

Mr. WHERRY. Mr. President, I wish to make a brief summary of what I have

said relative to my amendment. I should like to call the parliamentary situation to the attention of the Senators who may not have been present earlier.

The amendment offered by the distinguished Senator from New Hampshire [Mr. TOBEY] is a second-degree amendment. Therefore, it is not in order to offer an amendment to his amendment to increase the number of pounds. Unfortunately, if any amendment is to be adopted which will provide otherwise than is provided by the distinguished Senator's amendment relative to further allocations, the Senate must defeat his amendment.

The amendment which he has offered provides 35 pounds as a firm commitment to the housewife. It also provides that in the event there is an increase over 6,800,000 tons, the housewife shall be given priority up to 50 pounds. Nothing is said about other users, such as milk condensers. At the moment it provides that if there is an increase—and that increase is based upon 6,800,000 tons—there may be additional allocations to the housewife up to 50 pounds.

The amendment which I should like to offer, if the Tobey amendment is defeated, would make a firm commitment of 40 pounds to the housewife, regardless of any increase. It is based primarily on the fact that there has been discrimination against the housewife. It is felt that this is one way to equalize the situation. I think most of us are convinced that the Department can provide for distribution of an additional 5 pounds, because if everyone in the United States asked for it it would amount to only 375,000 tons. The evidence is that probably less than 30,000,000 people would avail themselves of the additional amount, and they are the people on the farms. Six million families, averaging five to a family, would represent approximately 30,000,000 people who would avail themselves of additional sugar. The evidence is that it will probably require only an additional 100,000 tons to provide the 40 pounds.

In the first quarter, in which we are now operating, 5 pounds of sugar is allocated to the housewife. In the second quarter, ending in June, 10 pounds will be allocated. In the third quarter it is asked that 15 pounds be allocated, or 5 pounds more than in the allotment proposed.

The reason my amendment proposes such an allotment is that throughout the country the months of July, August, and September are primarily the months when more sugar is needed for canning; and, as I have previously explained at considerable length, it seems to me that if we put a floor under agricultural commodities, such as fruits and vegetables, to induce their production, we ought to provide sugar to preserve them. We should not continue to appropriate money for floors under agricultural commodities and then not take care of the fruits and vegetables when they are grown, if sugar is needed for canning them.

The amendment of the distinguished Senator from New Hampshire provides for an increased allotment to the housewife only if there is an increase above 6,800,000 tons. There is a great deal of evidence in the hearings, and there has been a good deal of evidence given on the floor of the Senate, that sugar will be recouped from other sources, so as to make the supply in excess of 6,800,000 tons. In that event the third section of my amendment provides:

> In the event the quantity allocated to nonprovisional industrial users—

The nonprovisional industrial users are those who are not milk condensers, and so forth—

> In the event the quantity allocated to nonprovisional industrial users during any portion of the period from April 1, 1947, until the expiration of the allocation authority, is increased above the base allocation of such user, then in that event the quantity herein required to be allocated for home consumption during the last portion of such period shall be proportionately increased.

In other words, Mr. President, from here on there will be no discrimination. If there is any increase from any source and if an allocation of it is made, it will become mandatory upon the Department of Agriculture to increase proportionately the amount going to the housewife, as her percentage, just as they increase it for the industrial users. Certainly no one should quarrel with such a provision. It does exactly what the distinguished Senator from New Hampshire wishes to do, insofar as allocations are concerned, if we go above 50 pounds. I imagine he would not object to it.

I should like to say further that prior to the war, the amount of sugar consumed by home users, as compared to the amount consumed by industrial users, was approximately 50 percent of the total consumption; in other words, the home users and the industrial users were on approximately a 50-50 basis, with 50 percent being consumed by home users and approximately 50 percent being consumed by industrial users. However, during the war the amount allotted to the housewives dropped to nearly 40 percent. My amendment would return, from now on, to the historical basis of the distribution of sugar as between industries and the housewives.

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

Mr. WHERRY. I yield.

Mr. LUCAS. I wish to say that I should like to see the housewives get all the sugar they possibly can get. Of course, in the event that I was in favor of the amendment of the able Senator from Nebraska, I would have to vote against the amendment of the able Senator from New Hampshire.

Mr. WHERRY. That is correct.

Mr. LUCAS. If I voted that way and if the amendment of the able Senator from New Hampshire were not adopted, then I would be on record as being against giving the housewives 35 pounds of sugar.

Mr. WHERRY. Except, I may say to the Senator, if that eventuality arises, I still shall have the right to offer my amendment as a substitute for the House bill, after the House bill is amended by adding to it the Senate committee amendment as perfected; and that is what I intend to do in that event. So the Senator from Illinois will not then be on record as being opposed to giving the housewives the most sugar that possibly can be given to them. If the amendment of the Senator from New Hampshire is adopted, then I shall offer my amendment when the House bill, as amended by the Senate committee amendment as perfected, is before the Senate; and when I do that I shall ask for a yea-and-nay vote, and thus the Senator from Illinois will have a chance to place himself on record on the question of favoring my amendment.

Mr. LUCAS. Yes; but so far as the present situation is concerned, in order to vote for the amendment of the Senator from Nebraska, I shall be compelled to vote against the amendment of the Senator from New Hampshire.

Mr. WHERRY. That is correct.

Mr. LUCAS. In other words, so far as my record will be concerned, in that event I shall be voting against giving the housewife 35 pounds of sugar.

Mr. WHERRY. Except for the assurance of the junior Senator from Nebraska that the Senator from Illinois, when the Senate has before it the House bill as amended by the Senate committee amendment as perfected—which then will make the House bill a new bill—will have an opportunity to vote on the question of the adoption of my amendment, even in the event the amendment of the Senator from New Hampshire is accepted. So the Senator from Illinois will still have a chance to vote for 40 pounds of sugar for the housewives, and I say to him that if he wishes to vote for 40 pounds of sugar, he had better vote against the amendment of the Senator from New Hampshire and vote for my amendment when the time comes to vote on it.

Mr. LUCAS. Yes. But if I am going to have two chances to vote on the amendment of the Senator from Nebraska, I think I shall take the chance of voting for the amendment of the Senator from New Hampshire first. I do not wish to be placed on record as voting aganist letting the housewives have the 35 pounds of sugar. If I voted against that, I am afraid my record on the sugar question might reach my constituents; and that would be very dangerous, because my constituents are very much in favor of getting even 35 pounds of sugar. I do not wish to be misunderstood. I am afraid the parliamentary situation is such that I would be misunderstood if I should not support the amendment of the Senator from New Hampshire.

Mr. WHERRY. Mr. President, for some reason it is very difficult for me ever to propose a piece of legislation for which the distinguished Senator from Illinois finds that he can vote.

Mr. LUCAS. Oh, Mr. President, I have voted with the Senator from Nebraska many times, and he knows it.

Mr. WHERRY. I deeply appreciate the Senator's interest in my amendment, and I know he wishes to support it. I can assure him that after all his years of experience in the Senate, he knows exactly what to do; and so of course at this time it is unnecessary for me to point out to

him that I should like to give him an opportunity to vote for my amendment, and that if he and I are to have that opportunity, he should join with me in helping to defeat the amendment of the Senator from New Hampshire.

Mr. LUCAS. But I do not wish to be misunderstood by the housewives.

Mr. WHERRY. The Senator from Illinois will take care of the housewives all right.

Mr. President I yield the floor.

Mr. McCARTHY. Mr. President——

The PRESIDENT pro tempore. The Senator from Wisconsin is recognized.

Mr. McCARTHY. First, I should like to refer to the amendment of the Senator from New Hampshire, which I was not previously able to cover thoroughly. The Senator from New Hampshire took exception to my description of his amendment as "fictitious." Mr. President, in law if there is a complaint or other matter which accomplishes nothing, it is referred to as fictitious. So I repeat that comment about the amendment of the Senator from New Hampshire; it is fictitious, in that it will accomplish nothing. It provides for what shall happen, first, over a period of a year. In the second place, it contains no mandate that the amount of sugar going to the housewives shall be increased.

At this time I should like to ask the Senator from New Hampshire if he will consent to a suggestion to which for some time I have been trying to get the Senator from Vermont [Mr. FLANDERS] and other Senators who take the opposite side of the question to consent to. I wish to know whether he will consent at this time, in view of his avowed concern for the housewives, to modify his amendment so as to make it provide that the housewife shall get at least 15 pounds of sugar during the canning season. If the Senator from New Hampshire will consent to such a modification of his amendment, then I also ask him whether he will agree to modify his amendment so that it will not affect the milk processors, as his amendment now does.

If the Senator will modify his amendment in those two respects, I shall be very happy to go along with him and to vote for and support the amendment as thus modified.

Does the Senator from New Hampshire understand my question?

Mr. TOBEY. Mr. President, I was interrupted, I regret to say; so I shall appreciate having the Senator repeat his proposal.

Mr. McCARTHY. My question is this: The Senator from New Hampshire told me, and I believe he is sincere, that he is much concerned about having the housewife get her proper share of sugar. I read to the Senator from page 226 of the hearings, in which the gentlemen who represent the mass of industrial users of sugar freely admit that the housewife is not getting her fair share of the sugar. In view of that, and in view of the Senator's avowed concern for the housewife, I ask the Senator from New Hampshire whether he will consent to modify his amendment so as to make it mandatory that the housewife shall receive a minimum of 15 pounds of canning sugar during the third quarter. If the Senator from New Hampshire will do that and if, in addition, he will do something else—which I think is merely a correction required as a result of an oversight—namely, provide that his amendment shall not affect the provisional users, I shall very heartily support the amendment. As the amendment now stands, I say to the Senator, I have used the word "fictitious" to describe it, because I think it will accomplish nothing, and will be nothing more or less than a deceptive measure.

Mr. TOBEY. Mr. President, let me answer the Senator in my own way, if I may. I shall answer the Senator's question as I go along, but first let me state—I wish to repeat it, because it seems to me that some people do not grasp the facts of the amendment even as yet. The Tobey amendment is one which is thought out primarily for the housewife, in all good faith; and it does a very definite and concrete and substantial thing. It guarantees 35 pounds of sugar to the housewife during the calendar year, as against 25 pounds which she received in toto last year. That is a 40-percent increase. Then it makes a reasonable and sane and, I think a constructive statement, and makes it mandatory; namely, that when, as, and if an increase in the supply of sugar is available, the Department of Agriculture, through Secretary Anderson, must give all of it to the housewife—not a portion of the amount, but all of it, up to the limit of 50 pounds, which is the amount the housewise consumed annually before the war.

Mr. McCARTHY. Mr. President, let me interrupt the Senator to comment on his statement that the amendment would increase the allotment to the housewife by 40 percent. When the Senator refers to 35 pounds and to increasing the allotment to the housewife up to 35 pounds, the amendment would not increase it at all over what the OPA says it will give the housewife.

What I have been asking the Senator from New Hampshire and the Senator from Vermont [Mr. FLANDERS] to do all along is to recognize the fact that the industrial users are receiving an unfair portion of the sugar as they themselves admit in the record repeatedly. I say that, instead of giving the housewife a promise, which may or may not be fulfilled, we should make it mandatory.

Mr. TOBEY. Mr. President, I ask the Senator to let me know when he finishes his statement, and then I shall come in.

Mr. McCARTHY. I invite the Senator to come in now.

Mr. TOBEY. The Senator from Wisconsin misses the point, I hope not intentionally to befuddle, but his is a befuddling statement. He fails to recognize and point out that the housewives were getting last year 25 pounds, and would get this year, by my amendment, 35 pounds, representing a 40-percent increase over last year. Does the Senator recognize that fact?

Mr. McCARTHY. I recognize the fact that she is not getting her fair share of sugar.

Mr. TOBEY. That is not the question.

Mr. McCARTHY. Let me say to the Senator——

Mr. TOBEY. The Senator is not answering the question.

Mr. McCARTHY. Let me refer to the hearings. I was interrogating Mr. Overman, who was representing the industrial users:

> Senator McCARTHY. When you allot such a woman 35 pounds of sugar, do you realize that is far below the 80 percent which it is proposed your industry be allowed? There is no question about that, is there?
>
> Mr. OVERMAN. That is true.
>
> Senator McCARTHY. Would you recommend that we reduce your 80 percent sizably and try to level off this situation and give the housewife some more?

Then Mr. Overman, who represents the industrial users, answered:

> I would hesitate to recommend that, certainly.

I say to the Senator from New Hampshire that here today we should do what Mr. Overman and the other industrial users refuse to recommend, we should level off the situation and give the housewife her fair share. The Senator's amendment does not do that, and my point is that if he is as sincere as I believe he is, he should be willing to amend his own amendment and make it mandatory that the housewife shall get at least an additional 5 pounds for canning. Obviously she should get more than that, she should get 10 pounds. The sugar is available.

Mr. TOBEY. I do not like to void the Scriptural injunction and use "vain repetitions," but here it comes again. The issue is whether the housewives of this country are going to be treated fairly, and we demand they shall be. So, in a constructive effort to take care of the needs of the housewives, we jack up the supply they are to get 40 percent over last year, and then we say, "Mr. Secretary Anderson, when the new sugar comes in if the supply is larger than estimated you must give it to the housewives up to 50 pounds," which would be 15 pounds more than contemplated.

Now about the canning feature. There is a certain amount of sugar available, and the Department has made an estimate of it. Has the Senator figured that? They allocate it to the commercial users and the housewives, and at any time in the current year, preserving time or not, when the supply of sugar increases and more is available the Secretary can and will give it to the housewives, but if it is not there he cannot and he will not.

Mr. McCARTHY. I thank the Senator.

Mr. TOBEY. The Senator is very welcome.

Mr. McCARTHY. Mr. President, I should like to point out to the Senate that in 1944 a law was passed which made it illegal to ration sugar on the historical-usage basis. It was there very clearly written into the law. Mr. Dice, who was the head of the sugar-rationing program and who will, apparently, continue to be at the head of it, saw fit completely to disregard that provision, thereby creating a monopoly in certain industrial users, and excluding everyone from the use of sugar unless he or she

had been in that particular type of business in 1941.

Whether that was wise or unwise, the law was there, very clear to see, and Mr. Dice saw fit to disregard it. The matter was taken to court, and it was decided that he was violating the law. The case was appealed to the higher court, and the higher court affirmed the lower court and said he was violating the law.

In view of that the ambiguous, deceptive amendment which the Senator from New Hampshire proposes to add to the bill can be interpreted in any conceivable way by Mr. Dice, who is heading the sugar-rationing program, and the only way we can get——

Mr. TOBEY. Is that name "Dice"?

Mr. McCARTHY. Dice.

Mr. TOBEY. I do not play with dice.

Mr. FLANDERS. Mr. President, will the Senator from Wisconsin yield?

Mr. McCARTHY. Let me finish the sentence. The only way we can make sure that the housewife gets her fair share of the sugar is by defeating the Tobey amendment. We may then vote upon the Wherry amendment.

Now I yield to the Senator from Vermont.

Mr. FLANDERS. The Senator was speaking a moment ago about the allocation of sugar to prevent the wastage of milk. I believe he was present when the Secretary said that sugar would be allocated for that purpose. We have him on record to that effect in our report, at the top of page 7, the 4th, 5th and 6th lines, where it is said:

The Secretary has assured the committee that sugar will be made available to prevent the wastage of milk.

Furthermore, administrative orders to that effect have already been issued.

Mr. McCARTHY. Let me point out, in connection with that, that when we were examining Mr. Marshall, of the Office of the Secretary of Agriculture, as appears on page 237 of the record, we were trying to urge that something be done for the milk industry, and this is what he said:

We still feel that it isn't right to pick out a single industry of that kind and give it sugar unless you are able to give increases to others.

At that time, while we were conducting the hearings, the Department of Agriculture had already made up their minds that they would not give the milk processor any milk.

Again, on page 240, in questioning Mr. Marshall, I asked:

Senator McCARTHY. Just one further question: Mr Marshall, in view of the world food shortage, in view of the apparently undisputed fact that unless the milk processors get more sugar there will be a great waste of food, namely, milk, would you not think it might be wise, even if you continue rationing, instead of building up the stock pile in the United States by 500,000 tons during the current year, that you take at least a part of that 500,000 tons and allocate that to the milk processors?

It is true that at that time they said they could not, should not, and would not do it. A few days later Secretary Anderson came before us, and, like the typical bureaucrat trying to defend his position, he changed his mind, and said, "We will now do what was impossible 2 days ago."

That being the situation, I say we cannot trust those gentlemen. We have got to tell them definitely what they must do and when they must do it. I say that, in view of his changeable and changing attitude; it is indicated that there must be an investigation before we can have a law interpreted wisely, we must not use ambiguous language, such as is used in the amendment of the Senator from New Hampshire, we must have something concrete, as is found in the amendment of the Senator from Nebraska [Mr. WHERRY].

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

Mr. McCARTHY. I yield.

Mr. FLANDERS. Again going back to the point where the Senator took off, as I was listening, with regard to the agreement by the Secretary of Agriculture to take care of wastage of milk, I would say that he was not the typical bureaucrat. The typical bureaucrat does not retreat, and the Secretary told us that he had himself been dealing with OPA for a long time on that question, trying to persuade them to do it; all of which, Mr. President, leads me to believe that we cannot pick out a much better man to handle the sugar law than Secretary Anderson.

Mr. TOBEY. Mr. President, will the Senator from Wisconsin yield.

Mr. McCARTHY. I yield.

Mr. TOBEY. In reply to the statement of the Senator from Wisconsin to the Senate a few moments ago that the Tobey amendment was ambiguous, I will quote the admonition of St. Paul describing some people back in his day, and it applies equally to the Senator from Wisconsin: "Eyes have they and they see not." There is nothing ambiguous about the amendment. There it is, a plain declaration. I would like to have the Senator point out an ambiguous statement in the amendment.

Mr. McCARTHY. Mr. President, the undisputed fact that we have a tremendous amount of sugar which we did not anticipate at the time of the hearing, the Senator's repeated professions of concern about the housewife, plus his refusal to insert in his amendment anything concrete saying when and how she shall get additional sugar cause me to wonder whether or not the Senator does not heartily agree with me that his amendment is so ambiguous that Mr. Dice can interpret it in any fashion he wants to.

Let me say one thing further on the question of whether or not sugar is available to give the housewife additional canning sugar. I told the Senator from Nebraska [Mr. WHERRY] we would go along with him in his suggestion of an additional 5 pounds. I think that is entirely inadequate. I think we could give her 10 pounds easily. But I believe that 5 pounds would help somewhat. Let me take the word right out of the mouth of Mr. Dice, who is the head of sugar rationing, and show the Senate that we could, and should, as of today, do away with rationing, and, if that is possible, we could certainly give the housewife an additional 5 pounds. Let me read very briefly from the testimony of Mr. Dice:

Senator McCARTHY. Do you know, roughly, how much sugar was in the United States on the first of this year?

Mr. DICE. I believe it was about 1,440,000 tons. I believe Mr. Marshall could give a more accurate figure.

Senator McCARTHY. Is that substantially correct, 1,440,000 tons?

The record shows Mr. Dice and Mr. Marshall answered, "Yes, sir."

Senator McCARTHY. I understand further that under your present rationing plan, with 6,800,000 tons available to us, there will be at the end of this year how much on hand?

Mr. DICE. It is my understanding that it is somewhere i the neighborhood of 1,900,000 tons. However, that is not something over which OPA has control. That is a matter that is determined by the Department of Agriculture.

Senator McCARTHY. In any event, if you follow the present rationing plan, which will give each individual about 93 pounds of sugar—that is sugar consumption, not allocation; if you follow that plan of rationing you will increase both the visible and invisible stocks combined by, roughly, 500,000 tons; is that right?

Mr. DICE. Or 450,000.

Senator McCARTHY. You are also aware of the fact that the Cuban crop is tremendously better than was anticipated several months ago?

Mr. DICE. I have heard reports both ways. I understand that the official estimate is still 5,500,000 tons.

I digress there to say that, 3 days before that, 3 days before Mr. Dice said the final estimate was 5,500,000 tons, his department issued an estimate of Cuban production of 5,750,00 tons.

There are some reports that indicate that it will be higher.

Senator McCARTHY. In other words, all of the reports that we get from Cuba indicate that the crop is a bumper crop. So far we have no reports indicating that it is not a bumper crop. That is substantially true?

Mr. DICE. So far as I know, that is correct.

Senator McCARTHY. And it has been estimated here that the crop will run from 300,000 to 500,000 tons more than was anticipated?

Again, if I may interrupt the quotation, I point out that instead of being from 300,000 to 500,000 tons, it is now actually and definitely 637,000 tons more than anticipated.

Mr. DICE. Yes, sir.

Senator McCARTHY. If we add that to your 500,000 tons by which you are increasing the inventory in this country during this year, we have close to 1,000,000 additional tons of sugar which we could use this year, and have our stock the same at the end of the year as it was at the beginning of the year.

That is correct, is it not; just by simple arithmetic?

Mr. DICE. If you assume that we would run our stocks down to the point where we started this year, and if you assume that there is an additional half-million tons produced in Cuba, and if you assume further that all of that half-million tons is available to the United States civilians for consumption, then that is a correct assumption.

Now let me analyze the statement of Mr. Dice. He says, first "if you will assume we will have over a half million tons available." We have; we have 637,000 tons available.

He says, second "If you assume that is available to this country." It is available to this country, because we have a contract with Cuba which makes it available.

Senator McCARTHY. You testified, I believe, the other day, that if we added about 1,000,000, or 1,200,000, tons of sugar to the amount of 6,800,000 tons which you presently propose to ration, that would make rationing unnecessary in this country?

Let me repeat that question. This is a question asked of Mr. Dice:

You testified, I believe, the other day, that if we added about 1,000,000 or 1,200,000, tons of sugar to the amount of 6,800,000 tons which you presently propose to ration, that would make rationing unnecessary in this country?

Mr. DICE. Providing there was some inventory control.

So, out of the mouth of the head of OPA, out of his own mouth, we find him telling us that if we have the amount of sugar available which we do now have available, rationing would be unnecessary, if we have inventory control.

Senator McCARTHY. Yes. In other words, the type of inventory control that was suggested the other day by Mr. Mack, perhaps.

Mr. DICE. That was not defined, but, say, a 30-day inventory limitation I believe would do it.

Mr. REVERCOMB. Mr. President, will the Senator yield at this time, to permit me to address a question to the Senator from New Hampshire?

Mr. WHERRY. I yield.

Mr. REVERCOMB. I am very much interested in these proposed amendments, including the amendment offered by the Senator from New Hampshire. The Senator from New Hampshire fixes a figure of not less than 35 pounds per capita for the calendar year, and that, I take it, is based on the known crop of sugar and the allocation to the United States when this bill was originally reported to the Senate?

Mr. TOBEY. That is correct.

Mr. REVERCOMB. If it should be found that there is an additional amount of sugar, which has been mentioned here as some 700,000 tons, what would become of that additional amount of sugar under the Senator's amendment?

Mr. TOBEY. It would all go to the housewives.

Mr. FLANDERS. Excuse me, sir.

Mr. TOBEY. Please.

Mr. FLANDERS. I think it would not all go to the housewives. At the proper time I should like to be interrogated on that point.

Mr. REVERCOMB. Very good, sir.

Mr. TOBEY. I thought the Senator asked, if there were an increase in the supply of sugar that had been allocated.

Mr. REVERCOMB. It is said, that the Cuban crop, and I believe, other crops that it was stated were coming in, would make available an additional 700,000 tons plus. If that be correct—not going into the question of whether that figure is correct, but assuming that it is—where would that 700,000 tons go? Who would get the benefit of it?

Mr. TOBEY. Up to 50 pounds per housewife, it would go to them.

Mr. REVERCOMB. Is it possible that any part or all of the 700,000 extra tons of sugar could be allocated to countries other than the United States by the International Emergency Food Council?

Mr. TOBEY. I have a signal from my friend, the Senator from Vermont [Mr. FLANDERS], who knows this question better than I do. I yield to him on that particular point. He will answer it.

Mr. FLANDERS. I would like to read the record.

Mr. REVERCOMB. I would like to have my last question answered first.

Mr. FLANDERS. I will answer the Senator's last question. Like the Senator from Wisconsin, I shall have to read a few preliminary statistics first, but it all goes to the points being raised by the Senator, and it is only one paragraph.

There is reason to believe that the supply situation is somewhat improved due to the more favorable reports from Cuba. On March 5 the Cuban Sugar Stabilization Institute cabled that the Cuban crop might reach 5,675,000 short tons; on March 17 word was received from the institute that, due to unusually favorable weather in recent weeks, the present crop will reach 5,960,000 short tons, barring an early rainy season. An estimate was made by the Cuban sugar trade on March 14 that it would go as high as 6,137,000 tons. However, these optimistic estimates cannot be accepted with assurance. The crop is not yet half harvested; therefore, it still is possible that production might fall short of the optimistic estimates or even of the estimate on which allocations were recommended.

Mr. REVERCOMB. I should like to interrupt the Senator at that point. I am not going into the question of how much margin there will be, in round figures. Let us assume that there is an increase. Let us assume it, not as a fact, but for the purposes of the question. What becomes of that extra amount? Where does it go?

Mr. FLANDERS (reading):

Allocations were recommended by the International Emergency Food Council on the basis of a Cuban crop of 5,500,000 short tons. The realization of a higher Cuban crop will, of course, be quite helpful, but the supply situation still will be far short of meeting the needs of a free market. The 1947 international allocation recommendation includes a total of 736,000 tons of "undesignated" sugar to all countries——

Mr. McCARTHY. Just a moment. I will not yield further to the Senator from Vermont.

Mr. FLANDERS. I will finish the paragraph.

Mr. McCARTHY. Mr. President, I will not yield further to the Senator.

Mr. FLANDERS (continuing reading):

with 200,000 tons of such sugar allocated to the United States. The increase in the Cuban crop, therefore, would not be——

Mr. McCARTHY. Mr. President, I still have the floor.

The PRESIDING OFFICER (Mr. BALDWIN in the chair). The Senator from Wisconsin has the floor.

Mr. FLANDERS (continuing reading):

enough to fill the need of the various countries——

Mr. McCARTHY. Mr. President, I have the floor and I do not yield further.

Mr. FLANDERS (continuing reading):

from the undesignated sources.

The PRESIDING OFFICER. Will the Senator from Vermont desist?

Mr. FLANDERS. I will at the request of the Chair.

Mr. McCARTHY. The Senator will recognize the fact that I have the floor, and I want to point out in my own time that when the Senator referred to "undesignated" I stopped him at that particular point, because that expression, "undesignated" sugar has been bandied about so much. We do have 200,000 tons of undesignated sugar allocated to the United States. However, there is nothing in the allocation with regard to our continental cane sugar. That amounted to 461,000 tons last year. This year we have an estimated 17,000 additional acres in cane production.

Mr. FLANDERS. May I correct that statement?

Mr. McCARTHY. I do not yield now. Let me finish my sentence. The additional 17,000 acres of cane sugar will bring the continental cane sugar output up to about 500,000 tons; so, instead of having 200,000 tons of undesignated sugar, we have a surplus of 300,000 tons. That is not taken into consideration.

Now I yield to the Senator from Vermont.

Mr. REVERCOMB. Mr. President, will the Senator yield to me first?

Mr. McCARTHY. Certainly.

Mr. COOPER. Mr. President——

Mr. McCARTHY. I shall yield to the Senator from Kentucky as soon as the Senator from West Virginia concludes.

Mr. REVERCOMB. I thank the Senator from Wisconsin for yielding to me. I have a very simple question to ask which can be answered in a word or two without discussion such as has preceded. I will now propound the question. If a margin of sugar over the estimate upon which the allocations were originally made is found to exist, who gets that margin of sugar?

Mr. McCARTHY. I shall tell the Senator who will get it. We presently have a contract with Cuba for a large proportion of her sugar. If there is a great surplus of over 5,500,000 tons, as there is, then one of the foreign nations could, I assume, ask for a reallocation. If we accepted that reallocation, that would deprive us of some of that sugar. Presently all of that sugar is allocated to us. I might say further——

Mr. REVERCOMB. May I ask a question at this point?

Mr. McCARTHY. Certainly.

Mr. REVERCOMB. As a matter of fact, the allocations were made upon an estimated production of some 5,000,000 tons; is that correct?

Mr. McCARTHY. Five and a half million tons.

Mr. REVERCOMB. Five and a half million tons. Now it is found that we are going to receive some 6,100,000 tons. Will the allocations made by the International Emergency Food Council to the different countries, including our own, be changed because there has been found to be more sugar?

Mr. McCARTHY. We interrogated witnesses on this question in detail, and so far as I know and so far as I can determine, there is no automatic reallocation. I believe that any one of the na-

tions that is concerned could ask the International Emergency Food Council to reconsider the allocation and give it more sugar.

Let me make a further statement. We have presently allocated 1,600,000 tons of sugar to foreign nations. That sugar is priced at 8 cents a pound, which is the established wholesale price. They can purchase calories, if I may use that term—they can purchase food value in grain much cheaper than in sugar at the present price. So that there is at least some possibility, if they use their dollars wisely, and use them for the purpose of getting the most calories per dollar for starving people, that they may not use the 1,600,000 tons of sugar. Now, if we were to do away with rationing, it would not affect the allocation program so far as sugar to foreign nations is concerned. But it might have this effect, that if sugar were to rise in price 2 or 3 or 4 cents a pound, then the cost of calories in sugar would be so far out of line with the cost of calories in grain that they would undoubtedly not even take—I say undoubtedly—they perhaps would not take the present allocations, and would do what appears to be much wiser, use their dollars to purchase the highest food value, and that is in grain.

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

Mr. McCARTHY. I yield.

Mr. REVERCOMB. I realize that the Senator has argued from a very practical standpoint as to what may happen. But let us get down to the very basis of this situation. We have talked about getting additional sugar for the individual user, for the housewife. We know how much sugar the United States was going to receive under the original allocation based upon a production of 5,500,000 tons. Now we have some 700,000 additional tons that have been found actually to exist, as the Senator from Wisconsin advises us. What I am asking is: Under the amendment of the Senator from New Hampshire will all that 700,000 tons come to the United States. I ask that question of the Senator from New Hampshire?

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

Mr. McCARTHY. I yield.

Mr. TOBEY. I thank the Senator. The statement I would make to the Senator from West Virginia is, that if there is an increase in the large allocation which is divided up among the nations of the world, we will get our proportionate share of that increase, and the whole of that proportionate share will go to the housewife; and all the sugar produced in this country, under the present estimates, will also go to the housewife.

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

Mr. McCARTHY. I yield.

Mr. REVERCOMB. I should like to ask another question of the Senator from New Hampshire? Then in order really to say that the housewife of this country will receive an additional share we will have to provide in the measure we pass that that sugar shall go to the housewife of this country before it is allocated to the people of other countries.

Mr. TOBEY. That cannot be done. We cannot on the floor of the Senate vitiate the terms of an international agreement.

Mr. REVERCOMB. I am not trying to vitiate anything. But I say that this sugar comes to the United States. It has been contracted for by this Government. Some 300,000 tons of that sugar are found to be in excess of the basis of the sugar supply upon which the international allocations were made. I put this question to the Senator from New Hampshire: Is it not necessary that we fix a minimum amount that the housewife is to receive if we are going to protect her in connection with the increased quantity of sugar we receive?

Mr. TOBEY. The answer to that question in my judgment is "No," because the increase the Senator speaks of we hold in trust for other nations through the Commodity Credit Corporation. It is not our sugar.

Mr. REVERCOMB. One more question. Does the Senator agree with the argument that it is possible that the foreign countries will not need all of the 1,600,000 tons allocated to them?

Mr. TOBEY. They have now a smaller amount than we have, and far be it from me to say that they do not need the smaller amount than we have. Who has the authority to raise that question?

Mr. REVERCOMB. I am not arguing.

Mr. TOBEY. I am not argumentative. I say that whereas they now have under the international agreement a lower allocation than the United States has, it is rather presumptive for me or anybody else to say that they would not want to use what they now have allocated to them.

Mr. McCARTHY. Mr. President, I wish to point out that the matter now being discussed has nothing to do with the question whatsoever. Canada and England have exactly the same per capita allocation that we have. There is no difference. I do not think that has anything to do with the question of rationing in this country, because our rationing will not affect the allocation program except insofar as it may induce some other nations not to take their full allocation.

Mr. REVERCOMB. One more thing. It seems to me that the very heart of the situation so far as additional sugar for the housewife, for the individual, is concerned, is that there will be some 700,000 additional tons by actual measurements after the crop is in. It seems to me, then, that the whole question of whether the housewife shall receive additional sugar comes down to what proportion of that sugar is coming to this country.

Mr. McCARTHY. I heartily agree with the Senator. Presently there may be indications that we shall not get the full amount of sugar from Cuba that we have contracted for. There has been no request for increased allocations. They are now getting 600,000 tons more than they got prior to the war. It is entirely possible that some of the other nations may request a reallocation by the International Emergency Food Council. Whether such a reallocation would be granted or not, I have no way of knowing. But as things stand today we have a contract for the sugar. We shall get an additional 700,000 tons of sugar.

Mr. REVERCOMB. In addition to the original amount?

Mr. McCARTHY. Yes; in addition to the original amount.

Mr. COOPER and Mr. FLANDERS addressed the Chair.

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

Mr. McCARTHY. I yield first to the Senator from Kentucky.

Mr. COOPER. Mr. President, I think I stand in the position of a great many other Senators. We did not have an opportunity to attend the hearings or hear the witnesses, particularly the Secretary of Agriculture. Any decision we may make must be based upon the facts developed by the committee and, I believe, upon the judgment of the committee.

I believe also that despite our statements and our interest in helping the housewife, we cannot help the housewife unless the sugar is available. My question is directed to the point as to what sugar is available. I notice from the report of the committee, in table 4, on page 9, that there has been allocated to the United States a total of 6,800,000 tons for 1947.

Mr. McCARTHY. Let me interrupt the Senator to clear up that point. No particular amount has been allocated to the United States. There has been allocated to foreign nations, out of the amount which we purchased through Commodity Credit Corporation, the amount of 1,600,000 tons. The allocation to other nations is out of the Cuban supply.

Mr. COOPER. Table 4 is headed "International Emergency Food Council recommended sugar allocation for 1947 by source of supply." The figures are given in thousands of short tons. In the first column, the total recommended allocation for the United States is 6,800,000 tons. As I understand the amendment proposed by the Senator from New Hampshire, it would require, on the basis of the allocation of 6,800,000 tons, that 38 pounds per consumer be mandatorially allotted.

Mr. McCARTHY. and that is the present plan of the OPA. It is merely a reaffirmation of what they say they are going to do.

Mr. COOPER. On the basis of an estimated supply of 6,800,000 tons, does the Senator from Wisconsin propose to increase the supply to the individual consumer?

Mr. McCARTHY. Obviously not. We are talking about the additional sugar which is available.

Mr. COOPER. Then it is upon the basis of the increase which the Senator has information will be available.

Mr. McCARTHY. Yes. It is based upon the known fact—not an estimate—that we shall have more than 1,000,000 tons of additional sugar. I should like also to point out that the other day the Netherlands East Indies issued a story to the effect that their peace treaty was about ready for signing—it has been initialed—and that when the treaty between the Dutch and the Indonesians has been signed in excess of 1,000,000 tons of sugar will be available for shipment from

the East Indies. That will be a windfall. I am not basing my proposal upon that. But if that is true, before the end of the year we shall have a tremendous surplus of sugar, and Government agencies will again be paying our beet farmers not to raise sugar beets.

Mr. COOPER As I understand the proposal of the Senator, it is that an increase can be made, based upon information which has come to him that the imports from Cuba will be increased to a total of 6,137,000 tons.

Mr. McCARTHY. Yes. The total amount we shall get from Cuba, assuming that the survey which has been completed is correct, is 3,887,000 tons.

There is one additional item. I am taking the testimony of Mr. Marshall, an official of the Department of Agriculture. He also tells us that there will be an additional 50,000 tons from Hawaii, which gives 791,000 tons, which incidentally is sufficient to give an additional 10 pounds to every one of the 143,000,000 people in the United States, which would bring us up to the total pre-war consumption of sugar.

Mr. COOPER. Pursuing the Cuban situation, I notice on page 8 of the report, in table 1, that the estimate imports from Cuba for this year are 5,500,000 tons. The Senator has stated that he has information that that supply could reach 6,137,000 tons.

Mr. McCARTHY. Let me interrupt and give the Senator the complete picture. Originally the Department of Agriculture estimated the Cuban crop at 5,000,000 tons, which is much higher than the figure for last year. It later revised that figure upward to 5,500,000 tons. At the time of the hearings Mr. Dice stated that the estimate was 5,500,000 tons. However, at that time—in fact, 3 days previous to that time—the Agricultural Department had issued a bulletin to the effect that their estimates were again revised upward, to 5,750,000 tons. Let me point out that this is no fault of the Department of Agriculture or any other department. The Cuban crop is being presently harvested. They start to harvest it in January and finish some time in May. Since the hearings have ended, within the past week, a survey of 97 percent of the Cuban sugar producers has been made, and the estimate now is 6,137,000 tons.

Mr. COOPER. Whatever it is, out of the estimated increase in supply of 637,000 tons, the Senator proposes an increase to the individual consumer, whom we have been denominating as the housewife. Is that correct?

Mr. McCARTHY. That, and also the 500,000 tons which OPA presently plans to add to our stock pile this year. So we have 1,100,000 tons of sugar to draw upon.

Mr. COOPER. We have reached that point. How much does the Senator propose to increase the supply to the individual consumer out of the estimated increase?

Mr. McCARTHY. I am sorry, but I did not catch the question.

Mr. COOPER. How many pounds would the increase represent to the individual consumer out of the estimated increase?

Mr. McCARTHY. I have proposed an additional 10 pounds for home use. The Senator from Nebraska [Mr. WHERRY] has an amendment which calls for an additional 5 pounds. His amendment also provides that after that 5-pound increase has been granted, any surplus of sugar shall go in proportionate amounts to the industrial user and the housewife. His proposal goes one step further, in that it would not affect the milk processors.

Mr. COOPER. Let me ask a final question. The Senator has stated that there will be a certain additional amount of sugar. The Senator proposes to capture that sugar for the housewife, under a mandatory provision that a certain number of pounds shall be allotted to the housewife.

Mr. McCARTHY. Yes.

Mr. COOPER. The Senator from New Hampshire [Mr. TOBEY] would likewise capture it under his amendment, which provides that an increased allotment be made, up to 50 pounds per person, from the expected increase.

Mr. McCARTHY. Let me point out that the industrial user is now receiving, roughly, 80 percent of his prewar consumption. The housewife is receiving 67 or 68 percent of her prewar consumption. The proposed additional 5 pounds would bring them both, roughly speaking, up to the same comparative percentage of their prewar consumption; and from this time onward, under the Wherry amendment, it is provided that when there is a further allocation it shall go in equal proportion to the housewife and the industrial user. In other words, if the industrial user gets an additional 10 percent, the housewife will get the same percentage increase.

Mr. COOPER. The Senator stated that an additional 5 pounds would require 375,000 tons of sugar.

Mr. McCARTHY. Approximately that amount.

Mr. COOPER. Is it not true that if there should be an increase of 637,000 tons, under the amendment proposed by the Senator from New Hampshire an amount larger than 5 pounds—almost 10 pounds—would be captured for the housewife out of that increase?

Mr. McCARTHY. Except this: The Senator from Vermont [Mr. FLANDERS] has been urging that before we decontrol we must build up a sizable stock pile. I think he is correct. I think it would be well if we built up a sizable stock pile. That is also the attitude of Mr. Dice and Mr. Marshall. They apparently feel that instead of consuming the sugar this year we should add it to our stock pile. Under the amendment offered by the Senator from New Hampshire [Mr. TOBEY] we have absolutely no control whatsoever over Mr. Dice or Mr. Marshall. In view of the fact that the allocations have been admittedly unfair to date, unless we put it down in black and white that by such and such a date we must allocate so much sugar, as is proposed by the amendment offered by the Senator from Nebraska [Mr. WHERRY], I have no faith in their judgment. While the Senator from New Hampshire may attempt to do the same thing that the Senator from Nebraska attempts to do, the terms of his amendment are ambiguous. They are indefinite. We know that Mr. Dice and Mr. Marshall, or whoever is in charge, can say, "We will not give it to the consumer. We will add it to the stock pile."

Frankly, I believe that the amendment offered by the Senator from Nebraska, while it does not go as far as I should like to go, is so infinitely superior to that offered by the Senator from New Hampshire that there is no comparison at all. For that reason I intend to vote against the amendment offered by the Senator from New Hampshire.

The Senator from Kentucky was not present when, relying upon the sincerity of the Senator from New Hampshire, I asked him if he would so change his amendment as to provide for some additional amount of sugar for the housewife. If he would change his amendment to provide that the housewife should receive an additional 5 pounds, and then do something which I think he has probably overlooked, but which has to be done in order to make the amendment a sensible one, namely, provide for the processors of food and the processors of milk, I would heartily support his amendment. The Senator has refused to do so, and the Senator from Vermont has consistently refused to do anything toward definitely providing additional sugar for the housewife.

Mr. COOPER. I do not want to continue repeating. I am only trying to get the facts, to ascertain whether there is any essential difference between the two amendments. As I interpret the facts which I have heard, it seems to me that there is no essential difference between the two amendments.

Mr. McCARTHY. Let me interrupt the Senator. There is this difference: The amendment offered by the Senator from New Hampshire is apparently a mere well-meaning, pious hope and desire. The amendment offered by the Senator from Nebraska says that it shall be done by a certain date.

Mr. COOPER. As I understand, the idea of the Senator from Wisconsin is that there is a supply greater than 6,800,000 tons actually coming into this country, and that a definite amount should be allocated.

Mr. McCARTHY. That is correct.

Mr. COOPER. As I read the Tobey amendment it provides:

> That refined sugar shall be allocated for home consumption at a rate of not less than 35 pounds per capita per calendar year, and any increase in the amount of sugar available for allocation in the calendar year 1947 over the amount recommended by the International Emergency Food Council for allocation to the United States for 1947 shall be allocated for home consumption until the allocation for such use equals 50 pounds of refined sugar per capita.

Mr. McCARTHY. The joker is the word "available." Mr. Dice and Mr. Marshall can interpret the word "available" in any way they care to. They can say that unless we add a million tons to the stock pile the sugar is not available.

Mr. TOBEY. Let me ask a question. The Senator says the word "available" is the nub of the whole amendment. What does "available mean? It means that we have it. When we have it, it

can go to the housewife. If the sugar is available, the housewives can get it.

Mr. McCARTHY. Available means one thing to the Senator and another thing to me.

Mr. TOBEY. I am a Yankee. I know what it means to me. It means that we have it in our hands.

Mr. McCARTHY. It does not mean the same thing to the bureaucrats who are administering the law.

Mr. TOBEY. Who is the bureaucrat in this case?

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Hampshire [Mr. TOBEY] to the committee amendment.

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

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

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

Aiken	Hatch	Myers
Baldwin	Hawkes	O'Conor
Ball	Hayden	O'Daniel
Brewster	Hickenlooper	O'Mahoney
Bricker	Hill	Overton
Bridges	Hoey	Reed
Brooks	Holland	Revercomb
Buck	Ives	Robertson, Va.
Butler	Jenner	Russell
Byrd	Johnson, Colo.	Saltonstall
Cain	Johnston, S. C.	Smith
Capehart	Kem	Sparkman
Capper	Knowland	Stewart
Chavez	Langer	Taft
Connally	Lodge	Taylor
Cooper	Lucas	Thomas, Okla.
Cordon	McCarran	Thomas, Utah
Donnell	McCarthy	Thye
Dworshak	McClellan	Tobey
Ecton	McFarland	Umstead
Ellender	McGrath	Vandenberg
Ferguson	McKellar	Watkins
Flanders	McMahon	Wherry
Fulbright	Maybank	Wiley
George	Millikin	Williams
Green	Moore	Wilson
Gurney	Murray	Young

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

The question is on agreeing to the amendment of the Senator from New Hampshire to the committee amendment on page 2, adding certain words in line 20.

Mr. LANGER, Mr. TOBEY, and other Senators asked for the yeas and nays; and they were ordered.

Mr. AIKEN. Mr. President, will the Chair restate the pending question?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. TOBEY], adding certain words at the end of line 20 of the committee amendment on page 2. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll; and Mr. AIKEN answered in the affirmative, when his name was called.

Mr. SALTONSTALL. Mr. President, is it too late to have the amendment read?

The PRESIDING OFFICER. Without objection, the amendment of the Senator from New Hampshire to the committee amendment will be read.

The CHIEF CLERK. In the committee amendment on page 2, in line 20, before the period it is proposed to insert a colon and the following: "*And provided further*, That refined sugar shall be allocated for home consumption at a rate of not less than 35 pounds per capita per calendar year, and any increase in the amount of sugar available for allocation in the calendar year 1947 over the amount recommended by the International Emergency Food Council for allocation to the United States for 1947 shall be allocated for home consumption until the allocation for such use equals 50 pounds of refined sugar per capita."

The legislative clerk resumed and concluded the calling of the roll.

Mr. WHERRY. I announce that the Senator from Pennsylvania [Mr. MARTIN] and the Senator from Oregon [Mr. MORSE] are absent by leave of the Senate. If present and voting, the Senator from Oregon would vote "yea."

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness.

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Nevada [Mr. MALONE] are necessarily absent. If present and voting, the Senator from Nevada would vote "yea."

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY], the Senator from Washington [Mr. MAGNUSON], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from West Virginia [Mr. KILGORE] are detained on public business.

The Senator from Kentucky [Mr. BARKLEY] and the Senator from Florida [Mr. PEPPER] are unavoidably detained.

If present and voting, the Senator from Kentucky [Mr. BARKLEY], the Senator from West Virginia [Mr. KILGORE], the Senator from Washington [Mr. MAGNUSON], and the Senator from New York [Mr. WAGNER] would vote "yea."

The result was announced—yeas 49, nays 32, as follows:

YEAS—49

Aiken	Hoey	O'Conor
Ball	Holland	O'Daniel
Brewster	Johnson, Colo.	O'Mahoney
Bridges	Johnston, S. C.	Overton
Buck	Knowland	Robertson, Va.
Byrd	Lodge	Russell
Chavez	Lucas	Saltonstall
Connally	McCarran	Smith
Cooper	McClellan	Sparkman
Donnell	McFarland	Stewart
Flanders	McGrath	Taylor
Fulbright	McKellar	Thomas, Okla.
George	McMahon	Thomas, Utah
Green	Maybank	Tobey
Hatch	Millikin	Umstead
Hayden	Murray	
Hill	Myers	

NAYS—32

Baldwin	Ferguson	Revercomb
Bricker	Gurney	Taft
Brooks	Hawkes	Thye
Butler	Hickenlooper	Vandenberg
Cain	Ives	Watkins
Capehart	Jenner	Wherry
Capper	Kem	Wiley
Cordon	Langer	Williams
Dworshak	McCarthy	Wilson
Ecton	Moore	Young
Ellender	Reed	

NOT VOTING—14

Barkley	Magnuson	Robertson, Wyo.
Bushfield	Malone	Tydings
Downey	Martin	Wagner
Eastland	Morse	White
Kilgore	Pepper	

So Mr. TOBEY's amendment to the first committee amendment on page 2 was agreed to.

Mr. TOBEY. Mr. President, I move to reconsider the vote just taken.

Mr. FULBRIGHT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The CHIEF CLERK. On page 2, it is proposed to strike out beginning with line 21, as follows:

SEC. 2. The Secretary of Agriculture is hereby authorized and directed to remove any or all controls with respect to any other product over which control is authorized by this act prior to its expiration when in his judgment the supplies of sugar are sufficient to warrant such action.

And to insert in lieu thereof the following:

SEC. 2. Prior to the expiration of this act, the Secretary of Agriculture is hereby authorized and directed to remove any or all controls with respect to any product over which control is authorized by this act when he determines that the supplies of sugar are sufficient to warrant such action.

The amendment was agreed to.

The next amendment of the committee was on page 3, line 24, to strike out the following:

(c) So much of the unexpended balances, appropriations, or other funds available for the use of any agency in the exercise of the functions transferred by this act as the Director of the Bureau of the Budget shall determine shall be transferred for use in connection with the exercise of such functions.

And to insert the following:

(c) So much of the unexpended balances of appropriations, allocations, or other funds, and the property available for the use of any agency in the exercise of any function transferred by this act or for the use of the Secretary of Agriculture in the exercise of any function so transferred as the Director of the Bureau of the Budget shall determine, shall be transferred for use in connection with the exercise of such functions. In determining the amount to be transferred, the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred, against such balances of appropriations, allocations, or other funds prior to the transfer. Such personnel as required may also be transferred temporarily to the Department of Agriculture pending termination of the functions authorized hereunder. Any personnel so transferred shall not, by virtue of their temporary employment in the Department of Agriculture, acquire or be entitled to any right to employment in such department in connection with the exercise of any function other than a function transferred under this act. There are authorized to be appropriated to the Secretary of Agriculture such sums as may be necessary to carry out the provisions of this act.

Mr. TOBEY. Mr. President, with reference to this amendment, it is to take care of veterans and the civil service rights of the transferees from the OTC to the Department of Agriculture under the

legislation being considered. I offer as an amendment to it an amendment which has been printed and is on the Senators' desks, and which I ask to have stated.

The PRESIDING OFFICER. The Clerk will state the amendment.

The CHIEF CLERK. In the committee amendment, on page 4, line 20, after the period, it is proposed to insert the following:

The annual and sick leave of personnel so transferred shall be transferred with them; and they shall be entitled to the benefits of section 14 of the Veterans' Preference Act of 1944 to the same extent and effect as though they had remained employees of the agency from which transferred until the termination of such functions.

Mr. REVERCOMB. Mr. President, may we have an explanation from the Senator of New Hampshire as to just what that means? It says they "shall be entitled to the benefits of section 14 of the Veterans Preference Act of 1944." Does that mean that the Veterans Preference Act applies in any way other than to veterans?

Mr. TOBEY. It has no such implication. The purpose of the amendment is merely to insure to the men who are veterans, and who are employees of the OTC, that their rights as such under veterans' legislation and civil-service laws would be the same as if they had never been transferred.

Mr. REVERCOMB. It applies only to veterans?

Mr. TOBEY. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. TOBEY] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The Clerk will state the next amendment of the committee.

The CHIEF CLERK. On page 5, line 5, after the word "heretofore", it is proposed to strike out the word "used" and insert the word "issued."

The amendment was agreed to.

The next amendment was, on page 5, line 6, before the word "referred", to strike out the word "act", and insert in lieu thereof the word "acts."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the amendments of the committee.

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

The PRESIDING OFFICER. The Clerk will state the amendment.

The CHIEF CLERK. It is proposed on page 2, line 7, to strike out "March 31, 1948", and insert in lieu thereof "October 31, 1947, except that authority to continue inventory controls over other than household users may be exercised to and including March 31, 1948."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY].

Mr. McCARTHY. Mr. President, will not the clerk read the remainder of the amendment?

The PRESIDING OFFICER. The Chair rules that the other amendments are separate amendments. Does the Senator desire to have them read for information?

Mr. McCARTHY. I should like to have them read for the information of the Senate.

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

The CHIEF CLERK. Immediately before section 3, on page 3, it is proposed to insert the following:

(6) Not less than 40 pounds of refined sugar shall be allocated during the period from April 1, 1947, through October 31, 1947, to each person in the United States for home consumption, to be made available as follows:

(i) Not less than 10 pounds shall be made available for purchase from April 1, 1947, through June 30, 1947;

(ii) Not less than 20 pounds shall be available for purchase from July 1, 1947, through September 30, 1947; and

(iii) Not less than 10 pounds shall be available for purchase from October 1, 1947, through October 31, 1947; and

(7) In the event the quantity allocated to nonprovisional industrial users during any portion of the period from April 1, 1947, is increased above the base allocation of such users the quantity herein required to be allocated for home consumption during such portion of such period shall be proportionately increased. For the purposes of this act nonprovisional industrial users means industrial users who, as of February 18, 1947, were allocated sugar on the basis of use during a base period; and

(2) Base allocation with respect to any interval of time means 75 percent of the quantity of sugar used by such nonprovisional industrial users during the corresponding portion of the base period.

Insert immediately prior to section 2 the following:

(b) Notwithstanding the provision of any other law the Secretary of Agriculture in exercising the allocation and rationing authority transferred to him by section 2 of this act shall in a manner consistent with the maintenance of effective national allocation and rationing program, provide for the needs of hardship cases, for the needs of new sugar users, and for the needs of those who have no base period history.

Mr. LUCAS. Mr. President, am I to understand that the Senator is offering a series of amendments, or a substitute for the bill?

The PRESIDING OFFICER. The Chair will say to the Senator from Illinois that there are two separate amendments. One proposes to change the date as it appears in the joint resolution as reported by the committee, and the other makes substantial changes in the committee's proposal with reference to the handling of the entire matter.

The Chair would ask the Senator from Wisconsin if he desires to request unanimous consent for the consideration of the two amendments as one? They are related.

Mr. McCARTHY. I should prefer to consider them as one, and I would like to ask unanimous consent that the two amendments may be considered as one.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin to consider these two amendments as one?

Mr. ROBERTSON of Virginia. Mr. President, I should like to make an inquiry to see if I understand the ruling of the Chair. We have adopted an amendment providing for an allocation for domestic use of 35 pounds of sugar. I understand that the distinguished Senator from Wisconsin now seeks to change that amendment, which was adopted, by raising the allocation to 40 pounds, and making it compulsory.

The PRESIDING OFFICER. As the Chair understands the amendment, the Senator is correct.

Mr. ROBERTSON of Virginia. I make the point of order that the amendment for a compulsory allotment of 40 pounds is not in order.

Mr. McCARTHY. Mr. President, may I point out to the Senator that the second part of my proposed amendment, dealing with the allocation of sugar, will not be in order, unless the first part of the amendment is adopted. If we adopt that part of my amendment which changes the termination date of rationing from March 31, 1948, to October 31, 1947, then there is nothing contradictory in the amendment which I now propose, and the admendment which has been adopted, for the reason that——

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

Mr. McCARTHY. Let me finish, please—for the reason that the Tobey amendment calls for a minimum of 35 pounds for the entire year. My amendment calls for a definite amount of 40 pounds during a certain period of that year. It in no way conflicts with the amendment offered by the Senator from New Hampshire. If he set a maximum requirement, there would be a conflict.

Mr. ROBERTSON of Virginia. Mr. President, with all due deference to my distinguished colleague, I do not agree with his position, but in the event his position should be correct, I would be compelled to ask for a separation of the amendments, and that the vote be taken first on the proposal to fix October 31, 1947, as the date for the termination of control.

Mr. McCARTHY. Mr. President, I have no objection to a separation of the amendments.

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

The PRESIDING OFFICER. The Senator from Nebraska will state his parliamentary inquiry.

Mr. McCARTHY. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from Nebraska desires to propound a parliamentary inquiry.

Mr. WHERRY. As I understood, the Chair ruled that it required the unanimous consent of the Senate to consider the amendments as one.

Mr. McCARTHY. Mr. President, I withdraw the request that the two amendments be considered as one. I will

withdraw that request so they may be taken up separately.

The PRESIDING OFFICER. The Senator from Wisconsin withdraws his request. The amendments he has offered will be considered separately. The question now is upon agreeing to the first amendment offered by the Senator from Wisconsin [Mr. McCARTHY].

Mr. LODGE. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The clerk will state the first amendment offered by the Senator from Wisconsin.

The CHIEF CLERK. It is proposed on page 2, line 7, to strike out "March 31, 1948", and insert in lieu thereof "October 31, 1947", except that authority to continue inventory controls over other than household users may be exercised to and including March 31, 1948.

The PRESIDING OFFICER. The question is on agreeing to the first amendment.

Several Senators asked for the yeas and nays, and they were ordered.

Mr. McCARTHY. Mr. President, I would like to be heard upon the amendment. I still have the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

Mr. McCARTHY. Mr. President, I might repeat—and I shall be very brief—that the Senator from Ohio [Mr. BRICKER] and myself, who very extensively studied the sugar situation, both feel that decontrol should take place as of now, and not as of next fall. However, a number of things have been pointed out to us.

First. The Senators who come from States where sugar beets are raised, and Senators who come from States where sugarcane is an important industry, have pointed out to us that if we decontrol as of March 31 of this year, then any temporary price increase will inure to the benefit of the Cuban sugar producer, but that if we wait and decontrol as of October 31, then if there is any temporary price rise, the American beet grower and the American cane grower will benefit thereby. That is one of the reasons why we are willing to change the date of it.

Second. All the charts prepared by the Department of Agriculture, all the information which we have indicates that the consumer demand is at an all-time low on the 31st of October. The canning season has ended, the so-called Christmas cooking season has not begun, so that at that particular time of the year we can perhaps more safely decontrol than at the date originally suggested.

I would like to point out for the benefit of the Senators who were not here at the time this point was covered, that the OPA stated unqualifiedly that if and when we had 8,000,000 tons of sugar available we could decontrol. All the figures now show that we do have that amount available, and if any of the Senators want to inquire beyond that, as to the source of the figures, or where the sugar is available, I shall be glad to answer questions; otherwise I shall not take more time on this phase of the subject.

Mr. ELLENDER and Mr. TOBEY addressed the Chair.

Mr. McCARTHY. Mr. President, I yield to the Senator from Louisiana.

The PRESIDING OFFICER. The Chair understood the Senator from Wisconsin had yielded the floor.

Mr. McCARTHY. I have not yielded the floor. I will yield for a question.

Mr. ELLENDER. I do not desire to ask a question. I desire to speak on my own account.

Mr. McCARTHY. I am sorry. Then I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin yields the floor. The Chair recognizes the Senator from New Hampshire.

Mr. TOBEY. Mr. President, I shall not detain the Senate long, but this matter has been considered in the subcommittee, in the committee, and in the Senate. The Senate has adopted the Tobey amendment, and has fixed the allocation for the coming year. The date in the bill is March 31, 1948. Now, at the last hour, the Senator from Wisconsin, who has been trying to kill this bill from the very beginning, comes forward and offers this entirely radical change, which is exceedingly important. He would change the date to October 31 instead of March 31.

I desire to be heard to read four paragraphs from a letter which will show the lack of wisdom in the attempt that is now being made.

Stocks of sugar in the United States are normally at the lowest seasonal level in October. At that time the stocks of beet sugar have been exhausted in preparation for the new beet crop which begins to move in volume in November. Seaboard cane-sugar stocks are at a low level in October because of the heavy distribution during the heavy consumption months of July, August, and September, and the distribution of the mainland cane crop begins in that month. The termination of controls on October 31 would come at a time when there is the least amount of sugar available to absorb the first shocks of decontrol and, therefore, could be expected to result in greater price fluctuations and more serious distribution troubles than at any other season of the year.

If it is known in advance that controls must be removed on October 31, as would be the case if the committee's resolution is enacted, it is almost certain that a considerable amount of sugar will be withheld from consumption channels in anticipation of decontrol on October 31 and higher prices immediately thereafter. Any sugar withheld from consumption would, of course, be in stocks in October, but October stocks still would be at the seasonal low point for the year. Such withholding would result in insufficient distribution of sugar during the heavy consumption season when orderly distribution is most important from the standpoint of saving the maximum quantities of perishable agricultural commodities.

It is questionable whether decontrol on October 31 would result in any considerable increase in the production of sugar this year. The certainty of decontrol on that date could not result in any increase in cane sugar production because new plantings of sugarcane will not be ready for grinding until after March 1948 at the earliest, and later in most areas. There might be a slight increase in the plantings of sugar beets but the amount of such increase would necessarily be small because it is anticipated that the price-support program already announced for 1947 crop beets will result in a production of beets almost equal to the capacity of the processing facilities. The small additional acreage which might possibly be planted in some areas would produce a very small quantity of sugar in relation to our total supplies for the year. Moreover, sugar beet growers have announced their support of an extension of controls until March 31, 1948, with a provision that the Secretary of Agriculture should remove controls at an earlier date if the supply of sugar warrants such action.

Mr. President, the last clause is extremely important. In the joint resolution which I believe the Senate is about to pass, the Secretary of Agriculture is directed to remove controls at the earliest possible moment when the supply makes it possible. That is his job. Not only is it mandatory, Mr. President, but the Secretary of Agriculture has given us his word, and his word is good. He is a gentleman and a man of integrity; and he desires to remove these controls just as soon as it is humanly possible to do so. I submit, Mr. President, that I have made out a case that October 31 is a dangerous time, and this expert testimony has given further strength to that case.

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

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Wisconsin?

Mr. TOBEY. Not until I am through. I am continuing my statement, I will say to the Presiding Officer.

The point I make, Mr. President, is that the job for us to do is to back up the committee which voted 10 to 3 to report the joint resolution favorably to the Senate. A small group of Senators has been trying all the way through to kill the measure.

Mr. McCARTHY and Mr. ROBERTSON of Virginia addressed the Chair.

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

Mr. TOBEY. I yield to the Senator from Virginia.

Mr. ROBERTSON of Virginia. I should like to ask the distinguished Senator if it is not true that even if there should be a slight increase this year in the production of beet sugar, distribution could not be made by October 31? It would run well past that date.

Mr. McCARTHY. Mr. President, will the Senator yield to me on that point?

Mr. ROBERTSON of Virginia. I was asking the question of the Senator from New Hampshire.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Wisconsin?

Mr. TOBEY. I yield further to the Senator from Virginia.

Mr. ROBERTSON of Virginia. Is it not true that if there should be an increase in beet-sugar production this year the supply could not be distributed until early next year?

Mr. McCARTHY. Mr. President, will the Senator not yield at that point?

Mr. TOBEY. I yield further to the Senator from Virginia.

Mr. ROBERTSON of Virginia. The Secretary of Agriculture said he could not distribute the increased production of beet sugar until early next year, did he not?

Mr. TOBEY. That is correct.

Mr. ROBERTSON of Virginia. So, if there should be a slight increase in sugar-beet production, we could not obtain the benefit thereof until early next year.

Mr. TOBEY. That is correct.

Mr. ROBERTSON of Virginia. Is it not also true that by decontrol as of March 31, 1948, we would have the prospect, perhaps, of additional sugar from Cuba, some sugar from the Philippines, some sugar from the Dutch East Indies, and from other sources that could not possibly be available if we decontrolled on October 31, which the Secretary of Agriculture said would be the time of the lowest ebb of our supply in this country.

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

Mr. TOBEY. I wish first to answer the Senator from Virginia in the affirmative. I now yield to the Senator from Wisconsin.

Mr. McCARTHY. I wish to cite authority on the point under discussion. I have been studying the matter for weeks. When the sugar crop will be available is important. I am glad the question has been raised. I shall speak of the Cuban crop first and then of the beet crop. According to detailed charts which have been prepared to March 1947, supplied by the Department of Agriculture, the Cuban crop commences to become available in large quantities late in February, and it continues on a fairly even keel until along in August and September.

The beet crop starts to become heavily available about the first of October. On the 31st of October it reaches the high point. By that I mean it is available not to the refiners, but to the consuming public. It continues to drop off very heavily until the latter part of December. Then there is no noticeable available beet sugar until the following October.

So we do have that picture. The Cuban crop is available from February until late in August and September. Then there is a dropping off, and then we have heavy production from October until about the 18th or 20th of December. That is what is shown by the charts prepared by the Department of Agriculture on the subject.

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

Mr. TOBEY. I yield.

Mr. ROBERTSON of Virginia. I would say to my distinguished colleague from Wisconsin that all the testimony I have heard or read on this subject is to the effect that stocks of sugar in the United States are normally at the lowest seasonal level in October, and beet sugar cannot be distributed by that time. I will say further that it may be that some of the beet sugar growers might like to see a whirl of 25-cent or 30-cent or 40-cent sugar even for one fall. I remember what was called the Dance of the Millions in Cuba. I went down there after the price of sugar had dropped from 20 cents raw to nine-tenths of 1 cent raw, and saw the misery and suffering resulting from the inflation and the deflation, which wrecked the country. I am sure my distinguished colleague received a letter written by the representative of all the sugar-producing industries of Cuba begging us not to precipitate another disaster of that kind upon them, but to continue the control not only until this fall but until next spring.

Mr. McCARTHY. Mr. President, will the Senator from New Hampshire yield to me at that point so I may say a word regarding the letter written by the Cuban producers?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Wisconsin?

Mr. TOBEY. If the Senator from Virginia has finished, I will be glad to yield to the Senator from Wisconsin.

Mr. ROBERTSON of Virginia. I do not think we can get very far in this matter unless we can agree on the facts.

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

Mr. McCARTHY. The Senator asked me a question. I should like to answer it. I saw the letter from the Cuban producers, and the full-page advertisement which the Cuban producers ran in the newspapers, and the high point in the letter was this:

They objected to doing away with sugar control, because it was contended that if we did so it might encourage the production of sugar in other parts of the world to the detriment of the Cuban sugar producers. I do not think we are here today to legislate to protect the Cuban sugar-beet industry.

Mr. ROBERTSON of Virginia. A 2-cent tariff will not protect sugar in this country if the price goes up, as the Secretary suggests, to 30 or 40 cents. What would 2 cents mean? When the price drops it will ruin our beet-sugar and cane-sugar producers.

Mr. FLANDERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FLANDERS. Who has the floor?

The PRESIDING OFFICER. The Senator from New Hampshire [Mr. TOBEY] has the floor.

Mr. FLANDERS. I thank the Chair.

Mr. ROBERTSON of Virginia. Let me ask the Senator from New Hampshire this question: Does he believe that 1 year of high prices for domestic sugar could repay our domestic farmers for 4 or 5 years of depression if we were to stimulate the world production of sugar to the point where our present tariff would be no protection whatever?

Mr. TOBEY. The answer is "No."

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

Mr. TOBEY. I yield.

Mr. FLANDERS. Mr. President, we have been hopping about in a maze of statistics—or rather a swamp of statistics, because from time to time we have set one foot on solid ground, but no more than one foot at any time.

Mr. McCARTHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARTHY. Does not the Senator from New Hampshire lose the floor if he farms out the time for speeches?

Mr. TOBEY. The Senator from Vermont is asking me a question. This is the preamble to the question.

Mr. FLANDERS. The question I am asking the Senator from New Hampshire is this——

Mr. McCARTHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCARTHY. Has the Senator from New Hampshire lost the floor by farming out the time to the proponents of his measure and refusing to yield to other Senators?

The PRESIDING OFFICER. The Chair rules that if any Senator raises a point of order in that connection, the Senator to whom the floor has been yielded must ask a question or else subside.

Mr. McCARTHY. Mr. President, I raise that point.

Mr. TOBEY. I suggest to the Senator from Vermont that he ask a question.

Mr. FLANDERS. Mr. President, I was about to ask a question, but it has been some time since I started to ask the question. This is the question——

Mr. TOBEY. Perhaps we had better vote.

Mr. FLANDERS. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY] on behalf of himself and the Senator from Ohio [Mr. BRICKER]. On this question the yeas and nays have been ordered.

Mr. ELLENDER. Mr. President, I rise to speak in support of the pending amendment. The reason why I do so is that I have on the desk an amendment in the nature of a substitute, which incorporates the amendment which is now before the Senate. The amendment, I may say, stands out as the main difference between the House bill and the Senate measure.

My substitute is not my own handiwork. It happens to be the bill which was passed by the House with very little opposition. Let me say at this point that since it is essential that the Congress take action on sugar legislation before the 31st of this month, which is next Monday, it might be a good idea for the Senate to adopt the House bill, which I have at the desk, as a substitute for the measure now being considered.

Mr. President, I do not desire to delve at length in statistical data. Many figures have been submitted to the Senate pertaining to sugar consumption and production during the course of this debate. However, I ask the indulgence of Senators to listen to me so that I may present to them the world picture so far as sugar production is concerned.

The record shows that world production of sugar reached its lowest point since the beginning of the war in the 1945–1946 season. The production for that period was 26,692,000 tons, which was 77 percent of the prewar 1935–39 average production of 34,660,000 tons. The estimated production for 1946–47 season is 30,361,000 tons, which is 88 percent of prewar production. It can readily be seen that in one season after the war we have raised production to but 12 percent of our average 1935–1939 production and I have little doubt that during the 1947–48 season world production will

be greater than the prewar 5-year average above referred to.

The greatest loss in sugar manufacturing occurred in countries which were ravished by war. For example, the European production decreased to 53 percent of the prewar average. The average production for Europe before the war was 10,366,000 tons which decreased to 5,494,000 during the 1945–46 season and by the 1946–47 season production had increased by almost 2,000,000, or 71 percent of prewar production. The same may be said of decreased sugar production in the Asiatic area, where the drop was more pronounced. For example, the production in the Philippine Islands before the war was in excess of 1,000,000 tons. In the 1945–46 season only 115,000 tons were produced and the estimate for the 1946–47 season is only 200,000 tons. It is expected that during the 1947–48 season there will be considerably more sugar manufactured.

I believe that the Congress should enact a law along the lines of the bill passed by the House. I believe that controls on sugar are necessary until October 31 of this year.

Our production in the Western Hemisphere has increased considerably since and during the war. As I pointed out a moment ago, production in the Asiatic portion of the world, as well as the European portion, was on the decline. But in North and Central America and in the West Indies the reverse was true. We might have expected a steady, normal prewar production, which most of us would have probably been satisfied with, but instead there was an increase of 11 percent in 1945–46 over our prewar average. Prior to the war the average production for North and Central America and the West Indies aggregated 8,745,000 tons, and in 1945–46 it increased to 9,606,000 tons. This season, 1946–47, the increase is 28 percent over the prewar average production, so that this year there will be produced in North and Central America and the West Indies an estimated 11,157,000 tons. All of this production has been on the incline, and I expect and anticipate that the increase will be much greater in all other sections of the world, so that the 1947–48 season will bring such an abundance of sugar as to satisfy the requirements of all users of the commodity.

The main difference between the joint resolution which is now before the Senate and the House bill hinges on the time element involved in cutting off controls. The House bill provides, as does the amendment which is now before the Senate, for October 31 of this year as the period at which controls and rationing shall end.

As to inventory controls, both measures provide that the date at which they shall cease shall be March 31, 1948. That is a very important provision to retain in the bill we finally pass. The principal reason for the retention of inventory controls is to make it impossible for large industrial sugar users to corner the market and load up with all the sugar in sight, and thereby defeat the housewife in obtaining her just share of the sugar which is available. They could buy large quantities during the next few months and store it for future use and the housewife may have to do without it for home use and canning purposes. Under this provision, as I understand it, the Secretary of Agriculture could limit the purchases of large industrial users to say a 30 to 40 days' supply.

I am certain that October 31 should be the period which this Congress should agree upon as the date on which to cease all controls and rationing. There are a number of reasons for that position, and I shall attempt to discuss a few of them.

First, the period during the year when sugar is purchased in greatest amount for all purposes is from the month of March through the month of October of each year. There is a great demand for sugar not only by industrial users but also by housewives. More soft drinks, ice cream, cakes, and the like are consumed during the summer, a large amount of fruit is canned during the fall both by the large canneries and the housewife and therefore the demand for sugar is much greater.

If the Senate adopts March 31, 1948, as the date upon which to remove controls, my guess is that the sugar processors of Cuba, Hawaii, the Virgin Islands and Puerto Rico will not be inclined to send their products to this country, because there will be on the statute books a law which will result in producing higher prices after March 31. The natural inclination will be for them to retain their sugar so they can sell it on an uncontrolled and unrestricted market. That will be the consequence if March 31, 1948, is the date fixed by law.

In Louisiana we begin our sugar operations in October. The sugar-beet producers begin their operations, I understand, in the latter part of September and early October. Puerto Rico, Cuba, and all off-shore producers that supply our markets begin their operations in early January. I believe it goes without saying that those producers will hold back the sale of their product. Then who will suffer? The housewife. There will not be much sugar sold to consumers from new production between October when the new crop begins to be manufactured and March 31, 1948, when all rationing and price controls are removed. The result will be, I repeat, that most of the sugar that comes to this country or is produced here will be stored somewhere and not put on the market. There is a situation now existing which will be far different from that which will prevail after all controls are off. We can now better control the distribution of such sugar we now have at our disposal. Why? It is because the Federal Government, through the Commodity Credit Corporation, has purchased the entire output of Cuban processors and the entire output of Puerto Rican processors and hence the distribution of sugar will have strings tied to it, as it were, and the Government is in position to see to it that sugars are equitably distributed and not hoarded. In other words, our Government will be armed with two methods of controls, one by virtue of the ownership of the greater portion of sugar for our requirements for this year and then rationing and price controls that will be voted by the Congress.

But after March 31, 1948, insofar as new sugar is concerned, there will be no such controls; and I can see the Cuban sugar manufacturers, the Puerto Rican manufacturers, and the Hawaiian manufacturers keeping all their new crop of sugar in warehouses in the hope that after March 31 they will be able to sell all of their crop on an uncontrolled market at nice, fancy prices. They know that we are dependent on them for our supplies, and it will be almost miraculous if they did not force us to buy at their own price.

Regardless of when controls are removed, we will necessarily have a little increase in the price; there is no question about that. But my argument is this: Why not permit the increase in prices at a time when consumers do not use much sugar? That would be accomplished by making October 31 as the date to end price and ration controls. Why remove controls in March, when that period is the beginning of the season when there is the greatest demand for sugar for all purposes, such as for soft drinks, for making ice cream, cakes, and so forth? What should be done, I repeat, is to remove controls when there is less demand for sugar, when prices would not take the spurt which they would take when there was a large demand for sugar. That is the theory upon which the House bill is predicated.

On the other hand, Mr. President, let us consider the farmers. If the Senate bill as now written is passed, the price paid to the farmers of my State and to those of Florida for every ton of sugarcane they produce will be paid on the basis of sugar sold on a controlled market. That is to say, the Florida sugarcane grower and the Louisiana sugarcane producer will have to sell their cane to manufacturers who will not be compelled to sell the cane sugar as soon as it is manufactured, but processors will be able to store all of it, if they wish to do so; but the price the farmers receive for sugarcane will be based on whatever the market price per pound happens to be under a controlled market. It happens that cane growers are paid on a basis of whatever the average price of sugar is between October 1 and March 1 of each year.

Mr. President, let us now consider the case of the sugar-beet growers. Their situation is slightly different from that of the sugarcane growers. As I understand, the sugar-beet growers are paid on the basis of one-half of the gross receipts of the factory. If farmers sell to a large beet-sugar factory which can store the sugar it produces and can sell it over a period of 12 months, such farmers of course will reap the benefits under such a system. But in Ohio, Michigan, and other States there are many smaller factories which are unable to store their output, but must sell the beet sugar as it is produced, because they lack the finances or facilities to store and hold it. The farmers who sell to those factories will be paid on the basis of prices that are fixed and under control. I venture the opinion that they

will be placed in the same category as Louisiana and Florida cane farmers.

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

Mr. ELLENDER. I yield.

Mr. ROBERTSON of Virginia. The distinguished Senator from Louisiana said that if we end this control on October 31, the price will go up. I assume, however, that he will agree with me that he would not want to see a period of boom and bust for the cane producers of Louisiana.

Mr. ELLENDER. Mr. President, in answer to the Senator's question I may say that I do not foresee more than a flurry. I do not expect prices to run wild, for the reason, as I said a while ago, that the period when we are to end controls will be at a time of the year when purchases of sugar or the use of sugar is at its lowest, and production will begin at its greatest. When November comes along all continental sugar processors will be in full operation and then will be followed by offshore manufacturing. The Senator must not overlook the fact that but a small amount of sugar produced after October 31 of each year is consumed in the year it is produced.

Mr. ROBERTSON of Virginia. Does the Senator know what the official representative of the cane producers told us in the committee as to whether this would be a small bust or a big one? Let me read to the Senator just a paragraph from the record. This was the testimony of Clarence J. Bourg:

> I represent the American Sugar Cane League and the Farmers and Manufacturers Beet Sugar Association.
>
> The former is an association whose members are growers and processors of sugarcane in Louisiana, and the latter is an association of the growers and processors of sugar beets in the States of Michigan, Ohio, and Wisconsin.
>
> We recognize, after making a very thorough study of the sugar statistical picture in the world as it affects the United States market, that this is not the appropriate time for discontinuing controls.
>
> We are convinced that rationing should be continued beyond March 31, 1947, and price control will be necessary beyond June 30, 1947. Should either or both be discontinued, there would result a chaotic condition.

Not just a little flurry, said this witness representing the cane producers, but he said a chaotic condition would result. He was a representative of the producers of cane sugar, from the Senator's home State.

Mr. ELLENDER. Mr. President, I am in thorough agreement with the statement just read by the distinguished junior Senator from Virginia, because Mr. Bourg did not question the fixing of October 31. Mr. Bourg was talking about decontrolling allocations and rationing on March 31, 1947, and price controls on June 30, 1947. Of course, I agree with him. That is why today I am on this floor asking that controls be retained until October 31. Mr. Bourg said in his testimony that it would be fatal to many sugar producers—and I agree with him—to take off price controls on June 30 and rationing on March 31. Of course, I agree with him.

What I am arguing for is that we delay the decontrol date until October 31, when our consumption of sugar in this country is at its lowest point and when production is well on its way.

Mr. President, there is no question in my mind that it will mean chaos to the housewife after next January. I am not worried about the period up to December 31 of this year, because we have for distribution among the sugar consumers of our country for this year, 6,800,000 tons. That amount may be somewhat increased because of higher estimates of the Cuban production as was discussed today in the course of this debate.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. In just a moment. Of that amount, that is, the 6,800,000 tons, there is included a carry-over from 1946 of 1,450,000 tons. But with the increased production that is expected from Cuba, the inventory on January 1, 1948, will be 1,900,000 tons, rather than 1,450,000, as in January of this year. We may also expect some sugar from the East Indies.

Mr. ROBERTSON of Virginia. Is it not a fact that the Senate bill authorizes the Secretary of Agriculture to decontrol when he thinks conditions justify it, and will the Senator still stick with his representative from Louisiana, who said this to us:

> We have complete confidence in the Secretary of Agriculture and in the Director of the Sugar Branch of the Department of Agriculture. We are convinced that a transfer of the authority to them would result in the earliest practicable removal of unnecessary controls.

Mr. ELLENDER. I have complete confidence in our Secretary of Agriculture, but I do not have much faith in some of the advisers he has around him. When Mr. Bourg made that statement the Senate bill had written in it a fixed decontrol date of October 31, 1947, with the understanding that said date could be extended if the Secretary found it necessary to do so. I understand that language was deleted from the bill. On the other hand, Mr. President, I want to leave it to Congress to take action. I want Congress to say when controls are to be removed. Let us assert ourselves.

Mr. ROBERTSON of Virginia. The spokesman before us for the Senator's industry and the beet sugar industry told us just what I have read, and that is what we put into the bill, thinking that we had the highest source of information we could get.

Mr. ELLENDER. Mr. President, it is evident that the distinguished Senator from Virginia has based much of his study on the evidence he heard before the committee. He spent 2 or 3 minutes here reading from a statement made by a representative from the cane area with which I am in full accord and which is not inconsistent with my present position. What the representative from the cane area had in mind when he testified was based on the contents of the bill before him at the time. It is possible that the distinguished Senator is basing his views from the testimony on a bill that is somewhat different from the one now under discussion.

Mr. ROBERTSON of Virginia. If the Senator will yield for a suggestion, the Senator from Virginia spent 10 years as a member of the Committee on Ways and Means of the House of Representatives, and time after time he heard the sugar people, the beet-sugar and the cane people, who come before that committee on the subject of tariffs on sugar, and the distinguished Senator from Louisiana, I think, will agree with me that if he today had his choice between 100-percent increase in the tariff on sugar and the additional allocation of 500,000 tons under the Jones-Costigan Act, he would take the latter. The Senator knows his people need the control and that the tariff is not enough, and he knows that our previous experience was that uncontrolled prices will run the industry into serious trouble.

Mr. ELLENDER. The question raised by the distinguished Senator from Virginia has no place in this debate. Of course, I prefer the quota system to the imposition of tariffs. There is no question about that. But what I am arguing for—and I do not like to repeat it—is simply that we in America, who produce but 29 percent of our sugar requirements, are going to be at the mercy of Cuban producers, as we were following World War I. Manipulators held the sugar back and sold it at whatever prices the traffic would bear. If we at this time should make the mistake of providing that controls should end on March 31 of next year, there is no question that Cuban and many other offshore producers of sugar would retain their supply of sugar with a view of selling it on an uncontrolled market, manipulating it so as to obtain high prices for it.

So I say to my colleagues, let us have controls end on March 31, when the consumption of sugar is at its lowest peak during the year, rather than when production starts and is at its highest. That is the way to handle the situation.

Mr. OVERTON. Will the Senator yield?

Mr. ELLENDER. I yield.

Mr. OVERTON. The Senator is saying March 31. Does he not mean October 31?

Mr. ELLENDER. I am sorry. What I intended to say is that the lowest period during the year of sugar consumption is during the latter part of October of each year.

Mr. OVERTON. That is correct.

Mr. ELLENDER. And the greatest production begins about that time.

Mr. OVERTON. The Senator is correct.

Mr. ELLENDER. That is what I intended to say and I thank my distinguished colleague for his correction.

Mr. OVERTON. That is all there is to it.

Mr. ELLENDER. Absolutely.

Mr. OVERTON. It is just as plain as can be.

Mr. DWORSHAK. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield for a question.

Mr. DWORSHAK. I understand our Government has a contract with the Cuban sugar producers to take over most of their crop.

Mr. ELLENDER. Yes.

Mr. DWORSHAK. Is there not some provision contained in the agreement as to the price to be paid for the sugar?

Mr. ELLENDER. Yes.

Mr. DWORSHAK. Would not that provide protection against an uncontrolled price?

Mr. ELLENDER. I am not talking about next year's crop. So far as this year's crop is concerned, we are protected, because we have bought that sugar at a certain price, and it is under the control of the Commodity Credit Corporation.

We have also bought the Puerto Rican crop, and the Government controls that output of production, and it can sell that sugar and dispose of it so as to prevent hoarding, and to compel a fair distribution of that supply.

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

Mr. ELLENDER. Mr. President, I do not desire to address the Senate any longer. I am going to reserve a little bit of my energy to debate the House bill when I offer it as a substitute to the pending Senate bill.

Mr. FLANDERS. Mr. President——

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

Mr. ELLENDER. Mr. President, I had the floor.

The PRESIDENT pro tempore. The Senator yielded the floor.

Mr. ELLENDER. I was in the process of answering a question.

The PRESIDENT pro tempore. The Senator was in the process of yielding the floor, as far as the Chair could see. Will the Senator from Vermont yield to the Senator from Louisiana?

Mr. FLANDERS. I shall be glad to yield.

Mr. LANGER. I want to know who bought the Cuban sugar last year and the year before.

Mr. ELLENDER. The Commodity Credit Corporation bought the entire Cuban sugarcane crop this year, and under agreement reached with the International Food Control Organization, about a third of the entire crop will be sold to 14 countries, giving to them in some cases a per capita consumption equal to 75 percent of their prewar requirements, and in other cases as much as 90 percent; and we, under the agreement, are to obtain the remaining two-thirds of the Cuban crop.

Mr. LANGER. A further question to the Senator. Is that true of the crop this year?

Mr. ELLENDER. It is.

Mr. LANGER. We will only get from 10 to 12 percent?

Mr. ELLENDER. Oh, no; we get two-thirds of the Cuban crop. We get 3,146,000 tons out of an estimated production of 5,500,000. The rest of it goes to these various countries, as I indicated a moment ago.

Mr. FLANDERS. Mr. President, I want to address myself very briefly, because the position can be stated very briefly, to the question of the October 31 date. There are two troubles with the October 31 date. The first trouble is that on that announced date and in anticipation of it, for 2 or 3 months previously sugar will be withdrawn from the markets, just as much on October 31 as on March 31. It will be withdrawn in anticipation of higher prices subsequent to the removal of the controls. It will be withdrawn from the market during the canning season. It will be withdrawn during a month in which the stocks are the next to the lowest of any month in the year. September is the month of lowest stocks. October is the month of the next to the lowest stocks, and it is one of the months of medium production, neither the highest nor the lowest. But the principal thing I am emphasizing is that the release of controls on that date would leave the markets bare of sugar for household use for 2 or 3 months preceding.

That leads me to the second point which I wish to make, and this, it seems to me, is the most important point about the pending measure and the whole process of removing controls. It is this: The date of removal of controls must not be legislated; it must be administered. March 31, the date set in the committee's proposal, is not a date of relinquishing controls. The Secretary of Agriculture is simply told "You must relinquish controls by March 31." Any date which the Congress sets as a date for relinquishing controls is an invitation to hoarding and to speculation and to market disorganization, and to inability of both housewives and of industry to get sugar. We must not, particularly if we consider ourselves to be friends of the American housewife, set legislatively the decontrol date, and by all means, we must not set October 31 as the decontrol date. A worse date for the housewife of America could by no means be picked even by some satanic group interested in disrupting our home economy in this country. It is the worst possible date.

I beg of the Senate not to legislate a date of decontrol. Let that come from the Administrator, like a stroke of lightning from Heaven. That is the only way the thing should be done.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

Mr. BUTLER. Mr. President, I have been waiting for several days to make a few brief remarks on the subject of sugar legislation. I regret that it has been necessary to attend committee meetings, both morning and afternoon, to such an extent that I have not been able to keep in constant touch with the debate here on the floor; but I am certain that the few remarks I wish to make in defense of the October 31 date will be appropriate at this time.

The joint resolution as reported by the Senate committee sets a date of March 31, but I consider the House version, setting the date of October 31, much the best in the interests of the people of our country.

Mr. President, in my judgment, one of the principal reasons why the people of this Nation voted to change the political control of both the House and Senate was the desire to get rid of all these unnecessary wartime controls. The people discovered last summer that continuation of controls meant continued shortages. They voted to get rid of those controls just as rapidly as possible. We have a clear mandate on that point.

For that reason, I am frankly very reluctant to vote for any extension at all of these controls on sugar. I am willing to do so only for a very short period of time, and only because it is clear we cannot correct the mistakes of many years in a few weeks.

In my opinion it is ridiculous that there should still be a shortage of sugar in March 1947—over 18 months after the end of the fighting. If prompt energetic steps had been taken by the Administration to meet this situation by expanding sugar production, these controls could be wiped out immediately. Such steps were not taken. We still have a sugar shortage. We must face that fact and give the sugar industry a few more months to recover. For that reason I believe we must extend the controls for a short period in the interest of avoiding a run-away market that would do no one any good.

Nevertheless it is important to get rid of the controls as soon as possible. There will never be a perfect time to wipe them out. I say that because I am convinced that disruptions and shortages will continue as long as the controls continue. It is the control program which has kept sugar production from expanding to meet our needs. Controls cause shortages. We saw that proved last year in the case of meat and many other commodities. It is even more true with respect to sugar. Price control has prevented farmers from growing all the sugar we need, since the returns to them on other uncontrolled crops were far more profitable.

In fact, in some parts of the country, on sugar-beet land, farmers are growing potatoes which we do not need and which may eventually be sold to the Government and left in the field to rot. The prices that have been set by our economic planners have led them to grow potatoes we do not need instead of sugar that we do need. That has been the result of Government planning. It is a situation that will not be corrected until we encourage the farmers to expand to meet our requirements.

If controls are to be lifted on October 31 by legislation that we pass this week it will serve as a clear announcement to our farmers that they can depend on receiving a profitable price for all the sugar they want to grow. Planting of sugar beets has not been completed in most parts of the country, but it will be very soon. In other words, this proposition is a matter of telling our farmers now that we want them to expand their sugar acreage just as rapidly and as much as they can. If we extend these controls until next March, the domestic sugar producer will have practically all his 1947 sugar sold before that time. He will know that he will have to sell at

the present fixed price or something very close to it. It will serve clear notice on him that the Government does not want or expect him to increase production. If we do tell him any such thing as that, we can hardly blame him for drawing his own conclusions and turning his acreage to beans and potatoes.

Mr. President, in this connection, I wish to say that from the newspapers of the last 2 or 3 days which have come to me from Nebraska, I have this little clipping:

THIRTY-FIVE THOUSAND SIX HUNDRED AND EIGHTY-NINE ACRES OF BEETS SEEN—NORTH PLATTE VALLEY CROP MAY BE UP 20 PERCENT

SCOTTSBLUFF, NEB.—A total of 35,689 acres of sugar beets have been contracted so far in the North Platte Valley, exclusive of the Wheatland (Wyo.) district, P. H. McMaster, general manager of the Nebraska district of the Great Western Sugar Co., said Saturday.

This represents an increase of 20 percent on the same farms and farms which did not grow beets a year ago.

"If this same percentage of increase continues throughout the contracting season, from 54,000 to 55,000 acres of beets will be planted in the valley this year," he said.

Some farmers plan to start planting late this month. Some beet labor already is arriving and other groups are en route from Texas. Mr. McMaster said the company would be able to provide all necessary labor to growers.

Contracting will be completed in about 10 days.

That is in the first irrigation district that was ever completed in the United States, in the North Platte Valley.

Another news item deals with Alliance, which is located on high ground irrigated by pump irrigation. I read from the Nebraska Farmer of March 15, as follows:

NEBRASKA'S CHAMP SUGAR PRODUCERS

The Koester brothers, of Alliance, are the champion sugar producers of Nebraska. They have won the title seven consecutive years.

The brothers produced a total of 294.1 acres that yielded an average of 16.19 tons per acre with a total sugar production of 1,464,532 pounds. Harold Ledingham, of Mitchell, was the reserve champion with 795,925 pounds produced on 146.31 acres that averaged 20.13 tons per acre.

Phillip Schriener, of Haig, is the champion sugar-beet producer in the State. He produced 25.75 tons of beets per acre on 20.99 acres. Jack Gempert, of Mitchell, is the reserve champion producer with an average of 25.24 tons per acre on 19.04 acres.

Mr. President, those figures are given, as I stated, in order to show the importance of increasing the acreage as early as possible, and that increased acreage will come as a result of the announcement that the closing date on controls will be on October 31 this year. I am speaking from the standpoint of the producer, and it is the producer who is going to answer our sugar problems, and not the consumer.

There are other important reasons for preferring the October date. During the past few months, it has become clear that the world-wide sugar picture is not nearly so black as it has been painted. Just a few months ago, the administration was predicting a Cuban sugar crop of only 5,000,000 tons. Then recently that estimate was increased to 5,500,000 tons. Now the latest reports are that Cuba will produce this spring more than 6,100,000 tons. It is clear that our department experts have been too pessimistic about sugar prospects all along. I do not charge that these underestimates have been due to a desire to extend controls and maintain the present bureaucratic regimentation. I do suspect, however, that it is in the nature of a bureaucrat always to seek out and find some excuse for maintaining and increasing Government regulations. The whole case for control was based on the assumption of an extreme shortage. We now find there are over a million tons more than we thought there were. Most of the case for continuation of control has therefore vanished.

Another argument for early decontrol is the availability of substantial amounts of free sugar in various parts of the world. Cuba, for example, reserved 300,000 tons out of her supply to sell to her other customers in Latin America and elsewhere. I believe she has had some difficulty in finding a market for this sugar at the prices she wants. If our prices go a little bit higher, it may come here. The same is probably true of sugar from several smaller supplying countries. I suspect we shall find that a good deal of sugar will come out in the open for sale if prices are lifted slightly. At the present time it is a good speculation for any country to withhold sugar off the market and wait for the end of controls. Once controls are removed, that speculative motive will disappear.

In this connection I want to say that within the last 2 or 3 days I had a conversation with a gentleman whose business it is to distribute sugar in the wholesale market. He told me that the sugar is backing up on the grocers' shelves, and I am sure that Senators who have sugar coupons are going to have no difficulty in obtaining the sugar represented by them two or three times over if they happen to pick up extra coupons in the near future. Sugar is not moving at the present time from the retail shelves.

Frankly, if we do not definitely decide to get rid of the controls this year, we shall be faced with the very same problem at the beginning of next year. The Department of Agriculture has never given us concrete assurance that there will be all the sugar we want even next spring. I do not know whether there will ever be enough sugar to supply every country in the world with all the sugar it wants. I see no logic in keeping controls for another year or two or three in the hope that some day there will be sugar to supply every country with enough sugar to bring it up to the American standard of consumption. Most of the other countries buying sugar in competition with us are using our money to do it with, anyway. I repeat, we do not dare extend these controls until next year when we know we will have to face this same problem again and decide, under pressure, whether to keep the controls on until 1949.

It is worth remembering a few of the panicky predictions that were made last year when we were considering price-control legislation. It is worth remembering that butter did not go up to a dollar a pound and stay there; that meat is now available for far less than the black-market prices of last summer. We owe it to our belief in the American way of doing business to get rid of the controls on one more American industry at the earliest possible date. If we really believe in our own system, we can hardly do otherwise.

One point I have hardly touched on is the importance of this subject to the agriculture of the irrigated sections of the Middle West and the West. Sugar production in the United States has been controlled, discriminated against, and held down ever since 1934 by quotas which prevented our farmers from producing enough to fill our needs. We saw the unfortunate effects of this policy when the war broke out. Sugar was the first thing of which a shortage appeared. Quotas restricting our domestic production were lifted at that time, but the price controls and priority regulations effectively prevented our farmers from expanding to meet our needs. The history of sugar during the war was one of consistent favoritism to foreign producers at the expense of our own farmers.

Now that the war is over, it is high time we get to work and expand domestic beet production. This measure is one important step in that program. Another important step will be revision of the quota legislation which has prevented construction of new beet-sugar factories. In my own State we could easily produce enough beets to supply four or five additional sugar factories if the quotas can be increased or removed. I am hopeful that we can consider such a change when the question of reviewing the Sugar Act comes before us later on in the session. Meanwhile, the best thing we can do for both the consumer and the producer is to get rid of these controls as soon as possible. That will permit the housewife to buy as much or as little sugar as she cares to. If she is used to canning her own fruit, she can obtain the sugar with which to do it, and avoid paying the very high prices for commercial jams and jellies. Decontrol will thus bring down any unreasonable prices for such manufactured products. It will permit the housewife to preserve her own fruit instead of forcing her to buy commercial goods. At the same time, it is the only way to stimulate production and to thus get rid of the shortage completely, if there is a shortage. It will stop the nonsense of paying farmers to produce too many potatoes on irrigated land that should be producing sugar. It will help restore domestic beet and cane production to a point where we can rely on it as a source of supply in case of emergency. It will definitely strengthen the agricultural economy in States having irrigated farms. It will return one more industry to the American people, and remove that industry from continued control of the economic planners.

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

Mr. BUTLER. I yield.

Mr. LANGER. Do I correctly understand the Senator to say that the champion sugar raiser in his State produced only 24 tons to the acre?

Mr. BUTLER. The figure I read was close to 26 tons to the acre.

Mr. LANGER. Was that the best that was done?

Mr. BUTLER. That was done by the champion farmer in that area. I presume that in the Red River Valley there may be isolated farms that can compete with that record.

Mr. LANGER. We have a great many farmers who raise 30 tons to the acre. Sinner Brothers at Casselton produce 30 tons. I was interested in what the Senator had to say about new plants. Have contracts been let for new plants?

Mr. BUTLER. They cannot be let until those investing in the plants can be assured of a quota to maintain the plants.

Mr. LANGER. That is our trouble in the Red River Valley. The farmers are willing to raise sugar beets, but there is no place to dispose of them. The existing plants are already operating to capacity, and there is no money to build new plants.

Mr. BUTLER. The situation in Nebraska is a little different, because we have some idle plants in areas where sugar acreage has dropped, which we wish to remove to areas where sugar production is under way.

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

Mr. BUTLER. I yield.

Mr. MAYBANK. I was very much interested in what the Senator from Nebraska said in connection with the increased amount of sugar in Cuba, to the effect that if the market price went up a little we would be able to buy more of it.

Mr. BUTLER. I made the statement that I thought a slight advance in the price of sugar might bring an increased movement.

Mr. MAYBANK. And that the United States would probably benefit?

Mr. BUTLER. The Cubans, or whoever is handling their sugar for them, set aside 300,000 tons to take care of the demand in addition to what they sold in the United States. They are having difficulty in disposing of those 300,000 tons, and my statement was that ultimately some of it would probably come to the United States.

Mr. MAYBANK. Is not that difficulty occasioned by agreements in the UNO, in which the allotments of Cuban sugar were prorated?

Mr. BUTLER. I am unable to answer the Senator's question.

Mr. MAYBANK. I believe that there would be some additional Cuban sugar sold if the price were increased, but there was one point that impressed me very much as a member of the subcommittee, and which I have not yet heard discussed. If the Commodity Credit Corporation and the various other Government agencies dealing with Cuba are discontinued, there are some countries in the Old World which still have a great deal of gold, namely, Sweden, Switzerland, and France. With the competition which we would find from them there would eventually come into existence black markets in Europe which would be just as bad as the black markets under the old OPA, which the Senator and I both voted to do away with in connection with meat. When we come into competition with the gold credits of Sweden, Switzerland, and some other European countries, we shall find that the only sufferers will be our old friends, who spent everything in this war, and who perhaps need some small allotment.

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

Mr. BUTLER. I yield.

Mr. TOBEY. Does the Senator from Nebraska realize that the 300,000 tons of sugar to which he has referred as being reserved by Cuba for its own use will be sold to South American countries if it is not used in Cuba, and then, as the Senator stated, it would come to the United States? When that happy occasion arises, let me assure the Senator with great pleasure that it will then go to the housewives pronto.

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

Mr. BUTLER. I yield.

Mr. McCARTHY. The contract provides that if Cuba does not use her 350,000 tons, we are to get it. That is in the contract, as set forth on page 38 of the hearings.

Mr. TOBEY. The Senator realizes that Cuba has obligations to South American countries to supply them with sugar.

Mr. McCARTHY. We are speaking of the 350,000 tons reserved for Cuban use, to the extent that Cuba does not use it.

Mr. TOBEY. Under the Tobey amendment, it would go to the housewives at once.

Mr. McCARTHY. We are not arguing the Tobey amendment. There is an item of 300,000 tons of export free sugar that can go anywhere. Ordinarily, it would go to South America, except for the fact that this year Argentina, Peru, and Brazil have a surplus of sugar.

Mr. FERGUSON. Mr. President, I wish to take a few moments of the time of the Senate on the subject which is now before it, namely, sugar legislation. I wish to speak to the point that, in my opinion, the date for the termination of controls should be October 31. I have tried to ascertain the facts from those who are familiar with the subject and who know what the facts are, and I wish to say a few words on the facts. October 31 each year comes exactly at the peak of the beet sugar production in the United States. The beet sugar harvest begins as early as July in California, and all beet areas are in production by October 1.

Likewise, the mainland cane production in Louisiana begins in the first week of October, so that deliveries of sugar are being made regularly by October 31 and in substantial amounts.

Based on the 1947 estimates of 1,700,000 tons of beet sugar and 500,000 tons of cane sugar, the production of beet and cane sugar at the October 31 date within the United States would average about 200,000 tons per week.

We must not lose sight of the extremely important fact that the 1947 crops of Cuban sugar and Puerto Rican sugar have been bought by the Commodity Credit Corporation. True, considerable part of this volume will have been delivered by October, but the remainder will be sugar that belongs to the United States Government. The fact of Government ownership will have a stabilizing effect, because the distribution of sugar can be controlled and supervised in an orderly manner. The possibility of speculation in sugar or the possibility of withholding sugar from the market would be reduced to its lowest point in October.

The situation would be completely reversed in March 1948. The Government would own no Cuban sugar or Puerto Rican sugar, and would have very little influence, therefore, upon the orderly distribution in the first 3 months of 1948. In fact, I am told by people in the sugar industry that the prospect of serious withholdings from the market would be very much greater in the first 3 months of 1948, than it could possibly be in September and October. The reason is obvious, because in October the insular production will have been largely delivered to refiners under Government direction and the remaining supplies of sugar will continue under Government control until December 31.

In addition, the Department of Agriculture has announced the intention to build up the year-end stocks from 1,400,000 tons at the beginning of 1947 to 1,900,000 tons at the end of 1947. This reserve or surplus of 500,000 tons would provide additional means of Government protection against speculation, withholding, or disorderly marketing.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Wisconsin [Mr. McCARTHY] and the Senator from Ohio [Mr. BRICKER]. On this question the yeas and nays have been ordered.

Mr. O'DANIEL. Mr. President, I wish to say a few words with reference to the bill which is before the Senate, but not particularly in reference to any of the amendments.

For the benefit of Senators who did not hear me last summer when I spoke against OPA and price control, I will say that I am still against price control, regimentation, and regulations governing the lives of American citizens during peacetime.

However, I wish to say that at that time, last July, I tried to express in the Senate the voice of the people, by reading on the floor of the Senate hundreds of telegrams and letters which came to me from people who were pleading that the Senate abolish OPA and price control. Unfortunately, my brother Senators did not seem to hear the voice of the people as I then expressed it. Fortunately, however, the keen political, analytical mind and ears of President Truman were quick to recognize and hear the voice of the people, soon after November 5—either he or his advisers did so—for quickly he issued an order abolishing practically all price controls, except rent control, sugar control, and rice control. I am very happy that such controls now have simmered down to the control of only those three commodities—rents, rice, and sugar.

I suspect there is very little chance of eliminating sugar control at the present time; but I desire to voice my resentment of it as well as my opposition to it. As I have said, I am not interested in any of the amendments, except of course I shall vote for any amendment which

will bring closer the day when price control on sugar ends; and if I am given an opportunity to do so, I shall vote against continuation of price control on sugar, regardless of how the bill for the control of sugar may be amended.

However, inasmuch as it appears to me that the control of sugar may be continued, I wish to direct my remarks to the absurdity of the entire program and the humiliation which has been visited upon the citizens of my State by the New Deal bureaucrats who have endeavored to enforce the control of sugar in Texas. The main objection which is coming from the citizens of Texas at the present time is that most of the housewives and other consumers of sugar, including also the manufacturers and the large commercial users of sugar in Texas, are forced to buy their sugar on the black market, and the price on the black market is rather high.

Mr. President, if I may have the attention of the Senator from New Hampshire, I should like to propound several simple questions. I wish to know whether he has detected in the pending measure any provisions which would take care of the black marketeers in sugar.

Mr. TOBEY. That is an administrative matter in the hands of Mr. Anderson, Secretary of Agriculture.

Mr. O'DANIEL. Is the pending measure any different in that respect from the measure which it is intended to supersede?

Mr. TOBEY. Not in any degree.

Mr. O'DANIEL. Then that leaves us with the information that no provision has been deliberately inserted in the bill to take care of the black marketeers in sugar.

My next question is: Did any evidence or any testimony appear before the Banking and Currency Committee to indicate how the black marketeers obtain the sugar which they sell at high prices?

Mr. TOBEY. I do not believe so.

Mr. O'DANIEL. It seems to me that there must be some loophole somewhere, because in Texas there is a flourishing market for sugar in the black markets.

Mr. TOBEY. The trouble with the black market, Mr. President, is that we hear a great deal about it; but when we wish someone to come forward and say, "Thou art the man," and to fix the guilt personally, such persons are conspicuous by their absence. Does the Senator from Texas agree?

Mr. O'DANIEL. I agree.

To illustrate my point a little better than I have so far, I wish to read a letter which I have received from the H. O. Wooten Grocer Co., of Abilene, Tex. It is a large wholesale grocery concern, which under normal conditions would deal in sugar; at least it deals extensively throughout west Texas in other groceries. The letter reads as follows:

ABILENE, TEX., *February 18, 1947.*

Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SIR: The present situation on sugar has become unbearable for the wholesale grocer and also the retail grocer. The low ration allowance for the consumer in 1946 caused the housewife to devise all kinds of methods for counterfeiting sugar stamps. Retailers over our entire territory have had sugar stolen from them, and at the present time both their allowable inventory and our allowable inventory are depleted to the point that they and we are both unable to continue to supply sugar to the consumer on legitimate claims made by valid ration stamps.

Some plan should be worked out immediately, and we do mean immediately, to allow the wholesaler and retailer to revise their allowable inventory and get back in the sugar business. At the present time most of the sugar available in this territory is through black-market channels. We hope that you can take steps that will bring relief at once.

If you need further information in regard to this critical situation, please advise us by return air mail.

Yours very truly,
H. O. WOOTEN GROCER CO.
T. W. PEARCE.

Mr. President, if no provision has been made for taking care of the black marketeers in sugar, and if the pending measure is substantially the same as the law now in effect, there must be some loophole by which the black marketeers get the sugar they sell. I should like to ask the chairman of the committee on what basis the allotment of sugar to housewives and individual users of sugar was arrived at. How did you arrive at the amount which each housewife would be entitled to receive under the law?

Mr. TOBEY. We did not arrive at that as a committee. We had the testimony of Mr. Anderson, Mr. Marshall, and the other sugar authorities. We discussed the world supply and the supply which is allocated to this country by the world organization, with which doubtless the Senator from Texas is familiar, under which we buy the Cuban sugar crop and then allocate it to other nations, as well as to ourselves, and then we have so much sugar—let us say 6,000,000 tons. That is allocated between the commercial users and the housewives. The commercial users are receiving slightly more than 50 percent of it and the housewives are receiving slightly less than 50 percent. So much for the allocations.

Doubtless the Senator from Texas is familiar with the amendment which has been adopted by the Senate, which allocates to the housewives 35 pounds of sugar on a firm definite basis, with the provision that all that is available in addition to that amount shall also go to the housewives.

With respect to the black markets, the following has been pointed out in the course of the committee hearings:

We have had our investigating staff trying to run down a few of those. Some of the industrial users have also helped us in trying to run some of those down, and everyone of them to date that we have run down has just evaporated into thin air. When you call one of those fellows and ask, "Where is this sugar," the answer usually is, "Well, I cannot talk to you about this over the phone." "All right, I will come to your office." "No; I cannot do that. I will come to your office."

And then they come to the investigator's office or to one of the industrial users, when he is doing this for us, and they just do not have the sugar, and why they are putting out such feelers, I have not the slightest idea, because it costs money to publish an ad. It costs money to do the cabling back and forth that is usually done in connection with one of these transactions.

But in every case we have investigated, and we have investigated several of them, there is not anything in back of it.

Senator BRICKER. They are doing it just for fun?

Mr. MARSHALL. Maybe someone is doing it who is being duped with the understanding that there may be some sugar to be obtained. If there is any such sugar, it is bootleg sugar and Cuba, the Cuban Government, does not know anything about it, nor do we, because we bought their sugar crop in its entirety, with the exception of the amount needed for their local consumption, and specific reservations for free export, all of which is accounted for to us.

If there is any other sugar available for shipment, it is bootleg shipment.

Senator BRICKER. Have you any amount of black market, or any estimate of black-market sugar in this country?

Mr. MARSHALL. No, I have not.

Senator BRICKER. You hear rumors about it all of the time.

Mr. MARSHALL. I think in relation to the volume of sugar, it is very low, that is as to the amount distributed, although you hear several rumors about it.

We are distributing at the rate of 5,600,000 short tons last year and 6,800,000 this year. The percentage of total volume is bound to be low, and much lower this year with the increase of over a million tons.

Senator BRICKER. You do not think it is enough to pay much attention to or make any appreciable difference in the market?

Mr. MARSHALL. I do not think so. I think it should be run down in every possible instance, but in the total volume, I do not really think it is significant in affecting the supply.

That is the testimony about the black market which the Senator asked about, as given in the course of the Senate committee hearings.

Mr. O'DANIEL. I thank the Senator. He has stated that the allotment is based on an allowance of 35 pounds for each citizen of the United States.

Mr. TOBEY. Yes.

Mr. O'DANIEL. Is that to be the maximum amount which each citizen may acquire?

Mr. TOBEY. That is the mandatory amount—not the maximum amount, but the mandatory amount, based upon present allocations. But as I have said many times before, today—and I gladly repeat it—when, as, and if the supply which comes to the United States is increased, then all the amount which comes to the United States, according to the provisions of the Tobey amendment which now has been adopted, will accrue to and be passed on to the housewives, up to the point of 50 pounds per capita, which is the prewar consumption of sugar by households in the United States.

Mr. O'DANIEL. I understand the Senator on that point; and I think his amendment is a laudable one, and it gives to the housewives hope that they will get more sugar.

But, as I said a moment ago, I am trying to find whether the maximum amount is to be 35 pounds per person. Could any person get more than 35 pounds?

Mr. TOBEY. That is the minimum amount anyone could be given, 35 pounds.

Mr. O'DANIEL. Suppose a person wanted only 5 pounds.

Mr. TOBEY. He could get it, and give away the balance to some other person. He could be a good Samaritan. Others might be glad to receive it. I should be.

Does the Senator mean that if John Jones and Bill Smith were neighbors and John Jones wanted to use only 5 pounds, the Senator would like to know what he would do with the other? He would give it away, would he not?

Mr. O'DANIEL. What I am trying to find out is about the leak through which comes the black market sugar. If each citizen in the United States is entitled to acquire 35 pounds, and many of them do not acquire that much, many do not acquire any, some of them 5 pounds, some 10 pounds, none of them over 35—it would appear to me that there would result, if that took place, an abundance of sugar which had been allocated to the housewives, but not availed of by the housewives, and which would find its way into the black market.

Mr. TOBEY. That is human nature, and it is a bad feature of human nature. If the Senator means, and poses the thought, that the people who have 35 pounds coming to them under the Tobey amendment might use only 10 pounds, and then sell the rest on the black market, of course they could if they were evilly inclined.

Mr. O'DANIEL. I do not mean that. If they are entitled to 35 pounds, and they desire only 10 pounds, that leaves 25 pounds left for some other person in the allocation which is to go to the domestic housewife. The accumulation of those small amounts from each of the 140,000,000 citizens, it appears to me, might well be finding its way through some channel into the black market.

Mr. TOBEY. The Senator realizes that if a person does not use the stamps which are good for sugar, the stamps are still good until they are canceled, and they are outstanding claims, an account receivable on the outstanding supply of sugar. There has to be sugar to balance the stamps which come into the bank.

Mr. O'DANIEL. The point I am trying to make is that under the allocation plan of the pending measure there might be a large volume of sugar which had been allocated for domestic use in the home which would not be called for by the domestic users. It appears to me that that sugar might get into the hands of the black marketeers. If that is the case, or if there is enough suspicion that that is the case, some provision should be made in the joint resolution, if possible, so that that additional quota would go to the housewives.

Mr. TOBEY. It will beyond peradventure go to the housewives. It increases the floating supply of sugar. But remember, they cannot get it as long as the stamps are outstanding. They are a first lien. If one should cancel his stamps, and should say, "I shall not use my sugar," the sugar would be apportioned out, on the next stamp date, to the other householders.

Mr. O'DANIEL. That may be true theoretically.

Mr. TOBEY. What does the Senator suggest? He goes around in a circle.

Mr. O'DANIEL. I suggest that we let the OPA and price controls die. I do not think there is anyone in Washington smart enough to devise a plan that will work out equitably as compared with the plan of taking off controls.

Mr. TOBEY. Of course, that is not the pending question. The pending question is on an amendment to change the date, and not to let the OPA die.

Mr. O'DANIEL. I am not speaking on the amendment. I am in favor of changing the date to the nearest possible time.

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

Mr. O'DANIEL. I yield for a question.

Mr. HAWKES. Does the Senator know that counterfeit stamps are in circulation in connection with the sugar program, to such an extent that the Government feels that it must set aside, I understand, approximately 400,000 tons of sugar to take care of counterfeit stamps, and that they are probably responsible for a large part of the black market about which the Senator is talking?

Mr. O'DANIEL. I think there must be a large volume of sugar taken into consideration as going to the black marketeers, because they are getting it, and it is a serious thing.

Mr. HAWKES. Will the Senator yield again?

Mr. O'DANIEL. I yield for another question.

Mr. HAWKES. The Senator recalls, does he not, that one of the strongest points urged in getting rid of the OPA was the black market.

Mr. O'DANIEL. Yes.

Mr. HAWKES. In other words, if there was fixed a price level which everybody looked at, and which was supposed to represent the actual prices, but did not do so, the people were being fooled by looking at a list, on the one hand, and paying other prices, on the other hand, to get what they wanted.

Mr. O'DANIEL. That is correct.

Mr. HAWKES. There is the same situation in the picture today, and the same actuation should come to every Senator which came in connection with the OPA, for so long as controls are retained and people are bound down to certain things with which they are not satisfied, we are going to have black market operations. That is the thought I should like to leave with the Senator.

Mr. O'DANIEL. I thank the Senator from New Jersey. I have here another letter which bears out the point I am discussing. It comes from another wholesale grocery company, in another section of Texas, from Corsicana, Tex. The writer says:

DEAR SENATOR: Since he early part of 1943, we have operated under the various OPA regulations on coffee, canned foods, meats, and sugar. As these several commodities were released from ration restrictions they shortly began to adjust to supply and demand, and with a great deal less confusion.

There still remains sugar rationing, requiring stamps, certificates, or checks before sugar can be delivered from the refiner, wholesaler, or retailer. The rationing of sugar has affected the people, as a whole, to a greater degree than any other commodity; gasoline not excepted. There has been more injustice, with the least consideration for business or the individual, by the incompetent field men and the district OPA office, than you would ever believe possible under a democracy. Pages could be filled with cases of how the people and business alike have been humiliated and persecuted under this sugar rationing since the war was over in 1945.

Today we have 27 notices to our retail customers of debits to their sugar-ration accounts for what the OPA office calls invalid or altered stamps. In many cases these retailers will not have enough sugar inventory left to operate on. Many are now forced to operate their business without sugar, and the OPA office will not give them any consideration for replacement or increase in their allowance.

If there was sound reasoning in 1933 for the repeal of the Prohibition Act, because the people refused to abide by a bad law, then there are a thousand more reasons why the sugar rationing should be stopped, and at once.

Please use your effort to stop this curse.

Yours truly,

SOUTHERN WHOLESALE GROCERY CO.,
J. H. SULLIVAN, *President*.

There are many things contained in this letter. Let me repeat just one sentence.

Many are now forced to operate their business without sugar, and the OPA office will not give them any consideration for replacement or increase in their allowance.

That was the point I was endeavoring to bring out. In the pending measure there is a certain allocation made, of 35 pounds, to every individual, every citizen, in the United States. But how are those citizens to get their 35 pounds when this wholesale grocery company, and the retail grocery company in that territory, have no sugar, and are unable to get any sugar? The sugar which this wholesale company and the retail stores should be getting and selling to the housewives is going into the black market.

Mr. President, I wish to tell Senators something more about the black market. I will tell where the black-market sugar goes.

Mr. WHERRY. Mr. President, will the Senator yield for an announcement?

Mr. O'DANIEL. I yield.

Mr. WHERRY. I should like to inform Members of the Senate that we expect to remain in session until we dispose of the pending sugar-control legislation.

Mr. O'DANIEL. Mr. President, I have here a letter I wish to read, and I should like to have the attention of every Senator to it. It comes from a gentleman who should know what he is talking about, from an attorney, Hubert T. Faulk, of El Paso, Tex. The letter is addressed to Hon. Cliff Anderson, Secretary of Agriculture, Washington, D. C. I understand the new legislation now being considered will turn the handling of sugar over to Secretary Anderson. This is a copy of a letter which was sent to me. Other copies were sent to others, as I shall relate later.

This letter is dated January 25, 1947:

DEAR MR. ANDERSON: With your permission I will add one more to the daily increasing list of "gripes" on the sugar situation.

By way of introduction of myself I will say that I am just a country lawyer, without

affluence or influence and recognizing my station and strata in society I am never disappointed when things go awry and seem to stay that way and our officials in high places say they know the inequities of conditions as they exist but the regulations say we must do certain things and we cannot substitute our wisdom, discretion, and judgment for the regulations. I am here referring particularly to the sugar situation.

I have two clients who use a great deal of sugar in their business. They are not distillers or moonshiners but are legitimate industrial users of sugar. They must stay in business and hope that some day the tide will turn. The ration board says "your predecessor in business in 1939 did not require much sugar therefore we cannot allot you any more than he required although you are pushing your business and the public is clamoring for your products." When the small allotment of sugar is exhausted there is always a man standing at the front door who is glad to let my clients have the sugar they need to finish the quarter on and supplies them at a sacrifice of $25 per hundred. Lately this type of sugar has gone up and is now being offered at $40 per hundred. Of course, if I knew the names of the sugar bootleggers I could not afford to divulge their names unless the Government would see that my clients get some relief. My clients must stay in business and if their source of sugar be cut off they would go out of business and it would be cut off if the sugar pirates were put in jail because the Office of Price Administration says sugar is so scarce we cannot expect any increase in allotments. Naturally, my clients would not know the names of the fellows furnishing them the sugar any more than a witness before the grand jury back in prohibition days would know the name of the tall, dark man that sold the witness the pint of corn.

This attorney is laying it right on the line. He is not concealing anything. He wrote this letter to the Secretary of Agriculture, and, to make sure that it was known by other officials in Washington, he sent a copy to Tom Clark, the Attorney General of the United States, if you please, and he sent a copy to his Representative in Congress, Mr. R. E. THOMASON, at Washington, D. C., and, in order to get a little publicity, he sent copies to the El Paso Herald Post and the El Paso Times of his city, El Paso, Tex. The letter continues:

The situation all over the country and the refusal of the proper Government officials to take cognizance of the condition, just naturally raises two questions in the minds of the American people, whether they be Democrats, Republicans or "Bumfuzzled," to which latter group I have been forced to go because of the peculiar theory entertained by our officials as to what is best for our country as a whole. These two questions are:

"Is the rationing of sugar continued for the benefit of the dealer in what is commonly called the black marketing of scarce commodities?"

I want to tell you, Mr. President, that there are many good citizens in this country who actually believe that this price-control bill has been enacted heretofore, and may be renewed for the principal purpose of benefiting these black marketeers, who make great contributions to those who help get the bills enacted. I do not know whether that is true or not, but it has been told me by many of our citizens who are struggling and suffering under the oppression of this kind of administration.

I have many more letters from the citizens of my State and from other States. After reading what is related in those letters it is almost impossible for anyone to realize the extent of the oppression that has been visited upon the citizens of the country.

Some of those letters state that it is surely as bad right here in the United States as some of the edicts that were visited upon the people of Nazi Germany; and I tell you that is a bad thing for the country, to be under an oppresison like that.

Here we are, 2 years after the termination of World War II, still hanging onto the outworn and exploded theory that the Congress of the United States, or some administrator in Washington, knows what the people of the country should have, whether they should have one teaspoonful of sugar in their coffee or two. I say with all due respect to the wise men we have in Washington—and there are many of them—it is my distinct opinion that there is nobody here wise enough to rule this Nation and to regulate the life and the activities of each one of its citizens. It is simply one of those things that it is impossible to do under our democratic form of government.

And so Mr. Hubert T. Faulk says:

If the supply of sugar is so scarce that it must be rationed so each person will get some of it, why is it so abundantly plentiful that when the user of large quantities has exhausted his legal allotment he can rely on getting any quantity he is able to pay for from the black market?

And the price today is from $25 to $40 a hundred pounds, or 25 cents to 40 cents a pound.

The black marketeer has sugar, all he wants, and he is selling it freely in the State of Texas, and all over the Nation, I assume.

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

Mr. O'DANIEL. I yield.

Mr. LANGER. I should like to ask if the Senator noticed an Associated Press item in the paper a week ago, in which it was stated that one company got over a million pounds of sugar, and used it before being arrested?

Mr. O'DANIEL. No, I did not happen to read that particular item, but I find instances in my correspondence along the same line as that item.

The letter from Mr. Faulk continues:

It is my conviction that if Congress will get its mind off of 1948 and seriously consider the crisis at hand, not only as to sugar but other matters, we can usher in an era of prosperity and contentment such as we have never known.

Mr. President, I do not know whether or not the black marketeers had anything to do with inspiring someone to get this rationing- and price-control measure enacted into law in this country, but nobody could have done the job any better for their benefit than the way it is being done. They are not coming into the committee and making any complaint; they are not asking that price control be eliminated. They are going right ahead doing business at the same old stand and now, when sugar controls could very innocently and beneficially die next Monday at midnight, we are proposing to extend them and are debating as to whether we should extend them until June 30 or October 31, or March 31, next year. It is proposed to continue the authority for a while, and when the authority again expires it can again be extended, and again and again.

Mr. President, some of the abuses under rationing and price control are very bad indeed. I do not believe I shall take up the time of the Senate this evening to go into all the complaints I have received, because I think it would be a futile thing. I do not believe there is a possibility of preventing the passage of the joint resolution. I think it is going to go through. I think the New Dealers are going to have this little emergency continued for them. Ever since 1933 the New Dealers have been unable to operate unless there was some great emergency on which they could feast. There has been emergency after emergency until November 5 last, when President Truman heard the voice of the people and got busy and abolished most of the price controls. The New Dealers got down to almost the last emergency in the bottom of the barrel. They do not have very many emergencies left; just a little old rent control, and a few cubes of sugar, and a little rice to be dealt with under the pretext of emergencies. But they have got to hang on to their emergencies or they will die. They cannot exist unless they have some emergencies on which to live. They would like to have the law extended so as to retain a strangle hold on the citizens of this country and thus be able to tell them how much sugar they can have in their coffee.

Mr. President, we hear it said that we must do something to give more sugar to the housewife. That is a laudable ambition, but it cannot be done. Everything is so lined up that the housewife cannot obtain more than 35 pounds of sugar, or perhaps 40 pounds of sugar if something favorable happens in Cuba or Hawaii or somewhere else so we can obtain another shipload of sugar.

Senators may think they are hearing something good for the housewife and her children. Not so, for all that happens is that she is limited in the amount of sugar she can buy. This is depriving her little kiddies of the great joy that used to come to many Senators when they were boys, seeking out the cookie jar and eating some of those fine home-made cookies their mothers used to make. But now the cookie jar is broken and gone. The housewife who would like to make cookies and doughnuts and other bakery goods, sweets for her children and perhaps for her husband, cannot buy enough sugar for such purposes. She may bake a few cookies, but not many. So she must go to the bakery and there she can buy all she wants of fine cakes, one of which would make about a meal for one husky boy. She can buy such a cake for about a dollar, so there is a saving of a few cents on the pound of sugar she cannot obtain, but she spends a dollar for a cake which, if she had the sugar, she could bake at a cost of about 10 or 15 cents.

That is what is being done to the housewives of this country. Those who can afford to do so buy their sweets at the bakery, but the housewife who is on a

small budget, who cannot afford to buy high-priced bakery goods, she and her children must do without those delicious dainties which are so essential to the well being of growing children if they are to become strong and sturdy. They are deprived of them. The result of the Government policy is that instead of bakery goods, cookies and doughnuts being made in the home, that business has been directed into commercial channels, practically all of it, because the housewife cannot obtain enough sugar with which to bake the dainties she would like to make for her family.

Mr. President, why cannot the housewife get the sugar she needs? It is because of the law which is in effect and which it is now proposed to extend. The law says she can have 35 pounds of sugar, if she can find it. But when she goes to the store it is not there. The wholesale dealer says he has no sugar, and the retail grocer says he has no sugar. She has her sugar stamps and she is entitled to 35 pounds, and has the money to pay for the 35 pounds, but she cannot buy that amount of sugar because it is not available. Why is it not available to her? Because the black marketeers have headed it off somewhere down the line. What does he do with it? Does he go to the housewife and say, "I will let you have some of this sugar at 35 cents or 40 cents a pound?" No, he is in the wholesale business, and he sells it to the manufacturers of bakery goods who are on his list, and he receives for his sugar, as the letter I read says, 25 cents a pound, or at least that is what he used to get, but now he gets 40 cents a pound. He lets the manufacturers have all the sugar they want at $40 a hundred pounds.

So, Mr. President, are we doing anything for the common citizens of the country when we are forcing the sugar through the manufacturing channels via the black marketeer?

Are we doing anything beneficial for the people of this country when we permit such practices to prevail? I cannot see that we are. On the other hand, I can see where we are doing something highly detrimental to the common people, something that is injurious to the health of their children.

Mr. President, it seems we must continue this little emergency if the New Dealers in Washington are to continue to operate. The New Dealers could have enough to do if they really meant to help the farmer. However, they think they must engage in the administration of the distribution of sugar, to dish it out a spoonful at a time, and it is dished out in this manner with the result that the housewife finally does not get much of it.

Mr. President, there are 140,000,000 citizens in the country. Multiply that number by 35 pounds which each individual is entitled to, and we have the amount which should go to the housewives. But we know there are thousands of people who do not buy one pound of sugar. Where does the sugar which is allotted to them go? There are others who buy less than 35 pounds; where does that sugar go? That provision with respect to 35 pounds to each individual is put in the measure deliberately so that there will be a surplus. It is put in it deliberately by somebody. I do not want any Senator to construe my remarks as impugning the motives of anyone who supports the measure. I would not do that for the world. That is against the rules of the Senate.

But I do want to say that such a provision is in the measure. That provision is in the bill for a purpose, and I have concrete proof that it is with the purpose of providing a surplus. I cannot vote for such a provision. I do not criticize any Senator who votes for it, because, thank God, every Member of this body has the right to vote in any way he pleases, and he does not have to answer for his vote to anyone. He may vote as he thinks is right. I hope we shall continue to maintain the form of government here that permits every Senator to vote as he thinks. But we will not do the right thing so long as we impose such a regulation as this on the citizens of the country. The citizens are sick and tired of such practices, and my mail so indicates. I do not know whether my mail is of different character from that received by other Senators. But I know that the people of Texas do not hesitate to express their views and opinions on political matters or on any subject that pertains to them. Most of the citizens of Texas are against this measure. I have letters from preachers who cannot get a little sugar with which to make ice cream for their church socials. I have letters from veterans of the war protesting against the measure. Oh, yes; it is true we are always going to do something for the war veterans. But let us say a war veteran decides to start a business of making ice cream, and he may take a partner in with him. He starts a little business and receives some kind of an allotment for 30 days which will be only sufficient for 1 day. I have letters from such individuals, but I shall not take the time of the Senate to read them.

Mr. President, I have a letter which shows that the OPA established a new census bureau. It revived a system which had been used by the United States Bureau of the Census, and began the taking of a census all its own. It found that someone had left the town of Corpus Christi, Tex.

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

Mr. O'DANIEL. I yield for a question.

Mr. CAPEHART. Does the Senator know that unless an individual who goes into a small business, such as the Senator has indicated, is a veteran he is denied an allocation of sugar by OPA at this time?

Mr. O'DANIEL. Yes; I have received testimony from many who have stated that fact.

Mr. CAPEHART. If the Senator should wish to start a bakery and bake pies and cakes and sell them today he would be denied any sugar for that purpose.

Mr. O'DANIEL. That is absolutely correct.

Mr. CAPEHART. Does the Senator know that in the city of San Diego, Calif., a bakery has been built, a new building, and machinery has been installed. There is great unemployment in that city. Two hundred workmen are standing by waiting to go to work. Yet, that bakery is unable to open its doors because the OPA denies it the right to obtain any sugar.

Mr. O'DANIEL. I have heard of that instance also. In my home town of Fort Worth the Government has urged that the farmers produce more milk. The dairy herds have been multiplied and fine dairy barns have been built, and the milk has been produced, to take care of the demand during the war. As the demand commenced to lessen and the milk continued to come, the management of one of those dairies thought it would be a good idea to make ice cream. A great deal of machinery was bought and a plant was equipped. They were ready to start, and they had everything but the sugar. But some little bureaucrat in Washington said, "No; you cannot have any sugar. We are saving it." He would not say what it was being saved for, but I say it was being saved for the black marketeer. At least the black marketeer gets it, and it goes through commercial channels, but the housewife does not get it.

At Corpus Christi a new system of taking the census was placed in operation. It was found that someone had left Corpus Christi. They could not find out who it was, but the sugar quota for Nueces County, in which Corpus Christi is situated, was reduced. There was not enough sugar for the people to get half as much as they need. They are entitled to it, but they cannot get it. But under the new system of taking the census instituted by Mr. Max McCullough and the OPA it is stated that there are not that many people in Corpus Christi. These people are there, but the OPA census does not show their presence.

I have before me a letter from General Mills, Inc., Minneapolis, Minn. It reads as follows:

MINNEAPOLIS, MINN., *January 21, 1947.*

Hon. W. LEE O'DANIEL,
United States Senate,
Washington, D. C.

DEAR SIR: Should like very much to add my support to the position you have taken concerning the Emergency Price Control Act as it affects the sugar situation.

I am sure that you will have the universal support of industry as well as the majority of householders.

Speaking for industry, we have been severely handicapped and held back in the development of many new food products and the expansion of old products, which has hindered the development and manufacture of new machinery as well as the employment of additional labor.

Allowing a sugar allocation of 60 percent of 1941 usage does not seem right or equitable in face of published Government reports on the world's production of sugar, which indicate for 1946–47 92 percent of the prewar average.

Am also taking the liberty of writing our Minnesota Senators and Representatives requesting them to support your movement.

Yours very truly,

GENERAL MILLS, INC.,
C. V. NELSON,
Director of Purchases.

Mr. President, I do not intend to take up much more time of the Senate at this late hour, because nothing I can say will influence the vote. I merely

wish to make the record clear that I am opposed to the joint resolution. I think it is unconstitutional. I think it is un-American. I think it is useless. I do not think there was any great demand from the citizens of the country for legislation of this nature. I think it was concocted by some of the New Deal economists and nit-wits in Washington. I think it will do much damage to our country. I do not think it will help the housewife get any more sugar, and that is what she wants.

In my State we have an abundance of fruit which has rotted on the trees and on the ground under the trees simply because we could not get sugar. Under the OPA we established a sugar refinery at Sugarland, Tex., and all its warehouses were so crammed with sugar that the mill had to be closed.

This administration has been catering to minority class about long enough. I think it is time to cater to the rank and file of American citizens who know how to conduct their own business. They know how to stand on their own feet and conduct their own affairs. They made sacrifices enough during the war. They did not object to rationing during the war, no matter whether it was necessary or not; but they have heard that all our enemies surrendered unconditionally, and that the war is over. They think it is time to end the foolishness of trying to ration sugar, rice, rent, or anything else which anyone might think of rationing.

I wish to voice my objection to the joint resolution, and to say that if it is passed by a voice vote, I want the RECORD to show that I am against it. I do not care how it is amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. MCCARTHY] on behalf of himself and the Senator from Ohio [Mr. BRICKER]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN voted "nay" when his name was called.

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAVEZ. Has any Senator voted yet?

The PRESIDING OFFICER. The roll call has begun.

Mr. CHAVEZ. Has any Senator voted?

The PRESIDING OFFICER. The Senator from Vermont voted in the negative.

The roll call was continued and concluded.

Mr. REED. I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the Senator from South Dakota [Mr. BUSHFIELD] and will vote. I vote "yea."

The Senator from South Dakota is necessarily absent. If present and voting, he would vote "yea," and the Senator from New York would vote "nay."

Mr. WHERRY. I announce that the Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY], the Senator from Arizona [Mr. HAYDEN], the Senator from Washington [Mr. MAGNUSON], the Senator from Florida [Mr. PEPPER], the Senator from Oklahoma [Mr. THOMAS], the Senator from Utah [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from West Virginia [Mr. KILGORE], and the Senator from Nevada [Mr. MCCARRAN] are absent on public business.

If present and voting the Senator from West Virginia [Mr. KILGORE], the Senator from Washington [Mr. MAGNUSON], the Senator from Utah [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced—yeas 45, nays 35, as follows:

YEAS—45

Baldwin	Ecton	Malone
Ball	Ellender	Moore
Brewster	Ferguson	O'Daniel
Bricker	Green	Overton
Bridges	Gurney	Reed
Brooks	Hawkes	Revercomb
Buck	Hickenlooper	Taft
Butler	Ives	Thye
Byrd	Jenner	Vandenberg
Cain	Kem	Watkins
Capehart	Knowland	Wherry
Capper	Langer	Wiley
Connally	McCarthy	Williams
Cordon	McClellan	Wilson
Dworshak	McKellar	Young

NAYS—35

Aiken	Johnson, Colo.	O'Conor
Barkley	Johnston, S. C.	O'Mahoney
Chavez	Lodge	Robertson, Va.
Cooper	Lucas	Russell
Donnell	McFarland	Saltonstall
Flanders	McGrath	Smith
Fulbright	McMahon	Sparkman
George	Maybank	Stewart
Hatch	Millikin	Taylor
Hill	Morse	Tobey
Hoey	Murray	Umstead
Holland	Myers	

NOT VOTING—15

Bushfield	McCarran	Thomas, Okla.
Downey	Magnuson	Thomas, Utah
Eastland	Martin	Tydings
Hayden	Pepper	Wagner
Kilgore	Robertson, Wyo.	White

So the amendment offered by Mr. MCCARTHY for himself and Mr. BRICKER was agreed to.

Mr. WHERRY. Mr. President, I move to reconsider the vote by which the amendment just adopted was agreed to.

Mr. ELLENDER. Mr. President, I move that that motion be laid on the table.

The motion to lay on the table was agreed to.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. Was the Senator from Louisiana [Mr. ELLENDER] recognized?

The PRESIDING OFFICER. If the Senator from Louisiana was not recognized, the Chair intended to recognize him. The Chair did recognize the Senator from Louisiana by entertaining his motion.

Mr. OVERTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. IVES in the chair). The Senator will state it.

Mr. OVERTON. Has the Senator from New Mexico been recognized at all?

The PRESIDING OFFICER. That is an embarrassing question.

Mr. OVERTON. It certainly is. [Laughter.]

Mr. MCCARTHY. Mr. President, I believe that the other half of my amendment is still pending. I do not desire to address the Senate about it at this time, and I now move its adoption.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. Immediately before section 3 on page 3, it is proposed to insert the following:

Provided further, That not less than 40 pounds of refined sugar shall be allocated during the period from April 1, 1947, through October 31, 1947, to each person in the United States for home consumption, to be made available as follows:

(i) Not less than 10 pounds shall be available for purchase from April 1, 1947, through June 30, 1947;

(ii) Not less than 20 pounds shall be available for purchase from July 1, 1947, through September 30, 1947; and

(iii) Not less than 10 pounds shall be available for purchase from October 1, 1947, through October 31, 1947;

And provided further, That in the event the quantity allocated to nonprovisional industrial users during any portion of the period from April 1, 1947, through October 31, 1947, is increased above the base allocation of such users, the quantity herein required to be allocated for home consumption during such portion of such period shall be proportionately increased. For the purposes of this act (i) "nonprovisional industrial users" means industrial users who as of April 1, 1947, are allocated sugar on the basis of use during a base period, and (ii) "base allocation" with respect to any interval of time means 75 percent of the quantity of sugar used by such nonprovisional industrial users during the corresponding portion of the base period.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Wisconsin.

Mr. ROBERTSON of Virginia. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. ROBERTSON of Virginia. I make the point of order that so much of the amendment of the Senator from Wisconsin, which has just been read, as changes the action taken previously today by the Senate in respect to the allocation of sugar for domestic use is not in order.

Mr. REVERCOMB. Mr. President, will the Senator from Virginia speak louder, so that all Members of the Senate can hear him?

Mr. ROBERTSON of Virginia. I make the point of order that the amendment is out of order because it seeks to change action previously taken today by the Senate—as to which action a motion to reconsider was made, and the Senate voted to lay that motion on the table, so that became the final action of the Senate in regard to this portion of the bill.

The PRESIDENT pro tempore. It is the opinion of the Chair that the ques-

tion is one of consistency between the various parts of the bill, and that that is for the Senate itself to decide by its vote on the amendment. So the point of order is overruled.

The question is on agreeing to the amendment submitted by the Senator from Wisconsin.

Mr. TOBEY. Mr. President, I simply wish to point out—although, of course, it is difficult to gather the full import of the amendment, because it has not been considered at all, but simply has been read at the desk—that as I understand the amendment it provides that 40 pounds of sugar be given to each person. Is that correct?

Mr. McCARTHY. It gives an extra 10 pounds for canning.

Mr. TOBEY. Does the Senator mean 10 pounds in addition to the 35 pounds?

Mr. McCARTHY. Of course, rationing will end on October 31.

Mr. TOBEY. However long rationing runs, the allowances will be proportionate.

Mr. McCARTHY. Mr. President, without taking undue time——

Mr. TOBEY. No, Mr. President; I ask the Senator to take all the time he wants, because this matter is important.

Mr. McCARTHY. Let me say that the amendment does not change the 10 pounds which will be allowed on April 1, but maintains that amount; it does not change the 10 pounds which will be allowed on October 1, but will maintain that. It does provide that instead of receiving 10 pounds on July 1 for canning, the housewife will receive 20 pounds, not on July 1, but between July 1 and the next coupon date. In other words, the amendment provides a 20-pound allowance for canning over the three canning months. Is that clear?

Mr. TOBEY. Yes; it is clear insofar as the Senator has stated it.

Mr. President, the Senate has debated at length the matter of allocations, and after considerable debate, as I think all Senators will agree, the Senate adopted the Tobey amendment, which gives 35 pounds, definitely, for the calendar year and also provides that all extra sugar which comes into the United States during the year, up to the amount of 50 pounds per person, shall be allowed.

Now we are faced with a proposed amendment which would stop that process on October 31, just as the Tobey amendment will, but the Tobey amendment will operate proportionately, whereas by the McCarthy amendment it is proposed to allow an extra 10 pounds of sugar for canning.

The point is that under the Tobey amendment the consumers will get all the sugar that is available, and the canning allotment will be taken care of by the Secretary of Agriculture, according to the supply, when, as, and if he is able to allow it. That is his intention, and that is what he has told me.

I think it would be a mistake for the Senate to take action contrary to the Tobey amendment, which has been adopted and which provides for the allotment of 35 pounds of sugar definitely.

The amendment now proposed would change that arrangement. No member of the Senate now present could explain the present proposal, except for what has been said by the proponent of the amendment.

Mr. President, I ask that the amendment of the Senator from Wisconsin be rejected, so as to have the Senate act consistently with the action it took earlier today.

Mr. COOPER. Mr. President, I should like to ask the Senator from New Hampshire whether he understands that the amendment would increase the allotment to 45 pounds or to 40 pounds?

Mr. TOBEY. My understanding of the amendment which has been offered is that it would give 20 pounds of sugar for canning during the summer months—10 pounds as provided by the Tobey amendment and 10 pounds in addition to the April 1 coupon allowance. Is that correct?

Mr. McCARTHY. That is correct. The housewife already is to have 5 pounds as of April 1. The pending proposal is to give her, instead of 10 pounds on July 1, an additional 10 pounds sometime between July 1 and October 1, so that instead of having 10 pounds for canning, she will have 20 pounds for canning. The amendment would not disturb the rationing now proposed up to October 31.

Mr. COOPER. Mr. President, does the Senator from Wisconsin state that his amendment would increase the allotment to 40 pounds?

Mr. McCARTHY. It would increase it to 45 pounds. The housewife will have 5 pounds as of April 1, anyway. My amendment provides that she shall have 40 pounds more, or a total of 45 pounds. The amendment will give the housewife a total of 20 pounds of sugar for canning.

Mr. TOBEY. Mr. President, where does the Senator think the extra sugar will come from?

Mr. McCARTHY. Mr. President, I went over that matter thoroughly earlier today, and I showed that there is available more than a million pounds of additional sugar.

Mr. TOBEY. The Senator from Wisconsin knows that, under the Tobey amendment, that will go to the householders, anyway.

Mr. President, the amendment of the Senator from Wisconsin is a play on words.

SEVERAL SENATORS. Vote! Vote!

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. McCARTHY].

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

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. REED. I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the Senator from North Dakota [Mr. YOUNG] and will vote. I vote "yea." The Senator from North Dakota is unavoidably detained. If present and voting, he would vote "yea," and the Senator from New York would vote "nay."

Mr. WHERRY. I announce that the Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness.

The Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent.

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY], the Senator from Arizona [Mr. HAYDEN], the Senator from Washington [Mr. MAGNUSON], the Senator from Florida [Mr. PEPPER], the Senator from Utah [Mr. THOMAS], the Senator from Oklahoma [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from West Virginia [Mr. KILGORE], and the Senator from Nevada [Mr. McCARRAN] are absent on public business.

If present and voting, the Senator from West Virginia [Mr. KILGORE], the Senator from Washington [Mr. MAGNUSON], the Senator from Utah [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced—yeas 32, nays 47, as follows:

YEAS—32

Baldwin	Ecton	Malone
Brewster	Ellender	Moore
Bricker	Ferguson	O'Daniel
Brooks	Gurney	Reed
Buck	Hawkes	Revercomb
Butler	Hickenlooper	Russell
Byrd	Ives	Watkins
Cain	Jenner	Wherry
Capehart	Kem	Wiley
Capper	Langer	Williams
Dworshak	McCarthy	

NAYS—47

Aiken	Holland	O'Conor
Ball	Johnson, Colo.	O'Mahoney
Barkley	Johnston, S. C.	Overton
Bridges	Knowland	Robertson, Va.
Chavez	Lodge	Saltonstall
Connally	Lucas	Smith
Cooper	McClellan	Sparkman
Cordon	McFarland	Stewart
Donnell	McGrath	Taft
Flanders	McKellar	Taylor
Fulbright	McMahon	Thye
George	Maybank	Tobey
Green	Millikin	Umstead
Hatch	Morse	Vandenberg
Hill	Murray	Wilson
Hoey	Myers	

NOT VOTING—16

Bushfield	Magnuson	Tydings
Downey	Martin	Wagner
Eastland	Pepper	White
Hayden	Robertson, Wyo.	Young
Kilgore	Thomas, Okla.	
McCarran	Thomas, Utah	

So Mr. McCARTHY's amendment was rejected.

Mr. ELLENDER. Mr. President, I have on the desk an amendment to the pending bill in the nature of a substitute. The main purpose of the amendment was to change the date from March 31, 1948, to October 31, 1947. Since that has been accomplished, I wish to state to the Senate that I shall not submit my proposed amendment.

Mr. WHERRY. Mr. President, I send an amendment to the desk and ask to have it stated. I offer it at this time.

The PRESIDENT pro tempore. The Senator from Nebraska offers an amendment, which will be stated.

The CHIEF CLERK. It is proposed to strike out all of section 4 and insert in lieu thereof the following:

SEC. 4. The Secretary of Agriculture, in exercising the allocation and rationing authority transferred to him by section 3 of

this act, shall make available not less than 50,000 tons of refined sugar for other than provisional-allotment users during the period from April 1, 1947, to March 31, 1948, to provide for the needs of new industrial-sugar users (with particular reference to the needs of shortage areas caused by population shifts) and for the needs of those who have an insufficient base period history to operate currently at competitive levels (and shall consider, as a determining factor in those cases where there is such insufficient base period history, the rate of growth of such user prior to the base period year).

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Nebraska.

Mr. WHERRY. Mr. President, the amendment merely provides that the Secretary of Agriculture shall set aside 50,000 tons of sugar to be used in hardship cases, where no base has been established, and also for those who desire to establish new businesses.

This is one of the amendments that came out of the Small Business Committee, and I am quite satisfied, after talking with the officials of the Department of Agriculture, that they have no objection to it, as they have so announced to me. They are doing in a limited way what the amendment provides, and this will simply provide that they shall set aside 50,000 tons for the purpose specified.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY].

The amendment was agreed to.

The PRESIDENT pro tempore. If there be no further amendments to be offered, the question is on the engrossment and third reading of the joint resolution.

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

The PRESIDENT pro tempore. The Chair lays before the Senate a joint resolution coming from the House of Representatives which will be stated by title.

The CHIEF CLERK. A joint resolution (H. J. Res. 146) to extend the powers and authorities under certain statutes with respect to the distribution and pricing of sugar, and for other purposes.

Mr. TOBEY. Mr. President, I move that the Senate proceed to the consideration of the House joint resolution.

The motion was agreed to, and the Senate proceeded to consider the joint resolution.

Mr. TOBEY. I move to strike out all after the enacting clause of the joint resolution, and to insert the text of the Senate joint resolution as amended.

The PRESIDENT pro tempore. The question is on the motion of the Senator from New Hampshire to strike out all after the enacting clause and to insert the Senate text.

Mr. WHERRY. Mr. President, I offer to the joint resolution the amendment which I send to the desk.

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

The CHIEF CLERK. On page 2, line 20, before the period, it is proposed to insert a colon and the following: *"And provided further,* That in exercising the authority extended by this act, the Secretary of Agriculture shall allocate, and permit the purchase of, refined sugar for home consumption at a rate of not less than 40 pounds per person per year; providing further that having in mind the need for sugar for home-canning purposes not less than 15 pounds per person shall be made available for home consumption during the third quarter of 1947. In the event the quantity allocated to nonprovisional industrial users during any portion of the period from April 1, 1947, until the expiration of the allocation authority is increased above the base allocation of such users, the quantity herein required to be allocated for home consumption during such portion of such period shall be proportionately increased."

Mr. WHERRY. Mr. President, this is the amendment which has been discussed as the Wherry amendment all afternoon. It has not been offered until this time. This is the amendment I explained in detail on the floor, and which was the subject of debate for many hours. It merely provides that individual users shall be allotted 40 pounds instead of 35 pounds. It provides, and is mandatory, that during the third quarter the Secretary of Agriculture shall give the housewife 15 pounds instead of 10.

The amendment also provides that if there is any new allocation, whether there is an increase or not, the Secretary of Agriculture must make it on a pro rata basis, seeing that the housewife has the same advantage of increase as is given to industrial users.

Mr. President, this is the amendment which the distinguished Senator from Illinois [Mr. LUCAS] said he would like to vote for, but he could not vote for it unless the amendment of the Senator from New Hampshire was voted down, and he did not want to vote against that.

I shall not indulge in further debate now, but I should like to have the yeas and nays, so that all those who would like to vote for the amendment can be so recorded.

The yeas and nays were ordered.

Mr. LUCAS. Mr. President, I shall let the RECORD speak for itself as to my position on the amendment.

Mr. TOBEY. Mr. President, I should like to close the debate, if it is worthy of being called that, and I should like to close it along this line. The amendment the Senator from Nebraska offered this morning——

Mr. WHERRY. I have never offered it.

Mr. TOBEY. The Senator has offered it now.

Mr. WHERRY. Yes.

Mr. TOBEY. And he discussed it.

Mr. WHERRY. Mr. President——

Mr. TOBEY. I am not blaming the Senator; he certainly talked about it, and it has been thoroughly aired in the Senate. It is a first cousin to the amendment just defeated. If Senators vote for this amendment they go back on the way they have voted twice by a large majority, 2 to 1 in each case. If they vote for this amendment they make null and void all they have done. I say it is a first cousin to the amendment just defeated, and I merely ask Senators to vote the amendment down. Let the Senator have his record, make it plain, and make it emphatic.

The PRESIDENT pro tempore. The question is on 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 called the roll.

Mr. WHERRY. I announce that the Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness.

The Senator from South Dakota [Mr. BUSHFIELD] is necessarily absent.

The Senator from Kansas [Mr. REED] is unavoidably detained. He is paired with the Senator from New York [Mr. WAGNER].

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY], the Senator from Arizona [Mr. HAYDEN], the Senator from Washington [Mr. MAGNUSON], the Senator from Florida [Mr. PEPPER], the Senator from Oklahoma [Mr. THOMAS], the Senator from Utah [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Virginia [Mr. BYRD], the Senator from West Virginia [Mr. KILGORE], and the Senator from Nevada [Mr. MCCARRAN] are absent on public business.

If present and voting, the Senator from West Virginia [Mr. KILGORE], the Senator from Washington [Mr. MAGNUSON], the Senator from Utah [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced—yeas 34, nays 44, as follows:

YEAS—34

Baldwin	Ferguson	O'Daniel
Brewster	Gurney	Revercomb
Bricker	Hawkes	Russell
Brooks	Hickenlooper	Stewart
Buck	Ives	Vandenberg
Butler	Jenner	Watkins
Cain	Kem	Wherry
Capehart	Langer	Wiley
Capper	McCarthy	Williams
Dworshak	McKellar	Young
Ecton	Malone	
Ellender	Moore	

NAYS—44

Aiken	Hoey	Myers
Ball	Holland	O'Conor
Barkley	Johnson, Colo.	O'Mahoney
Bridges	Johnston, S. C.	Overton
Chavez	Knowland	Robertson, Va.
Connally	Lodge	Saltonstall
Cooper	Lucas	Smith
Cordon	McClellan	Sparkman
Donnell	McFarland	Taft
Flanders	McGrath	Taylor
Fulbright	McMahon	Thye
George	Maybank	Tobey
Green	Millikin	Umstead
Hatch	Morse	Wilson
Hill	Murray	

NOT VOTING—17

Bushfield	McCarran	Thomas, Okla.
Byrd	Magnuson	Thomas, Utah
Downey	Martin	Tydings
Eastland	Pepper	Wagner
Hayden	Reed	White
Kilgore	Robertson, Wyo.	

So Mr. WHERRY's amendment was rejected.

Mr. TOBEY. Mr. President, I move to reconsider the vote by which the so-called Wherry amendment was rejected.

Mr. FULBRIGHT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUTLER. Mr. President, on January 31, 1947, as appears on page 715 of the CONGRESSIONAL RECORD, as chairman of the Committee on Public Lands I requested a short extension for a committee carrying over from the Seventy-ninth Congress to make its report. No additional expense would be involved. The extension was granted until March 31. The committee referred to was under the chairmanship of the then Senator from Utah, Mr. Murdock, and other Members were the Senator from Idaho [Mr. TAYLOR], and the Senator from Oregon [Mr. CORDON]. They desire to complete the report. The shorthand reporter who took the notes was ill in the hospital. He is still confined to the hospital, but with the assistance of his own clerical force he is completing the transcript and will have it ready, we hope, in the near future. I send to the desk another extending resolution, in order that the report may be completed.

The PRESIDENT pro tempore. Is the Senator requesting present consideration?

Mr. BUTLER. I request present consideration.

Mr. BARKLEY. Mr. President, I have no objection to the resolution, but it is presented on the verge of our voting on the sugar joint resolution, and it is a matter which could wait at least until we pass that measure. If the Senator will wait until we get through with the pending matter, I shall not object.

The PRESIDENT pro tempore. Is there objection at the moment?

Mr. BARKLEY. I must object at the moment.

The PRESIDENT pro tempore. Objection is heard.

The question is on agreeing to the motion of the Senator from New Hampshire [Mr. TOBEY] to strike out all after the resolving clause of the House joint resolution and to substitute therefore the perfected Senate text.

The motion was agreed to.

The PRESIDENT pro tempore. The question now is on the engrossment of the amendment and the third reading of the joint resolution.

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

The joint resolution was read the third time.

The PRESIDENT pro tempore. The question now is on the passage of the joint resolution.

Several Senators asked for the yeas and nays; and they were ordered.

Mr. RUSSELL. Mr. President, I wish to make a brief statement before the final vote. I have been strongly in favor of continuing the Sugar Control Act and the rationing of sugar, for I apprehend that too early an ending of it would cause tremendous confusion in this country. I am convinced, however, Mr. President, that since the majority of the Members of the Senate have seen fit to conclude the controls on sugar by the 31st of October of this year, thereby adopting the House date, that it would be much better to end the rationing at the end of this week. The proposed short extension in my opinion will cause a great deal of confusion and will lead to unusual profiteering on the part of some persons who will hold their sugar until the expiration date of the act and otherwise manipulate the supply. For that reason I shall vote against the measure. I do so despite the fact that I probably will have to explain to a number of my constituents, to whom I have written letters, that I favor sugar rationing. I had hoped that we could extend this sugar rationing until sometime next spring so that the controls might be removed without any lengthy knowledge to those who might speculate in sugar. If rationing is going to be concluded in October, I shall cast my vote against the measure and let it end now. Prices will go up whenever rationing ends, but in my opinion it will cause more profiteering and hoarding to fix the October date than to catch the speculators unaware and end it now. I would like to have an opportunity to vote for a bill to help the people of the United States solve the sugar problem. I regard this as a bill to benefit speculators and hoarders. I cannot vote for a speculators' bill.

Mr. MAYBANK. Mr. President, as a member of the subcommittee of the Committee on Banking and Currency, and as a member of the committee supporting sugar legislation, I want to make my position perfectly clear. I could not support a measure which would end rationing in October, thus creating gambling and hoarding between now and then. If the rationing is to end, Mr. President, let us end it on March 31, and let those who desire to hoard, or do whatever they want to do, commence to do it immediately. Therefore, I shall vote against the measure.

Mr. AIKEN. Mr. President, I agree with what the Senator from Georgia and the Senator from South Carolina have said. By changing the date to October 1, if we enact this measure into law, we will simply make millions and millions of dollars for speculators. For that reason I think it is better to let sugar control end now than after 6 months from now.

Mr. MORSE. Mr. President, I wish to associate myself with the remarks of the Senator from Georgia and the Senator from South Carolina, because in my judgment we have laid the foundation today for a very serious sugar scandal in this country. I think we are playing into the hands of the speculators and the profiteers. I do not believe it represents sound Republican policy. Therefore, I shall vote against the measure.

Mr. FLANDERS. Mr. President, coming from a State which has voted Republican ever since there was a Republican Party, and on behalf of that party for which my State has so consistently voted, I shall vote against the measure because, like the dead albatross around the neck of the ancient mariner, it would hang on the neck of the Republican Party, and I will have no part in it.

Mr. CAPEHART. Mr. President, I join with the Senator from Georgia, the Senator from South Carolina, the Senator from Oregon, and the Senator from Vermont. I shall vote against the measure. But I want to call the attention of the Senate to the fact that there will be no more of a scandal, and no more justification for an increase in the price of sugar by our releasing controls on October 31 than there would be if we removed controls on March 31 next. I want the RECORD to show that, in my opinion, anyone who maintains that there will be such a scandal merely for that reason, is wrong. I think the facts will substantiate that such a thing is going to happen regardless of when rationing is discontinued. Let us not be fooled now by anyone into believing that as a result of what the Senate has done today by voting to discontinue rationing on October 31, something is going to happen that would not happen on next March 31.

Mr. TOBEY. Mr. President, I speak with no bitterness in my heart, but I concur in the statements made by both Senators from Vermont. I want to go on record as saying that this subject has been thoroughly aired here on the floor of the Senate, and honest representation has been given to the sugar situation by sincere men, including the Secretary of Agriculture, Mr. Anderson. No man in this Chamber can say he did not know from authoritative sources what the consequences would be of changing the date to October 31. They were thoroughly explained and pointed out.

There is a certain clique in this country which is going to capitalize on the action we take today in changing the date to the 31st of October. The speculators are singing a Te Deum in their hearts tonight throughout the country. They are singing "Hail, Hail the Gang's All Here. We are ready for the kill."

Mr. President, I deplore that. I shall do nothing that would result in advantage to that selfish crowd, the crowd that has no interest whatever in the welfare of the people of the country.

Mr. President, the measure as framed by our committee and favorably reported to the Senate was designed for the good of the country, to administer a very trying situation, and to let the effects of rationing decline gradually. It was voted out 10 to 2. To remind those who may try to defend their action in changing the date to October 31, instead of leaving controls on until March 1948, as the joint resolution reported by the committee provided, the Secretary of Agriculture was directed in that measure to remove controls whenever he could and when he found it in his heart to do it. Both the junior Senator from Vermont [Mr. FLANDERS] and I repeatedly pointed that out. I read to the Senate the letter of the Secretary, in which he said that when that time came he would give no advance notice, so there could be no speculative benefit from the action he would take. He would pull the curtain down at a time unannounced in advance, and at such a time that no privileged or preferred class would benefit thereby.

Now by what is proposed to be done, the removing of controls on October 31, the speculators are being put on notice that the doors are ajar. The floodgates of speculative profits are open to greedy hearts. I shall vote against the measure.

I want the country to know where the blame lies. It lies with a group in my own party, in the Republican Party, who have been trying to sabotage this measure at every possible opportunity.

Mr. DWORSHAK. Mr. President, I make the point of order that the Senator from New Hampshire is out of order.

The PRESIDENT pro tempore. The Chair rules that the Senator from New Hampshire is not out of order.

Mr. TOBEY. The Senator from Idaho cannot take it, can he?

Mr. SPARKMAN. Mr. President, I want to say that I served on the subcommittee. That subcommittee worked very hard to draft and report out a bill which would continue these controls in an orderly manner. I consider the change of the date as an absolute scuttling of the measure. The Secretary of Agriculture, if I remember correctly, told our subcommittee that it would be better to end the controls now than to end them on October 31.

Mr. TOBEY. The Senator is correct.

Mr. SPARKMAN. For that reason I want to say that I shall join the other members of the subcommittee who have announced their intention to vote against this measure.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MORSE. I understand the Senator from Idaho raised a parliamentary inquiry as to whether or not the Senator from New Hampshire was out of order.

The PRESIDENT pro tempore. The Chair ruled he was not out of order.

Mr. DONNELL. Mr. President, I am at a loss to understand the reason for the tremendous consternation that seems to have struck the Senate within the last few minutes. As I see it, there is no occasion for any great fear of any great national scandal arising out of this situation. Unless I am entirely in error, section 2 of the measure, which has been eulogized on the floor here, still remains in it. Is that not true? Does not section 2, which provides that "prior to the expiration of this act, the Secretary of Agriculture is hereby authorized and directed to remove any or all controls with respect to any product over which control is authorized by this act when he determines that the supplies of sugar are sufficient to warrant such action," still remain in the measure?

Mr. TOBEY. Yes, it still stands there. It is a pretty mess of verbiage. But let me point out that what the Senate is doing now is put speculators on notice that they can make the killing, when they can play the game. But if the measure is left in the form in which the Banking and Currency Committee reported it, the Secretary of Agriculture will, when he knows the proper time has arrived, let the portcullis fall at such a time as to make the speculators impotent to take advantage of his action. But they are not blind now; they are put on notice that controls definitely go off October 31 and there is no uncertainty to them. They will govern themselves accordingly.

Mr. DONNELL. I have understood upon the floor of the Senate this afternoon, certainly from this side of the aisle, that the Secretary of Agriculture is esteemed as an honorable man. I have understood him to be eulogized here, as to his judgment and his integrity. It seems to me that this authority—not merely authority but direction to him by section 2—means, if it means anything, that he is told that prior to the time when the removal of the controls would take effect on October 31 he shall remove the controls, and the idea is, as I understand, Mr. President, that by so doing he will prevent the very scandal and the very reaping of vast harvests of unholy gains, concerning which consternation seems to have struck the Senate. Now if I am wrong about that I should like to be corrected, and I yield to the Senator from Vermont who stands upon his feet.

Mr. FLANDERS. Mr. President, in answer to the point raised by the Senator from Missouri I would say that it is the considered judgment of the Secretary of Agriculture that it is unsafe to ask him to raise the controls at any time between now and October 31. He might be able to, but he would not want to be responsible for having to remove the controls between now and October 31.

Mr. DONNELL. Does the Senator mean that he is not willing to commit himself to do so at this time?

Mr. FLANDERS. It means a little more than that. He feels that there is very great danger in being required to remove controls between now and October 31.

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

Mr. DONNELL. I yield to the Senator from Indiana.

Mr. CAPEHART. I should like to know what there is about the date of October 31 as compared with next March 31, which will make any difference in the so-called scandal? What is the difference, so far as the profiteers are concerned, and those who would hoard sugar, between hoarding it from now until October 31 and hoarding it between now and next March 31? I have never listened to anything I thought was such a striking example of much ado about nothing as the discussion with respect to those two dates. We voted to decontrol on October 31. The joint resolution as reported by the committee set the date as next March 31. Either date gives notice to those dealing in sugar that on October 31 or March 31 controls will be lifted from sugar. I wish some Senator would tell me the difference. In the interim, whether we take October 31 or March 31, the Secretary of Agriculture has the right, at any time he may see fit, to decontrol. We are making a great ado about nothing.

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

Mr. DONNELL. I yield.

Mr. AIKEN. I invite attention to the fact that setting the date for the expiration of the control at October 31 sets it at a time when undoubtedly the Congress will not be in session; and no matter how short the supply of sugar becomes, no matter how much the gamblers withhold the supply of sugar, there is nothing in the world that Congress can do about it, whereas on the 31st of March Congress will be in session.

Mr. DONNELL. I yield.

Mr. FLANDERS. I should like to say further in response to the inquiries raised by the Senator from Indiana that the best time, in the judgment of the Secretary, lies somewhere between a November date and the March date, and that so far as any knowledge or information about supplies, stocks, and consumption is concerned, any date before that would be unsafe. There is a practical surety in finding a date between those extremes.

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

Mr. DONNELL. I yield.

Mr. CAPEHART. I appreciate that point; but I was trying to point out to the Senate that there is not much difference between dates so far as speculation is concerned.

Mr. SALTONSTALL. Mr. President, will the Senator yield to me so that I may ask the junior Senator from Vermont a question?

Mr. DONNELL. I yield.

Mr. SALTONSTALL. The question is this: Massachusetts is a large industrial State which uses a great deal of sugar in ice cream, bottled goods, and confectionery. There are also two large refineries in the State. If we take off controls now, will not those large industrial users get all the sugar, and leave none for the housewife, or for canning? In other words, if we keep the controls until October 31, even though there may be a large increase in the price of sugar after that time, with the coming of new supplies there will be better opportunity for the housewife under those conditions than if we were to remove controls today.

Mr. DONNELL. I yield to the Senator from Vermont [Mr. FLANDERS] for the purpose of answering the question.

Mr. FLANDERS. The situation so far as the housewife is concerned in the case of an October release would be very bad indeed. The hoarding would take place during her canning season. As I explained this afternoon, that was one of the very bad features against the October 31 date. I can conceive of nothing worse so far as the housekeeper and home canner are concerned.

With regard to the other part of the question, as to whether it was not more serious to decontrol now than next October, the Senator from Massachusetts was thinking largely in terms of the very large industrial consumption of sugar. As I understood, he expressed the fear that that very large industrial consumption of sugar might drain the household supplies at this time. Am I correct in that statement of the question?

Mr. SALTONSTALL. My question was, Would not the housewife, in an industrial State using large quantities of sugar, be better off with the October 31 date, than if controls were removed today?

Mr. FLANDERS. My answer to that question was that there was no time worse for the housewife so far as canning was concerned than October 31. As has been explained, the hoarding which would take place in anticipation of that date would come during the canning season. The point has been raised that the Sec-

retary does not necessarily decontrol at that date. The fact remains, however, that everyone knows that control is to be lifted at that time at the latest, and the hoarding will therefore start during the canning season unless the Secretary announces a date suddenly, well in advance of that time. The housewife and canners certainly are not served by the October 31 date, under any conceivable circumstances except those I last mentioned, if the Secretary should suddenly announce a date well in advance of the canning season. That is what we are doing, in effect, if we vote "nay" on the joint resolution.

Let me say to the Senator from Massachusetts that I cannot say what will happen to the household user as compared with the industrial user in the State of Massachusetts or any other region where the industrial demand is strong. We would be in the position of relinquishing controls, and something would happen—heaven only knows what. I am not up in heaven, but in a very different place, namely, on the floor of the United States Senate; and I must plead ignorance on that subject.

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

Mr. DONNELL. I yield.

Mr. MAYBANK. I wish to mention one further point to the distinguished Senator from Vermont. Not only would prices be affected, but I was led to believe by the evidence that the Cuban cane is now being cut. A great deal of Cuban cane might not be cut, and there might not be as much sugar from Cuba if the controls were to be terminated in October.

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

Mr. DONNELL. I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I think this confusion which has taken hold of the Senate in the last few minutes is much ado about nothing. As I tried to point out this afternoon in the course of the debate the Senate should not overlook the fact that the Federal Government, through the Commodity Credit Corporation, owns the largest available source of sugar that is now being produced in this hemisphere. The Government is the owner of the Cuban crop and the Puerto Rican crop, and I am certain that with that sugar in the hands of the Federal Government and with controls applied until October 31 all will receive their just share and there will be no opportunity to hoard sugar.

As I tried to point out this afternoon, if we select March 31, 1948, instead of October 31, 1947, as the date for the removal of controls, the scandal which has been mentioned will really occur, because the period of the greatest sugar production begins in November and continues through December and on until May in each year; and if we should make the mistake of having controls removed on March 31 there is no question in my mind that all the new sugar produced from November until early next year, up to March 31, would be retained so that it could be sold on an uncontrolled market.

Mr. DONNELL. May I ask the Senator from Louisiana, who has just spoken, whether or not he anticipates that if this joint resolution shall be passed in its present form a great national scandal will result?

Mr. ELLENDER. Of course not. It is silly to contemplate that such an occurrence will come to pass.

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

Mr. ELLENDER. I do not have the floor.

Mr. DONNELL. I yield to the Senator from South Carolina for the purpose of interrogating the Senator from Louisiana.

Mr. MAYBANK. The Senator from Louisiana is more familiar than am I with the production of sugar and the growing of cane. Inasmuch as he has stated that the Commodity Credit Corporation owns the Cuban crop and the Puerto Rican crop I should like to ask him this question: Is it not a fact that the Cuban Government made certain arrangements with UN to allocate a certain amount of the crop and that the American Government agreed to it?

Mr. ELLENDER. As I understand, the American Government purchased the entire Cuban crop, and approximately one-third of it has been allocated for foreign distribution, so there is an increased allotment to the people of countries which are not producing as much as they produced before the war. This country has been allocated two-thirds of the Cuban sugar production, which amounts to approximately 3,200,000 tons.

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

Mr. DONNELL. I yield to the Senator from South Carolina.

Mr. MAYBANK. My only point is that the Government acted as an agent for UN, and when we remove the ceilings the dollar credits will be involved, and Cuba desires to build up her credits in the future with countries other than the United States. The United States will control the sugar as an agent for Canada, England, and for every other Nation involved.

Mr. ELLENDER. But I repeat to the distinguished Senator from South Carolina——

Mr. DONNELL. Mr. President, I yielded for the purpose of propounding an inquiry only.

The PRESIDENT pro tempore. The Senator declines to yield.

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

Mr. DONNELL. I yield to the Senator from Kentucky for an inquiry.

Mr. BARKLEY. I wish to propound an inquiry to someone who can shed enough light on this situation to enable me to cast an intelligent vote. I preface my question by the observation that because I felt that March was a better date I voted against the amendment providing for moving the date up to October 31. I think it is now obvious that the Senate made a mistake in the action which it took. But the joint resolution is now beyond consideration so far as amendments to the text are concerned. The question is now on the passage of the joint resolution. If we decline to pass it, all sugar control will end next Monday.

The question I should like to ask the Senator from Missouri [Mr. DONNELL] or the Senator from New Hampshire [Mr. TOBEY], or any other Senator who can answer it, is this: In view of the fact that it has long been known that sugar control will expire next Monday unless Congress extends it, if this measure is now defeated, as between the condition that will transpire following next Monday and that which will transpire following next October, would the country be worse off next Monday and following, or would it be worse off in October? I am not speaking of a possible sugar scandal. I presume that so far as it could be done there has already been hoarding of sugar, on the theory that Congress might not extend the law and that the price would immediately rise after the law's expiration next Monday. Whether there will be greater hoarding between now and October I do not know; but insofar as the equitable distribution of sugar among the consumers in this country is concerned, would the country be any worse off next October than it would be next week if Congress declined to extend control?

Mr. FLANDERS rose.

Mr. DONNELL. I see that the Senator from Vermont is on his feet, and I am sure he can respond to the question.

Mr. BARKLEY. Let me also include in my question this observation, with an interrogation point after it: In my section of the country the canning season as a rule is long in advance of the 31st of October. When the 1st of November arrives vegetables and ordinary fruits have been consumed or canned. There are certain products which are suitable for canning up to the 31st of October, but for the most part the housewife in my section of the country has done most of her canning before the 31st of October. I am concerned about what will happen to her in the summer season. If the Senator from Vermont or any other Senator can satisfy my mind with reference to that, and in relation to the other matters about which I have inquired, I shall be very grateful.

Mr. FLANDERS. There is no better time than right now for a disorderly removal of controls for which we have voted. Now is the time. We are in a period when Cuban sugar is coming in. The refining of sugar will reach its peak in May, June, and July. Beyond that time stocks continuously decrease. Now is the time for disorderly removal of controls. There is no better time.

Mr. BARKLEY. That does not entirely answer my question, but I accept it.

Mr. O'MAHONEY rose.

Mr. DONNELL. The Senator from Wyoming is on his feet.

Mr. O'MAHONEY. I desire to obtain the floor in my own right, in accordance with the rule.

Mr. OVERTON. Mr. President——

Mr. DONNELL. I yield to the Senator from Louisiana for an inquiry.

Mr. OVERTON. I wish to propound this inquiry to the able Senator: If controls are removed next Monday is it not true that the sugar refiners and those who grow sugar will proceed to hoard it in order to obtain higher prices, and the market will go up, and that the country will be infinitely better off if control is continued until October 31?

Mr. DONNELL. The Senator has stated his view in his question, and I shall not make further comment upon it. It has been stated by him with clarity.

Mr. OVERTON. I thank the Senator.

Mr. DONNELL. I was, like the Senator from Kentucky who spoke a few moments ago, one of those who voted to retain March 31, 1948, as the date for the removal of control, rather than October 31, 1947. Two things are true: In the first place, the Senate, by the majority of its Members, determined that October 31, 1947, is the proper date to place in the joint resolution. Personally, notwithstanding the fact that I differed with those Senators and voted against it, I am willing to abide by the judgment of the Senate.

In the second place, Mr. President, when that vote was taken by the Senate section 2 was in the joint resolution; and prior to that vote I failed to hear any comments made with respect to any great scandal which would result in the event that we placed in the joint resolution the October 31, 1947, date. Throughout the discussion I have understood that although many believed, as did I, that the proper date was March 31, 1948, nevertheless, section 2, which has been inserted, as I understand from italics, by the committee was a safeguard, or deemed to be such. Certainly when the Senate decided this afternoon that the proper date was October 31, 1947, rather than March 31, 1948, the Senate must have acted on the theory that section 2 was a safeguard.

Mr. President, I am unable to read the mind of the Secretary of Agriculture. I saw this afternoon a memorandum which was handed about here. For the life of me I cannot recall the details of it. I only glanced at it hastily. It may have been conveying the news to which the Senator from Vermont has referred.

But, Mr. President, bearing in mind, first, that the Senate, after full and complete debate, fixed upon October 31, 1947, as the proper date; and bearing in mind the further fact that when the Senate did that there was no charge, so far as my ears conveyed it to me, of prospective scandals resulting therefrom; and bearing in mind the further fact that when the Senate voted to put that date into the joint resolution section 2 was in the joint resolution; and bearing in mind, also, that section 2 provides that—

> Prior to the expiration of this act, the Secretary of Agriculture is hereby authorized and directed to remove any or all controls with respect to any product over which control is authorized by this act when he determines that the supplies of sugar are sufficient to warrant such action.

I say, Mr. President, that bearing in mind that combination of facts, I shall vote in favor of the joint resolution.

Mr. O'MAHONEY. Mr. President, I have listened with a great deal of disquietude to the discussion which has taken place here in the last half hour. I was one of those who voted against termination on October 31, 1947, because I was convinced that termination at that time would provoke the hoarding and the speculation which have been prophesied by the Senator from New Hampshire and the Senator from Vermont.

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

Mr. O'MAHONEY. If the Senator from Ohio will permit me to finish, I shall then yield.

Mr. President, I sympathize completely with everything which has been said here by the Senator from Georgia, the Senator from South Carolina, and the Senator from Alabama. I can understand the feeling of the members of the subcommittee who, having studied this problem, feel that disaster will come to the consumers of sugar in the United States if the price controls are lifted on October 31, 1947.

The question now propounded to us, however, is that which was asked by the Senator from Kentucky; namely, which date of termination will be worse for the people of the United States—next Tuesday or October 31 of this year? I believe that what the Senator from Georgia has said is correct; namely, that with termination as of October 31, 1947, the joint resolution is a speculator's joint resolution. But I also know——

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

Mr. O'MAHONEY. I decline to yield.

Mr. President, I also know that if we permit sugar controls to terminate next Tuesday, the housewives of the United States, the industrial users of the United States—all who want sugar—will be the sufferers; and the price will rise. There is much greater danger of a price rise with termination of controls within the week than there is with termination on October 31.

I call to the attention of the Senate that after the OPA was repealed, after the failure of OPA legislation in the last session of Congress, when all controls were lifted, there was an immediate rise of prices. Then the OPA was reimposed. Subsequently, the controls were dropped. As a result of that failure to deal realistically with the situation which then confronted us, the price index as of last November was 188. In short, the prices of food in the United States at that time reached an all-time peak.

Mr. President, everyone who pays the slightest attention to what is going on in the United States today knows that prices are rising on every hand. They are rising so rapidly, Mr. President, that I have a grave feeling that before many months have passed this country will face another depression, another crash of prices. Mr. President, that is not my prediction. The business writer for the New York Times, Mr. Russell Porter, only a few weeks ago, in his column in one of the issues of the Times, warned the industrialists of the United States that they had 60 or 90 days within which to reduce prices or else face a break in the market. The United States News, which certainly is not a New Deal publication, in its issue of only last week predicted that a recession was near at hand. Mr. President, we have allowed things to get out of hand because we have been thinking emotionally instead of realistically about the condition which confronts this country.

What is the issue which faces us? The joint resolution brought in by the committee would extend these controls until March 31, 1948, which is only a year from now. As the Senator from Vermont well stated, the purpose of the legislation as brought in by the committee was to secure orderly decontrol.

Section 2, to which the Senator from Missouri [Mr. DONNELL] has referred, was written into the joint resolution for the purpose of avoiding termination at a time of shortage. But it was intended to enable the Secretary of Agriculture, if there were a sufficient supply of sugar, to bring about the termination without notice or without warning, in order to prevent speculation. However, this afternoon the Senate of the United States has made that impossible. The joint resolution now contains no safeguard against a termination of price control on October 31 for the simple reason that there is no possibility of getting a sufficiently increased supply of sugar between now and then.

We are confronted with a shortage of sugar. Anyone who has given attention to the sugar problem knows that the United States is confronted with a shortage of sugar. There was a time before the war when we used to receive over a million tons of sugar annually from the Philippine Islands. That supply was utterly and completely cut off; the Japs destroyed the machinery and the plantations there; and there is no possibility of securing more than a thimbleful of sugar from the Philippine Islands next year, comparatively speaking.

But if we terminate price controls while there is a shortage of the sugar supply, the slightest bit of common sense should convince everyone that we are inviting disaster; and when the prices begin to rise the housewife will not get sugar for her canning or for the table. The people of the United States as a whole will be the ones to suffer.

O Mr. President, let us legislate with common sense. Let us legislate in the interest of all the people of the United States. It is perfectly obvious, from what has happened here this afternoon, that this is a matter which needs more consideration. As the Senator from Kentucky said, the parliamentary situation is such that we cannot reconsider the vote by which the October 31 date was inserted, but we have not lost the power to legislate if we are willing to deal with this question intelligently, with common sense, without partisan feeling, in the interest of all the people of the United States. All that is necessary is for us to send the joint resolution back to the committee, Mr. President, and I move that it be recommitted.

Mr. TAFT. Mr. President, I wanted to point out that those who think the controls should be continued to March 31, 1948, it seems to me should necessarily vote for the pending measure. They

have an opportunity to introduce for the consideration of the Senate another bill to extend the controls until March of next year, if they wish to do so. The passage of this measure will continue the controls, and there will be at least 4 months in which those who think that is the wrong date can bring in another bill to extend the date to March 31, and get full consideration in the Senate and the Congress.

It seems to me those who think controls should be continued, but vote to cut them off tomorrow because they do not like the exact date fixed at the present moment, are cutting off their noses to spite their faces. The whole subject has engendered far greater heat than is justified. I may be mistaken, but I do not see how anyone can hoard sugar before the 31st of October if people are strictly limited in the amount they can get. Who can hoard before the 31st of October if there is inventory control and rationing control? I cannot see that disaster would ensue. It is possible that we have so overestimated that we will be very short on the 1st of November, but I do not think so. So far as I can see, with the additional sugar from Cuba, we are going to have a very large stock pile. We will have the new plants of the International Emergency Food Council, and we will have built up a considerable stock. That is why we are rationing for the next 7 months. If we add to that five or six hundred thousand tons more from Cuba, which we have not counted, it seems to me we may expect a perfectly normal supply, certainly for the two coast areas, and the beet sugar crop is coming in to take care of the central area of the country.

In any event, I cannot see why anyone who wants to continue controls should not vote for the joint resolution and then, if later on it is desired to reconsider, move to extend the date from the first of November until March 31. We can reconsider our decision of this afternoon.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Wyoming [Mr. O'MAHONEY] to recommit the bill.

Mr. BARKLEY. Mr. President, I wish merely to suggest to the Senator from Wyoming that if his motion to recommit is to be of any value it should carry with it, if it is to be agreed to, an instruction to the committee to report back to the Senate not later than tomorrow in order that the Senate might take action.

Mr. O'MAHONEY. The Senator is right. I accept the amendment.

Mr. BARKLEY. It would be in order, if the motion to recommit should carry, for the Senate Committee on Banking and Currency on tomorrow, or later today, if it desired, to report back the bill to the Senate as it was reported originally by the committee, minus all the amendments agreed to, or plus anything else the committee might want to add to it. So that if we are to get out of this situation, assuming the Senate wants to get out of it, in some way other than by having all control expire next Monday, there should be carried with the motion of the Senator from Wyoming an instruction to the committee to report not later than tomorrow.

Mr. O'MAHONEY. I am very glad to accept the amendment as a part of my motion.

The PRESIDENT pro tempore. The Senator's motion, then, is that the bill be recommitted with instructions to the committee to report not later than——

Mr. O'MAHONEY. Not later than tomorrow.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. Let the Chair understand the motion clearly.

Mr. O'MAHONEY. The motion is to recommit the bill with instructions to the Committee on Banking and Currency to report back to the Senate at not later than noon tomorrow.

The PRESIDENT pro tempore. At not later than noon tomorrow.

Mr. TAFT. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. If the bill shall be recommitted, will the committee be free to make any changes in the bill?

The PRESIDENT pro tempore. The recommittal would nullify the action of the Senate in respect to all amendments, and the committee would be free to report as it pleased.

Mr. TAFT. I move that the motion of the Senator from Wyoming be laid on the table, and on that I ask for the yeas and nays.

The PRESIDENT pro tempore. The Senator from Ohio moves to lay on the table the motion of the Senator from Wyoming. The motion is not debatable.

The yeas and nays were ordered.

Mr. O'MAHONEY. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. O'MAHONEY. I understand those who desire to recommit will vote "no."

The PRESIDENT pro tempore. The Senator's understanding, as usual, is sufficiently accurate not to require any prompting from any source.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness.

The Senator from Kansas [Mr. REED] is unavoidably detained. He is paired with the Senator from New York [Mr. WAGNER].

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY], the Senator from Arizona [Mr. HAYDEN], the Senator from Washington [Mr. MAGNUSON], the Senator from Florida [Mr. PEPPER], the Senator from Oklahoma [Mr. THOMAS], the Senator from Utah [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Nevada [Mr. MCCARRAN], and the Senator from West Virginia [Mr. KILGORE] are absent on public business.

If present and voting the Senator from West Virginia [Mr. KILGORE], the Senator from Washington [Mr. MAGNUSON], the Senator from Utah [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced—yeas 44, nays 36, as follows:

YEAS—44

Baldwin	Dworshak	Millikin
Ball	Ecton	Moore
Brewster	Ellender	O'Daniel
Bricker	Ferguson	Overton
Bridges	Gurney	Revercomb
Brooks	Hawkes	Smith
Buck	Hickenlooper	Taft
Bushfield	Ives	Thye
Butler	Jenner	Vandenberg
Byrd	Johnson, Colo.	Watkins
Cain	Kem	Wherry
Capehart	Knowland	Wiley
Capper	McCarthy	Williams
Cordon	McKellar	Young
Donnell	Malone	

NAYS—36

Aiken	Holland	Myers
Barkley	Johnston, S. C.	O'Conor
Chavez	Langer	O'Mahoney
Connally	Lodge	Robertson, Va.
Cooper	Lucas	Russell
Flanders	McClellan	Saltonstall
Fulbright	McFarland	Sparkman
George	McGrath	Stewart
Green	McMahon	Taylor
Hatch	Maybank	Tobey
Hill	Morse	Umstead
Hoey	Murray	Wilson

NOT VOTING—15

Downey	Magnuson	Thomas, Okla.
Eastland	Martin	Thomas, Utah
Hayden	Pepper	Tydings
Kilgore	Reed	Wagner
McCarran	Robertson, Wyo.	White

So Mr. TAFT's motion to lay Mr. O'MAHONEY's motion on the table was agreed to.

Mr. BARKLEY. Mr. President, I want to make a very brief statement, not for the purpose of attempting to influence the vote of any Senator, but in order that I may make my own position clear. I regret that the Senate took the action it took earlier in the day in moving the date forward to October 31. I think it was a mistake, but it was made, and it was made by the Senate, knowing that the same date was fixed in the House bill, and that therefore that date would not be in conference and it could not be changed by the conferees. So that the Senate took the action with its eyes open on that subject.

I do not know, and I would not pretend to say, whether it is wiser to end control of sugar on next Monday or Tuesday, or to continue it until the 31st day of October. I do feel that if we suddenly and unexpectedly remove controls from sugar, the result may be a windfall for the benefit of those who have, or will have, sugar for sale or manufacture. I think the Congress would not want to bring that about. I am afraid of that situation. I am therefore unwilling to take the responsibility. I have been unwilling to get the consent of my own mind to end these controls unexpectedly on next Monday, which will take place if this bill fails of passage. From my past experience, following the expiration of a control law and a 2 months' hiatus, during which the sky was the limit, in undertaking to secure legislation to reimpose limitations in a field where they had been lifted by failure of Congress, I would not be willing, if this law expires next Tuesday, to try again after my previous experience to reimpose these controls, because it

would be ineffective, just as it was last year when we could not reimpose controls after the expiration of the price control act, and its reenactment a month or two later.

Therefore, for my own part, Mr. President, being unwilling to get the consent of my own mind to end these controls on next Tuesday, I shall vote for the passage of this measure, with the hope that if it turns out, in the light of new information, another date should be adopted for the expiration finally of sugar controls, we will have an opportunity to consider it and act upon it between now and the time when Congress shall adjourn.

Mr. LUCAS. Mr. President, I should like to make an inquiry of some member of the Committee on Banking and Currency. The inquiry is this: Is there any evidence before the committee which discloses the viewpoint of the Secretary of Agriculture with respect to these two dates, namely, March 31 and October 31? Has the Secretary testified as to the two dates, and the impact either would have upon our economy, so far as sugar is concerned? Has he given us any information about those two dates?

Mr. FLANDERS. Mr. President, I would like to say to the Senator from Illinois that the Secretary said, I think possibly without realizing that this emergency would come upon him, that he would rather decontrol now than that the October 31 date be fixed by law. He said that, quite specifically. I shall want to inquire of him, between now and our meeting tomorrow morning, whether he feels the same way, and I would not want to hold him to that, personally, until he faced this as a possible fact, rather than as something that is a hypothetical situation. He certainly told us that he would rather decontrol now than between now and the 31st of October.

I think there is one other matter that is pertinent. Mr. Marshall told us that at the present moment there was no evidence of hoarding sugar; so that is also pertinent to this situation, and is favorable to an immediate decontrol.

Mr. TOBEY. Mr. President, I may say to the Senator from Illinois that I spoke at considerable length today, and slowly, much more slowly than I usually do, so I would be clearly understood, expressing the hope the Secretary of Agriculture would act along the specific lines we have suggested, and indicating the danger if he resorted to the October 31 date.

The PRESIDENT pro tempore. The question is on the passage of the joint resolution.

Several Senators asked for the yeas and nays; and they were ordered.

Mr. BUTLER. Mr. President, I do not want more than a half a minute. I desire to express my personal appreciation of the practical and sensible statement just made by the leader of the minority group. In that connection, if Congress finds that the measure as passed here today is not working satisfactorily, in the next 2 or 3 months is there any reason why we cannot amend it at that time? I ask the chairman of the Committee on Banking and Currency that question.

Mr. TOBEY. The dike will have been opened, the floods will come, and hell will be to pay.

Mr. O'DANIEL. Mr. President, I have already spoken once today on the pending subject, and I think everyone knows that I am against price control and rationing. I presented several reasons why I thought we should discontinue the control on sugar at the present time. The whole thing, however, has taken a different trend since I made my little talk, and during that talk I said that I did not think there was any doubt but that the measure would be passed by the Senate. I also want to say that I had in mind at the time I made my talk, that even though Congress should pass the measure it would not remain in force very long.

I think we all know that Mr. Truman down in the White House has been playing some very smart politics beginning immediately after last November 5. I think it has been demonstrated that the best time to bring about decontrol is suddenly and without much warning. That is the way Mr. Truman has brought decontrols about, and the plan has worked very well.

Everything has found its level or will continue to seek to find its level. So I think nothing would be smarter, so far as Mr. Truman's political career is concerned, than for Congress to put itself on record as being in favor of continued price control in order that he might in a few days or a few weeks receive the plaudits of the Nation by removing these controls. It is plainly seen in the pending measure that the Secretary of Agriculture has the right to remove controls at any time he wants to. Of course, I am a Democrat and I would be very glad to see Mr. Truman pull that rabbit out of the bag, so to speak. At least, what I mean is that I would be glad to see him get the best of Congress and continue to build up his political fences.

I am surprised, however, and I say it in all friendliness, that my friends on the other side of the aisle would be led as innocent little lambs to slaughter so soon after the election last November, when, without a doubt, the people of this Nation decided that they did not want any more controls. They decided it in such a convincing manner that anyone could see. Mr. Truman took advantage of the situation and 2 or 3 days later he removed price controls, and thereby he grew in stature before the public. Now, here we are considering the question of putting controls back. I certainly hope—well, I do not know whether I hope that we kill the measure here today or that Mr. Truman shall kill it later. If we do not kill it here, I certainly hope that he will do so and do it soon. If he continues to be politically astute he will veto this bill if Congress passes it.

I certainly hope he will.

The PRESIDENT pro tempore. The question is, Shall the House joint resolution pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Pennsylvania [Mr. MARTIN] is absent by leave of the Senate.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness.

The Senator from Kansas [Mr. REED] is unavoidably detained. He is paired with the Senator from New York [Mr. WAGNER.]

Mr. LUCAS. I announce that the Senator from California [Mr. DOWNEY], the Senator from Arizona [Mr. HAYDEN], the Senator from Washington [Mr. MAGNUSON], the Senator from Florida [Mr. PEPPER], the Senator from Oklahoma [Mr. THOMAS], the Senator from Utah [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Nevada [Mr. MCCARRAN], and the Senator from West Virginia [Mr. KILGORE] are absent on public business.

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED].

I announce further that if present and voting, the Senator from Utah [Mr. THOMAS] would vote "yea."

The result was announced—yeas 46, nays 34, as follows:

YEAS—46

Baldwin	Green	O'Conor
Ball	Hawkes	O'Mahoney
Barkley	Hickenlooper	Overton
Brewster	Hoey	Robertson, Va.
Bridges	Johnson, Colo.	Saltonstall
Butler	Johnston, S. C.	Smith
Byrd	Knowland	Stewart
Cain	Langer	Taft
Capper	Lodge	Thye
Connally	Lucas	Umstead
Cooper	McClellan	Vandenberg
Cordon	McGrath	Watkins
Donnell	McKellar	Wiley
Dworshak	McMahon	Young
Ellender	Malone	
Ferguson	Millikin	

NAYS—34

Aiken	Hatch	Myers
Bricker	Hill	O'Daniel
Brooks	Holland	Revercomb
Buck	Ives	Russell
Bushfield	Jenner	Sparkman
Capehart	Kem	Taylor
Chavez	McCarthy	Tobey
Ecton	McFarland	Wherry
Flanders	Maybank	Williams
Fulbright	Moore	Wilson
George	Morse	
Gurney	Murray	

NOT VOTING—15

Downey	Magnuson	Thomas, Okla.
Eastland	Martin	Thomas, Utah
Hayden	Pepper	Tydings
Kilgore	Reed	Wagner
McCarran	Robertson, Wyo.	White

So the joint resolution (H. J. Res. 146) was passed.

The PRESIDENT pro tempore. Without objection, Senate Joint Resolution 58 will be indefinitely postponed.

Mr. WHERRY. I move that the Senate insist upon its amendments, 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 President pro tempore appointed Mr. TOBEY, Mr. FLANDERS, and Mr. MAYBANK conferees on the part of the Senate.

Mr. WHERRY. I ask unanimous consent that the joint resolution which just passed the Senate, and all the amendments thereto, be printed so that Senators may have it tomorrow.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 931) to extend certain powers of the President under title III of the Second War Powers Act, with an amendment; insisted upon its amendment, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MICHENER, Mr. SPRINGER, Mr. FELLOWS, Mr. DEVITT, Mr. WALTER, Mr. BYRNE of New York, and Mr. CRAVENS were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the bill (S. 918) to establish an Office of Selective Service Records to liquidate the Selective Service System following the termination of its functions on March 31, 1947, and to preserve and service the selective-service records, and for other purposes, with amendments; insisted upon its amendments, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SHORT, Mr. COLE of New York, and Mr. DREWRY were appointed managers on the part of the House at the conference.

TERMINATION OF WAR POWERS AND CONTROLS UNDER SECOND WAR POWERS ACT

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 931) to extend certain powers of the President under title III of the Second War Powers Act.

Mr. WHERRY. I move that the Senate disagree to the amendments of the House, agree to the conference requested by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. WILEY, Mr. COOPER, and Mr. MCGRATH conferees on the part of the Senate.

LEAVE OF ABSENCE

Mr. BALDWIN. Mr. President, I ask unanimous consent to be absent from the Senate on next Friday and Monday.

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

IMPORTANCE OF PRICE REDUCTIONS

Mr. MORSE. Mr. President, I invite the attention of the Senate to a series of articles written by Mr. Blair Moody and published in the Detroit News, dealing with the problem of reduction of prices. I think it is very important that this material be inserted in the RECORD, and I should like to have it published in the body of the RECORD as a part of my remarks, because I believe that in this series of articles Mr. Blair Moody has put his finger on one of the vital economic problems facing the country.

I notice that the President in his recent press conference called attention to the importance of American industry voluntarily reducing prices. Mr. Moody has certainly brought out very clearly in these articles the vital importance of a quick reduction in prices if we are to save ourselves from what I think is clearly ahead of us, namely, a great economic disruption. If the spiral of high prices continues, it may result soon in the legitimate demand on the part of labor for a quick increase in wages. I fear that such increases in wages will be increases in money wages and not increases in real wages. I feel so deeply about it that I think attention should be focused on the economic crisis toward which I think America is rapidly moving, a crisis which, as the Senator from Wyoming [Mr. O'MAHONEY] pointed out this afternoon, is bound to result in serious depression within the next few months unless American industry and American labor get together on a price-reduction program in order to avoid demands for increases in wages.

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

PRESSURE FOR PRICE CUTS APPLIED BY BIG BUSINESS—HARVESTER AD URGES KEY INDUSTRIES TO BREAK THROUGH INFLATION SPIRAL

(By Blair Moody)

WASHINGTON, March 20.—The Government's effort to check inflation, by getting United States Steel and other key industrial giants to break a path for widespread price cuts, gathered strength today by polite—but pointed—pressure from within the ranks of industry itself.

A new type of industrial ad, calling on business to rise to its public responsibilities, is beginning to appear in eastern newspapers.

For example, such key price makers as Big Steel's executive committee, which shortly must decide whether to cut the price of industry's basic material or keep it high, must have seen in the New York Times the other morning a big black-and-white display reading:

"Any price is too high if it can be reduced."

The ad was signed by Fowler McCormick, president of International Harvester Co., which has just announced price reductions totaling $20,000,000, effective April 1.

There can be little doubt that many, many prices can be reduced. Steel is one obvious example, with production and profits running at unprecedented, swollen levels. So many prices are so much too high that the president of the New York Stock Exchange, Emil Schram, has been raising ned about it. He fears an angry public backlash if the country is high-priced into a depression.

"MOST IMPORTANT"

"We believe," says McCormick's ad, "there is nothing more important to this country than to lower the prices of goods that people buy."

That is what every ranking economist in the White House, every top businessman in the Commerce Department, including Secretary Harriman and Under Secretary Foster, and many businessmen outside Government also believe.

But so far, McCormick's effort to lead the economy away from a postboom crash, toward prosperous stability, has been received by key industrial bigwigs with the same indignant high nose as greeted the similar effort by Henry Ford II a few weeks ago.

"Business, to our way of thinking, has a social as well as an economic responsibility," continues McCormick's ad.

This statement might raise quite a debate on, say, Big Steel's big board which numbers Sewell M. Avery and several prototypes as well as some pretty broad-gaged men.

"The American people," says McCormick, "have insisted that the Government withdraw from its attempt to control prices in peacetime."

He might have said: Congress insisted, after it had been assured in full-page ads of quite another type, sponsored by the National Association of Manufacturers and others, that if only price controls could be smashed, prices would go down. At any rate:

"That places the responsibility," McCormick continues, "where it belongs—in the hands of business and industry."

MUST BREAK THROUGH

Obviously, not all business can reduce prices by the same amount, and some can't cut them at all, he points out. But:

"Our company has felt a duty to act as promptly as possible. In our case, the business outlook now makes it possible to move toward the goal of lower prices. The only way out of the vicious circle of higher and higher prices is to break through."

Now, as is always the case when men of great position and power are involved, much more is being said privately than on the record about this whole issue.

Several important industrialists have told the Detroit News they see the economic threat to the Nation. They say they would like to cut prices and could cut them, but they are afraid to act until the steel industry acts, and the steel industry will follow the lead of its biggest member.

It is not a cartel, formally. It may not be industry-wide price-fixing, technically. But it is a curious phenomenon of the American "competitive" system which might well be examined by the new unit in the Department of Justice just set up by Attorney General Clark to investigate the concentration of economic power.

U. S. STEEL URGED TO LEAD FIGHT TO HALT INFLATION—GOVERNMENT REBUFFED IN FIRST EFFORT TO LAUNCH KEY MOVE

(By Blair Moody)

WASHINGTON, March 19.—The Government is calling on the U. S. Steel Corp. to cut its prices, as the key move in an effort to check inflation before the soaring cost of living plunges the country into a depression.

Secretary of Commerce W. Averell Harriman, a big businessman himself, put the proposition up to Irving S. Olds, chairman of the board of Big Steel, when he passed through the Capital en route to a winter vacation in the Bahamas.

Harriman told Olds in effect that his company, should it follow the price reductions by Ford and International Harvester, could set a pattern for the Nation which would do more than any single thing to reverse the current dangerous trend. Olds' response is reported to have been not encouraging.

The same situation was laid before Enders N. Voorhees, chairman of the finance committee of Big Steel, by Under Secretary of Commerce William C. Foster. Voorhees, said in business circles to be a leader of those opposing a price cut in the corporation's inner councils, was reported even less responsive."

John R. Steelman, assistant to President Truman, and Dr. Edwin G. Nourse, chairman of the President's Economic Advisory Council, have been privately warning industrialists for weeks that failure to reduce prices, while piling up tremendous profits, is making another big wage increase, and a final precrash whirl of the inflationary spiral, all but inevitable.

BUSINESS WARNED

The same warning was voiced by Emil Schram, president of the New York Stock Exchange, in a closed meeting of the Business Advisory Council. Schram told BAC, which is an adjunct of the Commerce Department but is composed of independent industrialists, that the public would never understand the huge profits being piled up while prices are so high that millions of buyers are being priced out of the market.

Schram presented figures showing 1946 profits of 51 consumer-goods corporations,

many of which, he said, "never could be justified."

Schram's concern was primarily directed at consumer goods, as most directly affecting living costs. Harriman, Foster, Steelman, Nourse, and other officials and like-minded industrialists, however, are concentrating their efforts on steel as the fulcrum of the industrial economy.

Olds and Voorhees were reminded that United States Steel made profits of $34,000,000 and $31,000,000 in the last two quarters of 1946, the latter despite some production troubles. Profits for the first quarter of 1947 are running far above even those levels.

For the steel industry as a whole, profits rocketed from $22,000,000 in the first quarter of 1946 to $94,000,000 and are still rising, according to semiofficial reports.

PROMISE RECALLED

A highly important factor, from the public standpoint, is the fact that prices have soared following removal of controls by Congress in response to a widely advertised promise, by the National Association of Manufacturers and others, that they would not soar.

Steel is crucial, officials assert, because a substantial reduction of steel prices would be reflected all through the industrial economy. Automobile companies for example, are currently paying 19 to 35 percent above VJ-day prices for sheet.

Some automobile companies are now paying $115 to $120 a ton for steel, including extras, and large amounts of steel are appearing in the gray market at much higher prices.

The cut in extra charges, announced by Carnegie-Illinois, does not affect basic prices, nor even extra charges on the big industrial items, sheet and strip.

If Big Steel would make a substantial price cut, officials and some industrialists say, the pattern would be widely followed not only by other steel companies but throughout industry. They declare it would have a moderating effect on impending wage negotiations and could lead to a stabilized economy.

The impact of a domestic economy disrupted by extreme inflation on world stability, and on the chance of checking communism in Europe and avoiding war, is a collateral issue of great concern to some high officials.

WHITE HOUSE WINS BACKING IN DRIVE FOR PRICE CUTS—GROUP OF BUSINESSMEN, PRESIDENT TEAM IN BATTLE TO HALT INFLATION

(By Blair Moody)

WASHINGTON, March 18.—The White House and a group of forward-looking businessmen are teaming up in a vigorous backstage warning that failure of big industrial and commercial interests to cut their prices may be heading the country into a violent depression.

Alarmed by the soaring cost of living, these industrialists and financiers, backed by top Presidential advisers, are declaring that, unless the inflationary surge is reversed, the very structure of our economic system will be in danger.

A moment when President Truman and Congress are about to launch a bold new effort to stop the spread of world communism, and when a strong or disrupted American economy may spell the difference between future war or peace, is no time, these men say, to dissipate our national strength in the aftermath of irresponsible profit grabbing.

The trend can be reversed, they assert, if those in key price-making positions in industry will take advantage of current enormous profits to set a pattern for stability instead of for a boom and bust.

Prices and profits have been soaring without restraint ever since Congress wrecked price controls last summer. Every week they are touching new 27-year highs. Only Ford Motor Co., International Harvester, and a few others have made good on the promise made then by the National Association of Manufacturers and other business spokesmen that lifting controls would automatically lower prices by competition.

WAGE PARLEYS PEND

Coming up are wage negotiations in crucial industries, like steel, which set the pattern over a wide area of business and industry, both for wage and price policies. Steel profits were very high in the third and fourth quarters of 1946 and are even higher now. Farm prices, leaping up after removal of controls, shortly may be subjected to even greater pressures by demand from overseas.

Many industrialists declare that a new pattern of wage boosts, unless kept within moderate bounds, would bring the crash closer by pricing more goods out of the reach of mass buyers. Yet those who have power to start the cost of living downward for the most part ignore the situation.

Emil Schram, president of the New York Stock Exchange, read the riot act in a closed meeting of the Business Advisory Council, an industrialist adjunct of the Department of Commerce, late last week.

He presented a confidential analysis of the profit of 51 prominent, selected commercial corporations selling goods directly to the public. It showed that high volumes and high prices are piling up astronomic profits, running in some cases many hundred percent over wartime levels.

If this sort of thing continues, Schram said, the capitalistic system will be endangered.

Among the comparatively progressive industrialists and merchants who comprise the BAC, the reaction to Schram's speech was described as excellent. Some industrialists with whom the Detroit News has discussed this situation entirely agree with his analysis of the danger involved. For various reasons, they do not want to be quoted.

GRAVELY CONCERNED

Secretary of Commerce W. Averell Harriman, a big businessman, and Under Secretary of Commerce William C. Foster, head of a small manufacturing company, are gravely concerned at high prices in some lines.

A blunt warning was voiced Monday by Dr. Edwin G. Nourse, former Brookings Institution economist, who is now Chairman of President Truman's Economic Advisory Council, before the Controllers Institute of America.

Nourse said that businessmen who currently get while the getting is good are "doing everything possible to dig the grave of private business enterprise."

Recalling that business interests, in demanding removal of controls, said the natural forces of market competition would promptly restore sound and permanently prosperous business relationships, Nourse said:

"I cannot accept the theory that, in this day of giant corporations, big financial institutions, and Nation-wide unions, the impersonal forces of the market will automatically establish sound wage-price-profit relationships.

"Over large areas of the economy prices and the course of business are determined by highly personalized administrative decisions made by officials of business organizations, and affecting large blocks of capital resources or of labor resources.

"I think it is quite clear to everyone that the decisions of these responsible executives have not since VJ-day mutually added up to anything like a workable solution of the Nation's business problems in terms of well-sustained production and the prosperity that goes with it.

"It is a familiar saying that you cannot do anything to change the law of supply and demand. That is true. But you can act intelligently or stupidly within the conditions laid down by the law."

THREATENED TELEPHONE STRIKE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks a letter which I have received from the president of the National Federation of Telephone Workers. When I made the suggestion a few days ago on the floor of the Senate that the telephone workers and the telephone industry try to work out an agreement for voluntary arbitration of a dispute, I did so without consultation either with the union or the industry. I understand that some members of the industry seem to think that I must have been in consultation with the union. The fact of the matter is that the union strenuously objected to the suggestion which I made.

I wish to say again—because April 7 is not very far away—that unless the telephone industry and the telephone workers find a way to settle this dispute by way of peaceful procedures—the last step being by way of voluntary arbitration—I think the American people have the right to call both the industry and the workers to an accounting, because there is no justification on the part of the industry—workers and employers combined—for confronting the country with the tremendous loss of a telephone strike.

I read an excerpt from a letter which I have received from a telephone worker, which I think is typical of the attitude of the workers in the industry. He says:

> Yesterday I heard telephone employees laying plans for a strike. In fact, I saw the picket signs. There is no fooling or bluffing this time. The members are resigned to militant action. I dread the consequence of a strike. Yet if I am to secure sufficient salary and job security it appears that I must resort to force. What can we do to prevent this calamity?

I will tell them what to do. Both industry and labor can get together on a voluntary arbitration agreement, neither side reserving to itself the right—which I am afraid the telephone employers are seeking to reserve—of determining in advance what the issues are that shall be submitted to arbitration. All issues ought to go to arbitration in this dispute. Therefore I ask to have the letter from Mr. J. A. Beirne, president of the National Federation of Telephone Workers, printed in the RECORD at this point as a part of my remarks.

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

NATIONAL FEDERATION OF TELEPHONE WORKERS,
Washington, D. C., March 19, 1947.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: In the CONGRESSIONAL RECORD, I read the statement you made to the Senate on March 18. I will personally present the proposal you made to the policy committee of the National Federation of Telephone Workers. The policy committee meets in Washington, D. C., on March 24, and will be reviewing the entire situation as it exists in the telephone industry. The policy committee will be making a decision on the future course of action which will be followed.

Since November of 1946 we have been making proposals to the policy-making man-

agement of the Bell System. All of the proposals made were designed to offset the need for any strike action by our members. The Bell System management has refused to deal with us even though we have in our possession properly executed papers of agency and even though the Bell System management is fully aware of the fact that the federation's bargaining committee is equipped to settle all disputes.

It was demonstrated during the wartime period that the Bell System controls the policies of all associated companies. This means that 90 percent of the telephone industry is under the direct supervision of Bell System management. The Telephone Commission of the War Labor Board made the following unanimous observation:

"The over-all wage structure of the Bell System reflects the centralized management policies of the A. T. & T. Co. The unifying influence of the A. T. & T. appears in the close similarity of most nonrate aspects of the wage structures of the various associated Bell companies. Each Bell company, for example, has the same four major operating departments. Further, these same four departments in all companies carry almost identical job or task titles, and task routines. this same unifying influence is evident also in the existing interrelation of Bell System wage rates, not only among departments and specific jobs of each company but, likewise, among the total wage-rate structures of the companies themselves."

I might point out that one of the industry members who concurred in the statement was the official representative of the Bell System. In spite of the foregoing declaration, the Bell System management, since last November has refused to meet the only union capable of settling the labor problems in the industry.

The policy of the National Federation of Telephone Workers calls for the use of every medium in order to peacefully settle our problems. Your proposal will be considered in the light of our policy. Telephone workers do not want a strike any more than the management or the legislators on Capitol Hill. With contracts expiring, however, and with the industry refusing consideration of retroactivity treatment, we cannot be asked to forget our birthright as American citizens.

Very sincerely yours,

J. A. BEIRNE, *President*.

P. S.—I am also enclosing a copy of a recent talk given over ABC Broadcasting System which may give you some of the facts and figures connected with our current case.

EXECUTIVE SESSION

Mr. WHERRY. 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.

The PRESIDENT pro tempore. If there be no reports of committees, the clerk will state the nominations on the calendar.

NOMINATIONS PASSED OVER

Mr. WHERRY. I ask unanimous consent that the Tennessee Valley Authority nominations be passed over momentarily.

The PRESIDENT pro tempore. Without objection, the Tennessee Valley Authority nominations will be passed over momentarily.

Mr. WHERRY. I ask unanimous consent that the Atomic Energy Commission nominations be passed over momentarily.

The PRESIDENT pro tempore. Is there objection?

Mr. HICKENLOOPER. Mr. President, reserving the right to object, what is the object of passing them over?

Mr. WHERRY. I am asking that they be passed over momentarily. We will revert to them; but it is desirable to confirm the other nominations on the calendar.

Mr. HICKENLOOPER. I have no objection.

The PRESIDING OFFICER. Without objection, the Atomic Energy Commission nominations will be passed over momentarily. The clerk will state the remaining nominations.

SUPREME COURT OF PUERTO RICO

The legislative clerk read the nomination of Borinquen Marrero Rios to be Associate Justice of the Supreme Court of Puerto Rico.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

NATIONAL MEDIATION BOARD

The legislative clerk read the nomination of Francis A. O'Neill, Jr., to be a member of the National Mediation Board.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. TAFT. I ask that the President be immediately notified of the confirmation of this nomination.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith with respect to all nominations confirmed today.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

The PRESIDENT pro tempore. Without objection, the nominations in the Public Health Service are confirmed en bloc.

THE ARMY

The legislative clerk read the nomination of Lucius DuBignon Clay to be a general in the Army of the United States, under temporary appointment.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Clarence Ralph Huebner to be a lieutenant general in the Army of the United States, under temporary appointment.

The PRESIDENT pro tempore. Without objection the nomination is confirmed.

The legislative clerk proceeded to read sundry further nominations in the Army.

Mr. GURNEY. I ask the remaining nominations in the Army be confirmed en bloc.

The PRESIDENT pro tempore. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object, I have not had an opportunity to check the entire list, but I ask the Senator if the name of Colonel Kilian is on the list?

Mr. GURNEY. His name is not on the list.

Mr. MORSE. I have no objection.

The PRESIDENT pro tempore. Without objection, the remaining Army nominations are confirmed en bloc.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. GURNEY. I ask that the Navy nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the Navy nominations are confirmed en bloc.

THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. GURNEY. I ask that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Marine Corps are confirmed en bloc.

ATOMIC ENERGY COMMISSION NOMINATION OF DAVID E. LILIENTHAL

Mr. WHERRY. I move that the Senate resume consideration of the nomination of David E. Lilienthal to be a member of the Atomic Energy Commission.

The motion was agreed to; and the Senate resumed the consideration of the nomination of David E. Lilienthal to be a member of the Atomic Energy Commission.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent that the question of the confirmation of the nomination of Mr. Lilienthal be made the unfinished business in executive session, until it is completed.

The PRESIDENT pro tempore. The Parliamentarian advises the Chair that a request of that sort is not in order.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to be recognized tomorrow at the beginning of the session.

The PRESIDENT pro tempore. Is there objection?

Mr. LUCAS. I object, Mr. President.

The PRESIDENT pro tempore. Objection is heard.

RECESS

Mr. WHERRY. Mr. President, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 40 minutes p. m.) the Senate, in executive session, took a recess until tomorrow, Friday, March 28, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 27 (legislative day of March 24), 1947:

UNITED STATES DISTRICT JUDGE, DIVISION NO. 1, DISTRICT OF ALASKA

George W. Folta, of Alaska, to be United States district judge for division No. 1, district of Alaska, vice Hon. George F. Alexander, term expired.

UNITED STATES ATTORNEY

Benjamin Scott Whaley, of South Carolina, to be United States attorney for the eastern district of South Carolina, vice Claud N. Sapp, deceased.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointments in the Regular Corps of the Public Health Service:

Leonard H. Male to be senior sanitary engineer (lieutenant colonel), effective date of oath of office.

Justin M. Andrews to be senior scientist (lieutenant colonel), effective date of oath of office.

TO BE SCIENTIST (MAJOR), EFFECTIVE DATE OF OATH OF OFFICE

Sidney H. Newman
Samuel W. Simmons

TO BE SURGEONS (MAJOR), EFFECTIVE DATE OF OATH OF OFFICE

Alexander A. Doerner
Russell E. Teague
Abraham Wikler

Norman F. Gerrie to be dental surgeon (major), effective date of oath of office.

Hazel A. Shortal to be nurse officer (major), effective date of oath of office.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 27 (legislative day of March 24), 1947:

SUPREME COURT OF PUERTO RICO

Borinquen Marrero Rios, to be associate justice of the Supreme Court of Puerto Rico.

NATIONAL MEDIATION BOARD

Francis A. O'Neill, Jr., to be a member of the National Mediation Board for the term expiring February 1, 1950.

PUBLIC HEALTH SERVICE

APPOINTMENTS IN THE REGULAR CORPS

To be senior sanitary engineer (lieutenant colonel), effective date of oath of office

Carl E. Schwob

To be surgeons (major), effective date of oath of office

John B. Alsever
Harry Heimann

To be nurse officer (major), effective date of oath of office

Minnie E. Pohe

IN THE ARMY

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

Lucius DuBignon Clay, to be general.

Clarence Ralph Huebner, to be lieutenant general.

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

Col. Charles Joseph Barrett, to be professor of modern languages at the United States Military Academy, with rank from date of appointment.

Col. John Will Coffey, to be professor of ordnance at the United States Military Academy, with rank from date of appointment.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

Harold Rathbun Turner and 1,002 other officers who were nominated on March 5, 1947, for promotion in the Regular Army of the United States, whose nominations appear in full in the Senate proceedings for that day, under the caption "Nominations" beginning with the name of Harold Rathbun Turner on page 1705 and ending with the name of Aguste Madore appearing on page 1716.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

Lt. Col. Charles Dayton Carle and 336 other officers who were nominated on March 5, 1947, for appointment, by transfer, in the Regular Army of the United States, whose nominations appear in full in the Senate proceedings for that day, under the caption "Nominations" beginning with the name of Charles Dayton Carle appearing on page 1716 and ending with the name of Peter David Summer appearing on page 1720.

IN THE NAVY

APPOINTMENT ON THE RETIRED LIST

Admiral Jonas H. Ingram, United States Navy, to be placed on the retired list with the rank of admiral.

APPOINTMENTS OF OFFICERS TO THE RANK INDICATED IN THE LINE OF THE NAVY

(NOTE.—*Indicates officers to be designated for EDO and SDO subsequent to acceptance of appointment.)

To be lieutenants

*Ashton, Arthur H.
*Blamphin, Arthur M.
*Grange, Gifford

To be lieutenants (junior grade)

*Albert, John W.
*Buddress, Elmer N.
Conway, John P.
Luther, Roger W.
*Rogers, Lafayette E.
*Schwab, Herbert S.
Trudell, George T.
*Wimberley, Louis P.
Youngjohns, Ernest J., Jr.

To be ensigns

*Abercrombie, Theodore
Adams, Kenneth
Ahrendts, Luther A.
Allison, Frank E.
Alterson, Irwin
Anderson, Robert E.
Ayers, Alvin G.
Bailey, Emera S.
Barr, James H.
Beck, William, Jr.
Becker, Martin S.
Behm, Charles H. H.
Berry, Henry M.
Bevan, Kenneth F.
Bihr, Richard A.
Bird, Comer H., Jr.
Bitting, Frederick E.
Blakeney, Harvey N.
Bliesener, Arthur B.
Blumberg, David H.
Boice, Grant
Bond, John C., Jr.
Borowski, Chester
Bothwell, John H.
Bradshaw, Ray H.
*Braley, Gerald N.
Brown, Francis T.
Brown, Lewis C.
*Brown, Marcus A.
Brown, Walter A., Jr.
Bruck, Thomas J.
Brueggemann, Arthur R.
Buck, Maurice D.
Buller, Ronald M.
*Busscher, Harry A.
Butler, John E.
Carroll, Kent J.
Carson, James D.
Case, George O.
Castro, James
Chapman, Tyrus C.
Chartier, Wilfred G.
Cochran, Joseph D.
Collis, James E.
Comingore, Edward G., Jr.
*Conforti, James, Jr.
Cooper, Robert J.
Corrigan, John F., Jr.
Costanzo, Carl J.
*Coughlin, Charles E.
Coulter, William G.
Craig, Preston S.
Creighton, Bert H., Jr.
Crockett, David S.
*Cullen, Albert J.
Custer, Prentice J.
Cutshall, Harland B.
*Davis, John A.
DeCamp, Edgar A.
Delaney, Charles E.
De Witt, Ward A.
Dickson, Richard "D"
Drennen, Grant A.
*Duchin, Morris G.
Eagan, Bryan R.
Edmunds, Wesley N.
*Everson, John K.
Fagan, Philip J.
Fenwick, Joseph E.
Field, Gerald C.
Fossum, Theodore T.
Fowler, Earl B.
*Fraser, George R.
Frellson, Max E.
Friel, James T.
Fuleihan, Nave "A," Jr.
*Gard, Louis S.
Gardner, Charles A.
Goforth, Calvin T.
Goodwin, Everett R.
Goodwin, Norman, Jr.
Gordon, Arthur D.
*Gordon, Earl C., Jr.
Goudy, Maynard P.
Grimball, Daniel E.
Gross, James R.
Hallam, Orval K.
Hallen, Walter E.
Hancock, Burton W.
Hannon, Paul G.
Hare, Guy C.
*Hare, Robert H.
Hargis, Jack R.
Hartwell, James O.
*Haughey, Leo E., Jr.
Heidorn, Lawrence H.
Henderson, Charles W.
Hewitt, William A.
Hill, Robert E.
Hill, Robert J.
Hollandsworth, Herbert C.
Hoover, Ralph A., Jr.
*Horne, Edward V. P.
*Hudgins, William H.
Hughes, Leslie D.
*Humphreys, Thomas H., Jr.
Iler, John W.
Jacobs, Andrew E.
Jacobson, Ray O., Jr.
*Jacoby, Edmond M.
James, Evan L., Jr.
Jensen, William G.
Johnson, Arthur G.
Johnston, Harry D.
*Juergens, Richard C.
Junghans, Robert C.
Kearns, Edward L.
Keller, William F., Jr.
Kelly, John J.
*Kendrick, Mercator C.
Kirklighter, James F., Jr.
Kleist, Roy F.
Klepin, Leon "E"
Knowles, Cline H., Jr.
Krejcarek, Donald J.
Kulik, Paul B.
LaPerche, Jacques, B.
Lee, James F.
*Lee, Robert E., Jr.
*Leichter, Herbert L., Jr.
Liss, Irving E.
Lloyd, Norman E.
Long, Douglas L.
Lotzgesell, James H., Jr.
Lutkenhouse, William J.
Maguire, Joseph W.
Mallard, Joseph F., Jr.
Maloney, David A.
Manger, Arthur J.
Mansfield, Samuel K.
Markey, Francis H.
Martin, Linwood F.
Mathwick, Leon E. L.
Matthews, William R.
*McCabe, Donald C.
McDaniel, William O.
*McDevitt, Joseph B.
McEwan, Sheldon S.
McGann, Thomas F.
McKinley, Robert T.
McLaughlin, Norman H.
Meekins, Willis E.
Meissner, Robert W.
Meyer, Wayne E.
Midgette, Oliver F.
Miller, David
Miller, Robert C., Jr.
*Milota, Robert F.
Minger, Eugene J.
*Mitchell, Michael G.
Mitchell, Robert W.
Moehle, Wilfred
Moffat, Robert E.
Moore, Charles R.
Morgan, Theodore L.
*Morris, William R.
Morrow, Sam A.
Muller, George R.
Negele, John H., Jr.
Nemoff, Alfred J.
Norman, Robert J.
O'Connor, John J.
Odum, Richardson A.
Oechslin, Robert E.
Pankratz, Ronald D.
Parks, Thomas B.
Peyser, Richard W.
Poe, Robert V.
Porterfield, Floyd R.
Poynter, Robert J.
Quintero, Donald B.
Rappenecker, James C.
Rawls, Raymond L.
Reding, Willis B.
Reisinger, Edward A.
*Richards, John M.
Roden, Dan C.
Rollins, Henry G., Jr.
Ross, Royal R., Jr.
Rummelhoff, Warren E.
Russ, William T.
Sawyer, Kenneth E.
Saylor, Beverly
Scheller, William F.
Schultz, Charles F.
Scott, Norvell O., Jr.
*Scudder, Kenneth R.
Shorts, Donald E.
*Shryock, Raymond D.
Skidmore, Howard H.
Slabey, Theodore M.
Smith, Harry B.
Snicer, Edward
Snure, Robert O.
Snyder, Charles E.
Sobien, Joseph W.
Stallknecht, Leland P.
Stanfield, Henry L.
Stapelfeld, Johann F.
Starkweather, Robert L.
Stell, Albert L., Jr.
*Sullivan, Harry F.
Suttles, Raymond H.
Swanson, Keith E.
Swartz, Neil A.
Sydow, John P.
Talmadge, Charles J.
Tanner, Sylvan
Tarbox, James S.
Tarbox, Stanley
Tennyson, Durward J.
Thomas, Robert E.
Thompson, Clifford E.
Tigert, Marion A.
Timm, Fred C.
Tindall, George R.
Tinny, John D.
Tkach, George
Tobin, Daniel P.
Toomey, Carl E.
Vail, Malcolm E.
*Vail, Ronald A.
Vincent, Patrick T.
Votolato, John
Wallace, William D.
Walters, Joseph A., Jr.
Ward, David V. V.
Ward, Raymond E.
*Waterbury, Daniel E.
Webster, Harvey O., Jr.
Weeks, Edward F.
Weeks, Robert E.
Wente, David A.
West, Raymond W.
White, Richard L.
Whitehead, Andrew D.
Whitsell, John D.
Wilhelmi, Edward H.
*Williams, Bill J.
Wilsie, Roger M.
Wilson, Frederick C., Jr.
Woerman, William B.
Wolff, Paul M.
Woody, William S.
Wright, Fred E.
Wright, William R.
Yerly, Harold J.
*Yoemans, Moreau
Zeltner, Walter R.
Zseltvay, Robert R.
Zuehlke, Lloyd T.
Altieri, Mickelangelo
Dominguez, Arnold C.
O'Leary, Stephen J., Jr.
Redner, Harold A., Jr.
Senden, John J. H.

APPOINTMENT OF OFFICERS TO THE GRADE AND RANK INDICATED IN THE MEDICAL CORPS OF THE NAVY

To be assistant surgeons with the rank of lieutenant (junior grade)

Weaver, Richard H.
McNerney, John C.

APPOINTMENT OF OFFICERS TO THE GRADE AND RANK INDICATED IN THE SUPPLY CORPS OF THE NAVY

To be assistant paymaster with the rank of lieutenant (junior grade)

Dean, Jack G.

To be assistant paymasters with the rank of ensign

Bower, Ralph R.
Christenson, Carl L.
Coon, Leroy E.
Crane, Frank E., Jr.
Cromwell, Julian E., Jr.
Cummings, Harold J.
Donahue, Daniel F.
Dorrance, Sumter E.
Feller, Benjamin P.
Ford, Robert R.
Kreska, William P.
Lenon, Richard A.
Lent, Robert E.
Mercier, Emmett J.
Patterson, Frank H., Jr.
Roberts, Maynard R.
Schmidt, Harold A.
Stonum, Robert H.
Vogel, Robert E.
Waits, Melville L.
Arnall, Dwight L.
Burwick, Herbert A.
Heitmeyer, Richard C.
Huntley, John B.

APPOINTMENT OF OFFICERS TO THE GRADE AND RANK INDICATED IN THE CIVIL ENGINEER CORPS OF THE NAVY

To be assistant civil engineers with rank of lieutenant (junior grade)

Alfred Karp
John W. Wilson

To be assistant civil engineer with rank of ensign

Donald E. Smith

APPOINTMENT OF OFFICER TO THE GRADE AND RANK INDICATED IN THE DENTAL CORPS OF THE NAVY

To be assistant dental surgeon with the rank of lieutenant (junior grade)

Charles A. Dayton

APPOINTMENT OF OFFICERS TO THE RANK OF COMMISSIONED WARRANT OFFICER IN THE NAVY IN THE GRADE INDICATED

To be chief boatswains

Davis, George W.
Jaworski, Stanley

To be chief gunners

Betleyoun, Charles A.
Crisman, James L.
Railsback, Robert A.
Shablowski, Chester T.

To be chief torpedomen

Parolini, Geacomo A. "G"
Woods, Ivan E.

To be chief electricians

Davis, Albert
Jackson, Wilbur J.

To be chief radio electricians

Salem, Albert M.
Yetter, Donald A.

To be chief machinist

Smith, Cecil L.

To be chief carpenters

Biechlin, Louis E.
Gilmore, Joseph C.
Jones, Merle V.
Lee, Cletus A.

To be chief ship's clerks

Gregg, Robert A.
Herrmann, Donald E.
Kern, Horace A.
Lewis, Heber S.
Sullivan, John E.

To be chief pharmacists

Allen, Robert A.
Bryant, Forrest H.
Fenn, Frank L.
Herrick, Stewart V.
Lanning, John R.
Lee, Charlie W.
Martin, Kenneth V.
Nalls, Nathan C.
Riley, William E.
Rye, Jens O.
Sims, Milfred E.
Stamp, Loren E.

To be chief pay clerks

Le Ribeus, Francis
Miller, Junice W.
Stalls, Henry M.

APPOINTMENT IN THE UNITED STATES NAVY IN THE CORPS, GRADE, AND RANK HEREINAFTER STATED

(NOTE.—*Indicates officers to be designated for EDO and SDO subsequent to acceptance of appointment.)

To be lieutenants (junior grade)

*Goodwin, Harold B.
*Mindte, Richard W.

To be ensigns

Ayers, James E.
Bade, Robert B.
Baker, Harold J.
Barrington, Bruce O.
Barry, William
Becker, Henry C.
*Berry, Benjamin H.
Berude, John B.
Beyer, Henry J.
Boger, Clarence E.
Bohlken, John R.
Bowen, Robert W.
Bowman, Donald A.
Brandt, John H.
Britt, Ray H.
Brumbaugh, Jack R.
Bublitz, Robert E.
Bultzo, Charles
Bush, Philip R.
Campbell, Kenneth C.
Carini, Walter P.
Carroll, Charles H.
Cermak, Frank A., Jr.
Chamberlain, Lloyd W.
Chiles, James O.
Clare, James H.
Clark, Robert T.
*Clarke, Thomas H.
Classen, Robert E.
Clement, Robert R.
Coleman, George J.
*Collier, William A.
*Collins, Joseph O.
Cressman, Robert A.
*Crom, James R.
Cunneen, Wallace V., Jr.
Cusumano, Robert D.
Darby, Keith C.
Davis, Richard M.
*Desel, Robert F. P.
Dixon, Alva L.
Drake, John F.
Draz, David I.
Ebersole, Robert "H"
Ellis, Joseph M.
Emig, Alvin F.
Farris, Frederick A.
Filson, Paul L.
Fisher, Robert M.
Fitzgibbons, Edward L.
Fleischli, Robert E.
Flere, Albert J.
Fosdick, Theron D.
Freeman, John T.
Gaiennie, George W.
Garrison, Walter V.
Geer, Jon R.
Geiberger, Charles R.
Gettings, Harold W.
Gieszl, Carl R.
Gilliland, Frank
Gillis, John W.
*Ginn, Wilbur N., Jr.
*Gleeson, John P.
Gorsuch, Reynolds G.
Gower, Harry T., Jr.
Graham, Thomas A.
Grant, Charles D.
Gremer, Charles E.
Hadsell, William V., Jr.
Hafner, Joseph J.
Hahnfeld, Arnold A.
Hale, James R.
Hall, Harold "D"
Halverstadt, Robert K.
Hamilton, Joe
Hansen, Albert E.
Harlow, Harry B.
Harrington, Donald J.
Hasler, Arthur R., Jr.
*Heidt, Webster B., Jr.
Heise, Frederick J.
Hemeyer, Wilbert L.
Hess, John A.
High, Joseph R.
Holden, William P.
Hord, Eldridge, Jr.
Hoskins, Thomas H.
Howard, John N.
Huddle, Norman P.
Hufstedler, Edward F.
Humphrey, Herbert, 3d
Ivans, Joseph D.
Jackson, Maurice B.
Johnson, John T.
Jones, Stanley W.
Junkin, George, Jr.
Karr, Kenneth R.
Kelso, Quinten A.
Kemp, Glenn E.
*Kenney, Edward T.
Kenny, Joseph M.
*Kiracofe, Warren C.
Kirkwood, Maylon M.
Koenig, William H.
Kowalski, Raymond J.
Lake, Walter T.
Lukens, Reeves A.
Luoma, Walter R.
Lynch, Robert E.
Macaluso, Anthony A.
Macon, Benjamin H.
Mahon, John Q.
Mansfield, James R.
*Manson, Frank A.
*Martin, Guilbert W.
Maruschak, Peter
Mathews, John M.
McCall, Charles R.
McCall, Sherrod G.
McDonald, Robley A., Jr.
McKenzie, William W., Jr.
Miller, Charles P.
*Miller, Hugh B.
Mitchell, Eugene B.
Molony, James
Monahan, John J.
Moon, Donald P.
Moore, William G., Jr.
Moseley, Raymond H.
Nelson, Eugene L.
Nockold, Louis W.
Norment, Roy F.
O'Bryan, George R.
Ohme, Henry F.
Orr, Raymond J.
Outten, Harold R., Jr.
Paquette, Martin W.
Penfold, Norman E.
Peterson, John P.
Phalan, James E.
Poitras, Robert R.
Premo, Kenneth W.
Purcell, James C.
Rahlman, Harry E.
Reider, Richard K.
Richardson, Jewett E., Jr.
Riehl, Julian W., Jr.
Riley, Edward E.
*Robinson, Martin W.
Saldin, Carl N.
Sandidge, Falvey M., Jr.
Scappini, Mimo L.
Shanahan, John J., Jr.
Shaughnessy, John J.
Shaw, Fletcher H.
Shults, Roy G.
Shunny, John R.
Smith, Donald L.
Snyder, Jack L.
Sorenson, Carl E.
*Spainhour, Wayne E.
*Speight, William W.
Stanfill, Joseph F., Jr.
Stecker, John P.
Stewart, Donald R.
Striso, Julius A.
Sullivan, Robert M.
Suppers, Donald L.
Teed, John
Thomas, Cyrus H.
Thomas, Walter J.
Totten, Warren L.
Tuel, Merritt D.
Ulbricht, Frederick W.
Urban, Henry, Jr.
Vanstrum, Erwin M.
Wallace, Billy C.
Watkins, Robert W.
Wells, Frank M.
White, Clifford N.
*Whitney, William W.
Williams, Richard C.
Wise, Richard E.
Wismann, Harold F.
Wood, William D., Jr.
Young, Claude E.
Young, George E., Jr.
Herne, Charles G.
Layne, Harold B.
Newcomb, Paul R.

OFFICERS TO THE GRADE AND RANK INDICATED IN THE MEDICAL CORPS OF THE NAVY

To be surgeons with the rank of lieutenant commander

Bunnell, Chester W.
Burkwall, Herman F.
Ferguson, Russell S.
Huth, Peter E.
Johnson, Spencer
Simunich, William A.

To be passed assistant surgeons with the rank of lieutenant

Friend, Leroy F.
Lee, Willard J.
McLean, Marvin M.
Schiff, George N.
Toothaker, Bernard L.

To be assistant surgeons with the rank of lieutenant (junior grade)

Bonar, Robert R.
Heinz, Vernet H.
Lipcon, Harry H.
Reed, Karl A.
Saeli, Amadeo B.

OFFICERS TO THE GRADE AND RANK INDICATED IN THE SUPPLY CORPS OF THE NAVY

To be assistant paymasters with the rank of ensign

Anderson, John J., Jr.
Barensfield, Paul L., Jr.
Bollman, Robert G.
Borchers, Alyn L.
Brennan, Jack M.
Charette, Author E.
Crawford, Francis E., Jr.
Crouch, Perry B.
Cummings, Robert C.
Daniel, James C.
Daniels, Hoyle H., 2d
Drzewiecki, Casimir A
Flock, Jens B., Jr.
Gaetz, Edward F., Jr.
Geisler, Richard A.
Growden, Ellwood W.
Hay, Patrick M.
Hickok, Richard S.
Hicks, William T., Jr.
Hillard, Herbert S., Jr.
Johnson, Richard D.
Jones, Charles W.
Kukral, Allan C.
Leighton, James G.
Long, Samuel M., Jr.
Luck, William E.
McComb, Arthur D.
McCormick, Thomas F.
Moss, Robert A.
Owen, LeRoy, Jr.
Pavelko, Anthony, J.
Podrouzek, William J.
Poulson, William M.
Salter, Richard G.
Scott, Edward W.
Snoddy, Charles E.
Verdow, Richard L.
Vollmer, Thomas D.
Xefteris, Zefter C.
Corrick, James A., Jr.
Allen, Paul
Barrett, Henry T.
Kirchner, Henry C.
Leonard, Robert E.
Lewis, Raymond O.
Randolph, Karl W.
Roberts, Giles H.
Treece, George H., Jr.
Williams, James C.
Burgess, Frederick C.
Powell, Albert L., Jr.

OFFICERS TO THE GRADE AND RANK INDICATED IN THE CIVIL ENGINEER CORPS OF THE NAVY

To be assistant civil engineers with the rank of lieutenant (junior grade)

Julian, James B.
Lewis, William C.

To be assistant civil engineers with the rank of ensign

Black, Dock F., Jr.
Flippen, Homer W.
Heinen, Roger J.
McAllister, Eugene
Nuss, Edward S.

OFFICERS TO THE GRADE AND RANK INDICATED IN THE DENTAL CORPS OF THE NAVY

To be assistant dental surgeons with the rank of lieutenant (junior grade)

Allen, William M.
Blaich, George F.
Crouch, James H.
Faulconer, William T.
Graves, Raymond J.
Hanley, Walter F.
Parker, John A.
Phipps, Wilbur N.
Rhen, Louis J.
Smith, James W.
Stewart, Craig A.

OFFICERS TO THE RANK OF COMMISSIONED WARRANT OFFICERS IN THE NAVY IN THE GRADE INDICATED

To be chief gunners

McBrier, James W.
Russell, Otha K.

To be chief ship's clerk

Ballard, Edward A.

To be chief pharmacist

Carpenter, Seth J.

To be chief pay clerks

Allen, Albert F.	Lewis, James H.
Allison, Sidney C.	Nash, Finley A., Jr.
Digonno, Theodore	Stearns, William
Groman, John M.	Tremblay, Philip A.
Jones, Robert L.	Wiggins, George A.

IN THE MARINE CORPS

APPOINTMENTS IN THE REGULAR MARINE CORPS

To be second lieutenants

Eugene J. Ambrosio	John D. McLaughlin
Robert S. Anderson	Merrill J. Melton
Herbert J. Bain	Charles A. Meyer
Frederick W. Baker, Jr.	Rex Z. Michael, Jr.
Neil E. Barber	Jack L. Miles
Foster W. Blough	Lester Miller
Norman H. Bryant	Roland E. Miller
Lyle W. Bullard	Mason H. Morse
Thomas R. Burns	Herbert A. Moses
Harrison M. Butler	Stanley A. Myzienski
John W. Carraway	John H. Papurca
James G. Costigan	Joseph A. Piedmont, Jr.
Charlie J. Dunkley	Ollie B. Porter
Frank M. Fitzpatrick, Jr.	Charles A. Read
Homer D. Frison	Augustine B. Reynolds, Jr.
Melvin K. Green	Edward L. Roberts
Richard P. Grey	George C. Schmidt, Jr.
Robert Hall	Clarence R. Stanley
Ernest C. Hargett	Richard E. Stansberry
LeRoy C. Harris, Jr.	Charles S. Stribling
Joe L. Hedrick	Alfred C. Taves
William J. Heepe	David S. Taylor
Hermann Heinemann	Earl W. Thompson
John V. Huff	Owen I. Thompson
Clarence M. Hurst	Homer E. Tinklepaugh
James D. Jordan	William P. Vaughan
Jack F. Kelly	Alan J. Warshawer
James F. King	James O. Webb
Harold R. Kurth, Jr.	Marshall A. Webb, Jr.
George E. Leppig	Edgar D. Webber
Alan E. Lowry	William S. Witt
Henry A. Maas, Jr.	Edward A. Wilcox
James P. Mariades	Wallace L. Williamson
Walter D. Maskall	Kermit M. Worley
John C. McClelland, Jr.	John R. Wyatt, Jr.
Robert H. McCormick	Roscoe F. Good, Jr.
Burd S. McGinnes	John J. Bozek
James W. McIllwain	

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 27, 1947

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our blessed Father in Heaven, with grateful and thankful hearts we approach Thee. Do Thou enable us to understand that the best life is not all a battle or a race, but a growth and a walk with God. With this truth in our thoughts, we may turn cheerfully to our appointed tasks. Dismiss from us the jarring and discordant note; let us have done with the drudgery of fear and friction that often make duty an unendurable burden. Help us to ascend into the spiritual heights for inspiration and outlook, to feel the immensities of God's great world house, to wander along its shore lines, drink in the breath of heaven, and thus receive hope and faith and courage for the labors and conflicts of life. Through Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 565. An act to amend section 3539 of the Revised Statutes, relating to taking trial pieces of coins; and

S. 566. An act to amend sections 3533 and 3536 of the Revised Statutes with respect to deviations in standard of ingots and weight of silver coins.

LEAVE OF ABSENCE

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that the gentleman from Mississippi [Mr. RANKIN] be granted leave of absence for today on account of illness.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

COMMITTEE ON PUBLIC LANDS

Mr. WELCH. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. POTTS asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Times of March 19, 1947, on a bigger Panama Canal.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an address by William S. Livengood, Jr., secretary of internal affairs, before the Philadelphia Chapter of American Institute of Banking at the Bellevue-Stratford Hotel, Philadelphia, Pa., on Saturday, March 22, 1947.

H. R. 2090

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that certain photographs and papers in connection with the bill H. R. 2090, a private bill which I introduced in the last session of Congress, be returned to the claimant. There has been no adverse report filed by the committee.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SPECIAL ORDER GRANTED

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that on next Monday, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEAVE OF ABSENCE

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that I may be granted leave of absence from March 31 through April 9 on account of official business in my district.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

EXTENSION OF REMARKS

Mr. PASSMAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. FOLGER asked and was given permission to extend his remarks in the RECORD and include an article by Hon. Harold Ickes entitled "Proposed Loans to Greece and Turkey Become Less Clear With More Light."

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD in two instances and to include certain correspondence of interest to the Sioux Tribe of Indians.

COMMITTEE ON ARMED SERVICES AND COMMITTEE ON THE JUDICIARY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services and the Committee on the Judiciary may meet today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

GENERAL DEBATE ON THE TAX BILL

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the time for general debate on the bill (H. R. 1) to reduce individual income taxes be continued until not later than 2 o'clock this afternoon, the debate to be confined to the bill and equally divided and controlled by the gentleman from North Carolina [Mr. DOUGHTON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

CALL OF THE HOUSE

Mr. KNUTSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 28]

Allen, Ill.	Feighan	Marcantonio
Andrews, N. Y.	Fuller	Meade, Ky.
Bakewell	Gerlach	Meade, Md.
Barrett	Granger	Mills
Beall	Grant, Ind.	Mitchell
Bell	Hall, Edwin Arthur	Morrison
Bland	Havenner	Morton
Bloom	Hendricks	Norton
Bradley, Mich.	Hull	O'Konski
Bulwinkle	Jenkins, Pa.	O'Toole
Cannon	Johnson, Tex.	Patterson
Clark	Kennedy	Peden
Cole, N. Y.	Keogh	Philbin
Courtney	Kilday	Potts
Davis, Tenn.	Lesinski	Rains
Dawson, Ill.	McCowen	Rankin
Delaney	McDonough	Rivers
Donohue	Macy	Rooney
Douglas	Maloney	Sabath
Eaton	Mansfield, Tex.	Sarbacher
Fallon		Sasscer

Scoblick	Somers	Vursell
Shafer	Stigler	Wadsworth
Short	Thomas, Tex.	Wood
Simpson, Pa.	Towe	Zimmerman
Snyder	Vinson	

The SPEAKER. On this roll call 349 Members have answered to their names, a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

PHILADELPHIA NATIONAL SHRINES PARK COMMISSION

The SPEAKER. Pursuant to the provisions of Public Law 711, Seventy-ninth Congress, as amended by Public Law 9, Eightieth Congress, the Chair appoints as a member of the Philadelphia National Shrines Park Commission to fill the existing vacancy thereon the gentleman from Pennsylvania [Mr. McGARVEY].

EXTENSION OF REMARKS

Mr. CHELF asked and was given permission to extend his remarks in the RECORD and include a dedicatory address delivered by him at Station WKYW.

Mr. POWELL asked and was given permission to extend his remarks in the RECORD and include five newspaper items.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. KELLEY asked and was given permission to extend his remarks in the RECORD and include excerpts from a letter.

Mr. BUSBEY asked and was given permission to extend his remarks in the RECORD and include an article from today's edition of PM.

Mr. JONES of Washington asked and was given permission to extend his remarks in the RECORD and include an editorial from the Times-Herald of Washington, D. C., published March 22, 1947.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD concerning the so-called merger of the Army and Navy.

Mr. HALE asked and was given permission to extend his remarks in the RECORD and include a radio address which he made last week.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. DINGELL asked and was given permission to extend his remarks in the RECORD and to include a timely editorial from the Boston Globe of March 25 captioned "Penny-wise and pound-foolish."

COMMITTEE ON FOREIGN AFFAIRS

Mr. VORYS. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SPECIAL ORDER GRANTED

Mr. BENDER. Mr. Speaker, I ask unanimous consent that today, after the close of legislative business, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

INDIVIDUAL INCOME TAX PAYMENTS

Mr. KNUTSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 1) to reduce individual income tax payments.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 1, with Mr. CASE of South Dakota in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday, the gentleman from Minnesota [Mr. KNUTSON] had 25 minutes remaining, and the gentleman from North Carolina [Mr. DOUGHTON] had 15 minutes remaining. By unanimous consent granted in the House today, the time for debate was extended until not later than 2 o'clock, the added time to be equally divided between the gentleman from Minnesota and the gentleman from North Carolina.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. At the outset, Mr. Chairman, I wish to advise my colleagues that I was not responsible for the quorum call that brought them here. I am glad, however, to see that the audience is a little larger than it was at the time the quorum call was made, because of a few points I hope to make during the course of my remarks.

Let me repeat what I have said before, that I yield to no man in my desire to reduce taxes. I am most anxious for that moment to arrive; but I cannot today agree with the majority that now is the time to do it, because on this tax bill, as was the case on the budget measure, they are acting in the dark; they are basing their decision not on factual information but rather on campaign promises. They are placing in jeopardy the opportunity of balancing the budget, and yet they have the colossal nerve to tell us they are going to balance the budget, they are going to pay on the public debt, and also that they are going to reduce taxes by $3,800,000,000 a year. I have asked many times that they tell me how they are going to do it, but I have yet to receive an answer. I hope sometime before the debate closes that the answer will be given to us.

It has been the practice in the past for the Republican Party to proclaim to the Nation that they believe in a sound fiscal policy for this government, that they believe in fairness and equity to all concerned. As was pointed out yesterday, in the minority views on the tax bill of 1945, which was signed by the now chairman of the Ways and Means Committee as well as the other Republican members, grave concern was expressed for the people in the low-income brackets. To follow that policy, of course, would detract considerably from campaign promises that were made last fall, and because of those campaign promises they are riding roughshod today.

I made a statement yesterday, when the gentleman from Ohio yielded to me after he had asked why the Democrats on the Ways and Means Committee had voted for the amendment of the gentleman from New Jersey [Mr. KEAN] providing an additional 10 percent for those in the brackets below $1,000, I told him then that we were ready and willing at any time to help make a bad bill a little better if we could. He asked then why we had not suggested that it be raised from 30 to 40 percent, and my reply at that time—and I read now from page 2663 of the CONGRESSIONAL RECORD, the first column:

> I will tell the gentleman why we did not offer anything in the committee, because of the way the committee was ridden by one man. We did not stand a chance, and I will tell you more if you want to hear it.

To that the gentleman from Ohio replied—and again I read:

> I am sorry that the gentleman is aggrieved. It is almost childish to think that one man dominates the whole 25 members of the committee. I am sure that the gentleman from Rhode Island was not dominated.

Of course, I was not dominated and I am not going to be dominated, but I was precluded from expressing freely my thoughts and my opinions. That was not the only instance where we had to face that type of boss rule. Read the hearings, read the reports of the newspapers during the consideration of this bill, particularly during the 2 days of hearings.

Let me go further and give you a little background of this bill. I am not going to deal in statistics this morning because you have plenty of statistics in the CONGRESSIONAL RECORD. You also have a discussion there on the merits and demerits of the bill, but I think you are entitled to know how this bill is up today and why it is being rushed through. The bill is here today because, as I said before, of campaign promises that were made at a time when it was the hope of the Republicans that they would control this House. Frankly, in their own hearts they had no hope of controlling the body at the other end of the Capitol. It would have been great politics for them to put through this House a tax-reduction bill and have the Democratic-controlled Senate defeat it. But the voters crossed them up and gave the Republicans complete charge of both branches of the legislature. Today they are on the spot. They are trying to make good. In their effort to make good, what are they doing? They want to make good, of course, in the higher brackets, because that is where their slush fund for the election comes from. They want to make good in the higher brackets, practically disregarding the little people.

They brought in this bill which was supposed to be a cut of 20 percent across the board. What happened? The gentleman from Minnesota and his colleagues realized what would happen with a 20-percent across-the-board cut. They realized they would be reducing the tax of the man in the higher brackets by about 7 percentage points below the taxes

he paid in 1939 and they did not dare face the music. So they said that those earning above $302,000 would be cut about 10½ percent. To those below the $302,000 brackets and above the $100,000 bracket, yes, above $1,395, they gave a 20-percent cut.

Then they come in with a little notch for that group between $1,000 and $1,395 and they say magnanimously "We are going to give 30 percent to the little people." Yes; 22 cents a week to a married man who makes only $1,200 a year. That to me is an insult.

But, let me get back to the progress of this bill. It came before the committee after the Republicans, behind closed doors, had reached an agreement on what they were going to do. They had 15 members to 10 of the Democrats. They did not care how the Democrats acted. The gavel was there and there was a strong man handling it; also there were 15 votes against 10. Therefore, they brought in a bill considered behind closed doors. Let me assure you that the Republicans are not as full of agreement as appears on the surface, and as appears from these reports of what has been going on. I have heard some pretty loud voices behind these closed doors which indicated to me they were not getting along so well. Then they whittled the cut down a little further, and they bring in a bill that will give relief to the low-income group by 30 percent. This on the motion of the gentleman from New Jersey [Mr. KEAN]. What does that do? It does so little that if you take the chart you will need a magnifying glass to see the line and note where there is any real relief in the low-income brackets.

Mr. Chairman, you must realize this bill was supposed to be considered only in closed hearings, with selected witnesses, supposed to be only representatives of the Treasury Department, the Bureau of Internal Revenue, together with the staff of the Joint Committee on Internal Revenue Taxation. The committee voted on motion by the gentleman from New York [Mr. REED], that the hearings would be restricted, and the date set for the hearings was February 18 and 19. Again, I say one man rules the committee. The chairman decided to postpone the hearings and we, the Democratic members of the committee, learned of that postponement only through the press and not from the chairman of the committee. We also learned through the press first when the hearings would be held in March and also we learned then that it had been decided the hearings would be open to the public.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. FORAND. I ask you, ladies and gentlemen, in this country where we proclaim democracy, is it fair, is it honest for the Republicans to close the door on the Democrats and when they have legislation ready, to say, "Here it is fellows. Take it. If you are not going to take it, you will not get anything."

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think it is well to put in the RECORD, right here, the fact that every hearing on tax legislation held before the Committee on Ways and Means under a Democratic-controlled committee, was open to the public, and every person interested had the opportunity to appear and testify.

Mr. FORAND. The gentleman is absolutely right, and that is the way it should be. But the Republicans go considerably further when they adopt a rule such as that which was brought in yesterday. Why, gentlemen, you will not even hear the bill read. The rule precludes the reading of the bill.

Mr. McCORMACK. Mr. Chairman, if the gentleman will yield further, there is an absolute constitutional right involved; the right of the citizens to petition their public officials, and it is denied in this case to the public, and we have always preserved it.

Mr. FORAND. Oh, of course, that is true, and I believe any one of you who would sit in the Committee on Ways and Means would realize that constitutional rights mean nothing. In fact, our Republican friends were so anxious to bring this bill to the floor that the rule provides for only 6 hours of general debate. When the legislative counsel pointed out that there were technical amendments that should be made to this bill, the gentleman from Minnesota simply said, "The Senate will take care of it." Now, I ask you, is that the way to bring in legislation?

Mr. KELLEY. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Pennsylvania?

Mr. KELLEY. That is not the only committee that is holding hearings by the majority members to the exclusion of minority members.

Mr. FORAND. I heard that.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Michigan.

Mr. DINGELL. I want to say for the record that I believe it is true that not all hearings were held officially here in the Capitol. They were held elsewhere, and the decisions were made elsewhere.

Mr. FORAND. I will say to the gentleman that I am inclined to agree with him, because you recall, as I do, I am sure, that last week there was a postponement of the meeting of the committee for 2 days so that the Republicans could get together on the Kean amendment, and certain members left town.

Mr. LESINSKI. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Michigan.

Mr. LESINSKI. Is it not a fact that the Manufacturers Association wrote this bill?

Mr. FORAND. I would not be a bit surprised that they were behind it. They had a finger in the pie. They were hot and bothered about it, and so was the chamber of commerce.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from New Jersey.

Mr. KEAN. The gentleman said some hearings or discussions on this bill took place somewhere else than in the Capitol. As far as I am concerned there was no discussion of the bill or meetings of the Republican members anywhere except in this Capitol or in the House Office Building.

Mr. DINGELL. Mr. Chairman, if the gentleman will yield further, I do not believe my friend the gentleman from New Jersey [Mr. KEAN] is high enough in the inner circles of the party. You were not all included; you would not know about it.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Minnesota.

Mr. KNUTSON. When the gentleman from Michigan makes the statement that any conferences were held outside the Capitol or the House Office Building, that is false.

Mr. FORAND. Will the gentleman also brand as false the fact that when the Republican members of the Ways and Means Committee tried to report out the original Knutson bill, the steering committee of the Republican Party called them in?

Mr. KNUTSON. What do we have a steering committee for?

Mr. FORAND. That same gentleman from Minnesota told us in the committee that the committee was going to write the bill, and Republican members of the committee did write the bill, but the committee amended the bill at the request of the steering committee.

Mr. KNUTSON. I am getting tired of these false statements.

Mr. FORAND. I am giving the facts.

Mr. KNUTSON. We will reply to the gentleman in time.

Mr. FORAND. I am very anxious to get a reply, and I hope it will be a clear-cut one. I hope it is not the kind of reply I got when I asked the chairman in committee when the time would be propitious to consider my bill raising exemptions. The only answer I got then was a bang of the gavel by the chairman.

Mr. KNUTSON. He always does that when foolish questions are propounded.

Mr. FORAND. That is the gentleman's opinion as to how foolish the questions are, but I will match my wits against his, and I think I have at least as much brains as he has, despite the fact that he has lived more years than I have.

Now, with that background, ladies and gentlemen, I do not ask you to vote as I am going to vote. You vote your own convictions, but you are entitled to know the background of this iniquitous bill.

Mr. KNUTSON. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, the Good Book states that when you hand out the Gospel you ought to hand it out to sinners and not to saints. The Good Book also says that there is greater rejoicing in heaven over the conversion of

1 sinner than over 99 that need no conversion.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MASON. Not now. Mr. Chairman, I would rather not be interrupted from this floor until I yield the floor.

The CHAIRMAN. The gentleman declines to yield.

Mr. MASON. If the word "sinners" is a proper word to apply to my friends on this side of the aisle, I want to confess right here and now that at least 99 percent of them are delightful sinners, and I love to associate with them as closely as I can. For that reason, I am over here on this side of the aisle speaking for this 10 minutes that has been allotted to me.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield right there?

Mr. MASON. I refuse to yield right now because I have some things on my mind that I want to get off, and I want to get them across to your minds.

The first thing I want to do is clear up a misconception or a misunderstanding that exists between the gentleman from Michigan [Mr. DINGELL] and myself. As you all know, some 3 or 4 weeks ago I tried to analyze the theory behind the Engel bill and the Knutson bill and make comparisons. At the close of that analysis I was interrogated by the gentleman from Tennessee and also the gentleman from Michigan [Mr. DINGELL]. I answered those interrogations as clearly and as specifically as I could by saying either "Yes" or "No."

In the extension of remarks that the gentleman from Michigan placed in the RECORD, which were not uttered on the floor so far as I could hear, he made the statement that I did not know any more about taxes than I knew about the man in the moon. He also made the statement in his extension of remarks that I had not been on the Ways and Means Committee long enough to learn about taxes. That was not a very nice statement to make about a colleague, even if it had been true, and it certainly was not a nice thing to do to put it in an extension of remarks so that the gentleman from Illinois could not answer it at that time.

To clear up the RECORD I want to say this, and not in any prideful way at all. I was studying economics, majoring in economics, specializing in taxation in the university when the gentleman from Michigan was in knee britches. Later on I lectured all over the State of Illinois on tax matters before tax groups, for 7 years. I served in the Illinois State Senate on the tax committee of that senate and piloted tax bills through that senate for six long years. During those 6 years the State of Michigan got into a tax mess, the great State of Michigan, the State from which the gentleman [Mr. DINGELL] comes.

The Legislature of the State of Michigan sent a Macedonian call down to Springfield, Ill., to the Governor—a Democratic Governor—Governor Horner, to please send someone up to Michigan, some person to help them out of their tax mess and to explain the tax system of the State of Illinois and the methods of the State of Illinois of collecting taxes to the people of Michigan.

The Governor of the State of Illinois—the Democratic Governor of Illinois—Governor Horner, selected the Senator from the Thirty-ninth District of Illinois—a Republican Senator—the gentleman who is now addressing you. I went up to Michigan and I conferred with the tax committee of the Michigan Senate and the Michigan House of Representatives. I spoke also at a mass meeting that evening in the legislative halls, where there were assembled taxpayers from all over the State of Michigan. The next morning I addressed the joint session of the Legislature of the State of Michigan on this tax question. Whether I gave them any light on the subject or not, of course, I do not know, but those are the facts. That was in late April of 1933, 14 years ago, about the time the gentleman from Michigan was placed on the Committee on Ways and Means.

Now, I confess I am a freshman on the Committee on Ways and Means, but I do not think I am entirely a freshman on the subject of taxation. But, as I am a believer in the Good Book, and as I have been criticized and harsh things said about me before many times, even my wife, who has put up with me for 45 years, sometimes says a harsh word to me, I am going to say this to the gentleman from Michigan, and it is what I have said to my wife more than once, "In spite of the harsh words, I shall continue to love you as much in the future as I have in the past."

Mr. Chairman, now about tax theories: Perhaps I should lecture these delightful sinners here on tax theory for a minute or two. As I see it, there are only two questions before us in the consideration of this bill. One question is: Shall we do it now; is this the proper time? The other question, if it is the proper time, is: What is the best way to do it to bring about the greatest good to the greatest number? Those are the only two questions we are faced with here today. First, the proper time; second, how to do it to bring about the greatest good to the greatest number.

I want to try to treat each one of those questions very briefly.

The first one: Is now the appointed time? Well, every sound economist in the country today, without exception, says that our tax rates today are confiscatory; that they have passed the point of diminishing returns; that they are now drying up the streams of risk capital or investment capital; that they are at least slowing up and checking the expansion of business; that they absolutely prevent any new business from being started with any idea of success. Whenever you take 90 cents out of every dollar of profit that a manufacturer makes, which situation applies to many of them today, you are taking away from him the incentive to expand, to create jobs, and to produce the necesary goods to satisfy a hungry, consuming public. That is the situation today. Most people do not realize it, and I am afraid most men in this House do not realize that taxes and jobs are Siamese twins—they are tied together—they are closely related, and you just cannot separate them.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. MASON. No; I cannot yield.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MASON. No; I cannot yield. I do not have the time.

Mr. DINGELL. I would like to answer the gentleman.

Mr. MASON. Mr. Chairman, high tax rates always bring about a contracting national economy, fewer jobs, and greater unemployment. Low tax rates always produce an expanding national economy, create more jobs, and eliminate unemployment. Now, that is the situation we are facing in this Nation today, and we have got to do something about it. Whenever taxes take at least one-third of the national income they are absolutely too heavy for the average taxpayer to pay. He just cannot do it, and whenever you take from 80 cents to 92 cents of every dollar of income from the fellow in the high brackets, as you are doing today, then you are killing the goose that lays the golden egg, the golden eggs in this instance being jobs and increasing pay rolls for the workers of America.

Mr. Chairman, "the power to tax is the power to destroy." The speaker is opposed to high taxes, not primarily because they place a burden upon the rich, but because they prevent the poor from becoming rich. The ambitious individual that "dreamed dreams" and "launched out on some business venture" in the days of low taxes has already made his mark. He has accumulated his capital and become a captain of industry. The acid test of a system of taxation is not its effect upon the man who has already achieved, but rather its effect upon the ambitious young man just starting out to achieve.

Collecting taxes is like taking blood from a human body for a blood bank. If we take too much at a time, we run the risk of weakening the patient so that he cannot give blood another day. Whenever a tax takes too much or too often from the channels of business, business is weakened and the Treasury loses. When virile, forward, venturesome young men are permitted to grow and expand in a favorable tax climate the Treasury gains. High tax rates produce an economic anemia that prevents business expansion and makes it impossible for an ambitious, venturesome young man to achieve.

Mr. DOUGHTON. Mr. Chairman, I yield 17 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, I am sure all Members who were on the floor were very glad to hear, from his own lips, the gentleman from Illinois [Mr. MASON] tell us how brilliant he is with respect to tax matters. I wonder if the membership knows that the gentleman from Illinois [Mr. MASON], who just spoke, is not in agreement with his party on this bill. The gentleman

from Illinois [Mr. MASON] within the last 2 or 3 days said publicly, "I am in favor of a straight 20-percent across-the-board cut." I am sorry, with all the knowledge of tax matters, that he was not able to convince his Republican colleagues that they should bring out a 20-percent across-the-board reduction.

Mr. MORRIS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. MORRIS. I have the highest regard and respect for the gentleman from Illinois who has just spoken, but it may be that on this particular subject his much learning hath almost made him a "KNUTSON."

Mr. EBERHARTER. I thank the gentleman for his contribution.

I want to further call attention to the fact that in Illinois they do not have any State income tax. So that all that experience which the gentleman had perhaps is responsible for Illinois having what is known as one of the most regressive tax systems in the country, because nearly all of their revenue is derived from excise taxes. So if the House wants to follow the gentleman from Illinois [Mr. MASON] in a 20-percent straight-across-the-board reduction and his method of raising revenue by excise taxes, then we will acknowledge his superiority over the gentleman from Michigan [Mr. DINGELL] whom he mentioned about seven times but to whom he refused to yield.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I shall be glad to yield.

Mr. DINGELL. The gentleman from Illinois [Mr. MASON] referred to me but would not permit me to answer. I may say to my friend from Illinois that the remarks to which he objected, and implied at least that they were not made on the floor, that they were definitely made on the floor; and the gentleman from Mississippi [Mr. ABERNETHY], by my side, tells me he heard me make them on the floor, and there are other Members on the floor today who heard me make those references. This much must be conceded, however, that under the rule I have the right to revise and extend my remarks and I could if I chose place an added thought or a graphic illustration in them.

Let me say just one other thing to my friend from Illinois: If he were called to Michigan to advise with the legislature in 1933 it was for the express purpose probably of trying to correct a tax situation that was a mess from the previous administration under Republican misrule.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I have only 15 minutes. If the gentleman from Minnesota [Mr. KNUTSON] will yield me an extra minute or two I will yield to the gentleman, but I cannot otherwise.

Mr. DINGELL. Mr. Chairman, will the gentleman yield for one question further?

Mr. EBERHARTER. I yield.

Mr. DINGELL. I am prompted at this moment by my distinguished colleague from Michigan [Mr. SADOWSKI] that it is presumed that the gentleman from Illinois came to Michigan to advise us about the passage of a sales tax bill in Michigan.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. SADOWSKI. I was a member of the Legislature of Michigan at that time. If I remember correctly, what the gentleman from Illinois proposed to us at that time was the infamous sales tax, unjust in its workings, which taxed the milk of the babies and the food of the underprivileged. The man making $50 a month would have to pay a 3-percent tax on every bit of food he bought or every piece of clothing he wears. It is the most onerous, the most indecent thing ever put upon our State.

The Republican policy of high prices for consumers, high profits, and high tax reductions for the rich is already resented by the great masses of people, as recently demonstrated by the teachers' strike and the thousands of letters that I am now receiving. I think this foretells the end of Republican rule in Congress.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Michigan. His name has been mentioned so many times it is only fair to yield to him.

Mr. MASON. What I said was that I did not hear the statements made by the gentleman from Michigan [Mr. DINGELL]. I did not say they were not made on the floor.

Mr. DINGELL. That was the only inference I could draw.

Mr. MASON. Secondly, I was called to Michigan to do a definite job, to explain the sales tax which I had voted against in the Illinois State Senate; but I was called there to do a job and I did it.

Mr. CURTIS. Mr. Chairman, will the gentleman yield for one question?

Mr. EBERHARTER. I will yield for a question, but I cannot spend all my time yielding to others to carry on this dispute.

Mr. CURTIS. It appears that the minority is not going along with this bill, but I wonder who is on trial, the gentleman from Minnesota [Mr. KNUTSON] or the gentleman from Illinois [Mr. MASON].

Mr. EBERHARTER. I will let the committee decide that.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. Mr. Chairman, I decline to yield further.

There are just two points I want to make clear about this bill in the time at my disposal: First, H. R. 1 favors the rich against the poor; and, second, the few crumbs for the low-income taxpayer are tossed him in such a complex way as to seriously disrupt the simplified system of individual income-tax payment.

On the first point, it is crystal clear that H. R. 1 favors the rich against the poor. Even the Republicans do not deny that the amount of dollars added to the spendable income of upper-bracket taxpayers is vastly greater than the pittance added to the weekly salary of the taxpayers with net incomes under $5,000. No; the Republicans do not deny that the take-home pay of the $300,000-a-year married man with no dependents would be increased by about $47,000, or more than 70 percent, while the $4,000-a-year man would be increased by $118, or 3½ percent.

The Members of this House, Mr. Chairman, no doubt are interested in what this bill does for them. Well, a married person with a net income of $12,500 before personal exemption would receive an additional $609, or 6.5 percent in take-home pay.

I wonder, Mr. Chairman, whether the members of the majority, who seem to think the tax reduction joy ride such a fine campaign issue, have stopped to consider just how many people in their districts will receive this 70-percent increase in spendable income given to taxpayers above $300,000. The figures of the Secretary of the Treasury show that only around 1,000 taxpayers in the entire country make this much money. It is my prediction that the Republican Party will rue the day when H. R. 1 was born. The 46,000,000 taxpayers with incomes under $5,000, all of whom, even after the illusory 30-percent committee amendment, would receive less than a 4-percent increase in take-home pay, may well ask a few embarrassing questions. Nor may all the taxpayers be too pleased with the fact that Members of Congress receive a higher tax benefit than they.

No; the Republicans do not deny the disparities I have outlined. They seem proud of providing this vast windfall for the wealthiest taxpayers. Of course, they become a bit nervous when it is pointed out that the original 20 percent across-the-board plan would have increased the take-home pay of the highest brackets by nearly 100 percent. And what a shock it was to find that the original plan would have resulted in taxpayers with net income above a million dollars actually paying less taxes than before the war. This obviously was political dynamite—even to the Mellon-minded majority. You may have wondered, as I did, where the 10½-percent figure in the case of taxpayers over $303,000 came from. Well, Mr. Chairman, chart 1 on page 35 of the minority views in the report on H. R. 1 shows that this 10½ percent is the highest figure that could be applied in the upper brackets, and still not restore them quite to the prewar level.

Yes; Mr. Chairman, this bill would enable the high-bracket taxpayers to forget that World War II ever occurred. The people who benefited most from the wartime levels of business activity and the highest profits in our history now are to have their share of the war debt transferred to the shoulders of the smaller taxpayers—the veterans' laborers, and other persons of modest income—who did the fighting and sacrificing to win the war.

Yet the Republicans have the crust, Mr. Chairman, to attempt to justify this preposterous scheme. They say that the special consideration for the wealthy is necessary to stimulate venture capital and managerial incentives. On page 10 of their report it is stated:

New investments are believed to come primarily from incomes of more than $10,000 to

$15,000. Those with smaller incomes can save little, and what they do save is likely to be invested in old, well-established business. Such persons have neither the information nor the time to examine the possibilities of making investments in new ventures, and cannot afford to assume the risks involved.

What a contradiction is this concern for the well-to-do and the wealthy with the tears shed by the Republicans for the low-income groups in the views of the Republican minority on the tax adjustment bill of 1945. In these words 9 of the present 15 Members of the majority on the Ways and Means Committee wept for the small taxpayer:

In these low-income groups will be found the millions of so-called white-collared employees—school teachers, clergymen, shopkeepers, salespeople, bookkeepers, barbers, clerks, and professional or semiprofessional workers, not to mention small-farm operators, mechanics, janitors, caretakers, skilled and unskilled laborers, many of whom are self-employed individuals. Most of these individuals are not organized and none of them has experienced any measurable wartime prosperity. The purchasing power of their dollar, moreover, has shrunk by more than 40 percent below 1939 levels. With the heavy rates of taxation now in effect, and with living costs constantly increasing, these groups have either been reduced to a substandard of living, or are rapidly approaching that level. The successful solution of our entire reconversion problem will very largely depend upon the resources of this particular segment of the taxpaying public. Within this group we find the bulk of the American market for the products of agriculture and industry, not to mention the sources of capital used in the production of agricultural and manufactured goods and maintenance of essential services. If tax demands continue for too long to empty the pockets of these citizens, the results can be serious on a broad scale.

Do you wonder, Mr. Chairman, that we Democrats now suspect these tears of 1945 to be more of crocodile than human origin?

In a final desperate effort to absolve themselves from guilt, the Republican sponsors have pointed an accusing finger across the aisle. They say, "The 1945 Revenue Act made a flat percentage cut in individual income tax."

But, Mr. Chairman, this is but a half or third of the story. While the 1945 act provided a 5-percent decrease, this was only one of three major changes affecting individual income liability. In addition to the 5-percent cut, the 1945 act provided for an increase in exemptions by raising the flat $500 normal tax exemption for the taxpayer to the surtax level of $500 for the taxpayer, $500 for his spouse, and $500 for each dependent. It also reduced surtax rates by three percentage points throughout the scale. The increase in exemptions and three-point decrease in surtax rates recognized the principle of progressive taxation in accordance with ability to pay. In contrast with the reductions proposed under H. R. 1 which range from 30 percent at the bottom of the income scale to 10 percent at the top, the tax cuts under the 1945 act ranged from 100 percent for some 12,000,000 low-income taxpayers to less than 7 percent for the highest incomes.

No; the unsullied record of the Democratic Party cannot be used to hide the sticky fingers of the majority advocates of H. R. 1. If ever a tax measure provided, in the words of the late President Roosevelt, "relief not for the needy but for the greedy," H. R. 1 does.

My second point, Mr. Chairman, is the mockery H. R. 1 makes of our efforts to simplify the tax laws. Enactment of H. R. 1 would be a set-back to the program of tax simplification which has advanced so far in recent years. It would complicate the rate structure, the tax-return form, and the withholding system. The "notch" provision would be confusing. Employers using the percentage method of withholding would be required to compute the amounts to be withheld on the basis of four rates rather than the two provided under present law. The retroactive tax reduction and the split first bracket under H. R. 1 would greatly increase the number of refunds. The split first-surtax bracket would increase the number of separate returns of husbands and wives and thus greatly increase the work load of the Bureau of Internal Revenue.

The gentleman from Arkansas [Mr. MILLS] yesterday explained in some detail how H. R. 1 complicates the tax forms and creates problems of education and compliance in case of taxpayers with small incomes. Though his remarks might well bear repetition, I merely direct your attention to them on page 2667 of yesterday's RECORD. Other administrative problems include the following:

First, H. R. 1 would aggravate the inequities resulting from application of the State community property laws.

You are familiar with the unequal tax treatment that now exists as between taxpayers in community property States and taxpayers in other States. H. R. 1 would serve to expand greatly the area within which such inequities would arise. It appears that in community property States the number of couples with surtax net incomes between $1,000 and $2,000 is about the same as the number with surtax net incomes above the $2,000 level. This means that the number of couples accorded preferential tax treatment simply by virtue of their residence in community property States will be about doubled. And for the first time low income taxpayers in noncommunity property States in the bracket under $2,000 would be discriminated against.

Second. A new choice problem will be presented for the first time to millions of taxpayers.

Under H. R. 1, every husband and wife who have separate incomes, that together represent over $1,000 of surtax net income—that is, gross income minus deductions and exemptions—are faced with the choice between filing separate returns or a single joint return. This question cannot be answered merely by reference to the total amount of net income nor by any other equally simple method. For example, consider two married couples, each having one child, and each having aggregate net incomes of $3,000. Suppose that in one instance the husband has $2,200 income and the wife has $800 income. If they file a joint return the total tax liability is $228, whereas if they file separate returns their aggregate tax is $212.90, or a saving of $15.10 with separate returns. In contrast, assume that the husband of the second couple has an income of $2,700 and the wife $300. The tax advantage here would be with the joint return—$228 as compared with a tax of $258.40 on a separate return basis. The problem would be still more complex if we were to consider the matter of allocating deduction items under separate returns; so complex, in fact, that I shall not undertake to lead you through any illustrative examples.

The point to be stressed is that under present law this sort of complication need not be faced by married couples with one child with aggregate net incomes of less than $3,500. Under H. R. 1, however, millions of married couples would have to start to worry about the type of tax return whether separate or joint that they should file in order to minimize their tax liability.

In other words, the married couple with small income would have to compute the tax liability under both methods before they could actually know which method is more advantageous.

H. R. 1 allows a taxpayer an additional $500 exemption for himself if he is over 65 years of age. In the case of a joint return, an additional $500 exemption is allowed with respect to each spouse provided such spouse is over 65 and has a taxable gross income of $500 or more. If the taxable gross income of either spouse is less than $500, no exemption is allowed. This provision would operate somewhat as follows:

Take the case of Mr. and Mrs. Jones, each over 65. Mr. Jones has a net income of $1,500 and his wife has a net income of $500. They file a joint return claiming two special exemptions, and under H. R. 1 incur no tax liability.

In contrast, take the case of Mr. and Mrs. Smith, each also over 65. Mr. Smith, like Mr. Jones, has a net income of $1,500, but Mrs. Smith has a net income of only $499 or $1 less than Mrs. Jones. Mr. and Mrs. Smith file a joint return claiming only one special exemption and incur a tax liability of $66.37. In both the above cases, the wives were assumed to have no deductions.

Thus, H. R. 1 creates a most unusual situation whereby an additional dollar of income serves, not to increase the tax, but to reduce it by $66.37. The Bureau of Internal Revenue is constantly faced with taxpayers who understate their incomes to reduce their taxes. Surely, though, this will be the first time that the Bureau will have to concern itself with taxpayers who may find it decidedly advantageous to overstate their income.

As a condition to the allowance of the additional exemption to persons over 65 years of age, certain benefits which are not at present treated as income are required to be included in gross income for tax purposes by H. R. 1. The complicated rules dealing with these benefits defy explanation.

Let me read a portion of H. R. 1, beginning with line 2, page 19:

This subsection shall not apply—

(1) to amounts excluded from gross income under section 22 (b) (5); except that

this subsection shall apply to amounts received as a pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed forces of any country, unless such amounts are also excluded from gross income by a provision of law other than section 22 (b) (5).

I do not know just how the folks in the Bureau of Internal Revenue can explain this to the taxpayers, even though they are supposed to be pretty good at that sort of thing. Frankly though, I do not understand it myself and I challenge any Member here to take the floor and explain this passage to the House.

In conclusion, equity and simplicity are priority requirements for the successful administration of the individual income tax. H. R. 1 is written without regard for these considerations. It should, therefore, not pass. When the workingmen back home see just what the Knutson 20-percent across-the-board tax plan does for him and what it does for the rich man up the street, and how it complicates the job of making out his income tax return, he is going to have the gentleman from Minnesota [Mr. KNUTSON] and the Members who vote for this bill "across the barrel."

Mr. KNUTSON. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, the gentleman seems to change his position. He was shedding tears, it seems, in the Seventy-ninth Congress, because he introduced H. R. 5293, a graduated-tax bill in which the highest tax to be paid by either a corporation or an individual was 50 percent. He seems to have changed his tune. He was then interested, of course, in his distinguished visitor from Pittsburgh. Then he was weeping tears. He was then ready to release venture capital.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Is the House to understand that the gentleman who has just taken his seat [Mr. EBERHARTER] introduced a bill in the Seventy-ninth Congress that would have given a 50-percent tax reduction to those individuals and corporations in the highest brackets?

Mr. REED of New York. That is right.

Mr. KNUTSON. Where were his tear ducts then?

Mr. REED of New York. Now he comes here to indict us.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. The gentleman did not yield to me when I asked him, and I am not yielding now. I just want to say that the gentleman is giving a perfect demonstration of the fact that the human mind has infinite resources for resisting the introduction of knowledge.

Mr. KNUTSON. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan.

Mr. ENGEL of Michigan. Mr. Chairman, before I discuss the merits of the bill I want to make a few observations.

I was rather amused when I read the CONGRESSIONAL RECORD this morning to see the reference my friend, the gentleman from Minnesota, made to the tax firm or the tax experts, DINGELL, ENGEL, and GORE. Mr. Chairman, if it is a question of taking the expert opinion—and I am no tax expert and have never held myself out as such—of a tax firm called DINGELL, ENGEL, and GORE, or a tax firm known as Dr. Townsend and KNUTSON, I will take the former every time.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield.

Mr. KNUTSON. Of course, the gentleman missed the point. When I referred to the gentleman as a tax expert, it was irony.

Mr. ENGEL of Michigan. Oh, it was; was it? I am very glad the gentleman informed me it was irony.

By the way, the gentleman from Minnesota is a poet. He is a distinguished poet. I picked out of the CONGRESSIONAL RECORD a gem that should not be lost to future historians when they write up the debate on this particular bill. When the other tax bill came up in 1945, to be exact, on October 30, in twitting the chairman of the Ways and Means Committee [Mr. DOUGHTON], the gentleman from Minnesota [Mr. KNUTSON] quoted the following little poem, which I assume was original:

How sweet it is to hear the faithful watchdog bay
As we draw nigh to election day.

On August 2, before the Republican election in 1946, the gentleman from Missouri [Mr. CANNON] my distinguished former chairman of the Committee on Appropriations, engaged in the following colloquy wth the gentleman from Minnesota:

Mr. CANNON of Missouri. The gentleman from Minnesota [Mr. KNUTSON] is going to cut taxes 50 percent? How?

Mr. KNUTSON. Of course, when I made that statement I was going on the assumption that Republicans were going to control the House and cut all the waste.

Did I hear a watchdog bay, or was it just a little rat terrier yipping?

Then, according to the RECORD here, yesterday he pointed with a great deal of pride to the fact that nearly 1,400,000 senior citizens of the age of 65 and over are being removed from the tax rolls.

Mr. Chairman, this ought to be known not as the Knutson bill, not as H. R. 1, but it ought to go down in history as the Dr. Townsend-Knutson bill.

Mr. Chairman, the House has before it H. R. 1, a bill to reduce income taxes by approximately $3,800,000,000 a year. This bill was made retroactive to January 1, 1947. Here is the picture as I see it:

First. H. R. 1 reduces income-tax revenue for the fiscal year ending June 30, 1948, by $3,800,000,000.

Second. In addition to the above amount, the bill, being made retroactive, makes subject to refund $1,900,000,000 or such other sum as will have been collected during the last half of the fiscal year ending June 30, 1947, and for the period of January 1, 1947, to June 30, 1947.

Third. The taxpayers will make their tax return for the calendar year ending December 31, 1947, on March 15, 1948, claiming $1,900,000,000 refund.

Fourth. The Republican Congress will have to pass an appropriation bill refunding this additional $1,900,000,000 in taxes collected during the previous fiscal year, together with the cost of reprocessing every income-tax return that is made on March 15, 1947. Net result: The Democrats gain the $1,900,000,000 in taxes they have collected for the last half of the fiscal year ending June 30, 1947, to balance the budget with, and the Republican Congress will have to somehow make up this $5,700,000,000 more, including the $1,900,000,000 refunded, to balance the 1948 budget.

It is my candid opinion that the Democrats will balance the 1947 budget and there is a great possibility of the Republicans having unbalanced the 1948 budget. The task has been made a great deal more difficult by the policy of our Government supported by many able Republicans in pouring billions of dollars into foreign governments. The following are a few of the requests for the two fiscal years, 1947 and 1948: $1,450,000,000 for relief of occupied areas—these appropriations are supported by former President Hoover, Senator ARTHUR H. VANDENBERG, chairman of the Senate Foreign Affairs Committee, and Mr. EATON, chairman of the House Foreign Affairs Committee; $400,000,000 for loan and aid to Greece and Turkey; $350,000,000 to feed people in liberated countries, to mention only a few of these bills. There has also been approved by our committee an additional $489,000,000 for the Army to make up a deficiency caused by the passage of the Army-Navy Pay Act and by reason of the fact that the Army carried over more men than they told us they would have when the 1947 budget was made up. Here we have approximately $2,700,000,000 extra appropriations to mention only a few, which must be raised by taxes. If you are bound to pass this tax bill at least do not make it retroactive to January 1947. Start its operation not earlier than with the beginning of the fiscal year 1948, which begins July 1, 1947.

Let me state my position on this tax bill clearly. First, and above all, we have to balance the budget. We cannot continue to borrow; we cannot continue to go in debt for operating expenses of this Government. When I say balance the budget, I want it distinctly understood that I want included in that budget not only the interest on the national debt but inclusion in each annual budget of an amount which will liquidate that debt upon a sound plan of amortization. If there is anything left after we have balanced the budget, including an amount for amortizing debt, the great masses of people in the low-income group who require that money to live should be given the maximum benefit of that reduction.

1945 TAX BILL GAVE CORPORATIONS $3,136,000,000 TAX RELIEF

In 1945 Congress passed the first postwar tax reduction bill. This bill gave the biggest tax reduction to those who made the biggest profits out of the war.

It gave $3,136,000,000 in tax reduction to corporations—$2,550,000,000 of this tax reduction went to 19,100 corporations, 900 of whom benefited to the tune of $1,797,000,000 in excess war profits alone. All this, while individual taxpayers received a reduction of $2,641,000,000. The bait which induced some of us to vote for this bill was that we were told it took 12,000,000 of low-income individuals off the tax rolls.

Now we have before us another tax bill which gives the largest individual benefits to individuals with the highest incomes. This time it is a Republican bill and a part of the Republican political bait that is supposed to satisfy us and induce us to forget our scruples in that it will get the Townsend vote by giving people 65 years of age and over an additional $500 tax exemption. I have no objection to this exemption. I know these people need it. However, I also know there are millions of others in the low-income group who are equally worthy of consideration.

A 20–30 PERCENT TAX REDUCTION IS NOT FAIR TO THE LOW-INCOME GROUP

The Republican party has had a splendid tax record in the past insofar as the low-income group of our Nation is concerned, as pointed out in my remarks on the floor of the House on January 27.

REPUBLICAN POLICY HAS ALWAYS BEEN TO GIVE TAX RELIEF TO LOW-INCOME GROUP FIRST

A Republican Congress passed five tax-reduction bills from 1921 to 1930. In four of these bills the low-income group was given special consideration. Tax exemptions were increased during that period from $1,000 to $1,500 for a single person and by several steps from $2,000 to $3,500 for a married person. The tax rate on incomes under $4,000 was reduced from 6 to 4 percent to 2 to 1½ percent and finally one-half of 1 percent, successively, all by a Republican Congress during that 10-year period. At the same time taxes were reduced on a sliding scale on the higher income group. The higher the income the less the tax reduction.

The same attempt to reduce taxes for the few in the high-income group at the expense of the many in the low-income group I am informed was made then as now. The attempt was defeated by this House then and I hope it will be defeated now. It was because I wanted the Republican Party to continue that policy that I introduced a bill last year and again this year to increase tax exemptions on the low-income group. During the period from 1921 to 1940 the need for revenue was not as great as it is now. On the other hand living costs had not advanced to the high level that they have advanced since 1939 and the need for tax relief to the low-income group to maintain a decent standard of living was not nearly so great as it is now.

THE LOW-INCOME GROUP MUST HAVE TAX REDUCTION

The need of the low-income group for a tax reduction can best be measured by the increased cost of living since 1939. According to a recent issue of the United States News it took $1.56 in February 1947 to buy in living cost what $1 bought in 1939. On a living-cost basis therefore, $320 bought in 1939 what $500, which is an individual tax exemption, buys today and $640 bought in 1939 what $1,000 buys today, which is the exemption of a husband and wife. In 1939 that husband and wife had a $2,500 exemption. That is what your tax law and your cost-of-living increase have done to your low-income taxpayer.

HOW MANY PEOPLE CONSTITUTE THE LOW-INCOME GROUP?

Let us examine the record and see just how many people we have in this low-income group I am speaking about. Let us use $2,500 as the top figure for the sake of illustration. I addressed the House on this subject in 1945 and again in 1946. I had obtained from the Treasury Department tables showing the income of the various groups in 1944, one of our largest national income years. I found that in 1944 there were:

First. Twenty-one million six hundred thousand individuals with annual incomes of $1,000 or less, 12,250,000 of whom were single persons and 9,010,000 were heads of families.

Second. There were 12,430,000 individuals, 7,450,000 of whom were married or heads of families with incomes from $1,000 to $1,500.

Third. There were 11,990,000 individuals with incomes of from $1,500 to $2,000, 9,580,000 of whom were married persons or heads of families.

Fourth. There were still another 7,550,000 with incomes of $2,000 to $2,500, 6,590,000 of whom were married persons or heads of families.

This was according to the Treasury report furnished me taken from the income tax records. Summarizing we find we had, in 1944, 53,230,000 individuals with incomes of $2,500 or under. If we assume that each head of a family in this group had at least one dependent, we find that we have 85,860,000 people in this country or 61 percent of the population who were dependent on individual or family incomes of $2,500 a year or under in 1944.

I introduced my bill because I wanted the Republican party to have the credit for being the first to recognize that need. I stated repeatedly both on and off the floor of the House that I wanted the low-income group to get tax relief first in order to increase both their living standard and their purchasing power. They have to have tax relief to live decently. I do not want them to have tax relief to the exclusion of everyone else.

KNUTSON BILL GIVES GREATEST TAX RELIEF TO MAN WHO MADE GREATEST WAR PROFIT

The Knutson bill gives a man who made the biggest profits during the war the biggest tax relief, while the individual who had little or no increase in income, such as teachers and other white-collared groups, is now asked to continue to accept increasingly low-living standards because of such increased costs. Giving a 10 percent added reduction to the extremely low-income group is no fair solution of their problem. The added reduction for them is so small as to be of little importance. I recognize the fact that with the tremendous tax load we have to bear we must tax the broad base or the great mass of people who have the largest aggregate though the smallest individual income. In trying to prevent waste of the taxpayers' dollar in the past, I repeatedly called attention to the fact that the tax burden of the future, made necessary to repay these wasted dollars, would fall heaviest on that great mass of small taxpayers in the Nation. I did not expect, however, that the Republican Party would advocate a policy which would give the greatest tax relief to the higher income group including those who made the largest profit out of the war who would now under this policy receive the largest tax relief.

HOW DOES REDUCTION OF TAXES AFFECT THE TOTAL TAX COLLECTION AND WHY?

There are many people in both the Republican and Democratic Parties, in fact I believe they constitute a majority of those parties, who believe that if you will only give tax relief to the man on top the benefits will trickle or percolate down to the little fellow below. This argument has been and will be again advanced in trying to justify the passage of this bill. It is based upon the theory that by creating new investment capital the workers will obtain jobs. I cannot agree fully with this theory of government. I agree that under a capitalistic form of government or under a profit system we must permit the retention of enough profit so that industry can expand. However, all the capital in the world will not create jobs except insofar as it creates purchasing power in the erection of new factories, and so forth.

The depression of 1929 to 1940 should satisfy the most skeptical that those benefits do not adequately trickle or percolate down to the little fellow below. My theory is that in order to have permanent prosperity one has to begin by increasing the purchasing power of that great mass of people—86,000,000—in the low-income group. It is only by increasing the purchasing power and raising the standard of living of this great mass of the people that we can have real and permanent prosperity. By increasing mass purchasing power I do not mean taking the tax dollar from one taxpayer and giving it to another. I mean increasing the farmer's and worker's productive capacity and giving them a greater share of the selling price of the thing they produce on the farm, in the factory, mine, or whatever it may be. If you will do this the man above is bound to obtain his share of the profit.

Let me illustrate what I mean. If the wife of a low-income worker from whom we are taking 10 cents a week in pay-roll tax should take the 10 cents a week and buy a spool of thread from the corner drygoods store to patch her husband's pants, everyone from that corner store up through to the manufacturer of the thread and back to the farmer who grew the cotton that went into the thread would get a part of the 10 cents. If that $2,500-a-year worker could take a part of the $187 you were going to tax him under the original Knutson bill to buy a suit of clothes for himself or a dress for his wife, everyone from the store which sold him the suit or dress through to the manufacturer and back down to the farmer who grew the cotton or wool that went into the suit or dress is bound

to benefit. But if that worker is not left enough to buy a suit or dress, everyone from the store where he would buy the suit or dress, or whatever it may be, up to the textile mill and manufacturer who would make that dress and suit of clothes and back down to the farmer who raises the cotton or wool will be the loser.

It was for this reason and not because the tax relief was given to the higher bracket taxpayer that the revenue in the Treasury for a time increased in the past, despite the reduction made in income tax rates. I recognize the fact and I have said so repeatedly that we have passed that critical point in the rate of taxation, where the law of diminishing returns is now operating. Under a capitalistic or profit system you must leave enough profit to the businessman so he can have capital to expand his plant to take care of increased business. On the other hand no business can expand and no profit system can survive without profits and there is no profit on a pair of overalls, a suit, or dress that the low-income group does not buy. Mr. Henry Ford, Sr., undoubtedly had this very policy in mind when for the first time he established what was then considered extremely high a $5-a-day minimum wage in his factory.

Let me repeat that a sound peacetime prosperity can only be built upon that basis. It is only by building up the income and productive capacity of the low-income group that you can have a national income large enough to pay our minimum current operating expenses, pay our national debt and not have further inflation.

THE HOUSEHOLDER CLAUSE MUST BE RESTORED

Only by restoring the householder clause and increasing exemptions can we give real low-income group tax relief. By doing that we need not increase the exemptions of the dependents. As the law now stands every member of the family receives the same exemption of $500. A widow whose husband died and who has the care of the dependent children loses her husband's $500 exemption despite the fact that she has to maintain the same household and at the same time support the fatherless children. The same is true if the mother dies and leaves the responsibility of supporting the children to the father. The householder clause recognized the fact that the exemption should be maintained for both father and mother after one dies because the same household must be maintained. After the household is maintained the added expense for rent, heat, and so forth, for each successive child is not increased on a numerical basis. I would restore the householder clause and give the householder an added exemption. This would of course reduce the amount required because the exemption of the children would not be increased. This principle was recognized until recently. I want to go back to it.

Today that householder has only $1,000 exemption for the father and mother, or the equivalent of $640 in 1939 purchasing power. It is not enough under present conditions. If the amount available for tax reduction is not enough to increase the householder exemption from $1,000 to $2,000 let us increase it to $1,500 or even to $1,250 and leave the dependent's exemption where it is at $500. Surely no one can argue that taking taxes out of incomes above $1,000 a year on a household is not taking the necessities of life where that income is below $2,000 or $2,500 a year. Again if we cannot give everyone that increase, limit it to families where the aggregate income of the husband and wife is $5,000 or under as we did in 1921. If that takes too much tax money, limit its application to cases where the aggregate income of the husband and wife is under $4,000, under $3,000, or even under $2,000. Surely that sort of a plan can be arranged without taking too much tax revenue. All I want is to give that low-income group a break.

I do not want to give him, the low-income group, that break to the exclusion of everyone else. I want to divide the amount available for tax reduction in the same way as we divided it in the 1921–30 period. First, give the low-income group an added exemption however small. Second, divide the balance in such a way so that every taxpayer gets the same reduction on a sliding scale just as we did during the previous Republican administration.

I do not want to go into the next election, and I do not believe the Republican Party does, and tell that husband and wife with a $1,200 income to maintain a household and from whom we are taking $38 a year living money that we are now going to give them $8, $9, or $10 a year relief and continue to take $30, $29, or $28 a year of their living money, and then give the man with an annual income of $6,000,000, $540,000 a year in tax relief.

I do not want to say to that single person who has room rent, clothes, food, and so forth, to buy on an income of $600 a year and from whom we are taking $19 a year in living money: "We are giving you tax relief, we are only going to take $15 out of your living and give you $4 a year tax relief," and then give the man with $1,000,000 a year income $110,000 a year in tax relief.

That is sure to be the issue upon which the next Congress is going to be elected if we pass this bill. Does anyone honestly believe that we can go into that next election and convince these people that we had their interest at heart and are entitled to their support if you vote for and pass this bill?

If we, the Republican Party, lose this House and the Presidential election in 1948, it will be because of the short-sightedness of our leaders and not because of a few of us who have tried to avoid having our party placed in such a vulnerable political position. I want to go to these people and say, "Here is what we were able to do for you. We tried to help you. It was not all we would like to have done, but the terrible financial condition of this country, the tremendous public debt, much of which was caused by waste and extravagance, makes it impossible for us to give you all the relief we would like to have given you. Go along with us and next year when we get some of these financial liabilities out of the way we will try to give you further relief." I honestly believe that the average man will go along with us despite the fact that we have not given him the tax relief he needs to live. He will not go along with us if we permit the high-income group with incomes running into the millions to feast luxuriously like Dives at the table of tax relief while we expect this low-income group whose very living we are taking in taxes to be satisfied like Lazarus with a few crumbs of tax relief that may accidentally fall from the table of Dives.

WHAT REPUBLICAN TAX PROMISES WERE MADE AND TO WHOM WERE THEY MADE?

Much has been said about promises made by the Republican Party during the campaign that we would reduce taxes 20 percent straight across the board. I heard no promises of that kind made by responsible Republican leaders during the campaign. I heard some rash statements made as to tax cuts, such as were made by the present chairman of the Ways and Means Committee on the floor of this House on August 2, 1946, when the following colloquy took place:

Mr. CANNON. The gentleman from Minnesota [Mr. KNUTSON] is going to cut taxes 50 percent. How?

Mr. KNUTSON. Of course when I made that statement I was going on the assumption that the Republicans were going to control the next Congress and that they would cut out all waste.

That statement was of course ridiculous and bound no one. The only promise to cut taxes straight across the board which I heard at that time was made by the chairman of the Ways and Means Committee and he was not talking for me nor for the Republican Party so far as I am concerned, when he added the words "straight across the board."

Again the same gentleman in a letter inserted into the RECORD on July 22, 1946, promised a Mr. Scott, of a large Minneapolis firm, a 20-percent straight tax reduction after speaking of cutting taxes 50 percent.

Again on October 30, 1945, when the tax bill was up—which reduced taxes $5,900,000,000 in largest part on corporations—and in ribbing the then chairman of the Ways and Means Committee, the gentleman from Minnesota waxed very poetic when he quoted from some unknown poem:

How sweet it is to hear the faithful watchdog bay
As we draw nigh to election day.

Speaking of election-day promises, I heard some watchdog baying about a 20-percent straight-across-the-board tax reduction before election day. I hear them baying again today in the attempt to get the Townsend vote. But I wonder just to whom the Republican Party made a promise to cut taxes 20 to 30 percent straight across the board? Let me ask the Members of this House: Did you make that promise to cut taxes 20 to 30 percent straight across the board? If so, to whom? Did you tell the low-income farmers of your district, if you have any, that you were going to give the man with an income of $1,000,000 a year $110,000 tax reduction and the married man with $1,200 a year $8 or $9 a year reduction? Did you tell the work-

ers, organized and unorganized, in your district that you were going to give the men with $6,000,000 annual income $540,000 a year tax reduction, and the millions of people, including workers with annual incomes under $2,500 a year an average of $26.50 or perhaps $35 a year tax reduction? Did you address any large meeting of the low-income group of voters and tell them just what you were going to do to them in this amended 20-percent across-the-board tax reduction? Did you get any applause when you told them, if you did? Just to whom did you make the promise? Was it to those in the low-income group, including farmers and workers, or was it to the wealthier persons who were best able to kick into the political campaign fund? Was it to the workers in United States Steel, Weirton Steel, or other steel corporation? Or was it to the financiers behind those steel companies to whom this promise was made? I heard nothing from responsible parties about a 20- to 30-percent straight-across-the-board tax reduction during the campaign.

I was told recently by the president of one of the financial institutions and by one of the wealthiest oil operators in the State of Michigan, who reside in my district, just what they are going to do to me in 1948 and 1950 if I did not change my opinion on the question now before the House. I did have a vice president of one of the largest steel corporations, who is a friend of mine, call me and try to convince me that I should withdraw my opposition to H. R. 1. I did have the Republican national committeeman of my State phone me and ask me to change my mind. To save him embarrassment, I shall not give the reasons he gave as to why I should change my mind. In fact I received many long distance calls and letters from the higher-income group disagreeing with me, and some of them violently and I answered them frankly. I, together with other Members of Congress, have accepted campaign expense money from my party. I always felt there were no strings attached to party contributions. I have always rejected contributions from both labor and industry because of possible obligations such contributions might put me under. It is the first time I have ever been criticized for my position by a member of our National Republican organization.

This Michigan Republican national committeeman wrote to other Republican Members of Congress from Michigan giving his views on this 20-percent-tax reduction. In that letter he wrote, in part, as follows:

> It is most distressing to have the proposed 20-percent across-the-board tax cut questioned so critically by some of our Members of Congress. From their reported remarks, it would seem that they are a bit confused as to which party elected them.

It was evident to whom he was referring when apparently I was the only Republican Member from Michigan who did not get a copy of this letter. This was the same gentleman who called me on the telephone and asked me to withdraw my opposition to H. R. 1. Apparently this gentleman made some promises I never heard about to someone on this 20-percent across-the-board tax cut. May I inform the gentleman that out of the hundreds of letters I received on my stand, 95 percent approved my position and less than 5 percent disapproved. It seems to me that he is a bit confused in thinking that the 5 percent who make the larger campaign contributions elected a Republican Congress instead of the 95 percent of the voters, Republican and Democratic, who actually cast their ballots on election day.

He is the one who is in a fog. Unless that fog is cleared from the brain of some of our Republican leaders, they will find themselves once more a minority party when the next election rolls around.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield.

Mr. HOLMES. Are you taking into consideration any changes in amended income-tax returns in relation to your figures?

Mr. ENGEL of Michigan. The payroll tax will be in. Your first-quarter estimates are in. Everybody paid into the Federal Treasury our estimated returns for the year.

Mr. HOLMES. Do you take into consideration the changes in amended income-tax returns?

Mr. ENGEL of Michigan. Regardless as to whether the 1947 tax return is reduced by amendment or the tax paid is refunded, the result is the same. It comes out of the tax receipts collected on March 15, 1948, when the final 1947 returns are made.

Mr. HOLMES. Will the gentleman let me finish?

Mr. ENGEL of Michigan. I beg your pardon. I have the floor.

Mr. HALLECK. You yielded to him. Why do you not let him say what he wants to say?

Mr. ENGEL of Michigan. Well, now, you are not running this. I am running this end. You can run your crowd but you cannot run me.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Ohio.

Mr. BENDER. Is not that 20 cents important to the little fellow? In my own State, a Democratic governor put over a sales tax and after we had been on this drunken spree for 14 years, does not the gentleman think it is about time we do a little something for the taxpayers?

Mr. ENGEL of Michigan. Sure it is important. It is the price of only a quart of milk. I want that low-income taxpayer to have more.

Mr. KNUTSON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, I want to thank the distinguished chairman of the Committee on Ways and Means for giving me this brief opportunity to participate in what I think is an historic debate. I do not believe we can exaggerate the importance of the bill that is before this House and the action the House is going to take on it.

I heard with interest the remarks of the gentleman from Michigan. I do not think any of us on our side of the aisle are going to be very much concerned about what our voters will do to us when we pass this bill. I heard his heart bleed for the little fellow. I do not think anyone of us yields to him in our desire to take 20,000,000 people off the tax rolls, and in our desire to spare 20,000,000 people a $6,000,000,000 tax load. But my friend from Michigan forgets, and his colleagues in the firm of DINGELL, ENGLE, and GORE, forget that Republicans did not put these people on the tax rolls. We would like to get them off. We have the deepest sympathy, all of us, with everyone who pays taxes, and particularly with those at the lower end of the tax scale, on whom the burden of rising costs of living falls so heavily.

Why are they on the tax rolls? Why must they stay on the tax rolls? Ask the gentlemen who for 14 long years supported the wild extravagances of the New Deal and supported the new schemes of government activity that cost money. Those things now are coming home to roost. Those things will have to be paid for and paid for by every citizen in the United States. On top of that, there was a great war with a cost beyond all imagination, with a national debt and an annual cost burden that can not possibly be met unless everybody stays on the tax rolls. Gentlemen, we did not put them there. They were put there by the Democratic Party, the Democratic Administration, and the war.

The most important issue, the one issue that we confront here today, is the issue of whether or not we are going to adopt a tax bill and a policy of taxation in the true American tradition of fairness, justice, and equality all along the line, for all citizens, or whether we are going to adopt the line of tax policy advocated by the gentleman from Michigan and the two Democratic members of that firm and their colleagues, the liquidation of incentive tax policy—the destruction of incentive tax policy—the marxist, collectivist policy—a policy that more than anything else will tend to destroy freedom in the United States, undermine the economic strength of the United States, and will do more than anything else to deter the processes of economic expansion out of which alone the national debt will ever be paid.

Our friends on the other side speak sanctimoniously of paying off the national debt: "Oh, no, not taxes—let us not reduce taxes. Let us pay off the national debt." That is the trap that they would like to lay for us. They know that we Republicans are cast in the role of Simon Legree and Scrooge because we are cast in the role of budget-cutters and are obligated to effect economies in the national budget. Surely they are not naive enough to think you can effect economy in the national budget without stirring up widespread resentment and having to face the squawks of all those individuals and their families and of the different groups who may feel aggrieved. They know that the national debt has no Edgar Bergen to give it a seductive voice.

So what would they have us do? They would have us bear the burden of effecting economy with all the attendant pain, annoyance and trouble, and political risk, and they would come in next year and give to the American people the benefit of our work and sweat in the form of a tax reduction. Of course, they are against tax reduction, and any bill that the Republican majority might bring in.

Our Democratic friends have long had among their leaders advocates of sound American tax policy. Going back to the father of the Democratic Party, Tom Jefferson, it was he who declared that the first principle of association was the guarantee to everyone of the free exercise of his industry and of the fruits acquired thereby. You do not get that under the present tax structure, and would get it a great deal less under the program of the Democratic Party in the House.

Franklin D. Roosevelt made a great speech that has so often been quoted, that taxes are paid in the sweat of every man's brow who labors, and that excessive taxation leads to unemployment and misery.

But I do not stop there. There are living Democratic leaders who have taken a sound position and not hesitated to state it—a position in the tradition of Jefferson and the other great leaders of the old democracy. One of those leaders sits on the floor of this House today. Here is what he said in 1939, and as far as I am concerned, I shall be glad to have him join the firm of KNUTSON and Townsend. Listen to him:

One of the deterrents, probably the greatest, to business expansion is the high surtax brackets of the Federal Government. At present our normal rate is 4 percent—

That was back in the antediluvian days of 1939—

but our surtax rates run to as high as 75 percent—

I think they are 86 percent now—

in some cases, and this does not include State income taxes. You can see from this statement—

Says the gentleman—

that a deterrent exists to business expansion by new or venturesome capital.

One would suppose that was our own chairman [Mr. KNUTSON] speaking, but it is not.

The best interests of the man and woman who is looking for a job call for a sharp reduction of the present surtax rates. This and any other deterrents to business activity should be removed as soon as possible.

Mr. Chairman, those are remarks made in a radio address on September 13, 1939, by the then majority leader of this House, now the minority whip, the gentleman from Massachusetts, Hon. JOHN W. MCCORMACK.

Mr. Chairman, the responsibility of this House is great. The eyes of our countrymen are upon us, from Maine to California, anxious eyes, wondering if we are going to stand up for true, sound, traditional American policies; stand up for equality of opportunity, for the principle of keeping the doors open to the talent, the door open to opportunity for all men of imagination, initiative, and good-will. The country owes a very real debt to the courageous chairman of the Ways and Means Committee and a majority of its members for squarely meeting the challenge.

The CHAIRMAN. The time of the gentleman from New York [Mr. COUDERT] has expired.

Mr. KNUTSON. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, I propose to support this bill, and I speak, as did the gentleman from Michigan [Mr. ENGEL], as the author of a different tax bill from the one in question. My tax bill, H. R. 2492, called for a graduated percentage method of tax reduction, all the way from 35 percent in the lowest brackets to 7½ percent at the top.

But I cannot go along with the gentleman from Michigan [Mr. ENGEL] in two respects. The first error I believe he is committing is in deciding to vote with some Democrats, not all, I suspect, against any tax reduction just because his particular bill was not accepted by the Committee on Ways and Means or because he may have had some personal differences with the chairman of that committee. I sincerely hope he will reconsider that decision. In the second place, I cannot go along with him in the allegation, or at least the implication, that the distinguished majority leader has been trying to tell him what to do. I did not, as the gentleman from Michigan says he did, drop my bill in the hopper never expecting it to go through. I introduced it and I fought for it with the members of the Ways and Means Committee with all the force and sincerity I could muster and by every legitimate method I could devise. But I recognize the fact that legislation is a give-and-take matter and that all knowledge in the world is not reposed in the mind of any one man, least of all in my mind.

I want to assure the membership on both sides of the aisle that neither the majority leader nor anyone else has tried to tell me what to do, and I do not propose to have anybody tell me what to do. Furthermore, I am confident that he has not told anybody what to do and I resent deeply the fact that the gentleman from Michigan in his excessive zeal, no doubt, has allowed himself to create any such distorted picture of the majority leadership in this body which has the respect and admiration, even when in disagreement, of the Members of the House on both sides of the aisle.

I believe the fight I put up along with many of my Republican colleagues who shared my views has borne fruit and I am happy to testify that the leadership has at all times been ready and willing to hear us. Contrary to the apparent conclusion of my friend from Michigan, I believe up my way that the hard-working charwoman who earns $18 a week about whom I told the House the other day, will be very grateful to receive a check from the Government for $20.28, which is the annual amount she will save on taxes, and the man with two children who is making $50 a week and having $3.20 taken out of his pay every week will welcome a reduction of that amount to $2.20, and you cannot tell me that the retired school teacher or fireman or policeman, or Federal or State employee trying to get along on a pension that is subject to taxation, or, for that matter, the large group over 65 who have laid aside a bank account or a few Government bonds or other securities and in the evening of their lives, when they should be entitled to a measure of comfort and security, are worrying over their living expenses and the cost of meat and coal and rent, you cannot tell me that these people will not welcome the tax relief afforded by this raise in their exemptions by $500.

Thirty-one million of these small taxpayers in the lower-income and over 65 groups, it is estimated, are benefited especially by the additional consideration shown in raising the reduction from 20 percent to 30 percent and in this special exemption for the older people. In addition, some 15,000,000 more share in the benefits in the 20-percent and 10-percent brackets. Just because this bill before us does not approach this tax-reduction problem in precisely the manner I might wish, is no reason, it seems to me, to deny these deserving and overburdened taxpayers any relief at all. I conceive it to be my duty to support this legislation, and am confident that it will bring not only new hope to the people of this country, but also, by thus virtually effecting a pay increase to the wage-earners, will give them more money to spend on the good things of life, thus contributing to the general prosperity, and will release not only much needed venture capital, but also, and even more important, the wells of confidence leading to increased productivity, business progress, full employment, and the creation and maintenance of a high standard of living for all our people.

As I stated when H. R. 2492 was introduced, I hope the time is not too far distant when the present exemptions of $500 for a single person and $1,000 for a married person can be raised somewhat to a more realistic figure. There certainly is some bare minimum, it seems to me, beyond which we should not go in requiring a man or a woman to contribute out of his or her income to the expenses of running the Government. This bare minimum might well be set somewhat higher than the present figures.

The difficulty arises out of the amazing reduction in revenue which the Bureau of Internal Revenue figures reveal as the cost of the Government of raising the exemptions even $100. For instance, it is estimated that to raise these exemptions $200 would result in a revenue loss very nearly equivalent to the total amount expected to be the result of the passage of H. R. 1.

Although special emphasis, it is true, should be placed on relief in the lower brackets, as I am happy to say this bill now does, it would not be equitable, it strikes me, to deprive of the benefits of tax reduction single men with incomes over $700, or married men with incomes above $1,200, which would be the result of adopting the suggestion of the gentleman from Rhode Island.

Therefore, I conclude, a bill has been brought before us, not perfect, in my opinion, but embodying, to some extent, the principle of graduated reduction, a bill worked out by resolving the sincere and conflicting opinions and positions of many Members. There are those who sincerely contend that a straight percentage reduction should be given to everyone. Others claim that reductions should take the form of a raise in the present exemptions. Still others, like myself, favor the graduated-reduction approach. We could argue here until next Christmas and beyond, if we all stubbornly opposed any tax-reduction bill except the particular one which we favored. The country looks to this Congress for accomplishment. We must get on with the great work which lies ahead of us. Tax reduction is but one, albeit an important one, of the constructive steps we must take along the path of progress.

We have before us a good bill. Let us support it wholeheartedly. Let us give the people of this country this relief, so long overdue and so richly deserved.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KNUTSON. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I intend to support this bill because I believe that people in the lower income and moderate income brackets, now 2 years after the war, must have some tax relief from the high wartime tax structure to help them meet the high cost of living—up over 60 percent since 1939. I was against an across-the-board tax reduction because I considered it unfair to the ordinary citizen in my district and would be against it today if it were before us. The further reduction of the tax by one-third—from 20 to 30 percent—for the great bulk of the taxpayers in my district does make enough of a difference to them so that I must support the bill. I still do not like the feature of the bill giving a 20-percent tax cut to taxpayers up to $300,000. I believe that the cut should have been graduated, this 20 percent cut down materially and the saving in the amount available for tax reduction used to increase the tax cut to over 30 percent for those in the middle and lower income brackets. However, the need of my constituents for some tax relief to help them meet living costs is so great that I feel that as their representative I must vote for the bill with its imperfections rather than vote for no tax cut at all. The figures also show that this readjustment of taxes from war to peace will allow for a substantial debt reduction—essential to the future of the country in times of high national income like today. I have surveyed the opinion of the rank-and-file citizens of all parties in all parts of my district, and this is what they want me to do by an overwhelming majority.

Mr. KNUTSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

A BALANCED BUDGET AND TAX REDUCTION

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I am supporting H. R. 1 with certain reservations, and I feel that I should make my position clear before I cast my vote. In the first place, the Republican majority is committed to balance the budget and to make a substantial payment upon our national debt. These commitments must be carried out.

Relying upon the presentation made by the members of the Ways and Means Committee as to prospective tax income for 1947, I am convinced that the Federal budget will be balanced, and that a substantial sum will be made available to pay on the national debt. However, no one can predict with any degree of accuracy as to the curtailment in Federal expenditures until after we have passed on all of the appropriation bills. It is my hope, which will be backed up with my votes, that Federal appropriations can be cut at least $6,000,000,000. I feel that expenditures can be reduced in this amount, or more, without curtailing essential services that the Federal Government should perform for the people. I am also convinced that the expenditures can be materially reduced for the Military Establishment without injuring our national defense and taking care of commitments to which we have been obligated by the administration in foreign fields. I will do my part in voting to cut expenditures so as to bring about a balanced budget, a substantial payment on the national debt, and tax reduction.

Under the Constitution, the House of Representatives must originate all tax bills. While I feel that the provision in H. R. 1 to make tax reduction retroactive to January 1 of this year is premature, I am nevertheless voting for the bill so that it can be presented to the Senate and be given consideration in time for final action before June 30, 1947. In my opinion, the tax-reduction program should not become operative until July 1, 1947, at which time definite information will be available to Members of Congress and the country as to the amount that we have been able to cut Federal expenditures. At that time we will also learn as to the amount of tax income for at least the first 6 months of this year.

I also feel that a more substantial cut in taxes should be approved for taxpayers in the lower-income groups—either by way of increased exemptions or higher percentage reductions than the 30 percent approved by the committee in H. R. 1.

The tax bill will come back to the House for another vote after it has been considered by the Senate, at which time I want to reexamine its provisions carefully to determine my vote on the conference report or the bill in its final form.

Mr. KNUTSON. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. TWYMAN].

Mr. TWYMAN. Mr. Chairman, I am in favor of and will vote for H. R. 1, the Republican 1947 tax bill. This proposal will be received enthusiastically by the people of the Ninth Congressional District of Illinois.

The Ninth Congressional District of Illinois is known as the gold coast district of Chicago. This is a misnomer. It is true that the gold coast is located in the district and that some of the wealthy people in Chicago are my constituents. On the other hand, mine is a district of extremes. It is the most cosmopolitan district in the United States. I represent both extremes in the financial register. I represent people who work and people who live off of invested capital. In my district is to be found every nationality, color, and creed in Chicago. There are people of Irish, German, Scandinavian, and Slavic descent; there is a large Italian-American population and a large Jewish population; there is a large colored population; also living in my district are one-third of the Japanese-Americans who live in Chicago; in addition, there is a large number of Filipinos in my district. Every religious denomination is represented. In fact, in my district there is both a Buddhist and a Mohammedan congregation. I represent people from all walks of life, and I recognize my responsibility in trying to adequately represent them all.

This tax bill could not possibly satisfy everyone. There are features in it which I, myself, would have liked to have seen changed, but it is a good bill, and it is the forerunner of other bills which will lessen the tax burden on the American people.

I am glad that special consideration is being given to those in the lower-income brackets. They are really the ones who need relief. I am also glad that consideration is being given to those who live on annuities and pensions. With the increased cost of living, all people will welcome tax reduction now, and I am glad to vote for H. R. 1.

Mr. KNUTSON. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. REEVES].

Mr. REEVES. Mr. Chairman, I desire to express my support of H. R. 1. I agree with what my colleague the gentleman from New York [Mr. KEATING] has said, because, like him, I introduced a tax bill and urged the Ways and Means Committee to act favorably upon it. The fact that it has not yet been given consideration does not in anywise change my opinion that this bill is sound, and that it must be enacted to relieve the American people from the overwhelming burden of taxes which they have carried in recent years. So far as the questions of the proposed rates, exemptions, and the application of rates to various income brackets are concerned, the field has been thoroughly, and I might add very vigorously, plowed in this debate. I think it is now a question as to whether this tax reduction is desirable and acceptable to the House and to the American people at this time.

I do not think anyone can seriously question the importance of a tax reduction now. Every American citizen is paying taxes which are multiplied many times over those which he paid in the

days before the tremendous extravagances of the New Deal. It is especially important to the workingman and to the small businessman that his taxes be reduced, and that he have the opportunity to accumulate some reserve against the day when a contingency or emergency now unforeseen may arise.

If there is any discrimination under this bill, it is against the upper-income brackets. It has long been a national policy that Federal income taxes shall be based upon, and graduated according to, ability to pay. This principle will not be violated through the enactment of H. R. 1. As a matter of fact, upper-bracket incomes, which already bear a disproportionately high share of the total tax burden will, after this bill is enacted, pay an even higher proportion of the total income-tax burden.

As the gentleman from Nebraska [Mr. CURTIS] so ably pointed out yesterday, under the existing income tax law, adopted in the New Deal's wartime heyday, a man with a $25,000 income pays about 51 times as much income tax as the man with an income of $1,000; and under the bill we are now considering he will pay 58 times as much. In other words, this bill actually imposes on the larger incomes a still greater share of the total tax burden.

One effect of H. R. 1 will be to increase Federal revenues in the same way that income-tax reductions produced additional revenue in the 1920's. It is a matter of record that between 1920 and 1929 Federal income taxes were reduced four times and in every instance the Federal Government gained in receipts from income taxes because the reduction enabled private enterprise to expand, increased the national income and promoted prosperity generally.

It was the gentleman from Massachusetts [Mr. GIFFORD] who said in the House not very long ago something we all should bear in mind, in considering the matter of tax reduction. He said:

> If you tax a man 20 percent of what he makes on Monday, 40 percent of what he makes on Tuesday, and 60 percent of what he makes on Wednesday, and plan to tax him 80 percent of what he makes on Thursday, and perhaps 100 percent of what he makes on Friday, he will not work on either Thursday or Friday.

Today, as never before in our history, it is imperative that we encourage every American to produce all that it is within his power to produce in the interest of our national prosperity and the prosperity of the individual citizen.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. REEVES. I am glad to yield to the gentleman from Minnesota.

Mr. KNUTSON. It was stated in the House of Commons during a debate several weeks ago that one reason for the tremendous drop in the production of coal was the fact that the miners would only work 3 days a week in order to avoid paying taxes, that their wives worked the other 3 days in some nearby factory. That was one of the reasons for the coal shortage in Great Britain.

Mr. REEVES. I thank the gentleman for that illustration. It demonstrates completely that you kill incentive and the productivity of the individual through taxes as burdensome as those imposed on the American people today.

The Democratic Party has never reduced Federal income taxes but once. That was last year, in the Seventy-ninth Congress, which they controlled. What did the tax cut do for the wage earner, the low-income taxpayer? Did it give him a greater tax reduction than it gave the upper-bracket incomes? It did not. It was a 5-percent reduction straight across the board, a 5-percent reduction on every income, however large or small.

When they passed that bill the gentlemen across the aisle did not express for the millions of small incomes the tender solicitude they now profess in opposing this bill. They did not then demand debt reduction before tax reduction. They did not even argue from across the aisle that we should balance the budget before reducing income taxes 5 percent straight across the board. They forced through the 5-percent reduction in a frantic but unsuccessful effort to stem the rising tide of public revolt against the policies with which they had brought us very close to national disaster.

Now there is a substantial explanation, I think, for some of the opposition to this bill from the other side of the aisle. Yesterday I was interested to hear the arguments of the gentlemen from Oklahoma [Mr. MONRONEY and Mr. JOHNSON], as well as the distinguished gentlemen from Texas [Mr. RAYBURN and Mr. WORLEY] who were opposing the enactment of this bill.

All of these gentlemen are citizens and Representatives of districts within so-called community-property States, which already enjoy an enormous and unfair tax advantage over the 39 States which do not have the community-property system. These gentlemen do not know how vital this tax cut is to the rest of the country because in the community property States which they represent they do not carry the terrible tax load that we do. In a community-property State they pay 15 percent less in Federal income taxes on a $10,000 income, 29 percent less on a $25,000 income, and 20 percent less on a $100,000 income. No one can justify that discrimination against taxpayers in the 39 non-community-property States.

When the gentleman from Oklahoma [Mr. JOHNSON] so righteously espoused the cause of the little taxpayer, and opposes relief in the steep surtax brackets, I think we ought to look at what they did down in his State of Oklahoma to escape high Federal income taxes. In 1945 they voted themselves a Federal tax cut by adopting the community-property system, which gives them a great advantage, percentagewise, over all the taxpayers in the 39 States which do not have that system. And whom did they benefit? The little taxpayer? Not at all. They did not reduce the little taxpayer's taxes a dime. But they did thereby give the man who makes $10,000 a year a 15 percent reduction in his Federal income taxes; they gave the man with a $25,000 income a 29 percent reduction; and they gave their wealthy oilmen who make $100,000 a year a 20 percent reduction—and today it is worth nearly $13,000 a year to a man with a $100,000 income to live in Oklahoma where his Federal income taxes are that much less. When they adopted the community property system it was for the express purpose of reducing the taxes on large incomes, for it did not, and could not, give a nickel's worth of relief to taxpayers with low incomes.

The same situation obtains in Texas, Louisiana, and 6 other States where the community-property system protects incomes from the burdensome surtaxes that citizens of the other 39 States have to pay.

Because of the community-property system and its effect on Federal income-tax liability the gentlemen from the nine community-property States and their constituents do not know and have not experienced the crushing weight of Federal taxes. They are not burdened as the rest of us are, and now they are attempting to deny the rest of the country the tax relief which they have already obtained for themselves under the community-property system.

If you will examine the figures you will find that more than one-fourth of the gentlemen on the Democratic side of the aisle represent districts in community-property States. Less than one-tenth of the Members on the Republican side represent districts in community-property States. And we who live in the 39 non-community-property States always have paid part of the taxes of the citizens of the community-property States, and we will still be doing so after this bill is passed. One explanation for the opposition from across the aisle, particularly on the part of the gentleman from Oklahoma [Mr. JOHNSON], who spoke yesterday, is that the 49 Members on that side who are from community-property States, and the people they represent, pay substantially lower Federal income taxes, and they do not need relief to the extent that the rest of the country does. It seems to me that that explanation somewhat dims the brilliance of the eloquence of the gentleman from Oklahoma yesterday.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. REEVES. I yield to the distinguished gentleman from Oklahoma.

Mr. RIZLEY. I would also like to call the attention of the gentleman, as well as my distinguished colleagues on the other side who spoke against this reduction yesterday, to the fact that the Oklahoma Legislature this year, for the very purpose of further encouraging venture capital in our State, reduced the State income tax in Oklahoma to the extent of 30 percent.

Mr. REEVES. I thank the gentleman for bringing that fact to the attention of the House. I understand that it was an across-the-board cut.

Mr. RIZLEY. That is right.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. KNUTSON. Mr. Chairman, I yield three additional minutes to the gentleman from Missouri.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. REEVES. I am glad to yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. The gentleman made a statement a few min-

utes ago pointing out that from 1921 to 1929 there were four tax cuts, which he stated provided incentive capital, caused more people to go to work, and so forth, but I want to know what happened in 1929. Why did not the incentive capital then provide employment for the seventeen or eighteen million people that were then unemployed? In other words, during a 8-year period you had four successive tax cuts, which apparently is what you are trying to do with this bill. I say to you that it fell down in 1929, when you had misery rampant in this land, when you had people unemployed. Where were your manufacturers then with their incentive capital? Why did they not put those people to work then?

Mr. REEVES. Of course, the income-tax laws of the United States had no extraterritorial effect. As the gentleman well knows, the depression which occurred in 1929 was a world-wide depression which affected and infected every nation and every economy on the face of the earth. The fact that there were income-tax reductions during the 10-year period preceding that time, as the gentleman well knows or ought to know, had nothing whatever to do with the results of the complex interrelationships of the economies of the world, which were all depressed at the same time.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. REEVES. I yield to the gentleman from Pennsylvania.

Mr. RICH. I congratulate the gentleman on his explanation to the gentleman from Oklahoma. The question the gentleman is discussing with reference to equalization of taxes in the community-property States is something very timely. I think the Congress should take some recognition of that. I think the bill the gentleman has introduced to provide that there will be equality in taxation between the community-property States and all the other States of this Nation, so that each individual is taxed alike, is something that should be given recognition. I congratulate the gentleman on the work he is doing on that matter, and I hope he will succeed. I assure him that I want to do everything I can to assist him in bringing about the enactment of that bill into law.

Mr. REEVES. I am deeply grateful to my colleague from Pennsylvania for his support of the measure I have introduced. It is H. R. 1759. I have not withdrawn from my position that that bill should be enacted in all fairness to the people of the 39 States, comprising five-sixths of the income-tax payers of this country, who now suffer from the discriminatory operation of the Federal income-tax laws.

No tax bill is perfect, as the gentleman from New York [Mr. KEATING], has said so well, nor can it satisfy everyone. There is necessarily some give and take before there can be agreement upon any legislation on which there are different points of view. In the beginning I had hoped that in this bill, in addition to providing relief in the lower brackets, we could equalize income taxes in accordance with the proposal which the gentleman from Pennsylvania [Mr. RICH], has just mentioned, but I am willing and satisfied that we proceed now to reduce taxes in the manner and to the extent provided by H. R. 1, as amended. I believe that it grants tax relief which the American people need to increase their purchasing power and to build up their economic security. At the appropriate time the Congress can consider the equalization measure I have proposed along with other existing tax inequities which can be eliminated only by a general tax revision bill.

So, Mr. Chairman, I support the present bill, H. R. 1, and urge its enactment; and I forecast that it will pass the House by an overwhelming majority.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. GORE].

Mr. GORE. Mr. Chairman, I think it might be proper if I prefaced my remarks by an expression of appreciation to my distinguished friend, the able gentleman from Minnesota, who on yesterday paid two of my colleagues and me a high compliment by referring to us as a firm of tax experts, by name DINGELL, ENGEL, and GORE. I am but a minority stockholder in that firm and I do not wish to go beyond my rights, but I venture to suggest to the distinguished gentleman from Minnesota that his endorsement may presage an auspicious inauguration of a new firm of tax consultants.

I have suggested to my colleagues in that firm that we specialize in tax equity and sound fiscal policy. The indications are bright that we would have a prosperous business and many clients, the most prominent among whom would be the Republican candidates for Congress who vote for the Knutson bill. I say that not without definite indication, because on next Tuesday a Republican primary is being held in the State of Wisconsin to select a nominee of that party to fill a vacancy in the House of Representatives in which there are three Republican candidates. Those candidates are not running on promises made last year. They are running before the people now. And all three of those Republican candidates, I am informed, have repudiated the Knutson bill.

Mr. Chairman, the distinguished gentleman from New York said he understood legislation was a matter of give and take. Generally that is true. It is incumbent upon us to consider and try to understand the logic and merits of the positions taken by those with whom we disagree on the sundry issues which come before the Congress. Such an attitude of tolerance and understanding has resulted in much good, and in my limited time as a Member of the House I have seen many conflicting points of view resolved by that process into an action truly representative of the national will.

But on this question before us today, may I advise my friend, those democratic processes of developing the will of this Congress has been denied us—not only denied to this body but denied to the committee to which it was referred, as has been attested to by every Democratic member of the committee who has spoken.

I am one of those 85,000,000 Americans who bought a war bond. I am one of those American citizens who believe that the war-created public debt is an obligation of every American citizen and of the two political parties. I respectfully resist and repel the suggestion made in debate yesterday that because one party was in power when a great victory was forged that a party subsequently coming into power should, because of that previous fact, treat lightly the most stupendous debt in our national history.

Perhaps we here in this Chamber hear the public debt discussed so frequently we become calloused to its dangers to the American way of life and to its meaning to those 85,000,000 Americans who have their savings in bonds tucked away in their savings boxes.

True it is, the Treasury of the United States and the Federal Reserve System has done a great job in holding down the interest rates on these bonds voluntarily purchased, but if this Congress fails to live up to its responsibilities of preserving the stability and financial integrity of the Republic, then they will not be so successful in their refinancing operations, and then this tremendous burden of interest charge on our public debt, now an annual $5,000,000,000 burden, may become unbearable. Then it may be that the confidence of the American people will be shaken in Government paper. When that confidence in Government paper is shaken, the very foundations of our national economy will be shaken, if not shattered.

However, the question today is not simply whether we favor payment on the national debt on the one hand or tax reduction on the other. Not at all. It is far more complicated than that. To vote for the Knutson bill you not only vote to give tax-reduction priority over debt reduction, but you vote for the most inequitable, the most unfair, the most unsound tax bill that it has ever been my privilege to read and study or hear about.

These charts serve to illustrate the points I wish to emphasize. The distinguished gentleman from Minnesota [Mr. KNUTSON] yesterday undertook to say that his bill did not violate the principles of ability to pay. Let me show you how war taxes were levied. They were put on to the extent which this Congress considered the people able to contribute to the cost of the war. Here are the percentages by which they were increased on various income levels over the 1939 tax rate, and the third column shows by what percent they would be reduced by this bill:

Percentage tax increase 1939–46—Percentage tax decrease 1946—H. R. 1

Married person with income of—	Percentage increase of 1946 tax over 1939 tax	Percentage increase of H. R. 1 tax over 1946 tax
$1,200	[1]	30
$1,500	[1]	30
$2,000	[1]	30
$3,000	4,650	20
$5,000	898	20
$10,000	427	20
$25,000	265	20
$50,000	180	20
$100,000	94	20
$303,396	44	20
$500,000	34	16
$1,000,000	24	13

[1] No tax was levied on incomes of this amount in 1939. For 1946 the tax on $1,200 was $38; on $1,500, $95; and on $2,000, $190.

Let me say to the gentleman who spoke a moment ago that the war tax bills passed by almost unanimous vote.

Percentages can be deceiving. That is why 20 percent across the board is deceiving. But I am putting it on the basis of percentages, too. The percentages begin with this $3,000 income. There was an increase of 4,650 percent 1946 tax over the 1939 tax. How much do you decrease it by this bill? Twenty percent.

Let us take the $5,000-income bracket. It was increased 898 percent. How much do you decrease it? Twenty percent. So you are transferring the burden of the war debt from those most able to pay to the backs of those who are least able to pay.

"Take-home pay" is a democratic, workingman, farmer term. Every housewife knows what that means. It means what they have left to spend after paying their taxes. For this $1,200-a-year-income man that we have heard so much about, you increase his take-home pay by 1 percent. Take a look at this table:

Under H. R. 1 (Knutson tax bill) as amended by Committee on Ways and Means

Married person with income of—	*Percent increase in take-home pay*
$1,200	1.0
$1,500	2.0
$2,000	3.1
$3,000	2.9
$5,000	3.8
$10,000	5.6
$25,000	11.4
$50,000	19.7
$100,000	34.2
$303,396	72.1
$500,000	70.7
$1,000,000	69.2

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. GORE] has expired.

Mr. COOPER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. GORE. The $303,000-income man gets a take-home pay increase of 72.1 percent—$47,000.

The man who earns $1,200 per year will receive an increase of $11.40 in his take-home pay, per year.

What does this mean to him? How much can this man buy with that take-home increase. He may be able to buy a cheap spring hat for his wife. But what can the man with an additional take-home of $47,000 do with his extra change? He can buy a dozen $50 hats, a mink coat, pay the grocery bill for an entire year, buy a new car, buy a new home at $20,000, and pay cash for it; buy a farm for $10,000 for a hobby, and pay cash for that, too.

Moreover, he will have enough left to buy a yacht, I mean another yacht, for, of course, he probably already has one; and he can pay his membership in the golf club, take a cruise, a vacation, and still have $5,000 left with which to gamble on the stock market. Is that what you are going to vote for? Well, that is what you will vote for if you vote for the Knutson bill.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. GORE. I am sorry; later. No wonder the gentleman is disturbed, but here is another chart I want to show the Committee.

By this bill, taking for granted that $3,840,000 tax relief is conveyed by the bill, you will give tax relief to 4 percent of the taxpayers in the amount of $1,441,000,000—and these are not my calculations. I asked the actuaries of the Treasury Department to supply me with this information, and they complied with my request.

Let us look now at the middle income group, making up 43.3 percent of the taxpayers. They will get $1,378,000,000. And then this lowly income group which we have heard so much about, the 52.7 percent, get only $877,000,000. Here it is in table form. This is what you will be voting for.

UNDER H. R. 1 (KNUTSON TAX BILL)

Four percent get $1,441,000,000 tax relief.

Forty-three and three-tenths get $1,378,000,000 tax relief.

Fifty-two and seven-tenths get $877,000,000 tax relief.

Mr. Chairman, the author attempts to justify this on the promise that we are going to make drastic reduction in expenditures, that we are going to deeply cut cost of government. Weeks ago, this Congress voted a resolution to cut $6,000,000.

A disagreement with another body developed. Then conferees were appointed and we waited for a meeting. Day passed and day passed; no meeting; then the weeks began to roll by and still no meeting. Finally the distinguished former chairman of the Ways and Means Committee made some reference to the strange procedure and promptly a meeting of the conferees was called for last Saturday. I was a member of that conference committee, and although I am not privileged to disclose to you what happened there, I assure you it was a rare privilege to attend, and I assure you further that those noted Aristotelian logicians of the Middle Ages who spent long hours debating upon whether there was a homo genus and how many angels could stand on the point of a needle would have felt delightfully at home in that conference.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield for an inquiry?

Mr. GORE. I yield.

Mr. McCORMACK. Where is this conference report now? Most of us are wondering where it is.

Mr. GORE. It is in the bosom of the Republican leadership of the Congress, and there I predict it will remain until the tax bill is passed.

Much has been said here today of the spending spree of the Democratic administration. Well, who are the spenders now? In the first two appropriation bills, this Republican House has appropriated 50 percent more money than was appropriated to run the whole Government in 1938.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, House bill 1, known as the Knutson tax bill, and sponsored by the Republican leadership of the House, will, if enacted into law, take its proper place alongside of other special privileged legislation for which the Republican Party has long been famous. The gentleman from Rhode Island [Mr. FORAND] and other Democratic members of the Ways and Means Committee have sponsored an amended bill which will extend relief to the taxpayer in the lower brackets by increasing the exemptions. This is the only practical method to relieve the tax burden on the millions who create the purchasing power of America.

Our Nation is just emerging from the greatest world war in history and is heavily burdened with a terrific national debt. It is the contention of the opponents of the present bill that substantial payments must be made on our national debt and also to balance our Federal budget, and then our Government should make a substantial reduction in Federal income taxes. The eighty-odd-million people who purchased defense bonds must not have the value of those bonds jeopardized by a politically conceived tax bill which will grant terrific reductions to the taxpayers in the high brackets. Our Government must continue on a sound fiscal policy and we cannot maintain it if the Republican leadership insists on playing politics with our tax structure. At no time in our history is the average American taxpayer better able to make substantial payments on our national debt than during these postwar years of prosperity. We must not postpone this responsibility of payment to some future date and have the burden fall on the shoulders of the boys who fought and won the war.

I fully realize that the Republican national committee promised the voters that they were going to cut Federal income taxes 20 percent across the board. The chairman of the Ways and Means Committee for several months has been assuring the American people that this would be done. We find that he has even retreated from his position.

The legislation which will undoubtedly pass the House this afternoon is nothing more than an empty gesture to the American people that the Republican leadership is carrying out its wild campaign promise. I do not believe that the Republican leadership in this House have any serious hope that House bill No. 1, as it now stands, will ever be enacted into law. This bill will merely serve as an instrument for the Republican National Committee to present to their corporate campaign donors as evidence that they are endeavoring to recompense their benefactors for the great campaign slush fund of 1946.

Millions of the smaller American taxpayers will become acquainted with the tax-reduction provisions of this bill by the November election of 1948. They will then learn that the policy of the Republican leadership toward the masses has not changed since the lush days of the Republican leadership in the 1920's. Young America and the World War II veterans will see in this bill a scheme to pass on the double burden of both fighting and paying for World War II.

On account of the Republican majority, it will be impossible to defeat this bill, but I do hope that the Democratic membership remain solid and, with the aid of a number of Republican Members, a sizable protest be registered against this ill-advised tax legislation.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. McGARVEY].

Mr. McGARVEY. Mr. Chairman, much has been said lately of the need for party unity. For this reason, I am puzzled by those Republican Congressmen, who, in statements made on the floor of the House or to members of the press, openly criticize the proposed income-tax reduction.

This is a party measure. It helped us to win the election in November, and now we are being asked by some to forget its existence.

The original plan, calling for a 20-percent across-the-board reduction, has been changed in favor of the present measure, but still the critics are not satisfied. They would prefer still further revisions, or, better yet, a complete shelving of the bill.

They call it a rich man's bill. They claim that it benefits those in the upper-income brackets to the detriment of the workingman and farmer. Mr. Chairman, to me this pitting of class against class sounds strangely like the beginnings of new dealism in the Republican Party. Apparently some of our Members have forgotten the answer to that question heard so frequently before the last election. Perhaps they have forgotten the question.

Well I, for one, have not forgotten that my constituents had enough and voted for me in a district that has not had a Republican Congressman in 16 years. And I would like to make it clear that it is not a rich man's district. The people in it are, for the most part, working people and low-income wage earners. These same people write me daily urging my support of this so-called rich man's bill.

One Congressman, who opposes the bill for reasons best known to himself, has decided that the new Members are to blame for the desire to produce an effective tax bill. As you can readily see, he picked an easy target. What does a freshman Member do in Congress but keep his mouth shut? His remarks that business interests have threatened new Members with withdrawal of their support in the next election unless they vote for the tax bill belongs in the interesting if true department; a polite way of saying pure "bunk."

If anyone has used coercion in regard to this matter, I would say it was he. This gentleman issues dire warnings of the loss of the little man's vote. To listen to him for any length of time, one would come to believe that we proposed to raise the income tax, instead of lowering it.

This distinguished gentleman is so engrossed with his press interviews that he apparently has not had the time for a careful study of the measure. If he had, he would see the folly of his rantings. Not only does this bill benefit the workingman directly, by decreasing the tax on his income, but indirectly, by releasing a stream of venture capital from the upper income brackets into the field of productive enterprise. This would not only enable established businesses to expand, but allow the creation of new industrial undertakings. The obvious result is higher wages and more and better jobs for the workingman, who, according to some, is so abused by this bill.

I would like to say here and now that though I may be a freshman in Congress, I am not a freshman in politics. I know what the people of my district want. They want tax relief, not 1 year or 2 years hence, they want it now. This is the Republican Party's first chance to give the American people what they voted for last November. It is expected of us. Let us, therefore, cease this useless talk of revisions and amendments. Above all, let us stop, right now, any move favorable to the complete abandonment of the measure.

This is a sound tax bill. It not only paves the way for better tax bills, but is a necessary start in the restoration of the economic stability of our country.

I therefore urge your enthusiastic support of this bill. This is our chance to show the American people that the Republican Party does not make a mockery of their campaign promises.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I desire to make a few remarks respecting H. R. 1, which is now pending before this Committee, and which measure provides for the reduction of individual income-tax payments. At the very outset, I wish to state that I intend to support this measure. It is high time that the people of this country have some tax relief. During the war, and since the end of the war, the people have struggled, and they are continuing that struggle, to save and to prepare for the payment of their income taxes. These are certain, as long as the law provides for such payments. It has been written that there are two certain happenings in our lives, and these are death and the payment of taxes. That statement is unqualifiedly true. These are "fixed charges" against us, and the only variation is in the amount of the tax charges, and this great legislative body has the power to fix just what that charge may be. In the pending legislation this body is called upon to fix the amount of the tax charge against the people of this Nation.

Mr. Chairman, the people are eager for some tax relief. In the passage of the pending bill, I am certain that relief will be extended to them. I am very proud of the fact that the Ways and Means Committee has approached this problem upon the basis of the ability of the people to pay taxes, and they have seen fit to make a reduction to all those in the lower and small-income brackets; the small-income earner, regardless of what his vocation may be, is entitled to a reduction of his tax—he desires to enhance his power of purchase, and it is wholesome to our Nation to grant that increased purchasing power to those in the lower-income brackets. The Nation will welcome this reduction, I am confident. Another provision contained in this bill, with which I am in complete accord, is the provision granting to all those who have attained the age of 65 years an additional exemption of $500. It is common knowledge among the Members of the House that the aged people of our country, those who have attained the age of 65 years, are struggling to secure jobs, and many of them are unable to secure a job of permanent character. The mere pittance of their earnings, or the small amount which they may receive by way of income of any character, is quite soon absorbed in the payment of taxes. Under the pending measure these people, who are over 65 years of age, will receive an additional exemption of $500, which will be very helpful, I am certain. I fully approve of the action taken by the Ways and Means Committee with respect to the aged people of our country. I am confident all of the other reductions contained in the bill, now presented to the Committee of the Whole House, will meet with the general approval of the Members of the House, and that it will be universally approved by the people generally over the country.

Mr. Chairman, there is another, and a most potent, reason for my approval of this measure and of all measures which will reduce the spending of the taxpayers' money, and which will force the Departments of our Government to reduce their personnel and employees, and which will place a firm and definite limitation upon the amount of money our Government will have available for spending, and that is this—the people have reached the end of the road in their ability to pay, and they are entitled to a respite from this constant demand for more taxes, and for more money. The earning power of our people is largely fixed. Their resources are being sapped away by the payment of very high taxes. They are, therefore, unable to purchase the commodities they need, and they are unable to employ the people they should have to make repairs, and to engage in construction; their purchasing power is limited by the imposition of these high and all-absorbing taxes, and it was with this thought in mind, together with the desire to help the people in the lower income tax brackets, and the aged people, that this bill was prepared and introduced. It is my fervent hope that this measure will be promptly passed by the House of Representatives, all to the end that the much-needed relief provided in the bill may be extended to the people generally in our country. This measure, written into law, will also be a firm limitation upon our Government in the spending of the people's money. It will be a signal to those in control of our Government, and the many and various agencies thereof, to stop, look, and listen, a signal which has not been presented during the past 14 years. It is my considered judgment, Mr. Chairman, that this action is wholesome and that this legislation will redound to the ultimate benefit of the people in our Nation.

This measure should be passed without a dissenting vote.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. GOODWIN].

Mr. GOODWIN. Mr. Chairman, when we pass this bill today, we will be furnishing additional proof that we propose to keep faith with the American people. They are looking to us to give them some measure of relief from the burden of individual income taxes. They have courageously and patriotically carried this burden during the war years, but now at the threshold of the third peacetime year they desire and deserve such tax reduction as will enable them to save from their earnings something more to spend for themselves and for the increased comfort and enjoyment of their families.

We should fail miserably in our obligation to our constituents if we did not pass on to them as taxpayers the savings which can be made and which we are going to make by eliminating unnecessary items in the cost of the Federal Government.

It is natural that there should be a difference of opinion as to how most equitably to apportion to the different income brackets the tax savings to be effected by cutting down Federal expenses. I feel certain the committee has approached this problem with analytical care and has reached a solution which will work substantial justice to the entire taxpaying public.

The benefit of the full 30-percent cut is given to that great army of taxpayers whose income falls into the lower brackets and who have been hardest hit by the increased cost of living. At the same time the bill recognizes the necessity for affording a tax reduction for those whose taxable income is larger.

In this latter group are those upon whose capital we rely for the financing of those business ventures so essential for an expanding economy.

We must encourage the free flow of this risk capital if we are to maintain and increase a high level of production and employment.

Thus this bill will furnish incentive for business expansion, stimulate our national economy and build up the wealth of the country. All our people will be able to enjoy a higher standard of living through full production, and a corresponding increase in gainful employment.

I am confident that the passage of this bill will be enthusiastically hailed by the great rank and file of our people as proof that this Eightieth Congress proposes to move with expedition and certainly to take from their backs the burdens brought on by the exigencies of war; to give them now the privilege of having and spending for themselves the tax-savings made by cutting the cost of Government and by eliminating Federal employees no longer necessary, fit the Federal pay roll to the pattern of a peacetime economy.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION. Mr. Chairman, I arise in support of H. R. 1, as amended. Our Democrat friends took control of the House in 1933. They continued in control with an overwhelming majority for 16 years and during all of those years they did not present a real tax-reduction bill. On the contrary, they increased taxes and the national debt, and it is a real pleasure to me, for the first time in 16 years, to have the opportunity to speak and vote for an honest-to-God tax-reduction bill, a bill that gives substantial tax relief to those with small incomes, to those of moderate incomes, and some relief to those who have larger incomes who provide much of the investment capital which creates jobs and more tax-producing incomes.

We have had a lot of figures submitted here by our distinguished friend the gentleman from Tennessee [Mr. GORE] and others. I have always heard that figures do not lie. I am glad to observe that our friend the gentleman from Tennessee [Mr. GORE] admits that he did not make the figures he presented here. You know a lot of people make figures. Some good folks as well as others submit figures to uphold their contention but are very misleading. The gentleman from Tennessee [Mr. GORE] reminds me of a story that I heard about a young man in my own congressional district. He was one of two brothers whose father was a farmer. One's name was Sam and the other Levi. The father was unable to provide funds for a college education for both of these sons. He decided to send the elder son, Sam, to one of the leading universities. Sam majored in logic. After 5 years, and in the month of June when chickens were large enough to broil, Sam returned to his home with his degree in logic. Levi had very limited educational opportunities. Sam daily astonished his father and brother with his discourses on logic. He claimed by the process of logic he could prove black is white, green is red, and so on. Sam said one day: "You think we are hoeing corn here on the south side of the Rockcastle River, but I can prove by the process of logic that we are on the north side of the Rockcastle River." Finally the dinner bell rang and they went to the house for dinner. The mother had broiled two fine young chickens and they were before them on a platter. The father returned thanks and then was about to carve the chickens and serve them to his two sons and himself. Sam, the logician, said: "Father, now wait, I am going to prove to you that there are three chickens on that platter." Levi remarked, after he became a man, in telling the story that his brother Sam convinced him that there were three chickens on the platter instead of two. The father, however, listened patiently until Sam got through. Then he took a fork and put one chicken on his son Levi's plate, and the other one on his own plate and said: "Now my son Sam, as you proved to your own satisfaction that there are three chickens on the platter, you may have the third chicken for your dinner."

Now my colleague the gentleman from Tennessee [Mr. GORE] and other good Democrats have, by the use of a lot of hypothetical figures and some of Sam's logic, tried to convince us that there are three chickens on the platter instead of two. What do our Democratic friends know about reducing taxes, reducing expenditures, and reducing the national debt? They are experts on increasing taxes, expenditures, and the national debt.

I first came to the House in 1919. Our Democrat friends had run true to form during the years they had control of the Congress. They had raised taxes sky high. They bequeathed to us also a great national debt. The Republicans secured control of the Congress and the executive branch on March 4, 1921. The high war taxes and the big debt were there. The Republicans proposed to reduce taxes and reduce the national debt, but our Democratic brethren brought in figures and more figures, and also a lot of Sam's logic as they have been doing here for the last 2 days on the present tax bill. They insisted that taxes should not be reduced and should not and ought not be reduced. They almost shed tears pointing out how the reductions of taxes and the debt would ruin the country and destroy the Republican Party. The Republican Congress did reduce the taxes in 1921 and in that year paid a billion dollars on the national debt and had a surplus because the lower rates had encouraged business and brought on an era of greatest prosperity this country has ever witnessed. A number of other tax-reduction bills were passed by the Republicans before the depression in 1930, and in 10 years we not only provided well for all of the agencies of the Government but reduced the national debt by $10,000,000,000. It did not ruin the country; it did not ruin the Republican Party. So now these wild stories we now hear from our Democratic friends that we cannot reduce taxes, that it will ruin the Nation and the Republican Party, do not disturb me.

The Democratic Party again got control on March 4, 1931. They proceeded to increase taxes, proceeded to increase the national debt by leaps and bounds in peacetime and before we entered the war they had increased the national debt by more than $40,000,000,000 and the taxes also went up by leaps and bounds. I made the prediction some time after the Democrats took control that they would increase taxes and increase the national debt so long as they remained in power. That prophecy was fulfilled. I know you boast of the fact that in 1945 you did put through a tax-reduction bill but that was a real "phony" tax-reduction bill. You decreased taxes that year when we had a deficit for that particular fiscal year staring us in the face for more than $40,000,000,000 and in that same year and at the same time that you were putting through that tax-reduction bill, a great campaign was put on all over the Nation to sell some 15 or more billion dollars worth of bonds. In other words, while you were handing out a tax reduction in one hand you were increasing the indebtedness of this country by 15 billion or more. Now you argue that with a surplus confronting the country for the coming fiscal year of many billions of dollars that we cannot have a tax reduction. While many of us supported and voted for that tax-reduction bill as it was the first gesture toward the reduction of taxes in 14

years, I pointed out in a speech on the floor of the House what a ridiculous proposal it was with 14 years of going in the red and a tremendous deficit for that particular year, we were going out and borrowing billions of dollars by selling bonds in order to secure the money to pay for the reduction in taxes, and it was to take effect on January 1, 1946. Were our Democratic friends thinking about the big election in 1946 involving the control of the House and Senate? In selling these bonds we placed a first mortgage on the property and resources of every kind of the people of this country and used more than one half of the money to put through a phony tax-reduction bill. Of course, it was unfair to the American people. That is just like a bank or a business concern putting a first mortgage on their property to secure money to pay a dividend. If a board of directors did that in a bank they would be put in jail and that would be true in some cases of any business concern.

The bill before us will give a cut of 30 percent on the present taxes to practically 30,000,000 American taxpayers in the low income brackets. This will save several billions of dollars in taxes to these 30,000,000 low-income taxpayers of the Nation. Those who have a net taxable income above $1,400, and this means after deducting all exemptions, and up to $300,000 will receive a net reduction in their taxes over present taxes of 20 percent. Those that have a net income now of about $300,000 and are paying 86½ percent will have a reduction of 10 percent on their present taxes. In other words, the taxes will be reduced to 76½ percent. Persons who are 65 years of age or older will receive an additional benefit in exemptions of $500.

If a man and his wife each are 65 years of age, each of them will be entitled to this $500 exemption in addition to the present exemption of $500 for each of them. This, of course, is to bring some relief to nearly a million and a half aged people in this country who have small incomes and whose productive or earning capacity is practically at an end.

Two able former Under Secretaries of the Treasury under President Roosevelt strongly endorse this bill in their testimony before the Ways and Means Committee.

Mr. KNUTSON. What does the Good Book say about straining at a gnat and swallowing a camel?

Mr. ROBSION. Our Democratic friends appear to be doing that very thing.

DEMOCRATIC LEADERS OPPOSED

President Truman and his leaders, for some time, have expressed strong opposition to any tax-reduction bill. The Republicans again have inherited from the Democrats the highest national debt in proportion to its population of any country in the world and the highest pro rata taxes of any country in the world. Much of this was due to the reckless squandering of the people's tax and bond money by the New Dealers for the last 14 or more years, and, the Democrats now say we cannot and must not reduce taxes or we will ruin the country and destroy the Republican Party and they have consistently in this debate chided the Republicans for having promised the people last fall that if they were given control of the Congress, they would balance the budget, reduce taxes, and pay a substantial sum on the national debt. The Republicans did agree to balance the budget, reduce, taxes, and pay on the national debt. That is what I promised and I believe that is what every Republican in this House promised.

Who ever heard of one of our Democratic brethren going over his district last year and telling the people he was against reducing taxes? Why did not our Democratic friends, who are today so vigorously opposing any and all tax reductions, tell the people before the election last year? I heard no Democrat last year in the House before the November election, or elsewhere, claim that he would oppose the reduction of taxes. Insofar as I have observed, our Democratic friends joined with the Republicans in urging the balancing of the budget, the reduction of taxes, and reducing the national debt.

I, as one Republican, intend to carry out that pledge insofar as it is in my power to do so. I want to keep the promise I made last fall to the people that I represent and the American people, and I feel sure that practically every Republican in this House will do likewise. If we have any Republican who has any doubt as to the popularity of this bill among the Members of this House, as well as the American people, I want such Republican to listen when the roll is called in a short time and see how many of our brethren who have been opposing our efforts to reduce taxes vote for the bill. I am sure that many of our Democratic friends will remember the promises they made last fall before the election and forget some of the speeches that were made on the floor during the last few days and will vote for this bill. I have every reason to believe that the bill will be adopted by a vote of perhaps 2 to 1 or more, and I honestly believe that these Democrats who will vote for the bill will be rendering a real service to themselves and to our country. It will be much easier to explain a vote for this bill, giving substantial reductions to all groups of taxpayers, than a vote opposing a tax reduction to all groups. I am sure that each and every Member will find it much easier to explain his vote in keeping his promise than in giving a vote contrary to the pledges he has made.

One of the most vigorous speeches made against this bill was by our good friend and colleague, Mr. EBERHARTER, a Democrat from the State of Pennsylvania. He declares that he opposes the bill because we have not cut the incomes of the rich enough and have given too little consideration in the lower brackets. What percentage of taxes do the so-called rich pay at the present time? Eighty-six and one-half percent of their net taxable income, or in other words, they give to the Government in taxes 86½ cents out of every dollar of their income and they have left only 13½ cents out of each dollar for themselves. This bill reduces their taxes 10 cents on each dollar of their income and they can now retain from their income 23½ cents out of each dollar.

It would not be much encouragement for a man to invest his money in job-producing and tax-paying enterprises if he must take all the risks of loss and be permitted to retain no more than 13½ cents out of each dollar for himself. Now, let us see how consistent our friend, the gentleman from Pennsylvania [Mr. EBERHARTER] is. He is an able Democratic member of the great Ways and Means Committee. He introduced a tax-reduction bill in the present Congress which fixes the maximum taxes to be paid by corporations as well as individuals, at 50 percent of their income. Yes, he would let the biggest corporations and the richest men in this country off at 50 cents on each dollar of their incomes. Yet, for some strange reasons, he denounces the present bill as being too liberal to the rich when it fixes the tax at 76½ percent on individual incomes.

This bill does not reduce in any way or at all the high taxes on corporations. His tax bill and his speech, according to my lights, is very inconsistent indeed. Later on the Congress will consider the taxes of corporations, both large and small, and also excise taxes. This bill deals solely and only with individual income taxes. If Mr. EBERHARTER'S bill should be adopted now, we could give very little relief to the income-tax payers in the lower brackets and also to those in the brackets of moderate incomes, but as it is, a man and his wife with two children will pay practically no taxes on an income of $2,500 and will pay very little if his income does not exceed $3,300. The additional exemption of $500 for persons 65 years of age will take perhaps a million of needy old people from the tax rolls. This bill brings substantial relief to more than 50,000,000 income-tax payers.

Some countries, for whom we have done so much and who still today owe us billions and billions of dollars, have since the war ended given their people substantial tax reductions. The Australian Government, that owes us a great deal of money, has given to her people two tax reductions since the war. We have been and still are the Santa Claus for the world. Why not do a little Santa Clausing for the tax-burdened American people?

I have voted for many tax bills during my years of service in the House and Senate and this is the most popular and fairest tax bill that I have ever had an opportunity to support. Of course, I wish the reductions could be much more than they are. These reductions amount to approximately $4,000,000,000. The American people will have just that much more to spend for the necessities of life, their other requirements, and to invest in homes and business enterprises. We hope, by restricting the waste of the tax money of the people, that there can be another tax reduction in the latter part of this year or next year.

CUT EXPENDITURES, TAXES, AND PAY ON NATIONAL DEBT

Our Democratic friends insist that we cannot cut taxes. They have denounced

us for our efforts to reduce the President's budget. The position of the Republicans is that we can balance the budget; we can cut taxes, and we can pay a substantial sum on the national debt, and we must put forth every honest and reasonable effort to do so.

Every day we hear the threat that President Truman will veto this tax bill. I sincerely pray that he does not follow that course, but if he does and we cannot pass it over his veto then it becomes his responsibility and not the Republican Congress'.

Let us examine for a moment this situation. We must do it because this was the pledge by the Republicans and practically all of the Democrats before the November election in 1946. The 30-percent reduction will apply to 30,000,000 or more taxpayers. These 30,000,000 will include single persons earning up to $1,667, married men, with wives, earning up to $2,222, and married persons with 2 dependents earning up to $3,333. The 20-percent reduction will go to some 15,000,000 taxpayers whose net taxable income ranges between $1,400 and $302,396. The $500 additional exemption will give relief to 1,400,000 persons who are 65 years of age or over. There are 922 taxpayers only who will receive the 10 percent or more reduction. This bill will bring relief to all individual income taxpayers of the Nation. Of course, this is based on a reduction in the expenditures of this Government.

President Truman sent his budget to Congress asking for $37,500,000,000 for the fiscal year beginning July 1, 1947, and ending June 30, 1948. President Roosevelt was rated as the greatest spender at the head of any government in all history in peacetime. The highest budget he ever asked for was about $12,500,000,000. President Truman is asking for three times that amount for a peacetime year. I realize fully there is some increase in the expenditures of our Government but we certainly are not justified in calling upon the American people to provide three times as much in a peacetime year as Mr. Roosevelt called for, with all of his officeholders, bureaus, commissions, agencies, relief, and so forth.

Under a law passed in the last Congress, the Congress must before the beginning of each fiscal year examine the President's budget and then fix a budget. The Republicans in the House after examining the President's budget decided that it could be cut at least $6,000,000,000 without doing harm to the efficient operation of our Government, and did pass a measure cutting the President's budget six billion, leaving a balance of thirty-one and one-half billion. The Senate cut the budget four and one-half billion. We are informed the Senate has offered to compromise on the basis of a cut of five and one-quarter billion and there is no doubt but what the minimum cut will be five and one-quarter billion. If it cut six billion then the President will have thirty-one and one-half billion to spend next year. If it is cut five and one-quarter billion he will have thirty-two and one-quarter billion to spend next year.

The President estimated that our revenues this year will amount to $38,900,000,000, but it was conservatively estimated by those who know that the revenues will amount to $39,100,000,000 on a basis of an annual income from all sources of $165,000,000,000, but it is now claimed that the annual income of this country from all sources will be at least $175,000,000,000. This, of course, will increase the taxes proportionately. It is now generally admitted that the revenues of this Government for the year beginning July 1, 1947, will amount to at least $41,000,000,000. If the cut of the budget is not more than $5,250,000,000 this fixes the President's budget at $32,250,000,000; there will be a surplus of approximately $10,000,000,000. This tax-reduction bill will cut the revenues approximately $3,850,000,000. But assuming that the tax reduction will amount to $4,000,000,000, then there would still be a surplus of approximately $6,000,000,000.

It has been urged that we apply two and a half billion dollars on the national debt. This would still leave a surplus of three and one-half billion. Now, why should anyone argue that we cannot reduce the taxes to the amount provided in this bill? It can be done, and it must be done, in the interest of all of the American people. Nothing could give the American people more encouragement, stimulate business, and provide jobs. I realize how difficult it is to cut expenditures with the present administration in charge of the executive branch of the Government when they have been, for many years, following a course of taxing and spending. We must restore honesty, economy, and efficiency in our Government. How can we justify spending three times as much in a peacetime year as Mr. Roosevelt spent in any peacetime year? Let us bear in mind that every dollar we take from the American people in taxes takes just that much away from them in purchasing power. Of course, some persons hint that we may soon get into another war. We should be dedicated to do all within our power to avoid another costly, bloody, and destructive war.

Believing as I do that this bill, while it is not all that I should like, yet under the circumstances it is the very best bill that we can bring out under an administration that thinks in terms of heavy taxes and big spending.

Mr. KNUTSON. What does the Good Book say about straining at a gnat and swallowing a camel?

Mr. ROBSION. Yes; the Republicans agreed to balance the budget, reduce taxes, and pay on the national debt. That is what we promised. That is what the people want. That is what I promised. That is what I believe every Republican sitting in this House promised. Whoever heard of one of your Democratic brethren going out into his district last year and saying that he was against reducing taxes? Why, you did not do that, and if anyone did, let him stand up now and let us find out who it was. So far as I ever heard any of them speak on the floor of the House before the last November election, they joined the chorus of promises to reduce taxes and reduce the national debt.

I, for one, as a Republican, and I believe every Republican in this House will do the same, am going to respond and keep the promises that we made to the American people last fall. When the roll is called, I wish some of my dear Republican friends who may be hesitating on this question will listen to the roll call and see how many of our dear brethren will remember the promises they made last November much more than they remember the speeches that they have made on the floor in the last few days. Many of them are going to vote for this bill.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may care to consume to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, for the last 10 years I have heard my Republican colleagues talking about balancing the budget and demanding that it be done. Now, I maintain it will be impossible to balance the budget this year if we pass this bill. Therefore I regard this bill as dangerous to our economy if passed now, to say nothing about the unfairness and injustice of the methods used in it.

The provisions of the Reorganization Act, admittedly difficult to carry out in the beginning of a new Congress, appears not to have been fully carried out with respect to budgetary matters. The theory of the new law is correct and good, I believe, and is presumed to enable a balancing of the budget, but congressional action taken thus far under the new law has not been adequate. Balancing the budget presupposes a very safe and sane estimate of anticipated revenues and also a conservative figuring of all imperative expenditures. It is my information that we have had neither, aside from the President's budget of several weeks ago. It is for this reason that it seems unwise and dangerous to bring a tax-reduction bill before Congress at the present time before supply bills are passed.

Only two of the appropriation bills have thus far been acted on by the House, and neither of them has been acted on by the other body or enacted into law. It is a safe guess that both of those bills will total a greater amount of expenditure than they provided for as they left this body. I think such is a safe guess concerning every one of the following appropriation bills. How, then, can we know with any certainty what our bedrock expenditures must be for the coming year?

Not only that uncertainty but several unforeseen expenditures have arisen since the President sent his budget to Congress a few weeks ago. Those in charge of our foreign affairs, both inside and outside of Congress, both Democrats and Republicans, know that there must be large expenditures of money which were not contained in the President's budget. That great Republican leader, ex-President Herbert Hoover, has recently joined with President Truman since the President's budget was submitted to Congress in recommending

hundreds of millions of dollars of expenditures in connection with our foreign affairs and particularly for the purpose of feeding the starving peoples of the Old World. The result will be that the President's budget will be enlarged even more than it can possibly be reduced by savings. Such savings as an economy-minded Congress can make in the regular budget cannot in all probability begin to equal the loss of revenue by this tax-reduction bill.

Saying nothing about the justice or injustice of this method of tax reduction—on which a great deal could be said—it is perfectly obvious that a reduction at this particular time is unwise in the light of all circumstances and because of our lack of knowledge of conditions as they will be 2 or 3 months from now. The majority party in its zeal to carry out preelection promises is getting the cart before the horse in this attempt to reduce taxes before balancing the budget. The feeling on our side is that the value of the dollar is jeopardized and the integrity of United States bonds held by 85,000,000 of Americans is also jeopardized. For that reason I feel that this bill is unwise in several respects but especially because it is untimely. It has been given first place over other fiscal steps which are more important. It should be recommitted.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may care to consume to the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, this bill is indefensible from any standpoint. It is a political bill from every standpoint.

Here we are with the greatest debt ever confronted by any nation in the history of the world, and this bill laughs at that fact.

The Republican Party need pose no more as the champion of sound fiscal policies in government because the present tax bill violates every rule of good business. For this Government to remain solvent, the budget must be balanced, expenditures reduced, and a substantial payment must be applied to the public debt. The national income is now higher than it has ever been and this is our golden opportunity to reduce the debt while income is good. It will be hard to do later on when business is not so good. A child should understand those basic facts, but the Republican Party, with a weather eye to the 1948 elections, buries its head in the sand.

If the Republicans actually want to do justice in the matter of income taxes, they should give tax relief first to the lower income tax brackets. Except in wartime, there is no just excuse for taxing the bread and meat money of any man.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may care to consume to the gentleman from Georgia [Mr. WHEELER].

Mr. WHEELER. Mr. Chairman, to paraphrase Nathan Hale, my only regret is that I have but one vote to cast against this bill.

When the results of the general election in the fall of last year became known, one of the first questions that came into the mind of the American people was whether or not the Republican Party would follow its traditional policy of catering to wealthy interests with almost total disregard for the welfare of the average little man.

All of their protestations to the contrary notwithstanding, the answer to this question is found in H. R. 1 which gives tremendous tax relief to those in the upper brackets and who are most able to pay while giving only a token relief to those who are at present forced to pay taxes on their bread and meat money.

I denounce this bill, H. R. 1, as nothing but an attempt to railroad through this Congress under the guise of general tax relief, a measure that ignores all of the original intent of the sixteenth amendment, the authority under which income taxes are levied.

The original intent of the sixteenth amendment was to provide a method of taxation according to ability to pay. This bill ignores that intention by giving the most relief to those most able to pay.

It is interesting to note that in the time of need for greater income to the Government, the heaviest increase in proportion to income is always laid on those in the lower-income brackets. Why then, I ask you, should not the same method be applied when trying to grant relief? I say to you that the method of tax reduction proposed in H. R. 1 is grossly inequitable. That the bill would give too little reduction to lower incomes and relatively too much to higher incomes can be seen by looking at the effect of the proposed reduction on net incomes after tax and by comparing taxes under the bill with those in effect before the wartime increases. Tax relief at the bottom of the income scale is not significant in relation to tax burdens at these levels and the incomes left after present-law taxes, by comparison, are disproportionately increased at the top of the scale. H. R. 1 would wipe out most of the wartime increases in taxes on very large incomes while leaving taxes on other incomes much higher than before the war.

In effect, this bill (H. R. 1) forgives the people who became wealthy during the war, of their obligation to pay for the war by placing them back on the same basis they were in 1939. They are the ones who should bear most of the load. The proponents of this bill say they are giving the little fellow relief in the form of 30 percent reduction. How much is 30 percent of nothing?

One of the big arguments by the majority in favor of this bill is that the large tax reductions in the higher brackets will promote prosperity and business conditions by releasing new capital with which to promote and finance industry. This argument is without basis at the present time. A tax reduction on the upper level would not contribute to the immediate expansion of business and employment above the current levels, because the supplies of raw materials, machinery and equipment and labor available for producing new investment goods are already being used at capacity levels. And speaking of investments, the official records of the Treasury Department show that nearly 50 percent of the dividends of industry are received by those receiving incomes of less than $5,000. This will show you where investment money in the past has come from.

If we are ever going to place this country on a sound business basis we have got to have a systematic method of reducing our national debt which now stands at approximately $260,000,000,000. Why not start on this task while our national income is now at an all-time high? Preliminary estimates put the national income for the year 1947 at $166,000,000,000 but according to reports compiled after January and February, it will be nearly $177,000,000,000. This, gentlemen, is the time to reduce the debt while the national income is high. Then later in the event of a business recession, we can effect a large reduction in taxes and make a smaller payment on the national debt. Let me point out to you, gentlemen, that nearly $5,000,000,000 in the proposed budget is solely for the purpose of paying interest on this tremendous obligation. A reduction in the national debt would automatically lower the interest item in the budget which would enable Congress to effect even lower reductions in taxes.

It is generally conceded that the family is the basis of civilized society. The inadequate exemption provided in the present tax law offers no inducement or encouragement whatsoever for a young wage earner to marry and raise a family because everyone knows that the present exemption will not cover the expenses of raising a child. Court records show that the largest share of divorce cases grow out of couples who have no children. Raising the personal exemption might be some small inducement to combat the high divorce rate in this country and at the same time make the basis of our society more secure.

The only equitable way of reducing taxes at this time is by raising the personal exemptions. The personal-exemption section of the income-tax law was originally supposed to keep the taxpayer from paying taxes on the necessities of life. The present exemption is too low to be even a token toward carrying out that original intent.

It is just not morally right to grant relief to the person with a lush salary while forcing the people in the lower brackets to pay taxes on money that is going for providing the necessities of everyday life. I again denounce this bill and say again that personal exemptions should be increased before any kind of percentage cut is made.

Mr. Chairman, the votes I have cast in this Congress offer conclusive proof of my regard for economy in Government. I would also like to cast a vote in favor of tax reduction, but I cannot favor tax reduction in the form embodied in H. R. 1. In the first place, we should first determine what our outgo is going to be before we try to establish the amount of our income. After this is done we should then reduce taxes from the bottom up instead of from the top down.

No, Mr. Chairman; this H. R. 1 is no more than an ill-advised political gesture; and since I have more regard for the welfare of the next generation than I have for the result of the next election, I must paraphrase Nathan Hale by saying that "I regret that I have only one vote to cast against this tax bill."

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may care to use to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Chairman, I believe the time has come to make a start toward tax reduction. It has been necessary to have high taxes for the last 6 years. We have had to spend enormous sums of money to win the war. The people of the United States have all made sacrifices in many directions. We have bought war bonds. We have planted and cultivated victory gardens. We have canned vegetables, fruits, and food of all kinds. Men and women left careers and went into war-production plants. Boys and girls left school and college and went into the armed forces. We have denied ourselves and our families many needed articles, among which are shirts, shoes, clothing, furniture, washing machines, radios, automobiles, and other durable goods. We adopted the slogan: "Eat it up, wear it out, make it do." We have now just about worn out the 6- and 8-year-old automobiles, the shirts, the shoes, the coats, and many of the articles that we have been using in accordance with that slogan. The wage-earning taxpayer now needs relief in order to begin to replenish and replace some of these worn-out articles.

I do not think this bill gives enough relief to the low-salaried worker. If it lay within my power, I would amend this bill to give more tax reduction to the low-salaried worker. I am sorry that the House has voted to consider this bill under a rule which deprives Members of the right to submit amendments to it. No one has had an opportunity to submit amendments except the members of the Ways and Means Committee, to which the bill was referred. I believe this bill should be amended to provide greater reduction in the lower-income brackets. The only way this can be done is to recommit the bill. I shall vote to recommit the bill so that it can be amended to give more relief to the lower-income brackets.

I have given this bill serious thought and study. There are serious issues involved. In giving it this consideration, there are certain facts which appeal to me, namely, that with the war now over, the taxpayers need some relief from the heavy and unusual taxes brought upon us by the war. The term "taxpayer" includes practically every American citizen who works or who owns property. I have heard the statement advanced that we should adopt a sound fiscal policy and make a substantial reduction of the national debt before we begin to cut taxes. What does that mean? The national debt of the Federal Government is today approximately $260,000,000,000. It is not seriously contended that this debt can be reduced at a greater rate than three or four billion dollars per year. If that is the case, and it is the case, then, under that theory, it would be at least 25 years, and maybe 50, before we could begin to make any substantial tax reduction. I do not believe we should adopt that attitude. I am not willing to wait that long to begin. In my opinion the time to begin to reduce taxes is now.

I believe that debt payments and tax reduction should go hand in hand—that the debt should be reduced to some extent, and that taxes should be reduced to some extent, so as to relieve as much as possible the heavy burden of taxation which we are now bearing.

This problem is higher than political partisanship. It should be viewed from the standpoint of what is best for America, and not what is the policy of the Democratic Party or the policy of the Republican Party. The fundamental welfare of our entire country is at stake, and this question should be viewed from a nonpartisan standpoint. For these reasons I shall vote to recommit the bill so it can be amended to give greater reductions to the lower-salaried taxpayer. If it is not amended, then I shall vote for the bill as it is. From the standpoint of tax reduction, I believe that some reduction is better than none at all, and this bill, while it is not satisfactory to me, nevertheless is a step in the right direction—a step which I believe should be taken at the earliest possible date, and that date is today.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may care to use to the gentleman from Michigan [Mr. SADOWSKI].

Mr. SADOWSKI. Mr. Chairman, I am opposed to this Republican tax bill. This is a brazen sell-out to the rich and high-income groups. If any tax relief should be granted, in my opinion, it should come to those wage earners of $5,000 a year or under, so that the purchasing power of the Nation may be maintained, and, therefore, prosperity and full employment may be realized. I also feel that income-tax exemptions should be raised to $2,500 for married couples, and $500 for each dependent. Single persons should have an exemption of at least $1,500.

This Republican policy of high prices for consumers, high profits and high tax reductions for the rich, is already resented by the great masses of people, as recently demonstrated by the teachers' strike and the thousands of letters that I am now receiving. I think this spells the end of Republican rule in Congress.

This tax bill that is before us now represents a revival of the old Mellon-Hoover policy of siphoning off millions of dollars to the rich on top of the pyramid in the hope that some little bit will dribble down to the masses of people. This policy will create a lot of millionaires and then another depression, as we had under Hoover. The only way that we can have continued prosperity is to see that the purchasing power of the masses of people is maintained. A good many people are already wondering whether this bill is not really a big sledge hammer to smash the labor unions. They feel that this bill will fill the pockets of the wealthy with millions of dollars, and then they will close the factories and tell labor to wait in the bread lines until they are ready to come to work at slave-labor wages.

The pattern that is being followed now by the Republican party is the same as they used after the first world war. They are shouting communism, while at the same time they are socking labor on the head with a whole sackful of antilabor bills and following a general policy of increasing prices and the cost of living for the workingman. Look at the recent school teachers' strikes—certainly no one can accuse them of being Communists. They do not even belong to a labor union, but they simply had to strike because they couldn't live on the salaries they were receiving. Now, during the war living costs increased considerably, but the factory workers were getting time and a half for overtime, and double pay on Sundays. This gave them sufficient income to meet the increased wartime cost of living. Now that the war has ended, these factory workers are employed only forty hours a week, and in some instances less than that. There is no more time and a half or double time. Their pay checks have shrunk about 40 percent, but the living costs have not come down. On the contrary, there has been a considerable increase in the cost of food, clothing, and everything since last June, when the Republicans, with the help of some of our southern Democrat-Republicans smashed Government controls. At that time they promised that "free enterprise would take care of the situation and living costs would come down." Now, instead of helping the workers, the disabled, the old-aged, the school teachers, and the white-collar help generally, they are proposing to hand over a gift of millions of dollars more to our rich profiteers.

Gentlemen, I say to you that the Republican Party is done. The masses of people realize that they made a terrible mistake last November. The Republican policy of high prices and inflation for the consumers and workers, and high profits and high income-tax exemptions for the rich profiteers will put them back in the Hoover political gutter. This tax bill will hand a full silk purse to the wealthy and a sow's ear to the lower income groups. Nine million taxpayers will get nothing. Twenty-five million taxpayers will get an average of $34, and the rest goes to the rich. I remember when they came here with the infamous Ruml plan. Mr. Ruml, the stooge of the millionaires, talked about the poor workingman. The Republicans worked out a rebate plan, whereby about $8,000,000,000 of taxes were to be refunded. When they got through the poor workingman and consumers that they cried and lamented about would get about $1,000,000,000, and the rich would get seven billions. This bill stinks even worse than that one. This bill should be called the Knutson-Republican swindle bill.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may care to use to the gentleman from Texas [Mr. LYLE].

Mr. LYLE. Mr. Chairman, the passage of this bill by the Congress will forcefully demonstrate that this body under-

estimates the intelligence of the majority of the people in the United States.

It costs $5,000,000,000 each year to pay the interest on the national debt. Translated into terms that I can understand, that means about $35 for each individual each year as interest on the national debt, and it has been estimated that if we retire the debt in 100 years, it will necessitate the payment of over $600,000,000,000.

Other than national security, there is no more important and vital problem for the people of this country today than the retirement of the national debt.

The levying of taxes is one of the most unpleasant duties of a Congressman in times of peace, but even more unpleasant than that would be to leave this Chamber today with a sense of having cast a cheap political vote.

Taxes are high, burdensome, and severe, but they do not equal our responsibilities in our quest for peace and decency. The statement made by the majority party that existing taxes are "a real threat" to the initiative and new investment essential to a high level of employment is not well founded.

In 1946 income taxes paid by individuals in America amounted to $17,600,000,000. Expenditures by the American people for the same period for selected consumption of luxury items, and I list them, were $17,600,000,000. Automobiles purchased for luxury purposes—a quarter of the total—cost $686,250,000 and gasoline for luxury use cost $1,323,000,000. Amusements last year cost $2,171,335,969 and the purchase of furs for American women amounted to an expenditure of $917,061,705. Luggage bought last year cost $407,117,132; toilet goods cost $477,872,426 and cosmetics, $862,000,000. People of the United States spent $1,830,287,495 for horse racing, and $7,770,000,000 for liquor. It is revealing that our liquor bill parallels the amount we spent on veterans, who paid the highest price any man ever paid for liberty.

Certainly the greater part of the seventeen-odd billion dollars spent on luxury items was not spent by the low-income groups. People with less than $3,000 a year are having a most difficult time securing the very essentials of life. How constructive and how pleasant it would be if the majority party would join with us to bring a measure of relief and security to these millions, who, under this bill, are certainly not receiving that relief.

For example, a married man making $2,500 a year would get a reduction amounting to about 50 cents a week. A married man with no dependents, earning $1,200 a year, would get relief of about 25 cents a week, or $11.40 a year. On the other hand, a man making $9,000 would get a reduction of $372.40. Married people paying taxes on less than $4,000 would actually and potentially be losing money by this bill. For instance, a married man with two children, paying taxes on $3,500, will save $57 per year under this bill. At the same time, he is saving $57, his family will incur a potential debt of interest on the national debt amounting to $140, which means that he has suffered a net loss for the year of $83. Of course, this isn't true for the higher-income brackets. For example, a Congressman would likely make a little money on the deal, but inasmuch as we have recently increased our own incomes, I believe it is fitting that we consider those who are in need of financial relief, and the only possible way for this Congress to materially benefit the average man is by reduction of the national debt.

Mr. Chairman, fortunately the people of this country are intelligent and well informed. They understand the issues at stake today. No individual Member of this Congress and no party will be able to purchase the preference of the people with such ill-conceived legislation.

I will join the Members of this House, of both parties, in an effort to drastically reduce the cost of Government, to balance the budget, and to retire the national debt. And then, Mr. Chairman, it will be my happy privilege to vigorously support a revision of the tax laws so that individuals and business institutions will be given proper relief and consideration in the light of our commitments and responsibilities.

Mr. DOUGHTON. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, the experience of two world wars within a quarter of a century into which we were inevitably drawn against our will has convinced the American people that we cannot isolate ourselves from the strife of the rest of the world. We are, therefore, accepting our responsibility and assuming our rightful position of world leadership in an effort to promote international cooperation and durable peace among the nations. If, however, we are to maintain our influence abroad, we must remain strong and virile at home, which means that we must not only maintain our military strength, but that we must remain strong economically and fiscally as well. Any evidence of weakness on our part, particularly at the present time, would deprive us of our position of leadership and would have tremendous repercussions abroad which might easily lead to world chaos.

Moreover, our domestic prosperity and tranquillity are contingent upon our economic and fiscal stability. No nation can long remain strong without a sound fiscal condition which cannot be preserved under a policy of continuous deficit financing.

In fact, if democratic government is to survive it must be able to properly finance itself. Elected representatives are usually so anxious to satisfy the wishes of their constituents for increased governmental service and at the same time so reluctant to adopt the measures necessary to properly finance such services, that there is a growing tendency toward deficit financing as the course of least resistance. This tendency is becoming a serious threat to the form of government that we cherish.

The Federal budget has not been balanced for 16 years, and the Federal debt has pyramided by leaps and bounds during that period. In 1917, just prior to World War I, the Federal debt was $3,000,000,000. It rose to a World War I peak of $26,600,000,000 on August 31, 1919. During the decade of the twenties there was a small surplus in the Treasury at the end of each year and the debt was gradually reduced to $16,000,000,000 on December 31, 1930. It was then that our present era of deficit spending, brought on by the depression, was resumed. By the end of the fiscal year 1940 the debt had arisen to $43,000,000,000. You will remember it was during that period we heard many arguments as to the ability of this Nation to carry a debt of such tremendous proportions. When some economists suggested that the debt might be increased to $50,000,000,000 without too seriously affecting our national economy their views were severely criticized.

Then came World War II and arguments as to the policy or size of the debt became academic. Unprecedented expenditures which reached the stupendous sum of $100,000,000,000 in 1945 increased the debt to an all-time high of $279,800,000,000 in February 1946. This has been reduced to $259,100,000,000 as of today. This reduction was accomplished by applying to debt retirement large outstanding Treasury balances which were maintained during the war, and not by surplus financing. At the beginning of the fiscal year 1948, however, the Treasury balances will have been reduced to a peacetime level and any further reduction in the debt must come from current surpluses. Likewise further current deficits will result in debt increases.

It is estimated that $75,000,000,000 of the outstanding interest-bearing securities are owned by commercial banks; $23,500,000,000 by Federal Reserve banks; $11,500,000,000 by mutual savings banks; and $25,000,000,000 by insurance companies, making a total of $135,000,000,000, which constitutes more than 50 percent of the assets of those institutions. After World War I, Federal securities depreciated in value to such an extent that at one time $100 bonds sold on the market as low as $80. If we were to suffer a similar experience after World War II the solvency of every bank and insurance company in the United States would be seriously jeopardized. We cannot permit this to happen. To prevent it, we must maintain the faith of the American people in the fiscal stability of their Government, and this can be accomplished only by adopting sound fiscal policies.

Our present fiscal condition, therefore, demands that the budget be balanced for the fiscal year 1948, and that a definite program of substantial debt retirement be initiated immediately. Unless some progress is made toward debt reduction during the period of prosperity and inflation through which we are now passing, we will inevitably face disaster in the lean years which are certain to follow.

Neither of these objectives can be attained if we undertake to reduce taxes at this time. The President's budget estimated the receipts for the fiscal year 1948 at $37,700,000,000 and expenditures at $37,500,000,000 which would provide a surplus at the end of the year of only $200,000,000. The receipts did not include the $1,130,000,000 of revenue which

will result from continuation of war excise taxes as recommended by the President and enacted by the Congress. The addition of these receipts will, therefore, provide a surplus of $1,330,000,000.

There has been endless talk by the Republicans of cutting the expenditures proposed by the President but the legislative budget is resting quietly in the conference committee where it was referred nearly a month ago because the Republicans cannot agree among themselves as to the size of this cut.

In the meantime, two appropriation bills have passed the House. The appropriations carried in these two bills totaled $15,000,000,000, which represents 40 percent of the entire budget. After careful scrutiny by able subcommittees manned by the most vigorous Republican axmen these appropriations were actually cut approximately $125,000,000, or less than 1 percent. This percentage applied to the entire budget will result in a total reduction of less than $325,000,000. Of the remaining $22,500,000,000 of the budget yet to be acted on $11,250,000,000 is appropriated for national defense and $7,343,000,000 for veterans' services and benefits. Unless, therefore, these items are greatly reduced the prated Republican economies will become as mythical as their campaign promises.

Not only is it becoming more apparent day by day that there will be no drastic cuts in the expenditures recommended by the President, but we must recognize that the international situation may require increased expenditures in support of our foreign program. Already an appropriation of $400,000,000 has been recommended for Greece and Turkey. I dare say there is not a single person in this House who does not fear that this is the beginning rather than the end of such expenditures. We are living in critical times in which the exigencies of the occasion shape our policies rather than the dictates of our own desires.

Mr. Chairman, I shall not discuss the provisions of this particular bill. Its defects have already been forcibly disclosed on the floor of this House

The gentleman from Tennessee [Mr. GORE], pointed out that this bill will switch the burden for paying the war debt from the high bracket to the low bracket taxpayers. May I remind you that most of the veterans of World War II are in the lower brackets. So that the effect will be to shift the burden of the payment of war debt to those who won the war.

May I say in closing that I favor a reduction of taxes at the earliest moment conditions will permit. The war has left us with tax and other burdens which are oppressive to our people, but our present fiscal situation demands that we defer all tax reductions until the budget has been balanced and a definite program of reasonable debt retirement has been adopted. Thereafter we can apply surpluses over and above the debt requirements to tax reductions with a clear conscience and with the knowledge that we are following sound fiscal policies. Such a course will strengthen the faith of our people in the stability of our Government and promote our prestige and influence abroad. Any other course at the present time is fraught with grave danger.

Mr. REED of New York. Mr. Chairman, Andrew Mellon, Secretary of the Treasury, had this to say in his Treasury Annual Report of 1925:

> While taking the people as a whole it is immaterial when the debt is paid, still, as between different classes of people, the investing class holding the bonds and the producing class from whom a larger part of our taxes are collected, inequality may exist. We should not tax too heavily the producers to pay the security holders. It is for this reason that we have sought a balance between debt reduction and tax reduction.
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> We come now to the other principal factor in debt reduction, that of surplus, which has accounted to date for over one-third of the reduction in our debt. It is proposed to exhaust this surplus by reducing taxes. This is sound policy. A surplus of Government receipts over expenditures should be distributed just as the profits of any other mutual organization are distributed, among its members—the taxpayers—through a reduction in their forced contributions to the State.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. ELLIS].

Mr. ELLIS. Mr. Chairman, this bill has been discussed 2 days by the best informed men in the Congress on the subject of taxation.

There is no mystery about its provisions; there is no doubt about its import. Consequently, my chief purpose in making this brief statement is to lend my unqualified and enthusiastic endorsement to the tax-reduction measure and to let the people in my district know that I am in complete accord with the leadership of my party in its determination to reduce taxes; reduce the budget; terminate waste and useless spending in Government, and make a substantial payment on the national debt. This is the first step on the road to the accomplishment of our objective.

This is a good bill and it will be a refreshing experience for the hard-pressed taxpayers of this Nation to observe that common sense and stability are again, in a large measure, dominating the consideration of fiscal problems by the Congress.

One of the basic principles woven by our forefathers into our form of government is the sacredness of private property.

The growth of the tax burden on our people has reached the punitive and confiscatory stage. The over-all annual-tax burden of the country—Federal, State, and local governments—has grown from $10,500,000,000 in 1933 to the staggering sum of $105,000,000,000 in 1945.

This record is shocking and indefensible. The people demand tax relief and they are going to get it. This is the first step. We lighten the burden by approximately $4,000,000,000 and as far as the majority party is concerned, taxes are going to be reduced again, again, and again until the opposition is sick and tired of the battle and surrenders to the ideals of sanity and intelligent direction in Government.

I am happy to have the opportunity afforded me in supporting this bill to reduce the taxes of our people.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, it is not my purpose to discuss the details of the bill before us, providing for a reduction of the individual income taxes of our people. The details have been ably presented by the members of the Committee on Ways and Means which reported the bill. I take this time to express, in behalf of the people I am privileged to represent, my full support of this legislation and to make a few general observations concerning it. I particularly desire to comment on the arguments that have been advanced by our Democratic friends on the other side of the aisle in their vigorous opposition to this bill.

The report filed by the minority members of the Ways and Means Committee, recommending recommitment of the bill to the committee, contains some rather startling statements in the light of record. In my opinion, the report is nothing more than a political document, in which the minority advocate principles which they in fact never support. Deeds, not words, is the test, and I do not think the people will be deceived by the rhetoric when the minority's voting record speaks so loudly.

In opposing this bill the minority have placed great stress on the relationship between expenditures and revenue. They say, and quite correctly, that in order to have a reduction in taxes there must be a reduction in Government expenditures. They say, and I quote from their report:

> The minority shares the conviction that every possible economy must be made in Federal expenditures.

The fact is, Mr. Chairman, that the gentlemen on the other side of the aisle have consistently opposed every effort we have made for reducing Government expenditures. When we had before this House from the Joint Committee on the Legislative Budget, on which I have the honor to serve, the resolution to fix the ceiling on expenditures at $31.5 billion, representing a reduction of $6,000,000,000 in the President's recommended budget, the minority argued that we should delay fixing any ceiling and, failing in that, they argued that the reduction should be at the very most not more than $4,000,000,000.

We have had three appropriation bills before this House: the Urgent Deficiencies bill, the Treasury and Post Office Departments bill, and the Labor Department-Federal Security Agency bill. In each of these bills the Committee on Appropriations, on which I serve, made substantial reductions in the budgets. And the House supported our committee. But, as the record clearly shows, both in committee and on this floor, the gentlemen on the other side of the aisle opposed practically every proposed appropriation reduction. They offered amendment after amendment, and de-

livered speech after speech, in an effort to restore our reductions.

The minority may say in their report that they share the conviction that every possible economy must be made; but, Mr. Chairman, I have yet to see that conviction expressed in votes, in committee or on this floor, for realizing economy. The record speaks for itself. It loudly proclaims that the gentlemen on the other side of the aisle believe in the doctrine of spending and taxing. They have opposed economy and today they are opposing reducing taxes. They created this great public debt and they created this existing tax burden. Spend and spend; tax and tax, is their true philosophy.

The second argument advanced by the minority in opposition to this bill is that no tax reduction should be made until a comprehensive study of the entire Federal tax system has been made, and they emphasize the "important structural, administrative, and procedural tax problems" that have accumulated. As to the need of a general overhauling of our entire tax structure, I am in complete agreement. On any number of occasions since I have been a Member of Congress, I have contended that there should be a general revision of our taxes. It seems to me rather strange that our Democratic friends, who have had complete control of this Government for 14 years and who have had a majority in Congress for 16 years, should now come forward with the argument for the need for a revision in our entire tax structure. Mr. Chairman, it is what we would characterize in the law as a "dilatory plea." How else can one characterize it, when those who make the plea have had at least 14 years to do the very thing they now plead we should do before we do anything else.

Mr. Chairman, the bill before us provides for a flat 20-percent reduction for most income-tax brackets, with two exceptions. A 30-percent reduction has been provided for individuals with surtax net income of $1,000 or less; and with respect to surtax net incomes over $302,000 the reduction has been limited to 10½ percent. This means that the committee has accepted the graduated rate schedule based on the principle of the ability to pay and has endeavored to treat all taxpayers fairly. And, most important, the committee proposes to provide a reduction in taxes so as to stimulate venture capital and furnish incentives.

I should like to call your attention to the report of the Committee on Postwar Tax Policy, under the chairmanship of Roswell Magill, published in February of this year, entitled "A Tax Program for a Solvent America." At pages 80 and 81 of this report you will find the following, which, in effect, is an endorsement of the bill before us:

> One step which we believe can and should be taken now is a revision of the surtax rates. These rates still stand very close to the peak established under the stress of war financing. Indeed, short of complete confiscation, they could not be much higher. We believe that they are so high as to provide a powerful deterrent to our productive effort. In fact, we are convinced that the effects of the kind of taxation which is now imposed upon individual income extend far beyond the individuals immediately concerned and involve the incomes and well-being of people generally.
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> Every citizen has a vital stake in the welfare of the economy in which he lives and works. Regardless of what he does or what his own income may be, he will be better off with respect to both cash income and real income in proportion as there is vigor and growth throughout the economic system. The essential condition of this vigor and growth is a reduction of the tax load, not merely for small incomes, but for all incomes.

Mr. Chairman, it is difficult to translate into tax rates the principle of "taxation according to the ability to pay"; but, insofar as it is possible to do so, I believe we should adhere to that principle. I believe in progressive taxation. But that progression can be such that it completely destroys individual initiative and incentive. The rates can be so severe, as they are today, that one is not willing to make that extra effort and to assume that extra risk which contribute to our national growth and well-being. It is my conviction that with the reduction in the rates as proposed in this bill, people will again be willing to risk investing in new ventures and willing to exert new efforts, and our whole national economy will move forward. It is when our economy expands that our people as a whole have employment and better wages in terms of purchasing power.

For the past several years, our country has been in the hands of those who believe that America really has no future. They could see no new frontiers to be conquered and they have kept us in a static condition. On this side of the aisle we believe that America has a great future, that there are new frontiers to be conquered, and by such legislation as this we propose to attain an economy of abundance. We propose to revive the American spirit of free competitive enterprise.

Mr. Chairman, this bill should have the support of everyone who believes in the importance of the individual in the American philosophy of government, as opposed to the alien philosophy that dignifies the Government rather than the individual. This bill is a return to the American principle that each man is entitled to a just share in the fruits of his labors.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Chairman, I did not intend to take the floor in support of the bill under consideration, but after listening to the addresses of the gentlemen who have been lightly described as composing a mythical firm of DINGELL, ENGEL, and GORE, I believe that I should say something about another tax-reduction bill that was before the House not so long ago as time is measured. It was in the good old New Deal year of 1945 that that measure was before us.

Because of what the genial gentlemen who have been described collectively as DINGELL, ENGEL, and GORE had to say about the gross inadequacy of the relief granted by H. R. 1 to those in the lowest bracket, the ones whose net taxable income does not exceed $1,395, it occurred to me that a comparison of the relief granted to this bottom group under the Democratic tax-reduction program of 1945 with that which the Knutson bill of 1947 would afford would be helpful—illuminating, to say the least.

So I asked the one who is, in my opinion, the greatest living tax expert, Mr. Colon F. Stam, chief of staff of the Joint Congressional Committee on Internal Revenue Taxation, to apportion the tax relief, as afforded by the Democratic tax-reduction act of 1945, among the taxpayers as they fall within the classifications set up by the Knutson bill and to fix the percentages of the total relief granted to each group.

The result of these calculations was impressive, very much so in the light of the somewhat explosive protests of the gentlemen of Michigan [Mr. DINGELL and Mr. ENGEL] and the gentleman from Tennessee [Mr. GORE] against the pending bill.

Under the Democratic Tax Reduction Act of 1945, those within the $1,395 bracket, were given 27.2 percent of the total relief granted by the act. Under the Knutson bill, taxpayers within this classification will get 33.6 percent of all of the relief which H. R. 1 will afford.

Under the Democratic Tax Reduction Act of 1945, the taxpayers within the middle bracket, that is, those with net taxable incomes of from $1,395 to $302,000, got 72.4 percent of the total tax reduction granted. Under the Knutson bill, the taxpayer will get but 65.2 of the total relief which H. R. 1 will afford.

Under the Democratic tax reduction program of 1945, the taxpayers of the top bracket, those who have net taxable incomes of more than $302,000, were given four-tenths of 1 percent of the total relief granted, but six-tenths of 1 percent less than the Knutson bill will grant to these more fortunate individuals.

But where does this comparison leave the distinguished members of the firm of DINGELL, ENGEL, and GORE? Why do they protest so vigorously against the Republican tax-reduction bill that deals so much more considerately with the group in the lowest bracket than did the Democratic Tax Reduction Act of 1945? And why were they so silent when the then Democratic majority was dealing so niggardly with those who were on the bottom rung of the tax ladder?

Just why is a Republican tax reduction bill so bitterly excoriated when a Democratic tax reduction bill which is far less considerate of the little fellows, escapes even the mildest of criticism? And that seems to describe exactly what has happened.

Why did we not hear the golden voice of the gentleman from Tennessee [Mr. GORE] in an impassioned plea for the downtrodden taxpayers in this lowest bracket in 1945? Why was not the eloquent voice of the gentleman from Michigan [Mr. DINGELL] raised for a better break for those that compose this less fortunate group? Where was the gentleman from Michigan [Mr. ENGEL] when the New Dealers of that day were doing dirt to those over whom his tears are now falling?

Mr. Chairman, is it possible that anyone could be playing politics with this tax reduction measure, seeking to make political capital of a just and equitable program? Certainly not these genial

gentlemen to whom we have affectionately referred so many times under the euphonious designate of DINGELL, ENGEL, and GORE.

But all this notwithstanding, permit me, Mr. Chairman, to conclude my remarks by spreading upon the pages of the CONGESSIONAL RECORD the calculations of the chief of staff of the Joint Committee on Revenue Taxation to which I have so frequently referred. They are, in tabulated form, the following:

Surtax net income class	Number of people benefited	Their tax saving under—		Percentage of total reduction	
		H. R. 1	1945 act	H. R. 1	1945 act
		Millions	*Millions*	*Percent*	*Percent*
$1 to $1,395	31, 151, 559	$1, 242	$1, 180	33. 6	27. 2
$1,395 to $302,000	15, 531, 673	2, 411	3, 150	65. 2	72. 4
$302,000 and over	567	43	20	1. 2	. 4
Total	46, 683, 799	3, 697	4, 350	100. 0	100. 0

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, during the course of this debate everything appropriate to the bill has already been said. I therefore content myself with saying that I shall support the bill enthusiastically.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, "The power to tax is the power to destroy." The highest court in the land rendered that decision during the early history of our country. Never before has the truth of that statement been more apparent than today.

Government is now reaching into the pockets of our people and taking out one-third of all they earn or make. Can any government long endure under such a burden? Republicans told the people in the last campaign that they would reduce taxes, the cost of Government, retire the national debt, and stop wasteful spending of public funds. The people registered their faith in such promises. This bill, H. R. 1, proposes to carry out that promise by reducing the income taxes of every taxpayer in the United States. It has my unqualified support.

Free enterprise has been dying in our country. Venture capital is vanishing from the American plan of life. Incentive to work, save, and expand has been killed by excessive taxation. To buy and sell, barter and trade, have been restricted and retarded by the ever-present threat of confiscatory taxes.

This condition must be corrected, and the bill before us is intended to do that.

The workingman and all our people in the lower-income brackets, including those who earn or receive incomes up to $3,300, are given the greatest relief. That is as it should be. That relief under this bill is a 30-percent reduction in their taxes. It will apply to 25,000,000 of our people who pay income taxes. All others generally will be benefited by a 20-percent reduction up to $300,000. Above that amount, 10½-percent reduction is allowed.

The passage of this bill will revive hope and encourage our people to go forward again to a better day for America. It will stimulate greater effort in the domestic affairs of the Nation. This will result in an increase of revenue, as many precedents have shown. Australia, New York, and Iowa have reduced wartime taxes and received increased income. I predict a similar result for the Federal Government, which will reduce the national debt.

The fallacious theory that we can spend ourselves into prosperity has come to an end. Tax slavery shall be abolished as human slavery was abolished. With the passage of this measure, people will no longer be able to say, "What is the use of working or trying to make money while the tax collector takes the most of it?"

This legislation means a larger take-home pay envelope for the average wage earner to support himself and his family. It does away with wartime taxes in peacetime. We move in the direction of strengthening our economic structure. Without a solvent and strong America, we cannot meet our obligations to those who fought the Nation's battles, nor can we maintain a position of world leadership at a time when freedom-loving nations everywhere look to us for light in a darkened world.

I shall keep faith with the people of my district, for whom I speak, by keeping my pledge to reduce their tax burden by voting for this bill.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. McGREGOR].

Mr. McGREGOR. Mr. Chairman, I am going to vote for H. R. 1, a bill to reduce taxes, because I think it gives aid to every man, women, and child in these United States. I think it is about time we gave more consideration to our own people. This bill, H. R. 1, will do two things:

First. It will give income-tax relief for all individual taxpayers.

Second. It will give an incentive to venture capital and allow business expansion which means more work and more income for all.

This bill, Mr. Chairman, also gives special recognition and exemptions to taxpayers who have attained the age of 65. I have been especially concerned about this group. Many of them, including retired groups, such as retired school teachers, policemen, municipal workers, and others who have retired from private industry, have as their sole source of livelihood, the small amount which they receive as a pension, annuity, or retirement pay. H. R. 1 allows each taxpayer in this age group, an additional exemption of $500, making a total personal exemption of $1,000.

This bill, H. R. 1, is equitable and fair. The people want relief from high taxes and high living costs. This is not a political measure. Politics should be forgotten and we should all vote for this bill and give to the people the aid and relief which they so justly deserve.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, I have given a great deal of care and study to the provisions of this bill. There are numerous provisions which I would much prefer changing. Suggestions have been made for more relief to the small taxpayer than the provisions of the bill give. Other suggestions have been made for a better handling of this problem.

This is, however, the only bill presented to us for vote. I believe the time has come for a reduction in taxes. The burden borne by the American people during the war in carrying extremely heavy taxes in time of peace becomes truly oppressive. Some reduction should be made, and tests to be applied in the reduction should be based on the ability to pay.

I have repeatedly told my people at home that tax reduction and debt reduction should go hand in hand. It is imperative that our debt be reduced in an orderly and businesslike manner. I hope this Congress will take up this problem at an early date and will make suitable provisions for annual debt retirements. Without some tax reduction, our people may lapse into a condition where they will feel the burden is too much to carry in normal times.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Chairman, I am opposed to H. R. 1 because it does not give tax relief where relief is badly needed. In this age of rising and inflationary prices individuals in the lower-income brackets are finding it increasingly difficult to make ends meet. H. R. 1 does not furnish the solution. To the married man making $100 per month the total relief will amount to only 22 cents a week. The taxpayer making $300,000 per year will save about $47,000 in taxes. In my opinion, the simplest and surest way of granting relief where relief is sorely needed is by increasing the personal exemptions of individual taxpayers.

I am also opposed to H. R. 1 because it will shift the burden of paying for the war from the shoulders of those most able to pay to those in the lower- and middle-income brackets.

I further oppose this bill because I think we should balance our budget and

pay our national debt while our income is high. In 1946 our national income reached an all-time peak. This is no time to cut taxes in the higher brackets.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I rise in opposition to this bill—not so much from a standpoint of opposing the reduction of taxes—but primarily because this bill is a tool of the autocratic Republican Party which has never regarded the needs of the little man. If they must reduce taxes, certainly first relief should be given to the poor devil who must scrape the bottom of his dusty pockets in order to pay the exorbitant prices for his cornbread, peas, and turnip greens which have resulted from the application of Republican "economy." There is no justice in this bill; it relieves none but those who need relief least; it does not relieve the man who needs relief most, and is but a smoke screen thrown up to protect wild, promiscuous political promises made by Republicans in the North and East and West in their desperate grab for power. If taxes must be reduced, the only fair way to do so would be by raising exemptions and not by any spurious across the board plan.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, I do not like to disagree with my good friend, the able gentleman from North Carolina [Mr. BONNER]. Yet, I cannot permit to remain unanswered the statements he made here Tuesday regarding the appropriation for the Coast Guard in the Treasury-Post Office appropriation bill recently passed by the House unanimously. I understand his anxiety for he has long been a friend of the Guard even as I have. All of us salute this service on its enviable record, its contribution to victory in war. All of us know it has a big peacetime job.

When the Treasury bill was before the House I made the statement that—

> The Coast Guard is attempting to build itself up into a full and complete replacement for the independent Navy.

I repeat that statement today. My colleague takes exception to this. May I point out to him and the House that the record speaks for itself. This year the Coast Guard originally requested $232,000,000. Now, please listen. In 1935 the total appropriations for the Navy Department amounted to $284,658,000. The Navy Department appropriations for the years 1930 through 1935 averaged $335,000,000. Thus, it is established, the Coast Guard this year asked for an amount equal to 70 percent of the Navy's average appropriation for these prewar years. And the Chief of the Coast Guard Planning Section told our committee in this year's hearings that 1948 would be a base year with increased appropriations requested in the years to come.

The gentleman from North Carolina goes on to say that the committee failed to give any evidence of "the waste, the extravagance, and the grandiose schemes" of the Coast Guard. I am afraid he has not made a study of the printed hearings, the report accompanying the bill, and the speeches on the floor. And certainly he minimizes the slashing of the guard's 1948 requests by the Treasury and the Bureau of the Budget. I will not take time to repeat all the evidence. Concrete examples were given the House by the hard-working gentleman from North Dakota [Mr. ROBERTSON] on page 1878 of the CONGRESSIONAL RECORD; by the alert gentleman from Ohio [Mr. GRIFFITHS] on pages 1883 and 1884 of the RECORD; and my own statement which appears on page 1875. You will also find on page 1880 the statement by the diligent gentleman from Virginia [Mr. GARY]:

> The facts are that the Coast Guard has expanded considerably during the war. The committee felt that the time has come when we should begin to eliminate some of the wartime activities.

I might also refer you to page 1884 of the RECORD wherein the gentleman from Ohio [Mr. GRIFFITHS] called for a consolidation of training programs. The gentleman from North Carolina [Mr. BONNER] arose to say, "I agree with the gentleman." That there was waste, extravagance, and overexpansion is amply borne out by the testimony on pages 570 through 731 of the printed hearings.

I must take sharp exception to my colleague's statement that there is no evidence to show that when forced to reduce personnel the Coast Guard retains admirals and dismisses enlisted personnel. One answer might be this, "Just ask the enlisted personnel." I ask the House to review page 587 of the hearings. Please note also that after World War I, the percentage of officers to men increased. Captain Richmond proceeds to tell us:

> In 1932, during the depression years, the officers were way out of line because, of course, we were forced to reduce drastically. We did that by letting men out of the service.

If my colleague still feels that those in charge of the Coast Guard have not been off the beam and that our committee has been unjust, let me ask him to read carefully the report that accompanied the 1947 appropriation bill for the Coast Guard, a report submitted by the distinguished gentleman from Indiana [Mr. LUDLOW], whom none has ever accused of vilification or improprieties of any kind.

The so-called Ludlow committee last year, disturbed over the Coast Guard's presentation, directed an investigator to go to the Guard's headquarters and make a check-up. As a result the committee, in its report, had the following to say on two phases—administration and the truth:

> The committee's study of this item leads to the conclusion that the offices charged with responsibility for over-all management of the headquarters organization are not sufficiently familiar with details of administration and that there is not the measure of control over such matters as should obtain. The committee shall expect this situation to be corrected in the near future and that it will not again be confronted with testimony which varies from the real situation.

Mr. DOUGHTON. Mr. Chairman, I yield such time as he may require to the gentleman from Texas [Mr. WORLEY].

Mr. WORLEY. Mr. Chairman, I take this time for the purpose of keeping the record straight. The gentleman from New York [Mr. REED] has stated that the recommendations of the House Postwar Committee on Economic Policy and Planning advocated tax reduction. He is correct in that statement but he inadvertently left out the major recommendation of that committee, namely, that first, the budget should be balanced and a surplus created before any substantial tax reduction was made.

As the gentleman from New York pointed out also, there were a number of able and outstanding members on that committee, including the following members of the Republican Party: Mr. Charles L. Gifford, of Massachusetts; B. Carroll Reece, of Tennessee, who is now chairman of the Republican National Committee; Richard J. Welch, of California; Charles A. Wolverton, of New Jersey; Clifford R. Hope, of Kansas; Jesse P. Wolcott, of Michigan; Jay LeFevre, of New York, and Sid Simpson, of Illinois.

As I recall, the vote on this report of the committee was unanimous, and as a matter of fact, I have never served on a committee in which less politics or partisanship was present. We did not consider any of these problems from the standpoint of anything except what was for the best interests of this Nation's welfare.

Referring further to the report, I quote from page 66:

> In its ninth report, issued March 4, 1946, the committee called attention to the inflationary forces existing in the economy and stated that it was convinced that effective control over these forces was impossible without strong fiscal and monetary countermeasures. Among the measures which it stated should be adopted were curtailment of Federal expenditures, balancing the budget in the fiscal year 1947, and in the following year creating a surplus to be applied to the retirement of the public debt.

Further along on the same page is the following excerpt:

> All those who have studied fiscal policies of the Federal Government, however much they differ on other views, agree that during a period of high employment and income there should be a surplus in Federal revenues to apply toward reduction of the debt. It forebodes danger for the future if we cannot under these very favorable conditions handle the fiscal affairs of the Government in such a way that the budget can be balanced. The committee strongly urges that additional efforts be made to reduce expenditures during the remainder of the fiscal year so that the budget can be brought into balance and a surplus created.

The committee took the same realistic attitude of Government fiscal policy as

an individual takes in managing his own financial matters, namely, that you can never get out of debt unless you begin paying and you cannot begin paying if you do not have the money. Further on, this doctrine is more concisely stated on page 70 in the following excerpts:

The committee still feels that under the present economic conditions the prime concern should be the balancing of the budget and the creation of a surplus in order to reduce inflationary forces.

And the concluding quotation reads as follows:

The issue should be faced squarely and realistically by the Eightieth Congress. If the budget cannot be balanced now when the Nation is enjoying its highest peacetime income, it is absurd to contend that it can be balanced in an era of recession or depression.

The committee quite logically placed the major emphasis on trimming Government spending, balancing the budget, making substantial payments on our national debt while we have the money, and reducing taxes as soon as sound business judgment and a strong fiscal policy will permit.

Mr. DOUGHTON. Mr. Chairman, I yield the balance of the time remaining to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I have enjoyed this debate—and I have heard most of it. The majority of it has been on the bill, which I was glad to see. It has been a very informative debate. Yesterday I felt a little sorry for my friends on my left and was glad when the time for debate was extended. I said yesterday that, of course, our people could attend to this matter in 3 hours, but I thought that it would take at least 5 hours for our Republican friends to even begin to justify the actions that the Committee on Ways and Means took and that the House in a short while will take.

I have always thought from way back that the Republican Party at least said it stood for a 100-cent dollar, for sound currency, for a balanced budget, and for paying our debt when we had prospects of having the money to do it. I have talked to a great many people, big and little—big incomes and little incomes—since the first of the year. I have yet to find one who did not tell me he thought the most vital thing in the Government was to protect the value of our dollar and pay something on our debt while we had the means of paying. That may not be the situation 3 or 4 or 5 years from now—who knows?

Someone spoke about risk capital. In these times is there any impeding of risk capital when capital is being used to such an extent that everybody in the United States who wants to work is employed? The thing that is going to bother capital and anyone who has a dollar in the years to come is what that dollar is worth when he goes to the store to buy something. We must, in my opinion, we must pay as much as possible upon our national debt in this most prosperous time that we have ever known. I say if you take $3,800,000,000 from the Treasury receipts and there are others who say that your bill would reduce revenues by $5,700,000,000, I do not see how you are going to sustain the Government and pay anything on the public debt.

I think this is an untimely thing. I think the gentleman from Illinois [Mr. MASON], stated the problem very clearly when he asked two questions: one, is this the time to reduce taxes; and, two, is this the way in which to reduce taxes?

My answer to the first question is that this is not the time. We do not have enough information. We do not know what our ultimate commitments are going to be because nobody can tell what the appropriations are going to amount to. We cannot even make a wild guess. Of course, you can guess $6,000,000,000—you can guess $4,000,000,000 or $3,000,000,000 or $2,000,000,000. But just a little political advice to you. You would have been in so much better shape before the country about reducing expenditures if you had said you were going to cut to the bone and every dollar that was possible. Then you might have reduced the President's budget by a billion and a half or two billion. Two billion dollars is still a lot of money, even in the United States of America. You would have gotten credit for that. But now, since you have said you can reduce it $6,000,000,000, and you reduce it only a billion and a half or two billion, you are going to have great disappointment in this country. The people who are spending money for things to eat and wear are interested in what their dollar is worth. They do not want a 59-cent dollar. They want a dollar that is worth a hundred cents when it comes out of their pocket and goes over the counter, or as near that as possible. So in order to have that sound economy that our friends on the left have talked so much about and are doing so little about now; in other words, instead of making that dollar sounder, in my opinion, by your action here today you are making it less sound, because you are going to deplete the money in the Treasury so much that you cannot make a sounder dollar by paying on our Federal obligations. I thought before this debate closed I would just call these two or three little things, in all sincerity, to your attention.

Mr. REED of New York. Mr. Chairman, at this point I wish to say that the party on the other side gave us the 59-cent dollars. They gave us the national debt. They gave us the inflationary measures. They gave us the spending program. It is rather unusual to see them take the floor now and shed tears about the future of this Republic. The Republican Party never sought to overthrow this Republic. It did have to spend a great many lives to save this Republic. This party does not believe in the question of slavery. It never did. We are not going to make tax slaves out of the people. We are going to lift this load and we are going to do what we have done before. We are going to relieve this country from the peril which the other party has brought upon the country. We are going to relieve people of that fear, and from now on we are going to have prosperity; we are going to have debt reduction and we are going to have tax reduction. I am sure that these people are not so worried about what is going to happen to our party as a result of this bill. They are not shedding tears over that. It will not change a vote for them to stand there and weep over what may happen to the Republicans because they vote for this bill.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Missouri.

Mr. SHORT. We have always had a 50-50 agreement with our Democratic friends about debts. They make them and we pay them.

Mr. REED of New York. I thank the gentleman.

The CHAIRMAN. The gentleman has consumed 2 minutes.

Mr. REED of New York. Mr. Chairman, I yield the remainder of my time to the gentleman from Indiana [Mr. HALLECK].

The CHAIRMAN. The gentleman from Indiana is recognized for 15½ minutes.

Mr. HALLECK. Mr. Chairman, of course we always enjoy listening to the gentleman from Texas, the very eminent minority leader [Mr. RAYBURN]. I had not thought that I would participate in this debate, because I think the views of those on our side have been pretty well established by members of the committee and others who have debated this very momentous proposition. However, in view of some things that have been said, I feel constrained to respond.

I am not so sure but that the gentleman from Texas really would prefer that instead of going ahead with a tax reduction now—a tax reduction that is needed, badly needed for the welfare of the country—he would like to have us forego it so that sometime, possibly quite soon in the future, he and his people might say: We propose tax reductions. And thus undertake by that procedure to establish some credit in the country for themselves for having brought about a tax reduction.

I have been a little amused at the difficulties of some of the folks on the other side of the aisle. They do not know whether to be for tax reduction or against tax reduction. It is quite evident and I think it ought to be understood in the country, that fundamentally and primarily they are against tax reduction. True, they may say that they are for tax reduction but we should not have it now, which really is to say they are not for tax reduction at all. I think it has been quite definitely established that now is the time for tax reduction.

Some of you have contended that more of the tax reduction should go to the so-called little fellow. But in your professed solicitude for the little fellow, let me remind you that you have to have some tax reduction before you can help anybody. If you are not for any tax reduction at all, which you have indi-

cated to be your position, certainly you are not for helping the little fellow.

The proposal before us today recognizes the problems of the low-income groups by the added benefit that is given that group. There is this additional factor in this whole proposition which you ignore: The man who works for a salary wants and needs some tax reduction to help him, but beyond that he needs to have a job to realize income out of which he can pay taxes. He must first have a job at good wages. And it is only a strong, functioning, productive economy that will give him the sort of job at good pay out of which he can and will gladly pay taxes.

Reference has been made to the question of the value of the dollar. We, of course, stand for a sound dollar. As the gentleman from New York pointed out, among other things that have happened the reduction in the value of the dollar cannot be laid at our door. That will be laid at the door of you people on the other side of the aisle. However, that is water over the dam.

What are we now facing? We face a situation under which I think we must all recognize that the value of the dollar can be maintained only by the maintenance of a strong, functioning, productive economy. Certainly tax relief is now necessary if such a functioning economy is to be maintained in the country.

Some argue that debt reduction should precede tax reduction. In keeping with our program to give new life and vigor to our economy, we are going to have tax reduction and we are also going to have debt reduction. But let us pursue the argument of those who say that debt reduction is the only thing to be achieved, and the suggestion of the gentleman from Texas that everything that might be saved should be applied on the debt, that we ought to tax and tax to get more money to apply on the debt. If you followed that theory to the end, then you would raise tax rates to take more out of the economy to pay on the debt. That could be pursued to the point where we would be killing the goose that lays the golden egg. That suggestion, of course, has not been made now, but if these tax rates are too high, as they now are, then we are in the process of stymieing and hamstringing our economy. Our economy would be doomed to a static condition. Certainly that is not the way, in the long run, to pay the debt.

Let me point this out to those of you who contend these rates should be maintained as they are now: We have changed from a wartime economy to a peacetime economy. If these rates are not too high today in a peacetime economy, then you did not have them high enough in the wartime economy. During the war billions and billions of borrowed dollars were being pumped into our economic bloodstream. It was our responsibility and your responsibility as the majority party to take the maximum out of the revenues and income of the country in order that we come as closely as possible to a position of pay-as-you-go in the war.

Why, for any one to contend that this country can go on with this schedule of wartime tax rates and at the same time provide a highly effective functioning peacetime economy to my mind fail to recognize the very essentials of our whole economy.

Mr. Chairman, we voted for a reduction of $6,000,000,000 in the President's budget. The other body voted for a reduction of $4,500,000,000. I have seen it suggested that the minimum figure being considered in the conference is $5,250,000,000 as a reduction. In addition to that, it has been pointed out that the estimate of revenues is too low and there is every indication that the revenues will be over the estimate. Certainly that clearly points to the truth of the assertion that this tax relief so badly needed, so sorely needed by all of our people, can be accomplished to the end that we do maintain a strong, effective, productive economy and, at the same time, begin paying off on the national debt. That is the way, I may say to the gentleman from Texas, that we will maintain the value of the dollar, and it is the only way I know of to maintain the value of the dollar.

So, Mr. Chairman, we are going to pass this bill. I know that it does not suit the PAC and some of the folks who stand with the PAC; but, you know, they are not writing this tax bill.

Some solicitude has been expressed on the Democratic side for the political consequences to us Republicans by our passage of this legislation. Possibly I am a little old-fashioned, but I have always thought that the best politics is to do right. That is what we are doing here and history will prove it. Sometimes we have got to look out a little for this very fine advice that is offered us. I have said for a long time that if I believed something were right, that something was in the national interest, I would support it without regard to its political effect upon my party or the political future of my party. I have sought in my time in the Congress to follow that precept. I am following it today. And I have no fear, because I think that on this as on many other occasions it will be established that we are right.

Mr. Chairman, I can discern in this solicitude shown on the other side of the aisle for our political chances some sort of an indication that what you are really afraid of is that we are doing the right thing, that we are going to cut the cost of Government, that we are going to respond in that way to the heart's desire of the American people, that we are going to give them a tax reduction they so badly need, that we are going to start paying off the debt in order to maintain the value of the dollar; and that out of it all will come a happier, a more prosperous America, and that we will get the credit for it.

You have sought to dissuade us from a right and correct course, and that you have not been able to do so will soon be quite apparent.

Now, if you want to vote against this bill, if you want to take the position that you are not for tax reduction for the little fellow, or anybody else, you just go ahead and vote that way and try to explain it. I think we know what we are doing. I know that we know what we are doing. I think if the truth were known a lot of you gentlemen on the other side of the aisle—and you are all my good friends; it is a pleasure to cooperate with you and to listen to what you have to say—but I think, if the truth were known and down deep in your hearts you could resolve this question the way you would like to, you would take this tax bill and vote for it. But because it is brought out here by the Republican Party you are having a little trouble following that course. But you may live long enough to see the error of your ways, and when you repent come around and tell us about it, and we will be glad to listen to you.

The CHAIRMAN. The time of the gentleman from Indiana has expired. All time has expired. Under the rule, the bill is considered as read. The Clerk will report the committee amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Individual Income Tax Reduction Act of 1947."

SEC. 2. Reduction in Normal Tax and Surtax on Individuals.

(a) Reduction in normal tax on individuals: Section 11 of the Internal Revenue Code (relating to the normal tax on individuals) is hereby amended by striking out "5 percent" and inserting in lieu thereof "24 percent," and by adding at the end of such section a new sentence to read as follows: "If aggregate of tentative normal tax and tentative surtax is not more than $279.17, see section 12 (i), and if more than $250,000, see section 12 (g)."

(b) Reduction in surtax on individuals: Section 12 (b) of the Internal Revenue Code (relating to the rate of surtax on individuals) is hereby amended by striking out "5 percent" and inserting in lieu thereof "24 percent."

(c) Tentative tax more than $250,000: Section 12 (g) of the Internal Revenue Code (relating to tax on large incomes) is hereby amended to read as follows:

"(g) Tentative tax more than $250,000: If the aggregate of the tentative normal tax under section 11 and the tentative surtax under subsection (b) of this section is more than $250,000, the combined normal tax and surtax shall not be less than such aggregate reduced by the sum of (1) 24 percent of the first $250,000 thereof plus (2) 15 percent of the amount thereof in excess of $250,000, but in no event shall the combined normal tax and surtax exceed 76½ percent of the net income of the taxpayer for the taxable year. In the application of this subsection, the combined normal tax and surtax shall be computed without regard to the credits provided in sections 31, 32, and 35."

(d) Tentative tax not more than $279.17: Section 12 of the Internal Revenue Code is hereby amended by adding at the end thereof a new subsection to read as follows:

"(i) Tentative tax not more than $279.17:

"(1) If the aggregate of the tentative normal tax under section 11 and the tentative surtax under subsection (b) of this section is not more than $200, the combined normal tax and surtax shall not be greater than such aggregate reduced by 33½ percent thereof.

"(2) If the aggregate of the tentative normal tax under section 11 and the tentative surtax under subsection (b) of this section is more than $200 but not more than $279.17, the combined normal tax and surtax shall

not be greater than such aggregate reduced by $67.

"(3) In the application of this subsection, the combined normal tax and a surtax shall be computed without regard to the credits provided in sections 31, 32, and 35."

(e) Taxable years to which applicable: The amendments made by this section shall be applicable to taxable years beginning after December 31, 1946. For treatment of taxable years beginning in 1946 and ending in 1947, see section 6.

SEC. 3. Individuals With Adjusted Gross Incomes of Less Than $5,000.

(a) In general: The tax table in section 400 of the Internal Revenue Code (relating to optional tax on individuals with adjusted gross incomes of less than $5,000) is hereby amended to read as follows:

"Individuals with adjusted gross income of less than $5,000—

If adjusted gross income is—		And the number of exemptions is—				
At least	But less than	1	2	3	4	5 or more
		The tax shall be—				
$0	$550	$0	$0	$0	$0	$0
550	575	1	0	0	0	0
575	600	4	0	0	0	0
600	625	7	0	0	0	0
625	650	10	0	0	0	0
650	675	13	0	0	0	0
675	700	16	0	0	0	0
700	725	19	0	0	0	0
725	750	22	0	0	0	0
750	775	25	0	0	0	0
775	800	28	0	0	0	0
800	825	31	0	0	0	0
825	850	34	0	0	0	0
850	875	37	0	0	0	0
875	900	40	0	0	0	0
900	925	43	0	0	0	0
925	950	46	0	0	0	0
950	975	49	0	0	0	0
975	1,000	52	0	0	0	0
1,000	1,025	55	0	0	0	0
1,025	1,050	58	0	0	0	0
1,050	1,075	61	0	0	0	0
1,075	1,100	64	0	0	0	0
1,100	1,125	67	0	0	0	0
1,125	1,150	70	3	0	0	0
1,150	1,175	73	6	0	0	0
1,175	1,200	76	9	0	0	0
1,200	1,225	79	12	0	0	0
1,225	1,250	82	15	0	0	0
1,250	1,275	85	18	0	0	0
1,275	1,300	88	21	0	0	0
1,300	1,325	91	24	0	0	0
1,325	1,350	94	27	0	0	0
1,350	1,375	97	30	0	0	0
1,375	1,400	100	33	0	0	0
1,400	1,425	103	36	0	0	0
1,425	1,450	106	39	0	0	0
1,450	1,475	109	42	0	0	0
1,475	1,500	112	45	0	0	0
1,500	1,525	115	48	0	0	0
1,525	1,550	118	51	0	0	0
1,550	1,575	121	54	0	0	0
1,575	1,600	124	57	0	0	0
1,600	1,625	127	60	0	0	0
1,625	1,650	130	63	0	0	0
1,650	1,675	133	66	0	0	0
1,675	1,700	137	69	2	0	0
1,700	1,725	141	72	5	0	0
1,725	1,750	146	75	8	0	0
1,750	1,775	150	78	11	0	0
1,775	1,800	155	81	14	0	0
1,800	1,825	159	84	17	0	0
1,825	1,850	164	87	20	0	0
1,850	1,875	168	90	23	0	0
1,875	1,900	173	93	26	0	0
1,900	1,925	177	96	29	0	0
1,925	1,950	182	99	32	0	0
1,950	1,975	186	102	35	0	0
1,975	2,000	191	105	38	0	0
2,000	2,025	195	108	41	0	0
2,025	2,050	200	111	44	0	0
2,050	2,075	204	114	47	0	0
2,075	2,100	209	117	50	0	0
2,100	2,125	213	120	53	0	0
2,125	2,150	216	123	56	0	0
2,150	2,175	220	126	59	0	0
2,175	2,200	223	129	62	0	0
2,200	2,225	227	132	65	0	0
2,225	2,250	230	136	68	2	0
2,250	2,275	234	140	71	5	0

If adjusted gross income is—		And the number of exemptions is—								
At least	But less than	1	2	3	4	5	6	7	8	9 or more
		The tax shall be—								
$2,275	$2,300	$237	$145	$74	$8	$0	$0	$0	$0	$0
2,300	2,325	240	149	77	11	0	0	0	0	0
2,325	2,350	244	154	80	14	0	0	0	0	0
2,350	2,375	247	158	83	17	0	0	0	0	0
2,375	2,400	251	163	86	20	0	0	0	0	0
2,400	2,425	254	167	89	23	0	0	0	0	0
2,425	2,450	257	172	92	26	0	0	0	0	0
2,450	2,475	261	176	95	29	0	0	0	0	0
2,475	2,500	264	181	98	32	0	0	0	0	0
2,500	2,525	268	185	101	35	0	0	0	0	0
2,525	2,550	271	190	104	38	0	0	0	0	0
2,550	2,575	275	194	107	41	0	0	0	0	0
2,575	2,600	278	199	110	44	0	0	0	0	0
2,600	2,625	281	203	113	47	0	0	0	0	0
2,625	2,650	285	208	116	50	0	0	0	0	0
2,650	2,675	288	212	119	53	0	0	0	0	0
2,675	2,700	292	216	122	56	0	0	0	0	0
2,700	2,725	295	219	125	59	0	0	0	0	0
2,725	2,750	298	222	128	62	0	0	0	0	0
2,750	2,775	302	226	131	65	0	0	0	0	0
2,775	2,800	305	229	135	68	1	0	0	0	0
2,800	2,825	309	233	139	71	4	0	0	0	0
2,825	2,850	313	236	144	74	7	0	0	0	0
2,850	2,875	317	240	148	77	10	0	0	0	0
2,875	2,900	321	243	153	80	13	0	0	0	0
2,900	2,925	324	246	157	83	16	0	0	0	0
2,925	2,950	328	250	162	86	19	0	0	0	0
2,950	2,975	332	253	166	89	22	0	0	0	0
2,975	3,000	336	257	171	92	25	0	0	0	0
3,000	3,050	341	262	178	96	30	0	0	0	0
3,050	3,100	349	269	187	102	36	0	0	0	0
3,100	3,150	356	276	196	108	42	0	0	0	0
3,150	3,200	364	282	205	114	48	0	0	0	0
3,200	3,250	371	289	213	120	54	0	0	0	0
3,250	3,300	379	296	220	126	60	0	0	0	0
3,300	3,350	386	303	227	132	66	0	0	0	0
3,350	3,400	394	310	234	141	71	5	0	0	0
3,400	3,450	401	318	241	150	77	11	0	0	0
3,450	3,500	409	325	247	159	83	17	0	0	0
3,500	3,550	416	333	254	168	89	23	0	0	0
3,550	3,600	424	340	261	177	95	29	0	0	0
3,600	3,650	431	348	268	186	101	35	0	0	0
3,650	3,700	439	355	275	195	107	41	0	0	0
3,700	3,750	447	363	282	204	113	47	0	0	0
3,750	3,800	454	370	288	212	119	53	0	0	0
3,800	3,850	462	378	295	219	125	59	0	0	0
3,850	3,900	469	386	302	226	131	65	0	0	0
3,900	3,950	477	393	309	233	140	71	4	0	0
3,950	4,000	484	401	317	240	149	77	10	0	0
4,000	4,050	492	408	324	247	158	83	16	0	0
4,050	4,100	499	416	332	253	167	89	22	0	0
4,100	4,150	507	423	340	260	176	95	28	0	0
4,150	4,200	514	431	347	267	185	101	34	0	0
4,200	4,250	522	438	355	274	194	107	40	0	0
4,250	4,300	529	446	362	281	203	113	46	0	0
4,300	4,350	537	453	370	288	212	119	52	0	0
4,350	4,400	544	461	377	295	219	125	58	0	0
4,400	4,450	552	468	385	301	225	131	64	0	0
4,450	4,500	559	476	392	309	232	139	70	4	0
4,500	4,550	567	483	400	316	239	148	76	10	0
4,550	4,600	574	491	407	324	246	157	82	16	0
4,600	4,650	582	498	415	331	253	166	88	22	0
4,650	4,700	589	506	422	339	260	175	94	28	0
4,700	4,750	597	513	430	346	266	184	100	34	0
4,750	4,800	605	521	437	354	273	193	106	40	0
4,800	4,850	612	528	445	361	280	202	112	46	0
4,850	4,900	620	536	452	369	287	211	118	52	0
4,900	4,950	627	544	460	376	294	218	124	58	0
4,950	5,000	635	551	467	384	301	225	130	64	0"

(b) Taxable years to which applicable: The amendment made by this section shall be applicable with respect to taxable years beginning after December 31, 1946. For treatment of taxable years beginning in 1946 and ending in 1947, see section 6.

SEC. 4. Additional Credit Against Net Income for Normal Tax and Surtax.

(a) Exemption for age: Section 25 (b) (1) of the Internal Revenue Code (relating to credits against net income for normal tax and surtax) is hereby amended by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon and by adding after subparagraph (C) a new subparagraph to read as follows:

"(D) If the taxpayer has attained the age of 65—

"(i) an additional exemption of $500;

"(ii) in the case of a joint return by husband and wife under section 51, an exemption, in lieu of the exemption provided in clause (i) of this subparagraph, of $500 for each spouse who has attained the age of 65, and whose gross income (computed without regard to section 22 (o)) for the taxable year is $500 or more;

"(iii) for limitation on exclusion from gross income of retirement pay, etc., see section 22 (o)."

(b) Determination of age: Section 25 (b) (2) of the Internal Revenue Code is hereby amended by adding at the end thereof a new sentence to read as follows: "For the purposes of paragraph (1) (D) the determination of the age of an individual shall be made as of the last day of the taxable year."

(c) Limitation on exclusion from gross income of retirement pay, etc.: Section 22 of the Internal Revenue Code (relating to gross income) is hereby amended by adding at the end thereof a new subsection to read as follows:

"(o) Retirement pay, etc., of individuals 65 or over: If an individual entitled to the exemption provided in section 25 (b) (1) (D) (relating to individuals who have attained the age of 65) receives during the taxable year any amount (other than a lump-sum benefit) as pension, annuity, retirement pay, old-age or survivor's benefit, or similar payment, with respect to services rendered by him or another person, and the whole of such amount would, but for this subsection, be excluded from gross income, then only the excess over $500 of the aggregate of such amounts shall be excluded from gross income, despite any provisions of this title or of any other law. This subsection shall not require the inclusion of any such amount as gross income unless the gross income, computed without regard to this subsection, is $500 or more. This subsection shall not apply—

"(1) to amounts excluded from gross income under section 22 (b) (5); except that this subsection shall apply to amounts received as a pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed forces of any country, unless such amounts are also excluded from gross income by a provision of law other than section 22 (b) (5); or

"(2) to amounts excluded from gross income under section 3 of the act entitled 'An act to safeguard the estates of veterans derived from payments of pension, compensation, emergency officers' retirement pay and insurance, and for other purposes,' approved August 12, 1935, as amended (U. S. C., 1940 ed., title 38, sec. 454a); or

"(3) to amounts excluded from gross income under section 3 of the act entitled 'An act to establish in the War Department and in the Navy Department, respectively, a roll, designated as "the Army and Navy medal of honor roll," and for other purposes,' approved April 27, 1916, as amended (U. S. C., 1940 ed., title 38, sec. 393)."

(d) Technical amendment: Section 22 (b) (5) of the Internal Revenue Code (relating to exclusion from gross income of compensation for injuries or sickness) is hereby amended by striking out "and amounts" and inserting in lieu thereof: "and (except as provided in subsection (o) in the case of individuals 65 or over) amounts."

(e) Taxable years to which applicable: The amendments made by this section shall be applicable to taxable years beginning after December 31, 1946. For treatment of taxable years beginning in 1946 and ending in 1947, see section 6.

SEC. 5. Reduction in Withholding of Tax at Source on Wages.

(a) Percentage method: Section 1622 (a) and section 1622 (b) (1) of the Internal Revenue Code (relating to percentage method of withholding) are hereby amended to read as follows:

"(a) Requirement of withholding: Every employer making payment of wages shall deduct and withhold upon such wages a tax equal to the sum of the following:

"(1) 12 percent of whichever of the following is the lesser:

"(A) the amount by which the wages exceed the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b) (1); or

"(B) the amount shown in the second column in the table in subsection (b) (1);

"(2) 18 percent of whichever of the following is the lesser:

"(A) the amount by which the wages exceed the sum of—

"(i) the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b) (1); plus

"(ii) the amount shown in the second column in the table in subsection (b) (1); or

"(B) the amount shown in the third column in the table in subsection (b) (1);

"(3) 14 percent of whichever of the following is the lesser:

"(A) the amount by which the wages exceed the sum of—

"(i) the number of withholding exemptions claimed, multiplied by the amount of one such exemption as shown in the table in subsection (b) (1); plus

"(ii) the sum of the amounts shown in the second and third columns in the table in subsection (b) (1); or

"(B) the amount shown in the last column in the table in subsection (b) (1);

"(4) 15 percent of the amount by which the wages exceed the sum of—

"(A) the number of withholding exemptions claimed, multiplied by the amount of one such exemption shown in the table in subsection (b) (1); plus

"(B) the sum of the amounts shown in the second, third, and last columns in the table in subsection (b) (1).

"(b) (1) the table referred to in subsection (a) is as follows:

"Percentage method withholding table

Pay-roll period	Amount of one withholding exemption	Maximum amount subject to 12-percent rate	Maximum amount subject to 18-percent rate	Maximum amount subject to 14-percent rate
Weekly	$11.00	$21.00	$9.00	$13.00
Biweekly	22.00	43.00	17.00	25.00
Semimonthly	23.00	46.00	19.00	28.00
Monthly	46.00	93.00	36.00	56.00
Quarterly	139.00	278.00	110.00	168.00
Semiannual	278.00	556.00	219.00	336.00
Annual	556.00	1,111.00	440.00	671.00
Daily or miscellaneous (per day of such period)	1.50	3.00	1.00	2.00"

(b) Wage bracket withholding: The tables contained in section 1622 (c) (1) of the Internal Revenue Code (relating to wage bracket withholding) are hereby amended to read as follows:

"If the pay-roll period with respect to an employee is weekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$11	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$11	$12	$1.40	.10	0	0	0	0	0	0	0	0	0
$12	$13	1.50	.20	0	0	0	0	0	0	0	0	0
$13	$14	1.60	.30	0	0	0	0	0	0	0	0	0
$14	$15	1.70	.50	0	0	0	0	0	0	0	0	0
$15	$16	1.90	.60	0	0	0	0	0	0	0	0	0
$16	$17	2.00	.70	0	0	0	0	0	0	0	0	0
$17	$18	2.10	.80	0	0	0	0	0	0	0	0	0
$18	$19	2.20	.90	0	0	0	0	0	0	0	0	0
$19	$20	2.30	1.10	0	0	0	0	0	0	0	0	0
$20	$21	2.50	1.20	0	0	0	0	0	0	0	0	0
$21	$22	2.60	1.30	0	0	0	0	0	0	0	0	0
$22	$23	2.80	1.40	.10	0	0	0	0	0	0	0	0
$23	$24	2.90	1.50	.30	0	0	0	0	0	0	0	0
$24	$25	3.10	1.70	.40	0	0	0	0	0	0	0	0
$25	$26	3.30	1.80	.50	0	0	0	0	0	0	0	0
$26	$27	3.50	1.90	.60	0	0	0	0	0	0	0	0
$27	$28	3.70	2.00	.70	0	0	0	0	0	0	0	0
$28	$29	3.80	2.10	.90	0	0	0	0	0	0	0	0
$29	$30	4.00	2.30	1.00	0	0	0	0	0	0	0	0
$30	$31	4.20	2.40	1.10	0	0	0	0	0	0	0	0
$31	$32	4.30	2.50	1.20	0	0	0	0	0	0	0	0
$32	$33	4.40	2.60	1.30	.10	0	0	0	0	0	0	0
$33	$34	4.60	2.80	1.50	.20	0	0	0	0	0	0	0
$34	$35	4.70	3.00	1.60	.30	0	0	0	0	0	0	0
$35	$36	4.90	3.20	1.70	.40	0	0	0	0	0	0	0
$36	$37	5.00	3.40	1.80	.50	0	0	0	0	0	0	0
$37	$38	5.10	3.50	1.90	.70	0	0	0	0	0	0	0
$38	$39	5.30	3.70	2.10	.80	0	0	0	0	0	0	0
$39	$40	5.40	3.90	2.20	.90	0	0	0	0	0	0	0
$40	$41	5.50	4.10	2.30	1.00	0	0	0	0	0	0	0
$41	$42	5.70	4.20	2.40	1.10	0	0	0	0	0	0	0
$42	$43	5.80	4.40	2.50	1.30	0	0	0	0	0	0	0
$43	$44	6.00	4.50	2.70	1.40	.10	0	0	0	0	0	0
$44	$45	6.10	4.60	2.90	1.50	.20	0	0	0	0	0	0
$45	$46	6.30	4.80	3.10	1.60	.30	0	0	0	0	0	0
$46	$47	6.40	4.90	3.20	1.70	.50	0	0	0	0	0	0
$47	$48	6.60	5.00	3.40	1.80	.60	0	0	0	0	0	0
$48	$49	6.70	5.20	3.60	2.00	.70	0	0	0	0	0	0
$49	$50	6.90	5.30	3.80	2.10	.80	0	0	0	0	0	0
$50	$51	7.00	5.40	4.00	2.20	.90	0	0	0	0	0	0
$51	$52	7.20	5.60	4.10	2.30	1.00	0	0	0	0	0	0
$52	$53	7.30	5.70	4.30	2.40	1.20	0	0	0	0	0	0
$53	$54	7.50	5.90	4.40	2.60	1.30	0	0	0	0	0	0
$54	$55	7.60	6.00	4.50	2.80	1.40	.10	0	0	0	0	0
$55	$56	7.80	6.20	4.70	2.90	1.50	.20	0	0	0	0	0
$56	$57	7.90	6.30	4.80	3.10	1.60	.40	0	0	0	0	0
$57	$58	8.10	6.50	4.90	3.30	1.80	.50	0	0	0	0	0
$58	$59	8.20	6.60	5.10	3.50	1.90	.60	0	0	0	0	0
$59	$60	8.40	6.80	5.20	3.70	2.00	.70	0	0	0	0	0
$60	$62	8.60	7.00	5.40	3.90	2.20	.90	0	0	0	0	0
$62	$64	8.90	7.30	5.70	4.20	2.40	1.10	0	0	0	0	0
$64	$66	9.20	7.60	6.00	4.50	2.70	1.40	.10	0	0	0	0
$66	$68	9.50	7.90	6.30	4.80	3.10	1.60	.30	0	0	0	0
$68	$70	9.80	8.20	6.60	5.10	3.40	1.90	.60	0	0	0	0
$70	$72	10.10	8.50	6.90	5.30	3.80	2.10	.80	0	0	0	0
$72	$74	10.40	8.80	7.20	5.60	4.10	2.30	1.10	0	0	0	0
$74	$76	10.70	9.10	7.50	5.90	4.40	2.60	1.30	0	0	0	0
$76	$78	11.00	9.40	7.80	6.20	4.70	3.00	1.50	.30	0	0	0
$78	$80	11.30	9.70	8.10	6.50	5.00	3.30	1.80	.50	0	0	0
$80	$82	11.60	10.00	8.40	6.80	5.20	3.70	2.00	.70	0	0	0
$82	$84	11.90	10.30	8.70	7.10	5.50	4.00	2.30	1.00	0	0	0
$84	$86	12.20	10.60	9.00	7.40	5.80	4.30	2.50	1.20	0	0	0
$86	$88	12.50	10.90	9.30	7.70	6.10	4.60	2.80	1.50	.20	0	0
$88	$90	12.80	11.20	9.60	8.00	6.40	4.90	3.20	1.70	.40	0	0
$90	$92	13.10	11.50	9.90	8.30	6.70	5.10	3.60	1.90	.70	0	0
$92	$94	13.40	11.80	10.20	8.60	7.00	5.40	3.90	2.20	.90	0	0
$94	$96	13.70	12.10	10.50	8.90	7.30	5.70	4.20	2.40	1.10	0	0
$96	$98	14.00	12.40	10.80	9.20	7.60	6.00	4.50	2.70	1.40	.10	0
$98	$100	14.30	12.70	11.10	9.50	7.90	6.30	4.80	3.10	1.60	.30	0
$100	$105	14.80	13.20	11.60	10.00	8.40	6.80	5.30	3.70	2.00	.80	0
$105	$110	15.60	14.00	12.40	10.80	9.20	7.50	5.90	4.50	2.70	1.40	.10
$110	$115	16.30	14.70	13.10	11.50	9.90	8.30	6.70	5.20	3.60	2.00	.70
$115	$120	17.10	15.50	13.90	12.30	10.70	9.10	7.40	5.80	4.40	2.60	1.30
$120	$125	17.80	16.20	14.60	13.00	11.40	9.80	8.20	6.60	5.10	3.50	1.90
$125	$130	18.60	17.00	15.40	13.80	12.20	10.60	9.00	7.30	5.70	4.30	2.50
$130	$135	19.30	17.70	16.10	14.50	12.90	11.30	9.70	8.10	6.50	5.00	3.30
$135	$140	20.10	18.50	16.90	15.30	13.70	12.10	10.50	8.80	7.20	5.70	4.20
$140	$145	20.90	19.30	17.60	16.00	14.40	12.80	11.20	9.60	8.00	6.40	4.90
$145	$150	21.60	20.00	18.40	16.80	15.20	13.60	12.00	10.40	8.70	7.10	5.60
$150	$160	22.70	21.10	19.50	17.90	16.30	14.70	13.10	11.50	9.90	8.30	6.70
$160	$170	24.20	22.60	21.00	19.40	17.80	16.20	14.60	13.00	11.40	9.80	8.20
$170	$180	25.70	24.10	22.50	20.90	19.30	17.70	16.10	14.50	12.90	11.30	9.70
$180	$190	27.30	25.60	24.00	22.40	20.80	19.20	17.60	16.00	14.40	12.80	11.20
$190	$200	28.80	27.10	25.50	23.90	22.30	20.70	19.10	17.50	15.90	14.30	12.70
		15 percent of the excess over $200 plus										
$200 and over		29.50	27.90	26.30	24.70	23.10	21.50	19.90	18.30	16.60	15.00	13.40

"If the pay-roll period with respect to an employee is biweekly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$20	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$20	$22	$2.50	0	0	0	0	0	0	0	0	0	0
$22	$24	2.80	.20	0	0	0	0	0	0	0	0	0
$24	$26	3.00	.40	0	0	0	0	0	0	0	0	0
$26	$28	3.20	.70	0	0	0	0	0	0	0	0	0
$28	$30	3.50	.90	0	0	0	0	0	0	0	0	0
$30	$32	3.70	1.20	0	0	0	0	0	0	0	0	0
$32	$34	4.00	1.40	0	0	0	0	0	0	0	0	0
$34	$36	4.20	1.60	0	0	0	0	0	0	0	0	0
$36	$38	4.40	1.90	0	0	0	0	0	0	0	0	0
$38	$40	4.70	2.10	0	0	0	0	0	0	0	0	0
$40	$42	4.90	2.40	0	0	0	0	0	0	0	0	0
$42	$44	5.20	2.60	0	0	0	0	0	0	0	0	0
$44	$46	5.50	2.80	.30	0	0	0	0	0	0	0	0
$46	$48	5.90	3.10	.50	0	0	0	0	0	0	0	0
$48	$50	6.20	3.30	.70	0	0	0	0	0	0	0	0
$50	$52	6.60	3.50	1.00	0	0	0	0	0	0	0	0
$52	$54	7.00	3.80	1.20	0	0	0	0	0	0	0	0
$54	$56	7.30	4.00	1.50	0	0	0	0	0	0	0	0
$56	$58	7.70	4.30	1.70	0	0	0	0	0	0	0	0
$58	$60	8.00	4.50	1.90	0	0	0	0	0	0	0	0
$60	$62	8.30	4.70	2.20	0	0	0	0	0	0	0	0
$62	$64	8.60	5.00	2.40	0	0	0	0	0	0	0	0
$64	$66	8.90	5.30	2.70	.10	0	0	0	0	0	0	0
$66	$68	9.20	5.60	2.90	.30	0	0	0	0	0	0	0
$68	$70	9.40	6.00	3.10	.60	0	0	0	0	0	0	0
$70	$72	9.70	6.40	3.40	.80	0	0	0	0	0	0	0
$72	$74	10.00	6.70	3.60	1.10	0	0	0	0	0	0	0
$74	$76	10.30	7.10	3.90	1.30	0	0	0	0	0	0	0
$76	$78	10.50	7.40	4.10	1.50	0	0	0	0	0	0	0
$78	$80	10.80	7.80	4.30	1.80	0	0	0	0	0	0	0
$80	$82	11.10	8.20	4.60	2.00	0	0	0	0	0	0	0
$82	$84	11.40	8.40	4.80	2.30	0	0	0	0	0	0	0
$84	$86	11.60	8.70	5.10	2.50	0	0	0	0	0	0	0
$86	$88	11.90	9.00	5.40	2.70	.20	0	0	0	0	0	0
$88	$90	12.20	9.30	5.80	3.00	.40	0	0	0	0	0	0
$90	$92	12.50	9.50	6.10	3.20	.70	0	0	0	0	0	0
$92	$94	12.80	9.80	6.50	3.50	.90	0	0	0	0	0	0
$94	$96	13.10	10.10	6.80	3.70	1.10	0	0	0	0	0	0
$96	$98	13.40	10.30	7.20	3.90	1.40	0	0	0	0	0	0
$98	$100	13.70	10.60	7.60	4.20	1.60	0	0	0	0	0	0
$100	$102	14.00	10.90	7.90	4.40	1.90	0	0	0	0	0	0
$102	$104	14.30	11.20	8.20	4.70	2.10	0	0	0	0	0	0
$104	$106	14.60	11.40	8.50	4.90	2.30	0	0	0	0	0	0
$106	$108	14.90	11.70	8.80	5.10	2.60	0	0	0	0	0	0
$108	$110	15.20	12.00	9.10	5.50	2.80	.30	0	0	0	0	0
$110	$112	15.50	12.30	9.30	5.90	3.10	.50	0	0	0	0	0
$112	$114	15.80	12.60	9.60	6.20	3.30	.70	0	0	0	0	0
$114	$116	16.10	12.90	9.90	6.60	3.50	1.00	0	0	0	0	0
$116	$118	16.40	13.20	10.20	6.90	3.80	1.20	0	0	0	0	0
$118	$120	16.70	13.50	10.40	7.30	4.00	1.50	0	0	0	0	0
$120	$124	17.20	14.00	10.80	7.80	4.40	1.80	0	0	0	0	0
$124	$128	17.80	14.60	11.40	8.50	4.90	2.30	0	0	0	0	0
$128	$132	18.40	15.20	12.00	9.00	5.40	2.80	.20	0	0	0	0
$132	$136	19.00	15.80	12.60	9.60	6.20	3.30	.70	0	0	0	0
$136	$140	19.60	16.40	13.20	10.10	6.90	3.70	1.20	0	0	0	0
$140	$144	20.20	17.00	13.80	10.70	7.60	4.20	1.70	0	0	0	0
$144	$148	20.80	17.60	14.40	11.20	8.30	4.70	2.10	0	0	0	0
$148	$152	21.40	18.20	15.00	11.80	8.80	5.20	2.60	.10	0	0	0
$152	$156	22.00	18.80	15.60	12.40	9.40	5.90	3.10	.50	0	0	0
$156	$160	22.60	19.40	16.20	13.00	9.90	6.60	3.60	1.00	0	0	0
$160	$164	23.20	20.00	16.80	13.60	10.50	7.40	4.00	1.50	0	0	0
$164	$168	23.80	20.60	17.40	14.20	11.00	8.10	4.50	2.00	0	0	0
$168	$172	24.40	21.20	18.00	14.80	11.60	8.60	5.00	2.40	0	0	0
$172	$176	25.00	21.80	18.60	15.40	12.20	9.20	5.70	2.90	.40	0	0
$176	$180	25.60	22.40	19.20	16.00	12.80	9.70	6.40	3.40	.80	0	0
$180	$184	26.20	23.00	19.80	16.60	13.40	10.30	7.10	3.90	1.30	0	0
$184	$188	26.80	23.60	20.40	17.20	14.00	10.80	7.80	4.40	1.80	0	0
$188	$192	27.40	24.20	21.00	17.80	14.60	11.40	8.50	4.80	2.30	0	0
$192	$196	28.00	24.80	21.60	18.40	15.20	11.90	9.00	5.40	2.80	.20	0
$196	$200	28.60	25.40	22.20	19.00	15.80	12.50	9.50	6.10	3.20	.70	0
$200	$210	29.70	26.50	23.20	20.00	16.80	13.60	10.50	7.40	4.10	1.50	0
$210	$220	31.20	28.00	24.80	21.50	18.30	15.10	11.90	9.00	5.40	2.70	.20
$220	$230	32.70	29.50	26.30	23.00	19.80	16.60	13.40	10.30	7.20	3.90	1.40
$230	$240	34.20	31.00	27.80	24.50	21.30	18.10	14.90	11.70	8.80	5.10	2.60
$240	$250	35.70	32.50	29.30	26.00	22.80	19.60	16.40	13.20	10.10	6.90	3.70
$250	$260	37.20	34.00	30.80	27.60	24.30	21.10	17.90	14.70	11.50	8.60	4.90
$260	$270	38.70	35.50	32.30	29.10	25.80	22.60	19.40	16.20	13.00	9.90	6.70
$270	$280	40.20	37.00	33.80	30.60	27.30	24.10	20.90	17.70	14.50	11.30	8.40
$280	$290	41.70	38.50	35.30	32.10	28.80	25.60	22.40	19.20	16.00	12.80	9.80
$290	$300	43.20	40.00	36.80	33.60	30.40	27.10	23.90	20.70	17.50	14.30	11.10
$300	$320	45.50	42.30	39.00	35.80	32.60	29.40	26.20	23.00	19.80	16.50	13.30
$320	$340	48.50	45.30	42.10	38.80	35.60	32.40	29.20	26.00	22.80	19.50	16.30
$340	$360	51.50	48.30	45.10	41.80	38.60	35.40	32.20	29.00	25.80	22.60	19.30
$360	$380	54.50	51.30	48.10	44.90	41.60	38.40	35.20	32.00	28.80	25.60	22.40
$380	$400	57.50	54.30	51.10	47.90	44.70	41.40	38.20	35.00	31.80	28.60	25.40
		15 percent of the excess over $400 plus										
$400 and over		59.00	55.80	52.60	49.40	46.20	42.90	39.70	36.50	33.30	30.10	26.90

"If the pay-roll period with respect to an employee is semimonthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$22	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$22	$24	$2.80	0	0	0	0	0	0	0	0	0	0
$24	$26	3.00	.20	0	0	0	0	0	0	0	0	0
$26	$28	3.20	.50	0	0	0	0	0	0	0	0	0
$28	$30	3.50	.70	0	0	0	0	0	0	0	0	0
$30	$32	3.70	.90	0	0	0	0	0	0	0	0	0
$32	$34	4.00	1.20	0	0	0	0	0	0	0	0	0
$34	$36	4.20	1.40	0	0	0	0	0	0	0	0	0
$36	$38	4.40	1.70	0	0	0	0	0	0	0	0	0
$38	$40	4.70	1.90	0	0	0	0	0	0	0	0	0
$40	$42	4.90	2.10	0	0	0	0	0	0	0	0	0
$42	$44	5.10	2.40	0	0	0	0	0	0	0	0	0
$44	$46	5.40	2.60	0	0	0	0	0	0	0	0	0
$46	$48	5.70	2.90	.10	0	0	0	0	0	0	0	0
$48	$50	6.00	3.10	.30	0	0	0	0	0	0	0	0
$50	$52	6.40	3.30	.60	0	0	0	0	0	0	0	0
$52	$54	6.70	3.60	.80	0	0	0	0	0	0	0	0
$54	$56	7.10	3.80	1.00	0	0	0	0	0	0	0	0
$56	$58	7.50	4.10	1.30	0	0	0	0	0	0	0	0
$58	$60	7.80	4.30	1.50	0	0	0	0	0	0	0	0
$60	$62	8.20	4.50	1.80	0	0	0	0	0	0	0	0
$62	$64	8.50	4.80	2.00	0	0	0	0	0	0	0	0
$64	$66	8.90	5.00	2.20	0	0	0	0	0	0	0	0
$66	$68	9.20	5.20	2.50	0	0	0	0	0	0	0	0
$68	$70	9.40	5.50	2.70	0	0	0	0	0	0	0	0
$70	$72	9.70	5.80	3.00	.20	0	0	0	0	0	0	0
$72	$74	10.00	6.20	3.20	.40	0	0	0	0	0	0	0
$74	$76	10.30	6.50	3.40	.70	0	0	0	0	0	0	0
$76	$78	10.50	6.90	3.70	.90	0	0	0	0	0	0	0
$78	$80	10.80	7.30	3.90	1.10	0	0	0	0	0	0	0
$80	$82	11.10	7.60	4.20	1.40	0	0	0	0	0	0	0
$82	$84	11.40	8.00	4.40	1.60	0	0	0	0	0	0	0
$84	$86	11.60	8.30	4.60	1.90	0	0	0	0	0	0	0
$86	$88	11.90	8.70	4.90	2.10	0	0	0	0	0	0	0
$88	$90	12.20	9.00	5.10	2.30	0	0	0	0	0	0	0
$90	$92	12.40	9.30	5.40	2.60	0	0	0	0	0	0	0
$92	$94	12.70	9.60	5.60	2.80	0	0	0	0	0	0	0
$94	$96	13.00	9.80	6.00	3.10	.30	0	0	0	0	0	0
$96	$98	13.30	10.10	6.30	3.30	.50	0	0	0	0	0	0
$98	$100	13.60	10.40	6.70	3.50	.80	0	0	0	0	0	0
$100	$102	13.90	10.70	7.10	3.80	1.00	0	0	0	0	0	0
$102	$104	14.20	10.90	7.40	4.00	1.20	0	0	0	0	0	0
$104	$106	14.50	11.20	7.80	4.30	1.50	0	0	0	0	0	0
$106	$108	14.80	11.50	8.10	4.50	1.70	0	0	0	0	0	0
$108	$110	15.10	11.70	8.50	4.70	2.00	0	0	0	0	0	0
$110	$112	15.40	12.00	8.90	5.00	2.20	0	0	0	0	0	0
$112	$114	15.70	12.30	9.10	5.20	2.40	0	0	0	0	0	0
$114	$116	16.00	12.60	9.40	5.50	2.70	0	0	0	0	0	0
$116	$118	16.30	12.90	9.70	5.80	2.90	.20	0	0	0	0	0
$118	$120	16.60	13.20	9.90	6.10	3.20	.40	0	0	0	0	0
$120	$124	17.10	13.60	10.40	6.70	3.50	.70	0	0	0	0	0
$124	$128	17.70	14.20	10.90	7.40	4.00	1.20	0	0	0	0	0
$128	$132	18.30	14.80	11.50	8.10	4.50	1.70	0	0	0	0	0
$132	$136	18.90	15.40	12.00	8.80	5.00	2.20	0	0	0	0	0
$136	$140	19.50	16.00	12.50	9.40	5.40	2.70	0	0	0	0	0
$140	$144	20.10	16.60	13.10	9.90	6.10	3.10	.40	0	0	0	0
$144	$148	20.70	17.20	13.70	10.50	6.80	3.60	.90	0	0	0	0
$148	$152	21.30	17.80	14.30	11.00	7.50	4.10	1.30	0	0	0	0
$152	$156	21.90	18.40	14.90	11.60	8.30	4.60	1.80	0	0	0	0
$156	$160	22.50	19.00	15.50	12.10	8.90	5.10	2.30	0	0	0	0
$160	$164	23.10	19.60	16.10	12.70	9.50	5.50	2.80	0	0	0	0
$164	$168	23.70	20.20	16.70	13.30	10.00	6.30	3.20	.50	0	0	0
$168	$172	24.30	20.80	17.30	13.90	10.60	7.00	3.70	1.00	0	0	0
$172	$176	24.90	21.40	17.90	14.50	11.10	7.70	4.20	1.40	0	0	0
$176	$180	25.50	22.00	18.60	15.10	11.70	8.40	4.70	1.90	0	0	0
$180	$184	26.10	22.60	19.20	15.70	12.20	9.10	5.20	2.40	0	0	0
$184	$188	26.70	23.20	19.80	16.30	12.80	9.60	5.70	2.90	.10	0	0
$188	$192	27.30	23.80	20.40	16.90	13.40	10.20	6.40	3.30	.60	0	0
$192	$196	27.90	24.40	21.00	17.50	14.00	10.70	7.10	3.80	1.10	0	0
$196	$200	28.50	25.00	21.60	18.10	14.60	11.30	7.80	4.30	1.50	0	0
$200	$210	29.60	26.10	22.60	19.10	15.60	12.20	9.00	5.10	2.40	0	0
$210	$220	31.10	27.60	24.10	20.60	17.20	13.70	10.40	6.70	3.60	.80	0
$220	$230	32.60	29.10	25.60	22.10	18.70	15.20	11.80	8.50	4.80	2.00	0
$230	$240	34.10	30.60	27.10	23.60	20.20	16.70	13.20	10.00	6.20	3.20	0
$240	$250	35.60	32.10	28.60	25.10	21.70	18.20	14.70	11.30	8.00	4.40	1.60
$250	$260	37.10	33.60	30.10	26.70	23.20	19.70	16.20	12.70	9.60	5.60	2.80
$260	$270	38.60	35.10	31.60	28.20	24.70	21.20	17.70	14.20	10.90	7.40	4.00
$270	$280	40.10	36.60	33.10	29.70	26.20	22.70	19.20	15.70	12.30	9.10	5.20
$280	$290	41.60	38.10	34.60	31.20	27.70	24.20	20.70	17.20	13.70	10.50	6.80
$290	$300	43.10	39.60	36.20	32.70	29.20	25.70	22.20	18.70	15.30	11.90	8.60
$300	$320	45.40	41.90	38.40	34.90	31.40	28.00	24.50	21.00	17.50	14.00	10.70
$320	$340	48.40	44.90	41.40	37.90	34.50	31.00	27.50	24.00	20.50	17.00	13.60
$340	$360	51.40	47.90	44.40	40.90	37.50	34.00	30.50	27.00	23.50	20.00	16.60
$360	$380	54.40	50.90	47.40	44.00	40.50	37.00	33.50	30.00	26.50	23.10	19.60
$380	$400	57.40	53.90	50.40	47.00	43.50	40.00	36.50	33.00	29.50	26.10	22.60
$400	$420	60.40	56.90	53.50	50.00	46.50	43.00	39.50	36.00	32.60	29.10	25.60
$420	$440	63.40	60.00	56.50	53.00	49.50	46.00	42.50	39.10	35.60	32.10	28.60
$440	$460	66.40	63.00	59.50	56.00	52.50	49.00	45.50	42.10	38.60	35.10	31.60
$460	$480	69.50	66.00	62.50	59.00	55.50	52.00	48.60	45.10	41.60	38.10	34.60
$480	$500	72.50	69.00	65.50	62.00	58.50	55.00	51.60	48.10	44.60	41.10	37.60
		15 percent of the excess over $500 plus										
$500 and over		74.00	70.50	67.00	63.50	60.00	56.60	53.10	49.60	46.10	42.60	39.10

"If the pay-roll period with respect to an employee is monthly—

And the wages are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be—										
$0	$44	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$44	$48	$5.50	0	0	0	0	0	0	0	0	0	0
$48	$52	6.00	.40	0	0	0	0	0	0	0	0	0
$52	$56	6.50	.90	0	0	0	0	0	0	0	0	0
$56	$60	6.90	1.40	0	0	0	0	0	0	0	0	0
$60	$64	7.40	1.90	0	0	0	0	0	0	0	0	0
$64	$68	7.90	2.40	0	0	0	0	0	0	0	0	0
$68	$72	8.40	2.80	0	0	0	0	0	0	0	0	0
$72	$76	8.90	3.30	0	0	0	0	0	0	0	0	0
$76	$80	9.30	3.80	0	0	0	0	0	0	0	0	0
$80	$84	9.80	4.30	0	0	0	0	0	0	0	0	0
$84	$88	10.30	4.80	0	0	0	0	0	0	0	0	0
$88	$92	10.80	5.20	0	0	0	0	0	0	0	0	0
$92	$96	11.30	5.70	.20	0	0	0	0	0	0	0	0
$96	$100	12.10	6.20	.60	0	0	0	0	0	0	0	0
$100	$104	12.80	6.70	1.10	0	0	0	0	0	0	0	0
$104	$108	13.50	7.10	1.60	0	0	0	0	0	0	0	0
$108	$112	14.20	7.60	2.10	0	0	0	0	0	0	0	0
$112	$116	14.90	8.10	2.60	0	0	0	0	0	0	0	0
$116	$120	15.70	8.60	3.00	0	0	0	0	0	0	0	0
$120	$124	16.40	9.10	3.50	0	0	0	0	0	0	0	0
$124	$128	17.10	9.50	4.00	0	0	0	0	0	0	0	0
$128	$132	17.80	10.00	4.50	0	0	0	0	0	0	0	0
$132	$136	18.30	10.50	5.00	0	0	0	0	0	0	0	0
$136	$140	18.90	11.00	5.40	0	0	0	0	0	0	0	0
$140	$144	19.40	11.60	5.90	.40	0	0	0	0	0	0	0
$144	$148	20.00	12.40	6.40	.90	0	0	0	0	0	0	0
$148	$152	20.50	13.10	6.90	1.30	0	0	0	0	0	0	0
$152	$156	21.10	13.80	7.40	1.80	0	0	0	0	0	0	0
$156	$160	21.60	14.50	7.80	2.30	0	0	0	0	0	0	0
$160	$164	22.20	15.20	8.30	2.80	0	0	0	0	0	0	0
$164	$168	22.70	16.00	8.80	3.20	0	0	0	0	0	0	0
$168	$172	23.30	16.70	9.30	3.70	0	0	0	0	0	0	0
$172	$176	23.80	17.40	9.70	4.20	0	0	0	0	0	0	0
$176	$180	24.40	18.00	10.20	4.70	0	0	0	0	0	0	0
$180	$184	24.90	18.60	10.70	5.20	0	0	0	0	0	0	0
$184	$188	25.50	19.10	11.20	5.60	.10	0	0	0	0	0	0
$188	$192	26.10	19.70	12.00	6.10	.60	0	0	0	0	0	0
$192	$196	26.70	20.20	12.70	6.60	1.10	0	0	0	0	0	0
$196	$200	27.30	20.80	13.40	7.10	1.50	0	0	0	0	0	0
$200	$204	27.90	21.30	14.10	7.60	2.00	0	0	0	0	0	0
$204	$208	28.50	21.80	14.80	8.00	2.50	0	0	0	0	0	0
$208	$212	29.10	22.40	15.60	8.50	3.00	0	0	0	0	0	0
$212	$216	29.70	22.90	16.30	9.00	3.40	0	0	0	0	0	0
$216	$220	30.30	23.50	17.00	9.50	3.90	0	0	0	0	0	0
$220	$224	30.90	24.00	17.70	9.90	4.40	0	0	0	0	0	0
$224	$228	31.50	24.60	18.30	10.40	4.90	0	0	0	0	0	0
$228	$232	32.10	25.10	18.80	10.90	5.40	0	0	0	0	0	0
$232	$236	32.70	25.70	19.30	11.50	5.80	.30	0	0	0	0	0
$236	$240	33.30	26.30	19.90	12.30	6.30	.80	0	0	0	0	0
$240	$248	34.20	27.20	20.70	13.30	7.00	1.50	0	0	0	0	0
$248	$256	35.40	28.40	21.80	14.80	8.00	2.50	0	0	0	0	0
$256	$264	36.60	29.60	22.90	16.20	9.00	3.40	0	0	0	0	0
$264	$272	37.80	30.80	24.00	17.70	9.90	4.40	0	0	0	0	0
$272	$280	39.00	32.00	25.10	18.80	10.90	5.30	0	0	0	0	0
$280	$288	40.20	33.20	26.30	19.90	12.20	6.30	.70	0	0	0	0
$288	$296	41.40	34.40	27.50	20.90	13.60	7.20	1.70	0	0	0	0
$296	$304	42.60	35.60	28.70	22.00	15.10	8.20	2.70	0	0	0	0
$304	$312	43.80	36.80	29.90	23.10	16.50	9.20	3.60	0	0	0	0
$312	$320	45.00	38.00	31.10	24.20	17.90	10.10	4.60	0	0	0	0
$320	$328	46.20	39.30	32.30	25.30	19.00	11.10	5.50	0	0	0	0
$328	$336	47.40	40.50	33.50	26.50	20.10	12.50	6.50	.90	0	0	0
$336	$344	48.60	41.70	34.70	27.70	21.20	14.00	7.40	1.99	0	0	0
$344	$352	49.80	42.90	35.90	28.90	22.30	15.40	8.40	2.90	0	0	0
$352	$360	51.00	44.10	37.10	30.10	23.40	16.80	9.40	3.80	0	0	0
$360	$368	52.20	45.30	38.30	31.30	24.50	18.10	10.30	4.80	0	0	0
$368	$376	53.40	46.50	39.50	32.50	25.60	19.20	11.40	5.70	.20	0	0
$376	$384	54.60	47.70	40.70	33.70	26.80	20.30	12.80	6.70	1.20	0	0
$384	$392	55.90	48.90	41.90	35.00	28.00	21.40	14.30	7.70	2.10	0	0
$392	$400	57.10	50.10	43.10	36.20	29.20	22.50	15.70	8.60	3.10	0	0
$400	$420	59.20	52.20	45.20	38.30	31.30	24.40	18.10	10.30	4.70	0	0
$420	$440	62.20	55.20	48.20	41.30	34.30	27.30	20.80	13.50	7.10	1.60	0
$440	$460	65.20	58.20	51.20	44.30	37.30	30.30	23.60	17.10	9.50	4.00	0
$460	$480	68.20	61.20	54.30	47.30	40.30	33.40	26.40	20.00	12.40	6.40	.80
$480	$500	71.20	64.20	57.30	50.30	43.30	36.40	29.40	22.70	16.00	8.80	3.20
$500	$520	74.20	67.20	60.30	53.30	46.30	39.40	32.40	25.40	19.10	11.20	5.60
$520	$540	77.20	70.30	63.30	56.30	49.40	42.40	35.40	28.50	21.80	14.80	8.00
$540	$560	80.20	73.30	66.30	59.30	52.40	45.40	38.40	31.50	24.60	18.20	10.40
$560	$580	83.20	76.30	69.30	62.30	55.40	48.40	41.40	34.50	27.50	21.00	13.70
$580	$600	86.20	79.30	72.30	65.30	58.40	51.40	44.40	37.50	30.50	23.70	17.30
$600	$640	90.80	83.80	76.80	69.90	62.90	55.90	49.00	42.00	35.00	28.10	21.50
$640	$680	96.80	89.80	82.80	75.90	68.90	61.90	55.00	48.00	41.00	34.10	27.10
$680	$720	102.80	95.80	88.90	81.90	74.90	68.00	61.00	54.00	47.10	40.10	33.10
$720	$760	108.80	101.90	94.90	87.90	81.00	74.00	67.00	60.10	53.10	46.10	39.20
$760	$800	114.80	107.90	100.90	93.90	87.00	80.00	73.00	66.10	59.10	52.10	45.20
$800	$840	120.90	113.90	106.90	100.00	93.00	86.00	79.10	72.10	65.10	58.20	51.20
$840	$880	126.90	119.90	112.90	106.00	99.00	92.00	85.10	78.10	71.10	64.20	57.20
$880	$920	132.90	125.90	119.00	112.00	105.00	98.10	91.10	84.10	77.20	70.20	63.20
$920	$960	138.90	132.00	125.00	118.00	111.10	104.10	97.10	90.20	83.20	76.20	69.30
$960	$1,000	144.90	138.00	131.00	124.00	117.10	110.10	103.10	96.20	89.20	82.20	75.30
		15 percent of the excess over $1,000 plus										
$1,000 and over		147.90	141.00	134.00	127.00	120.10	113.10	106.10	99.20	92.20	85.20	78.30

"If the pay-roll period with respect to an employee is a daily pay-roll period or a miscellaneous pay-roll period—

And the wages divided by the number of days in such period are—		And the number of withholding exemptions claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10 or more
		The amount of tax to be withheld shall be the following amount multiplied by the number of days in such period—										
$0	$1.50	12% of wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$1.50	$1.75	$0.20	0	0	0	0	0	0	0	0	0	0
$1.75	$2.00	.20	.05	0	0	0	0	0	0	0	0	0
$2.00	$2.25	.25	.05	0	0	0	0	0	0	0	0	0
$2.25	$2.50	.30	.10	0	0	0	0	0	0	0	0	0
$2.50	$2.75	.30	.15	0	0	0	0	0	0	0	0	0
$2.75	$3.00	.35	.15	0	0	0	0	0	0	0	0	0
$3.00	$3.25	.40	.20	0	0	0	0	0	0	0	0	0
$3.25	$3.50	.40	.20	.05	0	0	0	0	0	0	0	0
$3.50	$3.75	.45	.25	.05	0	0	0	0	0	0	0	0
$3.75	$4.00	.50	.30	.10	0	0	0	0	0	0	0	0
$4.00	$4.25	.55	.30	.15	0	0	0	0	0	0	0	0
$4.25	$4.50	.60	.35	.15	0	0	0	0	0	0	0	0
$4.50	$4.75	.65	.35	.20	0	0	0	0	0	0	0	0
$4.75	$5.00	.65	.40	.20	.05	0	0	0	0	0	0	0
$5.00	$5.25	.70	.45	.25	.05	0	0	0	0	0	0	0
$5.25	$5.50	.75	.50	.30	.10	0	0	0	0	0	0	0
$5.50	$5.75	.75	.55	.30	.15	0	0	0	0	0	0	0
$5.75	$6.00	.80	.60	.35	.15	0	0	0	0	0	0	0
$6.00	$6.25	.85	.65	.35	.20	0	0	0	0	0	0	0
$6.25	$6.50	.90	.65	.40	.20	.05	0	0	0	0	0	0
$6.50	$6.75	.90	.70	.45	.25	.05	0	0	0	0	0	0
$6.75	$7.00	.95	.75	.50	.30	.10	0	0	0	0	0	0
$7.00	$7.25	1.00	.75	.55	.30	.10	0	0	0	0	0	0
$7.25	$7.50	1.05	.80	.60	.35	.15	0	0	0	0	0	0
$7.50	$7.75	1.05	.85	.65	.35	.20	0	0	0	0	0	0
$7.75	$8.00	1.10	.85	.65	.40	.20	.05	0	0	0	0	0
$8.00	$8.25	1.15	.90	.70	.45	.25	.05	0	0	0	0	0
$8.25	$8.50	1.20	.95	.75	.50	.25	.10	0	0	0	0	0
$8.50	$8.75	1.20	1.00	.75	.55	.30	.10	0	0	0	0	0
$8.75	$9.00	1.25	1.00	.80	.60	.35	.15	0	0	0	0	0
$9.00	$9.25	1.30	1.05	.85	.60	.35	.20	0	0	0	0	0
$9.25	$9.50	1.35	1.10	.85	.65	.40	.20	.05	0	0	0	0
$9.50	$9.75	1.35	1.15	.90	.70	.45	.25	.05	0	0	0	0
$9.75	$10.00	1.40	1.15	.95	.75	.50	.25	.10	0	0	0	0
$10.00	$10.50	1.45	1.25	1.00	.80	.55	.30	.15	0	0	0	0
$10.50	$11.00	1.55	1.30	1.10	.85	.65	.40	.20	0	0	0	0
$11.00	$11.50	1.60	1.40	1.15	.90	.70	.45	.25	.05	0	0	0
$11.50	$12.00	1.70	1.45	1.25	1.00	.75	.55	.30	.15	0	0	0
$12.00	$12.50	1.75	1.55	1.30	1.05	.85	.65	.40	.20	0	0	0
$12.50	$13.00	1.85	1.60	1.40	1.15	.90	.70	.45	.25	.05	0	0
$13.00	$13.50	1.90	1.70	1.45	1.20	1.00	.75	.55	.30	.15	0	0
$13.50	$14.00	2.00	1.75	1.55	1.30	1.05	.85	.65	.35	.20	0	0
$14.00	$14.50	2.05	1.85	1.60	1.35	1.15	.90	.70	.45	.25	.05	0
$14.50	$15.00	2.15	1.90	1.70	1.45	1.20	1.00	.75	.55	.30	.15	0
$15.00	$15.50	2.20	2.00	1.75	1.50	1.30	1.05	.85	.65	.35	.20	0
$15.50	$16.00	2.30	2.05	1.85	1.60	1.35	1.15	.90	.70	.45	.25	.05
$16.00	$16.50	2.35	2.15	1.90	1.65	1.45	1.20	1.00	.75	.55	.30	.10
$16.50	$17.00	2.45	2.20	2.00	1.75	1.50	1.30	1.05	.85	.65	.35	.20
$17.00	$17.50	2.50	2.30	2.05	1.80	1.60	1.35	1.15	.90	.70	.45	.25
$17.50	$18.00	2.60	2.35	2.15	1.90	1.65	1.45	1.20	1.00	.75	.55	.30
$18.00	$18.50	2.65	2.45	2.20	2.00	1.75	1.50	1.30	1.05	.85	.60	.35
$18.50	$19.00	2.75	2.50	2.30	2.05	1.80	1.60	1.35	1.15	.90	.70	.45
$19.00	$19.50	2.80	2.60	2.35	2.15	1.90	1.65	1.45	1.20	1.00	.75	.55
$19.50	$20.00	2.90	2.65	2.45	2.20	1.95	1.75	1.50	1.30	1.05	.85	.60
$20.00	$21.00	3.00	2.75	2.55	2.30	2.10	1.85	1.65	1.40	1.15	.95	.70
$21.00	$22.00	3.15	2.90	2.70	2.45	2.25	2.00	1.80	1.55	1.30	1.10	.85
$22.00	$23.00	3.30	3.05	2.85	2.60	2.40	2.15	1.95	1.70	1.45	1.25	1.00
$23.00	$24.00	3.45	3.20	3.00	2.75	2.55	2.30	2.10	1.85	1.60	1.40	1.15
$24.00	$25.00	3.60	3.35	3.15	2.90	2.70	2.45	2.25	2.00	1.75	1.55	1.30
$25.00	$26.00	3.75	3.50	3.30	3.05	2.85	2.60	2.40	2.15	1.90	1.70	1.45
$26.00	$27.00	3.90	3.70	3.45	3.20	3.00	2.75	2.55	2.30	2.05	1.85	1.60
$27.00	$28.00	4.05	3.85	3.60	3.35	3.15	2.90	2.70	2.45	2.20	2.00	1.75
$28.00	$29.00	4.20	4.00	3.75	3.50	3.30	3.05	2.85	2.60	2.35	2.15	1.90
$29.00	$30.00	4.35	4.15	3.90	3.65	3.45	3.20	3.00	2.75	2.50	2.30	2.05
		15 percent of the excess over $30 plus										
$30.00 and over		4.45	4.20	3.95	3.75	3.50	3.30	3.05	2.85	2.60	2.35	2.15"

(c Effective date: The amendments made by this section shall be applicable only with respect to wages paid on or after June 1, 1947.

SEC. 6. Fiscal-Year Taxpayers.

(a) Income taxes: Section 108 of the Internal Revenue Code is hereby amended by striking out "(d)" at the beginning of subsection (d) and inserting in lieu thereof "(e)," and by inserting after subsection (c) the following:

"(d) Taxable years of individuals beginning in 1946 and ending in 1947: In the case of a taxable year of an individual beginning in 1946 and ending in 1947, the tax imposed by sections 11, 12, and 400 shall be an amount equal to the sum of—

"(1) that portion of a tentative tax, computed as if the law applicable to taxable years beginning on January 1, 1946, were applicable to such taxable year, which the number of days in such taxable year prior to January 1, 1947, bears to the total number of days in such taxable year, plus

"(2) that portion of a tentative tax, computed as if the law applicable to taxable years beginning on January 1, 1947, were applicable to such taxable year, which the number of days in such taxable year after December 31, 1946, bears to the total number of days in such taxable year."

Mr. KNUTSON (interrupting the reading of the committee amendment). Mr. Chairman, there has been a general understanding that we would vote at 2 o'clock, for the convenience of a great many Members who have expressed the wish to leave for their homes this evening. I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. FORAND. Reserving the right to object, Mr. Chairman, it may be all right to dispense with the reading of it, but I would like to have a full explanation of the Martin amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. FORAND. I object, Mr. Chairman.

Mr. KNUTSON. If the gentleman is going to object, we will have to read the bill, and he will have to take the responsibility.

Mr. FORAND. If the gentleman cannot give us an explanation of the amendment, I will have to object.

Mr. HALLECK. Mr. Chairman, reserving the right to object, I understand

there will be 5 minutes on the committee amendment which can be used for the explanation of the committee amendment, and then 5 minutes against it.

Mr. FORAND. I do not think you can explain it, but under those considerations I will withdraw my objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. Is there anyone who wishes recognition in support of the amendment? If not, the question is on the committee amendment.

The committee amendment was agreed to.

Mr. FORAND. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FORAND. Is that the explanation that was promised to us by the gentlemen on the other side?

The CHAIRMAN. That is not a parliamentary inquiry.

Mr. FORAND. That is very nice, may I say to the gentleman from Indiana. I appreciate that. The Chairman did not recognize anyone to speak on the amendment.

The CHAIRMAN. The Chair invited someone to rise, and no one rose.

Mr. HALLECK. I did not so understand it, and am in good faith about it. Certainly, I may say to the gentleman from Rhode Island, I think the Chair should recognize some member of the committee to discuss the amendment and answer any questions that may be raised about it, and certainly anyone in opposition to the amendment is entitled to be recognized for 5 minutes in order that he may state his views in respect to it.

Mr. JENKINS of Ohio. Mr. Chairman, if the gentleman will yield, I might say that the Martin amendment is all one amendment, and that is what we have been talking about.

Mr. McCORMACK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. My point of order is that the amendment has apparently been adopted and, as I see it, there has to be unanimous consent to have the action vacated in order that further proceedings may be had.

The CHAIRMAN. The gentleman is correct. The amendment was agreed to.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the proceedings by which the amendment was adopted be vacated so that we can go along in an orderly way.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The Chair will again invite anyone who desires to do so to speak on the committee amendment.

Mr. FORAND. Mr. Chairman, I still request that explanation that is going to come from the other side. If they do not explain it we will have to assume that they do not understand it themselves.

Mr. REED of New York. Mr. Chairman, I rise in support of the committee amendment.

What the gentleman refers to is the exemption? It is so clear in the committee report that I fail to see how there can be any question about it.

Mr. FORAND. If it is so clear, I wish the gentleman would explain it to those of us who are so dense that we cannot understand it.

Mr. REED of New York. I am sorry for the gentleman if he cannot understand it.

Mr. McCORMACK. May I suggest that somebody on the gentleman's side make an explanation of the amendment, in accordance with the understanding, which through a misunderstanding was not carried out?

Mr. KNUTSON. In short, the Martin amendment merely provides that one cannot take more than one deduction. He can take his choice of exemptions.

Mr. REED of New York. The Martin amendment is just to prevent a pyramiding of deductions, that is all. The taxpayer can take his choice of exemptions.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Nebraska.

Mr. CURTIS. I do not think there is any amendment that can be singled out as the Martin amendment, because all the committee amendments were adopted as one amendment. There is a provision in the bill that gives an additional personal exemption of $500 to individuals over 65. That was put in there to meet a number of problems. Some people draw retirement benefits and are exempt from tax thereon. Some people draw retirement benefits that are taxable. Others of our aged people draw no retirement at all, and they must pay taxes, and they must also pay taxes for their neighbor who is tax exempt. To meet that situation and to take care of those people who are advanced in years, and whose opportunities for continued employment and new jobs are not very good, we have given this additional exemption.

The Martin amendment says in effect that if they avail themselves of this additional $500 exemption they cannot take any special exemption which is provided in certain retirement laws. For instance, railroad retirement benefits are exempt from taxation. We require the individual over 65 who is drawing those benefits to choose between that particular benefit and this $500 benefit. He cannot have both. The essence of the Martin amendment is that he is not entitled to both.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 5 minutes so some of us can ask a question or two on this important amendment.

Mr. HALLECK. I object, Mr. Chairman.

Mr. REED of New York. I will say to the gentleman that the reason I was absolutely astonished that the question should come from such a highly intelligent source as it did was the fact that this is explained fully in the committee report.

Mr. McCORMACK. Mr. Chairman, the gentleman's time expired, a request was made for an extension of time, and objection was heard.

Mr. EBERHARTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am opposed to the Martin amendment. I am opposed to the amendment which would grant a special exemption to people who are 65 years of age for no other reason than the fact that they are 65 years of age.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I am glad to yield to the gentleman.

Mr. MONRONEY. I asked the distinguished gentleman from New York [Mr. REED] to yield for a question since he was one of the proponents of that measure. As I understand it, any Member of Congress over 65 years of age under this amendment now gets an additional $500 exemption.

Mr. EBERHARTER. That is correct.

Mr. MONRONEY. And the average age of the Congress is virtually 65?

Mr. EBERHARTER. The general public throughout the country knows the salaries of each Member of Congress. The salary is the same for every one of the 435 Members. But this amendment of Mr. KNUTSON'S gives some Members of the Congress a $500 exemption for no reason at all but that they are lucky enough to stay in Congress until they are 65 years of age. There is no sense in any such proposal.

Mr. Chairman, there is another very important complication in this amendment. It allows an exemption for the wife and the husband both of $500, providing each is 65 years of age and also providing that each one has an income of more than $500. Suppose the wife has an income of $499. Then, she does not get the $500 exemption. If she has an income of $501, she gets the exemption of $500. In other words, if you add even $2 to a $499 income to bring it up over the $500 mark you get an exemption of $500. Thus you can reduce your tax $66.50 by adding $2 additional income.

Mr. DINGELL. That is, on each $500.

Mr. EBERHARTER. The Bureau of Internal Revenue is going to be faced with a new problem—the problem of these people who may overstate their income so as to get the benefit of this $500 exemption. Goodness knows the Bureau of Internal Revenue has plenty of problems with people understating their returns, but with this amendment there will be thousands upon thousands of people who can overstate their returns by a few dollars—perhaps $50 or $100 or $10 or $1—and thereby gain an additional reduction in the tax of $66.50.

I want to bring that to the attention of the Members of the House so that they will know how deeply the majority committee members went into this question after they got their instructions from the caucus which was held by the Republican Party. Many of the gentlemen of the majority will hope that the next time they are called together in a caucus they will not be bound by the

Republican leaders to vote for any measure until it is properly explained to them and until it has been debated on the floor of the House so that they can know something about it.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. FORAND. Is it not a fact that when this amendment was brought up in committee the legislative counsel informed the chairman—that was on a Friday—that they could not possibly get this amendment because it was so complicated?

Mr. EBERHARTER. That is absolutely correct. The amendment was not drawn in proper form.

Mr. FORAND. We did not even see it.

Mr. EBERHARTER. The amendment was not drawn in proper form at the time it was voted into the bill, and the suggestion was made that we could meet again and consider it. But, of course, they were in a hurry and their plans were already made.

The CHAIRMAN. The question is on the committee amendment.

Mr. CURTIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CURTIS. Is it not true that the committee amendment includes the amendment for an additional reduction of 30 percent in the income bracket of $1,000 surtax?

The CHAIRMAN. The gentleman does not propound a parliamentary inquiry.

The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. HALLECK and Mr. EBERHARTER) there were—ayes 196, noes 133.

So the amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CASE of South Dakota, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 1) to reduce individual income-tax payments, pursuant to House Resolution 161, he reported the bill back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

Mr. MARCANTONIO. Mr. Speaker, I ask for the reading of the engrossed copy of the bill.

The SPEAKER. The request of the gentleman from New York is premature.

The question is on the engrossment and third reading of the bill.

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

Mr. MARCANTONIO. Mr. Speaker, I demand a reading of the engrossed copy of the bill.

The SPEAKER. Obviously, that cannot be done at this time. The bill will have to be laid aside temporarily until it can be engrossed. We hope to have it before 6 o'clock.

Mr. MARCANTONIO. Mr. Speaker, in view of the situation with respect to some of the Members who wish to get home, I withdraw my request.

The bill was read the third time.

The SPEAKER. The question is upon the passage of the bill.

Mr. DOUGHTON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DOUGHTON. I certainly am.

The SPEAKER. The gentleman qualifies.

The Clerk read as follows:

Mr. DOUGHTON moves to recommit the bill H. R. 1 to the Committee on Ways and Means for further study, with instructions not to report a tax-reduction bill until the Congress has passed the several appropriation bills and to consider individual income-tax reduction as a part of our over-all postwar tax program, and providing for more equitable relief in the lower income brackets.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. DOUGHTON. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 172, nays 237, not voting 23, as follows:

[Roll No. 29]

YEAS—172

Abernethy	Elliott	Lea
Albert	Engel, Mich.	Lesinski
Allen, La.	Engle, Calif.	Lucas
Almond	Evins	Lusk
Andersen, H. Carl	Fallon	Lyle
Andrews, Ala.	Fernandez	Lynch
Barden	Fisher	McCormack
Bates, Ky.	Flannagan	McMillan, S. C.
Battle	Fogarty	Madden
Beckworth	Folger	Mahon
Bell	Forand	Manasco
Blatnik	Gary	Mansfield, Mont.
Bloom	Gathings	Mansfield, Tex.
Boggs, La.	Gordon	Marcantonio
Bonner	Gore	Meade, Md.
Brooks	Gorski	Miller, Calif.
Brown, Ga.	Gossett	Mills
Bryson	Granger	Monroney
Buchanan	Grant, Ala.	Morgan
Buckley	Gregory	Morris
Burleson	Hardy	Morrison
Byrne, N. Y.	Harless, Ariz.	Murdock
Camp	Harris	Murray, Tenn
Carroll	Harrison	Norrell
Celler	Hart	Norton
Chapman	Havenner	O'Brien
Chelf	Hays	O'Toole
Clark	Hébert	Pace
Clements	Hedrick	Patman
Colmer	Heffernan	Peden
Combs	Hendricks	Peterson
Cooley	Hobbs	Pfeifer
Cooper	Hollifield	Pickett
Courtney	Huber	Poage
Cox	Jackson, Wash.	Powell
Cravens	Jarman	Preston
Crosser	Johnson, Okla.	Price, Fla.
D'Alesandro	Jones, Ala.	Price, Ill.
Davis, Ga.	Jones, N. C.	Priest
Deane	Karsten, Mo.	Rabin
Dingell	Kee	Rains
Domengeaux	Kefauver	Rankin
Donohue	Kelley	Rayburn
Dorn	Kerr	Rayfiel
Doughton	King	Redden
Drewry	Kirwan	Richards
Durham	Klein	Riley
Eberharter	Lane	Rogers, Fla.
	Lanham	

Rooney	Spence	Wheeler
Sabath	Stanley	Whitten
Sadowski	Stigler	Whittington
Sasscer	Teague	Williams
Sheppard	Thomas, Tex.	Wilson, Tex.
Sikes	Thomason	Winstead
Smathers	Trimble	Wood
Smith, Va.	Walter	Worley
Somers	West	Zimmerman

NAYS—237

Allen, Calif.	Graham	Muhlenberg
Allen, Ill.	Grant, Ind.	Murray, Wis.
Anderson, Calif.	Griffiths	Nixon
Andresen, August H.	Gross	Nodar
Andrews, N. Y.	Gwinn, N. Y.	Norblad
Angell	Gwynne, Iowa	Norman
Arends	Hagen	O'Hara
Arnold	Hale	Owens
Auchincloss	Hall, Edwin Arthur	Passman
Bakewell	Hall, Leonard W.	Patterson
Banta	Halleck	Philbin
Bates, Mass.	Hand	Phillips, Calif.
Beall	Harness, Ind.	Phillips, Tenn.
Bender	Hartley	Ploeser
Bennett, Mich.	Herter	Plumley
Bennett, Mo.	Heselton	Potts
Bishop	Hess	Poulson
Blackney	Hill	Ramey
Boggs, Del.	Hinshaw	Reed, Ill.
Bolton	Hoeven	Reed, N. Y.
Boykin	Hoffman	Rees
Bradley, Calif.	Holmes	Reeves
Bramblett	Hope	Rich
Brehm	Horan	Richlman
Brophy	Howell	Rizley
Brown, Ohio	Jackson, Calif.	Robertson
Buck	Javits	Robsion
Buffett	Jenison	Rockwell
Burke	Jenkins, Ohio	Rogers, Mass.
Busbey	Jenkins, Pa.	Rohrbough
Butler	Jennings	Ross
Byrnes, Wis.	Jensen	Russell
Canfield	Johnson, Calif.	Sadlak
Carson	Johnson, Ill.	St. George
Case, N. J.	Johnson, Ind.	Sanborn
Case, S. Dak.	Jones, Ohio	Sarbacher
Chadwick	Jones, Wash.	Schwabe, Mo.
Chenoweth	Jonkman	Schwabe, Okla.
Chiperfield	Judd	Scoblick
Church	Kean	Scott, Hardie
Clason	Kearney	Scott, Hugh D., Jr.
Clevenger	Kearns	Scrivner
Clippinger	Keating	Seely-Brown
Coffin	Keefe	Shafer
Cole, Kans.	Kersten, Wis.	Short
Cole, Mo.	Kilburn	Simpson, Ill.
Cole, N. Y.	Knutson	Smith, Kans.
Corbett	Kunkel	Smith, Maine
Cotton	Landis	Smith, Ohio
Coudert	Larcade	Smith, Wis.
Crawford	Latham	Snyder
Crow	LeCompte	Springer
Cunningham	LeFevre	Stefan
Curtis	Lemke	Stevenson
Dague	Lewis	Stockman
Dawson, Utah	Lodge	Stratton
Devitt	Love	Sundstrom
D'Ewart	McConnell	Taber
Dirksen	McCowen	Taile
Dolliver	McDonough	Taylor
Dondero	McDowell	Thomas, N. J.
Eaton	McGarvey	Tibbott
Ellis	McGregor	Tollefson
Ellsworth	McMahon	Towe
Elsaesser	McMillen, Ill.	Twyman
Elston	MacKinnon	Vail
Fellows	Macy	Van Zandt
Fenton	Maloney	Vorys
Fletcher	Martin, Iowa	Vursell
Foote	Mason	Wadsworth
Fulton	Mathews	Weichel
Gallagher	Meade, Ky.	Welch
Gamble	Merrow	Wigglesworth
Gavin	Meyer	Wilson, Ind.
Gearhart	Michener	Wolcott
Gifford	Miller, Conn.	Wolverton
Gillette	Miller, Md.	Woodruff
Gillie	Miller, Nebr.	Youngblood
Goff	Mitchell	
Goodwin		

NOT VOTING—23

Barrett	Douglas	Kilday
Bland	Feighan	Morton
Bradley, Mich.	Fuller	Mundt
Bulwinkle	Gerlach	O'Konski
Cannon	Hull	Rivers
Davis, Tenn.	Johnson, Tex.	Simpson, Pa.
Dawson, Ill.	Kennedy	Vinson
Delaney	Keogh	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Feighan for, with Mr. Simpson of Pennsylvania against.

Mr. Vinson for, with Mr. Gerlach against.

Mr. Keogh for, with Mr. Barrett against.

Mr. Delaney for, with Mr. Fuller against.

Mr. Bland for, with Mr. Bradley of Michigan against.

Mr. Hull for, with Mr. Morton against.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The question is on the passage of the bill.

Mr. KNUTSON. On that, Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 273, nays 137, not voting 22, as follows:

[Roll No. 30]

YEAS—273

Allen, Calif.	Ellis	Keefe
Allen, Ill.	Ellsworth	Kersten, Wis.
Allen, La.	Elsaesser	Kilburn
Anderson, Calif.	Elston	Knutson
Andresen, August H.	Engle, Calif.	Kunkel
Andrews, N. Y.	Fallon	Landis
Angell	Fellows	Larcade
Arends	Fenton	Latham
Arnold	Fisher	Lea
Auchincloss	Fletcher	LeCompte
Bakewell	Foote	LeFevre
Banta	Fulton	Lemke
Bates, Mass.	Gallagher	Lewis
Beall	Gamble	Lodge
Bender	Gathings	Love
Bennett, Mich.	Gavin	Lucas
Bennett, Mo.	Gearhart	McConnell
Bishop	Gifford	McCowen
Blackney	Gillette	McDonough
Boggs, Del.	Gillie	McDowell
Bolton	Goff	McGarvey
Boykin	Goodwin	McGregor
Bradley, Calif.	Graham	McMahon
Bramblett	Grant, Ind.	McMillan, S. C.
Brehm	Griffiths	McMillen, Ill.
Brooks	Gross	MacKinnon
Brophy	Gwinn, N. Y.	Macy
Brown, Ohio	Gwynne, Iowa	Maloney
Buck	Hagen	Mansfield, Tex.
Burke	Hale	Martin, Iowa
Busbey	Hall, Edwin Arthur	Mason
Butler	Hall, Leonard W.	Mathews
Byrnes, Wis.	Halleck	Meade, Ky.
Canfield	Hand	Meade, Md.
Carson	Harness, Ind.	Merrow
Case, N. J.	Hart	Meyer
Case, S. Dak.	Hartley	Michener
Chadwick	Hébert	Miller, Conn.
Chenoweth	Hedrick	Miller, Md.
Chiperfield	Hendricks	Miller, Nebr.
Church	Herter	Mitchell
Clason	Heselton	Morrison
Clevenger	Hess	Muhlenberg
Clippinger	Hill	Mundt
Coffin	Hinshaw	Murray, Wis.
Cole, Kans.	Hoeven	Nixon
Cole, Mo.	Hoffman	Nodar
Cole, N. Y.	Holmes	Norblad
Corbett	Hope	Norman
Cotton	Horan	Norrell
Coudert	Howell	O'Hara
Cox	Jackson, Calif.	O'Toole
Crawford	Javits	Owens
Crow	Jenison	Passman
Cunningham	Jenkins, Ohio	Patterson
Curtis	Jenkins, Pa.	Peterson
Dague	Jennings	Philbin
D'Alesandro	Jensen	Phillips, Calif.
Davis, Ga.	Johnson, Calif.	Phillips, Tenn.
Dawson, Utah	Johnson, Ill.	Ploeser
Devitt	Johnson, Ind.	Plumley
D'Ewart	Jones, Ohio	Potts
Dirksen	Jones, Wash.	Poulson
Dolliver	Jonkman	Preston
Domengeaux	Judd	Price, Fla.
Dondero	Kean	Ramey
Donohue	Kearney	Rankin
Dorn	Kearns	Redden
Eaton	Keating	Reed, Ill.
Elliott	Keefe	Reed, N. Y.
Ellsworth	Kersten, Wis.	Rees
Elsaesser	Kilburn	Reeves
Elston	Knutson	Rich
Engle, Calif.	Kunkel	Riehlman
Fallon	Landis	Rizley
Fellows	Larcade	Robertson
Fenton	Latham	Robsion
Fisher	Lea	Rockwell
Fletcher	LeCompte	Rogers, Fla.
Foote	LeFevre	Rogers, Mass.
Fulton	Lemke	Rohrbough
Gallagher	Lewis	Ross
Gamble	Lodge	Russell
Gathings	Love	Sadlak
Gavin	Lucas	St. George
Gearhart	McConnell	Sanborn
Gifford	McCowen	Sarbacher
Gillette	McDonough	Schwabe, Mo.
Gillie	McDowell	Schwabe, Okla.
Goff	McGarvey	Scoblick
Goodwin	McGregor	Scott, Hardie
Graham	McMahon	Scott, Hugh D., Jr.
Grant, Ind.	McMillan, S. C.	Scrivner
Griffiths	McMillen, Ill.	Seely-Brown
Gross	MacKinnon	Shafer
Gwinn, N. Y.	Macy	Short
Gwynne, Iowa	Maloney	Simpson, Ill.
Hagen	Mansfield, Tex.	Smith, Kans.
Hale	Martin, Iowa	Smith, Maine
Hall, Edwin Arthur	Mason	Smith, Ohio
Hall, Leonard W.	Mathews	Smith, Wis.
Halleck	Meade, Ky.	Snyder
Hand	Meade, Md.	Springer
Harness, Ind.	Merrow	Stefan
Hart	Meyer	Stevenson
Hartley	Michener	Stockman
Hébert	Miller, Conn.	Stratton
Hedrick	Miller, Md.	Sundstrom
Hendricks	Miller, Nebr.	Taber
Herter	Mitchell	Talle
Heselton	Morrison	Taylor
Hess	Muhlenberg	Thomas, N. J.
Hill	Mundt	Thomas, Tex.
Hinshaw	Murray, Wis.	Tibbott
Hoeven	Nixon	Tollefson
Hoffman	Nodar	Towe
Holmes	Norblad	Twyman
Hope	Norman	Vail
Horan	Norrell	Van Zandt
Howell	O'Hara	Vorys
Jackson, Calif.	O'Toole	Vursell
Javits	Owens	Wadsworth
Jenison	Passman	Weichel
Jenkins, Ohio	Patterson	Welch
Jenkins, Pa.	Peterson	West
Jennings	Philbin	Whittington
Jensen	Phillips, Calif.	Wigglesworth
Johnson, Calif.	Phillips, Tenn.	Wilson, Ind.
Johnson, Ill.	Ploeser	Wilson, Tex.
Johnson, Ind.	Plumley	Wolcott
Jones, Ohio	Potts	Wolverton
Jones, Wash.	Poulson	Wood
Jonkman	Preston	Woodruff
Judd	Price, Fla.	Youngblood
Kean	Ramey	
Kearney	Rankin	
Kearns	Redden	
Keating	Reed, Ill.	
Keefe	Reed, N. Y.	
Kersten, Wis.	Rees	
Kilburn	Reeves	
Knutson	Rich	
Kunkel	Riehlman	
Landis	Rizley	
Larcade	Robertson	
Latham	Robsion	
Lea	Rockwell	
LeCompte	Rogers, Fla.	
LeFevre	Rogers, Mass.	
Lemke	Rohrbough	
Lewis	Ross	
Lodge	Russell	
Love	Sadlak	
Lucas	St. George	
McConnell	Sanborn	
McCowen	Sarbacher	
McDonough	Schwabe, Mo.	
McDowell	Schwabe, Okla.	
McGarvey	Scoblick	
McGregor	Scott, Hardie	
McMahon	Scott, Hugh D., Jr.	
McMillan, S. C.	Scrivner	
McMillen, Ill.	Seely-Brown	
MacKinnon	Shafer	
Macy	Short	
Maloney	Simpson, Ill.	
Mansfield, Tex.	Smith, Kans.	
Martin, Iowa	Smith, Maine	
Mason	Smith, Ohio	
Mathews	Smith, Wis.	
Meade, Ky.	Snyder	
Meade, Md.	Springer	
Merrow	Stefan	
Meyer	Stevenson	
Michener	Stockman	
Miller, Conn.	Stratton	
Miller, Md.	Sundstrom	
Miller, Nebr.	Taber	
Mitchell	Talle	
Morrison	Taylor	
Muhlenberg	Thomas, N. J.	
Mundt	Thomas, Tex.	
Murray, Wis.	Tibbott	
Nixon	Tollefson	
Nodar	Towe	
Norblad	Twyman	
Norman	Vail	
Norrell	Van Zandt	
O'Hara	Vorys	
O'Toole	Vursell	
Owens	Wadsworth	
Passman	Weichel	
Patterson	Welch	
Peterson	West	
Philbin	Whittington	
Phillips, Calif.	Wigglesworth	
Phillips, Tenn.	Wilson, Ind.	
Ploeser	Wilson, Tex.	
Plumley	Wolcott	
Potts	Wolverton	
Poulson	Wood	
Preston	Woodruff	
Price, Fla.	Youngblood	
Ramey		
Rankin		
Redden		
Reed, Ill.		
Reed, N. Y.		
Rees		
Reeves		
Rich		
Riehlman		
Rizley		
Robertson		
Robsion		
Rockwell		
Rogers, Fla.		
Rogers, Mass.		
Rohrbough		
Ross		
Russell		
Sadlak		
St. George		
Sanborn		
Sarbacher		
Schwabe, Mo.		
Schwabe, Okla.		
Scoblick		
Scott, Hardie		
Scott, Hugh D., Jr.		
Scrivner		
Seely-Brown		
Shafer		
Short		
Simpson, Ill.		
Smith, Kans.		
Smith, Maine		
Smith, Ohio		
Smith, Wis.		
Snyder		
Springer		
Stefan		
Stevenson		
Stockman		
Stratton		
Sundstrom		
Taber		
Talle		
Taylor		
Thomas, N. J.		
Thomas, Tex.		
Tibbott		
Tollefson		
Towe		
Twyman		
Vail		
Van Zandt		
Vorys		
Vursell		
Wadsworth		
Weichel		
Welch		
West		
Whittington		
Wigglesworth		
Wilson, Ind.		
Wilson, Tex.		
Wolcott		
Wolverton		
Wood		
Woodruff		
Youngblood		

NAYS—137

Abernethy	Folger	Mills
Albert	Forand	Monroney
Almond	Gary	Morgan
Andersen, H. Carl	Gordon	Morris
Andrews, Ala.	Gore	Murdock
Barden	Gorski	Murray, Tenn.
Bates, Ky.	Gossett	Norton
Battle	Granger	O'Brien
Beckworth	Grant, Ala.	Pace
Bell	Gregory	Patman
Blatnik	Hardy	Peden
Bloom	Harless, Ariz.	Pfeifer
Boggs, La.	Harris	Pickett
Bonner	Harrison	Poage
Brown, Ga.	Havenner	Powell
Bryson	Hays	Price, Ill.
Buchanan	Heffernan	Priest
Buckley	Hobbs	Rabin
Buffett	Holifield	Rains
Burleson	Huber	Rayburn
Byrne, N. Y.	Jackson, Wash.	Rayfiel
Camp	Jarman	Richards
Carroll	Johnson, Okla.	Riley
Celler	Jones, Ala.	Rooney
Chapman	Jones, N. C.	Sabath
Chelf	Karsten, Mo.	Sadowski
Clark	Kee	Sasscer
Clements	Kefauver	Sheppard
Colmer	Kelley	Sikes
Combs	Kerr	Smathers
Cooley	King	Smith, Va.
Cooper	Kirwan	Somers
Courtney	Klein	Spence
Cravens	Lane	Stanley
Crosser	Lanham	Stigler
Deane	Lesinski	Teague
Dingell	Lusk	Thomason
Doughton	Lyle	Trimble
Drewry	Lynch	Walter
Durham	McCormack	Wheeler
Eberharter	Madden	Whitten
Engel, Mich.	Mahon	Williams
Evins	Manasco	Winstead
Fernandez	Mansfield, Mont.	Worley
Flannagan	Marcantonio	Zimmerman
Fogarty	Miller, Calif.	

NOT VOTING—22

Barrett	Douglas	Kilday
Bland	Feighan	Morton
Bradley, Mich.	Fuller	O'Konski
Bulwinkle	Gerlach	Rivers
Cannon	Hull	Simpson, Pa.
Davis, Tenn.	Johnson, Tex.	Vinson
Dawson, Ill.	Kennedy	
Delaney	Keogh	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Simpson of Pennsylvania for, with Mr. Feighan against.

Mr. Gerlach for, with Mr. Vinson against.

Mr. Barrett for, with Mr. Keogh against.

Mr. Fuller for, with Mr. Delaney against.

Mr. Bradley of Michigan for, with Mr. Bland against.

Mr. Morton for, with Mr. Hull against.

Mr. EVINS changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO REVISE AND EXTEND REMARKS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their own remarks on the bill just passed by the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 931. An act to extend certain powers of the President under title III of the Second War Powers Act.

DEFICIENCY APPROPRIATIONS BILL

Mr. TABER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night to file a report on the deficiency bill.

Mr. MAHON. Mr. Speaker, I reserve all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks and include a report by Mr. Mellon, Secretary of the Treasury in the year 1925.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GEARHART asked and was given permission to extend the remarks he made in Committee of the Whole and include a statement.

Mr. SMITH of Ohio asked and was given permission to extend his remarks in the RECORD and include certain correspondence with the Secretary of the Treasury.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD in two instances and include an editorial from the Concord Monitor and the Washington Post.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD concerning organized veterans' opposition to the combining of the Army and Navy.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and in one to include an editorial and in the other an article.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include a letter from Mr. Carl H. Wilkin, economic analyst to William S. Hill, with reference to wool.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD and include a statement by the Fleet Reserve Association.

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include three commentaries

on Colonel Blanchfield, the retiring head of the Army Nurse Corps.

Mr. MURDOCK asked and was given permission to extend his remarks in the RECORD and include a telegram received today.

Mr. BECKWORTH asked and was given permission to extend his remarks in the RECORD.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. POWELL asked and was given permission to extend his remarks in the RECORD and include a letter from the Methodist Federation for Social Service.

Mr. FORAND asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include certain tables and excerpts.

Mr. ROONEY asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

OFFICE OF SELECTIVE SERVICE RECORDS

Mr. SHORT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 918) to establish an Office of Selective Service Records to liquidate the Selective Service System following the termination of its functions on March 31, 1947, and to preserve and service the selective-service records, and for other purposes.

The Clerk read the title of the bill.

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

Mr. THOMASON. Mr. Speaker, reserving the right to object, will the gentleman from Missouri explain the present status of this bill and explain its provisions.

Mr. SHORT. Mr. Speaker, under existing law the Selective Service System automatically expires next Monday at midnight, March 31, 1947. As far as I am concerned, I am perfectly willing for it to breathe its last. But it is necessary that we maintain the records and files of more than 15,000,000 men and women who served in the armed forces during the recent global conflict. This bill simply provides for the liquidation of the Selective Service System, but it establishes an Office of Selective Service Records. There is a Director who receives a salary of $10,000, and he will have authority and power to appoint and fix compensation, within certain bounds which our committee wrote into the bill this morning, to transfer those records from the local county boards or similar political subdivisions to a central State headquarters. He must liquidate the Selective Service System as rapidly following March 31 of this year as possible and not later than March 31, 1948.

Mr. THOMASON. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield.

Mr. THOMASON. As I understand, a subcommittee of the Committee on the Armed Services met this morning and now brings in different provisions than those contained in the bill reported a few days ago.

Mr. SHORT. Yes.

Mr. THOMASON. I would appreciate it, as I am sure would the other Members present, if the gentleman from Missouri would explain the bill he now proposes and the one which was reported to the House a few days ago which I understood at that time was not in agreement with the bill that was passed by the Senate.

Mr. SHORT. By direction of the Committee on Armed Services I have several amendments at the Clerk's desk.

Mr. Speaker, I ask unanimous consent that the Clerk may read these amendments at this time. If the gentleman from Texas has a copy of the bill S. 918 and follows the reading of the amendments he can note the changes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read as follows:

On page 2, line 13, strike out the parenthesis and the small letter "a" occurring immediately after the figure "4" in section 4.

On page 2, line 15, after the word "records", strike out the period and insert the word "and."

On page 2, line 16, strike out the parenthesis and the small "b" at the beginning of the line and change the capital "A" in the word "Authority" to a small "a."

Page 2, line 23, change the colon to a period and strike out the following proviso in this line and 24, and 25.

On page 4 strike out all of subsection (2) through and including lines 1 through 4 on page 5.

On page 5, in lines 5, 10, 16, and 20, change the subsections from "3, 4, 5, and 6" to "2, 3, 4, and 5" respectively.

On page 5, line 17, after the word "employees", insert a parenthesis and the words "not to exceed 1,200 in number by November 1, 1947", and insert a parenthesis after "1947."

On page 5, line 19, after the word "amended", change the semicolon to a colon and insert the words *"Provided,* That the compensation of such persons shall not be in excess of that provided in said act."

Page 7, line 7, following the word "section", add a comma and insert the following: "or any person or persons who shall unlawfully obtain, gain access to, or use such records."

Page 7, line 19, strike out the parentheses and the enclosed small letter "a" appearing after the "9" in section 9.

Beginning in line 22, page 7, strike out all of subparagraphs "b" and "c" in section 9 as appearing on pages 7 and 8.

Mr. SHORT. Mr. Speaker, if the gentleman from Texas will yield, I might state that the Selective Service System, beginning this fiscal year on July 1 last, had about 12,000 employees. That number has been reduced to 7,500 at the present time and under the provisions of this act it is to be further reduced to 5,000 by June 1, and by November 1 of this year there will be not more than 1,200.

Mr. THOMASON. Mr. Speaker, I will say in reply to the gentleman from Missouri that I find myself very much in accord with the statement the gentleman has just made. These, of course, are very valuable records and we are all interested in their preservation, but I believe the membership will appreciate it if the gentleman from Missouri will explain what persons would have access to these records, and, further, if veterans will find them easily accessible if they are sent to State headquarters in the respective States.

As I understand it, the bill that was proposed by the other body left these records in the counties where they are now situated. The gentleman by his amendment sets up State headquarters in every State. Certainly the records ought to be accessible to the veterans because they will probably have to refer to them about matters of compensation, the date of entry into the service, and many other things, for they probably have not kept individual records of this exact data that would be necessary for the making out of claims against the Government. So I think it ought to be made plain that you do propose to keep these State headquarters in the respective States and they will all be easily accessible to the veterans. They should not be accessible to other people, like creditors or curiosity seekers.

Mr. SHORT. I may say to the gentleman that section 7 of the bill protects everything of a confidential nature and anyone who unlawfully reveals or gains access to this confidential material is subject to a fine of $10,000 and 5 years' imprisonment.

Mr. THOMASON. Can the veteran inspect his own personal record?

Mr. SHORT. Yes; it will be accessible to him. If the gentleman will bear with me a minute, I may say that during the First World War we had about 4,000,000 of these records to deal with and between the First and Second World Wars we had approximately 500 employed by the Government to service these records. Of course, in the last war we have over 15,000,000, and we propose to have 1,200 employees under this bill.

Mr. THOMASON. You are setting up a Federal director here in Washington. I would like to know what his jurisdiction will be and also what the jurisdiction and authority of the State directors will be who are going to be the custodians of these records.

Mr. ANDREWS of New York. If the gentleman from Texas had been present at the committee meeting this morning he would know that we voted in favor of an amendment offered by the gentleman from Ohio to protect the very thing of which the gentleman speaks.

Mr. THOMASON. I am not in opposition to the bill, and I regret it was impossible for me to be at the meeting of the subcommittee this morning, but I think the RECORD ought to show and the membership ought to know what the changes are. I am going to ask the gentleman from Missouri to explain them.

Mr. SHORT. I tried to explain them.

Mr. THOMASON. I am satisfied.

Mr. ANDREWS of New York. The Department of Justice, the Veterans' Bureau, and any governmental agencies that enter into the picture under certain conditions have the right to see these records. It was that very thing that led to the amendment to protect the rights of the veteran in connection with reemployment or in connection with the service records of veterans in connection with State bonuses or anything in that category.

Mr. THOMASON. I think the RECORD should show what these changes are.

Mr. SHORT. Most of these State headquarters will be, I presume, at the State capital; however, in Florida, for example, the records will be kept at St.

Augustine, which has always been the seat of the State military government. In Delaware they will perhaps be kept in the vault of the fort over there instead of the State capital.

Mr. BROOKS. When will we be able to get rid of these 1,200 employees that it is proposed to use to liquidate these records?

Mr. SHORT. No one can say. That is one of the portions I objected to. Our experience in the last war was that the records were not destroyed until 1941.

Mr. BROOKS. May I ask the gentleman, and I know he can explain the situation, why do we have to maintain and service these records over a long period of time?

Mr. SHORT. We have not yet reached the peak of inquiry from veterans. The Department of Justice work will be less and less all the time because there are fewer prosecutions. The Veterans' Administration, however, finds that its work is increasing and will increase for the next 4 or 5 years. After that you will naturally have a rather gradual to steep decline.

Mr. BROOKS. I am not going to object to the bill.

Mr. SHORT. I would not care particularly if the gentleman did.

Mr. BROOKS. I want to see it enacted as quickly as possible, just as the gentleman does. May I ask the gentleman this: The Senate report indicates it will cost $20,000,000?

Mr. SHORT. For the next year.

Mr. BROOKS. To get this out of the way. During this time we are not drafting a single man. What does the gentleman think of the cost of storing these records?

Mr. SHORT. I think it is next to unpardonable. I think it is terrible, but what are you going to do about it? We have already obligated $11,000,000 to dispose of these records.

Mr. BROOKS. There are not a great many of them, are there?

Mr. SHORT. You are going to spend $5,000,000 to give these people leave after discharge if we start folding up next Monday. But that was all done under the New Deal. That was before we got control of the House.

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, a few days ago I objected to the consideration of this bill, feeling there were some things in it not clear to the membership as the bill came over from the other body, and I would like to have the gentleman from Missouri explain a few things now in the bill. I think it is a much better bill than when it came over to us. I was over to the hearing this morning when the Armed Services Committee was meeting, and I heard General Hershey's remarks relative to the bill. I would like to ask the gentleman from Missouri this: This really extends selective service until March 1948; is that correct?

Mr. SHORT. It cannot go beyond that. It is to liquidate as quickly as possible following next Monday.

Mr. MILLER of Nebraska. Of course, many of us thought a year ago, when we extended it to March 31, it was really going to end then.

Mr. SHORT. I said then on the floor, and I certainly said in committee at that time, that if we extend it until March 31, 1947, they will be back here asking for another extension, and that is what they are doing.

Mr. MILLER of Nebraska. And now we are really setting up another committee to supervise the liquidation of selective service.

Mr. SHORT. That is right; liquidate the liquidator.

Mr. MILLER of Nebraska. I think the gentleman said they did limit the number not to exceed 1,200 in employment.

Mr. SHORT. By November 1, this year, not more than 1,200 employees, and we also set a limit on the compensation or wages of these employees, an amendment offered by the gentleman from Virginia [Mr. DURHAM].

Mr. MILLER of Nebraska. The bill of 2 days ago, to which I objected, set the cost in the counties for the handling of these records. Now they are transferred to a central office?

Mr. SHORT. That is right.

Mr. MILLER of Nebraska. As to the matter of the authority of the Director of this service, is he somewhat circumscribed in his ability to issue rules and regulations or does this give him a wide-open field here in the original bill?

Mr. SHORT. He has got pretty broad authority. He necessarily must have pretty broad authority, but there are certain limitations.

Mr. MILLER of Nebraska. Does the gentleman feel that this bill we are reporting now is a better bill than we had a few days ago?

Mr. SHORT. I think it is an infinitely better bill, and I want to congratulate the gentleman from Nebraska for having objected to its consideration when it was first brought in.

Mr. MILLER of Nebraska. Well, with that compliment, I withdraw my reservation of objection.

Mr. DURHAM. Mr. Speaker, further reserving the right to object, certainly the gentleman from Missouri feels it is necessary to do something. He made the statement that we would be coming in here with a piece of legislation which would continue the operation of the Selective Service System. We have to do something with these records. Of course, I feel we are making a mistake by transferring these records to a central division. I think they ought to be left in the counties where they can be used, and used more conveniently. Most of the State capitals at the present time, and the big cities, are crowded with people, and there will be no place to keep them, and it is going to be very difficult to find storage space in fireproof buildings. At the present time most of them are safe.

Mr. SHORT. They do not necessarily have to go to the State capital. They are to go to a central record depot.

Mr. DURHAM. But you will have to move all your personnel, and we are going to have to move the records, too, of course, which would require space.

Mr. SHORT. Sure, you would have to spend a lot of money even if you burned them or destroyed them. I believe the transportation cost is around two or three million dollars.

Mr. ANDREWS of New York. Mr. Speaker, if the gentleman will yield, I would like to say that the cost of this transportation, the moving of typewriters, desks, chairs, and so forth, will be about $11,000,000.

Mr. SHORT. There is $5,000,000 of equipment, chairs, desks, typewriters, and the like which, under this act, the Director can turn over to the National Guard or the Organized Reserve or perhaps even give some to the county governments.

Mr. DURHAM. I withdraw my reservation of objection, Mr. Speaker.

Mr. ROBSION. Reserving the right to object, Mr. Speaker, there are about 15,000,000 of these records?

Mr. SHORT. Yes.

Mr. ANDREWS of New York. There are 44,000,000 records, but 15,000,000 of them refer to those who actually served.

Mr. ROBSION. Twenty million dollars sounds like a large sum of money, but if it is to take care of these 15,000,000 records that apply to those who actually served, it is a cost of $1.33 per record. I think there ought to be a central place where the records can be preserved. They might be well preserved in some counties, but in many counties they would soon be scattered.

Mr. FOLGER. Reserving the right to object, Mr. Speaker, may I ask the gentleman from Missouri if this bill goes any further than to preserve the records already made, or does it in truth extend the selective-service law?

Mr. SHORT. No. I had that impression myself, I may say to the gentleman, and I did not want to vote for any measure that would extend it. I think this really closes it. It is to fold up and to preserve these records and get them in shape.

Mr. FOLGER. Is the gentleman now satisfied that that is the case?

Mr. SHORT. I am. They have to do it not later than March 31 of next year, but the bill says as quickly as possible.

Mr. FOLGER. It does not extend the selective-service power beyond that time?

Mr. SHORT. No. The act expires on midnight next Monday.

Mr. FOLGER. I withdraw my reservation of objection, Mr. Speaker.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby established an Office of Selective Service Records, to be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $10,000 per year.

SEC. 2. The functions, duties, and responsibilities of the Office of Selective Service Records shall be (a) to liquidate the Selective Service System, which liquidation shall be completed as rapidly as possible after March 31, 1947, but in any event not later than March 31, 1948, except as herein provided; (b) to preserve and service the records of Selective Service; and (c) to perform such other duties relating to the preservation of records, knowledge, and methods of Selective Service, not inconsistent with law.

SEC. 3. The unexpended balances of funds available to the Selective Service System are hereby made available to the Office of Selective Service Records for the purposes of this act and such additional appropriations as are necessary therefor are hereby authorized.

SEC. 4. (a) All property, records, and personnel of the Selective Service System are hereby transferred to the Office of Selective Service Records.

(b) Authority is hereby granted to the Director of the Office of Selective Service Records to transfer, without reimbursement, and with the approval of the War Assets Administration, to the National Guard in the several States, the District of Columbia, and Territories and possessions of the United States, or to the Organized Reserves of the armed forces, surplus property of the Selective Service System: *Provided*, That no surplus property will be so transferred by the Director of the Office of Selective Service Records prior to July 1, 1947.

SEC. 5. (a) Pursuant to the third sentence of section 7 of Public Law 473, approved June 29, 1946, all functions and responsibilities of the Personnel Division, National Headquarters, Selective Service System, established under authority of section 8 (g) of the Selective Training and Service Act of 1940, as amended, together with so much of the records of the Selective Service System, and so much of the unexpended balances of appropriations of the Selective Service System, as the Director of the Bureau of the Budget may determine to relate primarily to such functions, are hereby transferred, effective March 29, 1947, from the Selective Service System to the Secretary of Labor.

(b) The second sentence of section 600 (a) of Public Law 346, approved June 22, 1944, is hereby amended by substituting the words "Director of the Office of Selective Service Records" for the words "Director of the National Selective Service System."

(c) Section 600 (c) of Public Law 346, approved June 22, 1944, is hereby amended by substituting the words "Office of Selective Service Records" for the words "Veterans' Personnel Division, National Selective Service System."

SEC. 6. (a) The Director is authorized—

(1) to prescribe the necessary rules and regulations to carry out the provisions of this act;

(2) to create and establish local record depots in the several States, the District of Columbia, Territories and possessions of the United States, and such other agencies as may be necessary to carry out the provisions of this act. There shall be created one or more local record depots in each county or political subdivision corresponding thereto of each State, the District of Columbia, Territories, and possessions of the United States. Each local record depot shall be under the administration of a local board, consisting of the members of the present Selective Service local boards, and shall consist of three or more members. Any vacancy on such board shall be filled by the Director upon recommendation of the Governors or comparable executive officials: *Provided*, That the Director may establish intercounty local record depots for an area not exceeding five counties within a State or comparable jurisdiction when the Director determines, after considering the public interest involved, and the recommendations of the Governors or comparable executive official or officials, that the establishment of such a local record depot area will result in a more efficient and economical operation. One member from each of the appointed county local boards involved in such intercounty local record depot area shall form such board, and shall have the same authority and jurisdiction as a local board in its area;

(3) to create and establish, on the date hereinafter specified, Federal record depots in the several States, the District of Columbia, Territories, and possesions of the United States, and to maintain such other offices as may be necessary for the purposes of this act;

(4) to utilize the agencies of the Federal Government with the consent of the heads thereof, and to accept the services of all officers and agents of the several States, the District of Columbia, Territories, and possessions of the United States, and subdivisions thereof, in the execution of this act;

(5) to appoint and fix the compensation of such officers and employees, as may be necessary for the purposes of this act, with or without regard to the Classification Act of 1923, as amended;

(6) to delegate and provide for the delegation of any authority vested in him under this act to such officers, agents, or persons as he may designate or appoint for such purpose or as may be designated or appointed for such purpose pursuant to such rules and regulations as he may prescribe.

(b) In the administration of this act voluntary services may be accepted.

(c) The Chief of Finance, United States Army, is hereby designated, empowered, and directed to act as the fiscal, disbursing, and accounting agent of the Director of the Office of Selective Service Records in carrying out the provisions of this act.

(d) Any officer on the active or retired list of the Army, Navy, Marine Corps, or Coast Guard, or of any Reserve component thereof, or any officer or employee of any department or agency of the United States who may be assigned or detailed to any office or position to carry out the provisions of this act may serve in and perform the functions of such office or position without loss of or prejudice to his status as such officer in the Army, Navy, Marine Corps, or Coast Guard or Reserve component thereof, or as such officer or employee in any department or agency of the United States.

SEC. 7. The Director is authorized to prescribe such rules and regulations as may be necessary to preserve the confidential nature of the individual confidential records previously obtained under the Selective Training and Service Act of 1940, as amended. Any person charged with the duty of carrying out any of the provisions of this act, and who fails to carry out such provisions or who shall knowingly violate the regulations promulgated under this section shall, upon conviction in the district court of the United States having jurisdiction thereof, be punished by imprisonment for not more than 5 years, or a fine of not more than $10,000, or by both such fine and imprisonment, or if subject to military or naval law, may be tried by court martial, and, on conviction, shall suffer such punishment as the court martial may direct.

SEC. 8. Except as provided in this act, all laws and parts of laws in conflict with the provisions of this act are hereby suspended to the extent of such conflict for the period in which this act shall be in force.

SEC. 9. (a) Except as otherwise provided by the terms of this act, the provisions hereof shall take effect at 12 o'clock postmeridian, March 31, 1947.

(b) The provisions of section 6 (a) (2) of this act shall become inoperative and cease to apply at 12 o'clock postmeridian on June 30, 1947, unless extended by the Congress prior to that date.

(c) The provisions of section 6 (a) (3) of this act shall become operative and effective upon the expiration date of section 6 (a) (2), as hereinbefore specified.

Mr. SHORT. Mr. Speaker, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. SHORT:

Page 2, line 13, strike out the parentheses and the small letter "a", occurring immediately after the "4" in "SEC. 4."

Page 2, line 15, after the word "records", strike the period and insert the word "and."

Page 2, line 16, strike the parenthesis and the small "b" at the beginning of the line, and change the capital "A" in the word "Authority" to a small "a."

Page 2, line 23, change the colon to a period and strike out the following proviso in this line and lines 24 and 25.

Page 4, strike out all of subsection (2) through and including lines 1 through 4 on page 5.

Page 5, lines 5, 10, 16, and 20, change the subsection numbers "3, 4, 5, 6" to "2, 3, 4, 5," respectively.

Page 5, line 17, after the word "employees", insert a parenthesis and the words "not to exceed 1,200 in number by November 1, 1947" and insert a parenthesis after "1947."

Page 5, line 19, after the word "amended", change the semicolon to a colon and insert the words "*Provided*, That the compensation of such persons shall not be in excess of that provided in said act."

Page 7, line 7, following the word "section" add a comma and insert the following: "or any person or persons who shall unlawfully obtain, or gain access to or use such records."

Page 7, line 19, strike out the parentheses and the enclosed small letter "a" appearing after the "9" in "SEC. 9."

Beginning on line 22, page 7, strike out all of subparagraphs "b" and "c" in section 9 as appearing on pages 7 and 8.

The SPEAKER. The question is on the amendments offered by the gentleman from Missouri.

The amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ANDREWS of New York. Mr. Speaker, may I say for the benefit of the Members of the House that I am reliably informed that the Senate in all probability will accept the House amendments. However, in view of the time element involved and the fact that there is always a possibility that a conference will be necessary, I ask unanimous consent that the Speaker be authorized to appoint three conferees and that those conferees be instructed, in the event of a conference, to insist upon the House amendments.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SHORT, COLE of New York, and DREWRY.

EXTENDING CERTAIN POWERS OF THE PRESIDENT UNDER TITLE III OF THE SECOND WAR POWERS ACT

Mr. MICHENER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 931) to extend certain powers of the President under title III of the Second War Powers Act.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act shall be cited as the "First Decontrol Act of 1947."

SEC. 2. The Congress hereby declares that it is vital to a free economy and full production in the United States that all emergency controls and war powers under the Second War Powers Act be removed except in certain limited instances.

The Congress further declares that in each such limited instance the authority for such emergency controls and war powers should not be exercised by the grant of broad, general war powers but should be granted by restrictive, specific legislation.

SEC. 3. For the purpose of liquidating existing emergency controls and war powers and for the purpose of affording further opportunity for the appropriate committees of the Congress to consider specific legislation granting restricted authority in limited instances, title III of the Second War Powers Act, as amended, shall (except as provided in S. J. Res. 58 and H. J. Res. 118, 80th Cong., 1st sess.) remain in effect only until June 30, 1947: *Provided*, That any material or facilities which were not being allocated by the President on March 24, 1947, shall not be allocated hereafter under the provisions of such title III.

Mr. MICHENER. Mr. Speaker, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. MICHENER: Strike out all after the enacting clause and insert the following:

"That title XV, section 1501, of the Second War Powers Act, 1942, approved March 27, 1942, as amended, is amended to read as follows:

"'SEC. 1501. Titles I, II, III, IV, V, VII, and XIV of this act and the amendments to existing law made by such titles shall remain in force only until March 31, 1947, except that (1) for purposes of allocations of building materials, and facilities related to the utilization of building materials, such title III, and the amendments to existing law made by such title, shall remain in force until June 30, 1947, and (2) such title III, and the amendments to existing law made by such title, shall remain in force until December 31, 1947, for the following purposes: (a) Allocations of cinchona bark and cinchona alkaloids, tin and tin products, antimony and streptomycin; (b) allocations limited to control of production for export of automobiles and tractors; (c) allocating the use of transportation equipment and facilities by rail carriers; (d) allocations of materials or equipment for export which are required to expand the production in foreign countries of materials critically needed in the United States; (e) allocations of materials or equipment for export which are certified by the Secretaries of State and Commerce as necessary to meet international commitments: *Provided*, That the two Houses of Congress by concurrent resolution or the President may designate an earlier time for the termination of any such title. After the amendments made by any such title cease to be in force, any provisions of law amended thereby shall be in full force and effect as though this act had not been enacted.'"

Mr. MICHENER. Mr. Speaker, I yield to the gentleman from Indiana [Mr. SPRINGER], chairman of the subcommittee, who has prepared the bill and the amendments and who knows all about it.

Mr. SPRINGER. Mr. Speaker, all the Members know that the Second War Powers Act will expire on March 31, which is next Monday, and that it is necessary that whatever action is taken with reference to the extension of any of these items contained in the Second War Powers Act be taken rather promptly.

May I say at the outset that there remain in the Second War Powers Act titles 1, 2, 3, 4, 5, 7, and 14. All of these titles are being eliminated by this bill with the exception of certain items under title 3. That is the title which relates entirely to allocations and priorities. In connection with title 3 for the purposes of allocations, building materials are continued under the extension until June 30, 1947. That is done for the purpose of accelerating if possible the building program in order to coordinate it with other legislation.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. McCORMACK. Has the question of grains been considered in this bill?

Mr. SPRINGER. It also relates to grain. I was about to come to that in a moment.

Mr. McCORMACK. I thank the gentleman.

Mr. SPRINGER. The bill which is offered has an amendment which has been reported out of the Committee on the Judiciary and provides that under title 3 and the amendments to the existing law made by such title which shall remain in force until December 31, 1947, the following: Allocations of cinchona bark and cinchona alkaloids. There is a shortage and scarcity of those products, and it was shown without any question of doubt that those items should be continued under the allocation plan.

The next items to which we have given full consideration and which remains in the bill are tin and tin products, antimony, and streptomycin. The evidence shows conclusively that there was a shortage of these items and that they should be continued.

Under (b), which is on page 2 of the amended bill which is offered, allocations are limited to the control of production for export of tractors. That is also continued.

That item of export control was deemed essential to protect our own farmers and our own people. Many foreign prospective purchasers of tractors offer very high prices for these articles. If all control should be eliminated, it is possible that our own people would be unable to obtain them. This would materially affect our food production.

In the original copy of the bill, automobiles were contained, and the allocation extended both to automobiles and to tractors. However, we received information from the Department of Commerce that on March 31 they are removing all allocations and all powers with respect to allocating automobiles, either new or second-hand automobiles. Therefore, we have concurred with the action of the Department of Commerce and we have eliminated automobiles, just as they propose doing on March 31. But we are retaining it on tractors, in order that the export of tractors may be controlled, and in order that the people of this country may have an opportunity to secure tractors in case of their great need.

Further, may I say that under (c) on page 2, allocating the use of transportation equipment and facilities by rail carriers is continued, because there is a shortage of box cars and freight cars. Those allocations are continued insofar as they are concerned, in order that certain communities, which have found a great scarcity of those transportation facilities, may have the opportunity of securing assistance along that line.

Also, under (d) the allocation of materials or equipment for export which are required to expand production in foreign countries, of materials critically needed in the United States of America. This was also deemed to be necessary under the circumstances.

Under (e) the allocation of materials or equipment for export which are certified by the Secretaries of State and Commerce as necessary to meet international commitments. That is retained in the provisions of the bill which is offered by way of an amendment.

May I say that the final provision, on the last page of the bill, which relates to any earlier termination of such power, contains a provision that both Houses of Congress by concurrent resolution, or the President, may designate an earlier time for the termination of any of these items under title III which are extended, and any amendments made by any such title cease to be in force, and any title amended thereby shall be in full force and effect as though this had not been enacted.

The Judiciary Committee has given very careful consideration to this bill. They have reported the bill out, as I have indicated, at a full session of the committee this morning. It is now offered by way of an amendment to S. 931.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to my distinguished friend from Massachusetts.

Mr. McCORMACK. Will the gentleman specifically state what the status is or will be under the provisions of the bill, in relation to grains?

Mr. SPRINGER. Under the provisions with reference to grain and grain products, rice, sugar, edible molasses and sirups, fertilizer, all forms and types of natural or synthetic rubber and rubber products, excluding control over the importation of natural rubber, have been eliminated from the bill.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. MILLER of Nebraska. I note you state the limitations or controls to be taken off by concurrent resolution of the Congress or by the President. Does that also extend to the President the powers to put more items under control than you might presently have in the bill?

Mr. SPRINGER. It does not. The bill specifically provides those items which are extended beyond March 31, 1947. No one has any power to insert any additional items under the provisions of title III except the Congress of the United States.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield further?

Mr. SPRINGER. I yield. I am happy to yield.

Mr. MILLER of Nebraska. The gentleman will recall that I appeared before his committee, as I did a year ago, hoping that the Second War Powers Act could be greatly curtailed. I stated before the gentleman's committee, and I think it is still correct, that under the Second War Powers Act the executive department has the power to nullify

practically any law passed by this Congress. I am wondering whether those authorities are continued in this bill relative to international commitments. I notice you use those words. I am wondering just what those words involve.

The SPEAKER. The time of the gentleman from Indiana [Mr. SPRINGER] has expired.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to proceed for three additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. SPRINGER. May I say to the distinguished gentleman from Nebraska that the bill as originally introduced provided under subsection (g) on page 3:

> Allocations of any materials or facilities in the event of a national emergency proclaimed by the President.

That language was contained in the original bill. If that paragraph had been adopted by the Judiciary Committee it would have given the President the power to have declared a national emergency at any time and to have put allocations, priorities, and controls on practically every article; but under this measure which is offered by way of an amendment the items which are embraced therein are the only items provided in the bill on which there may be any allocations.

Mr. HERTER. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. HERTER. Can the gentleman explain why grains were taken out? Was it because of the supply situation?

Mr. SPRINGER. There is an ample supply of grains in this country. While some grain has been shipped to foreign countries there is still an adequate supply and we are getting along very nicely under the grain situation. It was thought by the subcommittee and by the full committee that it was not necessary that this allocation be continued further. The Department also testified on that particular subject that there was an act, now in force, covering this particular item which would not expire for some time and which would amply take care of this particular situation. It was, and is, our thought that all controls should be entirely eliminated as rapidly as possible, consistent, of course, with our security as a nation and for the protection and security of our own people.

The SPEAKER. The time of the gentleman from Indiana has again expired.

The gentleman from Alabama [Mr. HOBBS] is recognized for 5 minutes.

Mr. HOBBS. Mr. Speaker, I wish to take this opportunity to express my profound personal gratitude to the distinguished chairman of the full committee, the gentleman from Michigan [Mr. MICHENER], and particularly to the distinguished chairman of the subcommittee, the gentleman from Indiana [Mr. SPRINGER], to our friend and colleague, the gentleman from Maine, Mr. FRANK FELLOWS, and to our friend, the gentleman from New York, Mr. Clarence Hancock, who voluntarily retired from Congress, for the untiring work they have done on the Second War Powers Act.

It was my pleasure to acknowledge, with thanks, that the gentleman from Indiana [Mr. SPRINGER] was kind enough to introduce the President's bill, by request, which is H. R. 1983, just amended and reported today. It was also my pleasure to request of our general chairman that it be referred to that subcommittee of which he and the gentleman from Maine, Mr. FRANK FELLOWS, were still members so that we might have the benefit of their views and counsel and leadership on this bill because they had been through the same mill three times. Each time it was unanimously reported favorably from a subcommittee evenly divided as to party affiliation, three Republicans and three Democrats.

I want to give credit where credit is due, both to the leadership of the chairman of the full committee and to those three colleagues and esteemed friends of mine who have labored so faithfully and in such a nonpartisan manner in this matter. I think that in this instance, however, even though they have given studious and careful attention to the present bill, their hopes have out-run the facts. I believe that the message of the President of the United States and the bill on controls which was prepared accordingly by the five major administering agencies should be given more factual attention than has been given.

Please bear in mind that this Second War Powers Act, when we first reported it, contained 15 titles. Under it several thousand directives were appropriately issued by the executive departments of your Government. The original 15 titles have been cut down to 1, and only a part of that is retained. Such things as grains and other food articles may be covered by the Food Control Act, but personally I doubt it, because the Agriculture Department is still asking that they be retained.

I could go on, but I will not bother you with details. We have carefully discussed this matter in our committee this morning and every single one of some 12 amendments that were offered to restore as many different controls for the benefit of starving peoples abroad and for the benefit of our own people at home, as many of us see them, were killed. So there is no use in taking up the time of the House by offering them again.

I want to suggest, in all candor and earnestness, and I want to plead with you to defeat this motion if you conclude, after it has been explained, that the Senate bill is better than the House bill for the reason that it will merely continue the status quo as is, till June 30.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to proceed for three additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, it will give this great subcommittee that has done a splendid job the chance to iron out three or four important matters that they frankly admitted in our committee, and this is no secret, they had not adequate facts on, although considerable study had been given to them. In other words, if a chock block were put in now to stop the inevitable extinction of some of these powers we cannot iron out the situation and write a better bill. I believe, and I am not speaking for anyone but myself, that the Senate bill should be adopted and that the motion of the gentleman from Michigan, the chairman of our full committee, with all due respect to him and these other fine gentlemen, should be voted down.

I bespeak your careful consideration of the record made by the five major administering agencies in reducing the number of controls. I quote from the 1945 report of the committee:

> By the grace and guidance of Almighty God, the brilliance and devotion of our civilian and martial leadership and the heroism of the men and women who composed the team of the United Nations, the Axis Powers have been brought to unconditional surrender, yet neither the war nor the peace has been won. Our victory then is neither final nor complete. We still have before us and our allies years of service in foreign lands, requiring the solution of problems at least as difficult as were those of war.
>
> The conflagration that so recently blanketed the globe, still flares in spots. We have learned that no place is too remote to be a menace. Nor can it be doubted that fire spreads. Military and naval might, even including atomic bombs, do not quench the fire of war so potently as the milk of human kindness. No civilized nation, much less one that is Christian, can allow even surrendered enemies to starve or freeze when we have enough and to spare. That would not even be good business, were we so base as to be governed by no higher motive. Even more incumbent on us is to share with our allies in the liberated countries; and, of course, we must not fail to provide adequately for our own forces of occupation. This job cannot be done until the last man or woman so engaged shall have been brought safely home and be happily rehabilitated into our peacetime economy.
>
> During our preparation for adequate national defense, and while the shooting part of the war was on, the Congress of necessity had to grant extraordinary powers for such purposes and for the fulfillment of the inevitable aftermath. These were loosely called war powers.
>
> Now that we have won back much of our safety and peace, it is the determination of Congress to recapture those powers as speedily as may be wise, for the people, so that they may be again exercised in accordance with the slower but more desirable processes of democracy.
>
> The study of the stuation by your committee has revealed that the Presidents and the agencies of Government that have been exercising these war powers agree with the thought of the Congress as shown by their records. The following synopsis not only shows such agreement, but also discloses no reason to doubt that they will continue to diminish their personnel and surrender their powers as rapidly as possible with safety. A survey of the five chief agencies exercising controls under title III of the Second War Powers Act indicates that they have reduced their outstanding controls and administrative personnel as follows:
>
> REDUCTION IN CONTROLS EXERCISED UNDER TITLE III OF THE SECOND WAR POWERS ACT, AND OF PERSONNEL ENGAGED IN ADMINISTRATION OF THESE CONTROLS
>
> War Production Board-Civilian Production Administration: At its peak prior to VE-day, this agency had outstanding slightly over 700 basic orders and schedules. Approximately 200 of these were lifted shortly after VE-day,

and as November 1 the number had been reduced to 73.

Personnel has been reduced from a peak of about 23,000 in February 1943 to less than 11,000 at the end of August, less than 4,000 on November 3, and it is planned to reach a figure of 400 by June 30, 1946.

Office of Defense Transportation: On VJ-day this agency had outstanding slightly over 2,950 orders under title III of the Second War Powers Act. By December 1, 1945, all of these orders will have been revoked, and this agency will no longer exercise controls under this act. The reduction in personnel engaged on title III administration has been as follows: June 1, 1944 (peak), 3,897; VJ-day, 2,333; November 1, 1945, 54; December 1, 1945 (estimated), 0.

Department of Agriculture: On August 1, 1945, this agency had outstanding 94 general food orders and on April 1, 1945, 194 suborders. These two dates are chosen because they are the dates on which the greatest number of general and suborders, respectively, were in existence. As of November 14, 1945, there were outstanding 56 basic orders and 173 suborders. Of these 173, however, 144 were suspended. That is to say, they are temporarily inoperative and the Department of Agriculture believes that probably they will not be made operative again.

Personnel engaged in administering these orders has been reduced from 1,000 at the end of the fiscal year to 550 as of November 14, 1945.

Solid Fuels Administration: This agency had outstanding 13 general orders prior to VJ-day. Of these 13 only 6 remain today and of these 6, 1 has been confined to operations east of the Mississippi River. It is believed that all controls will be lifted at the end of the coal year, March 31.

Personnel engaged in title III activities has been reduced from 700 employees prior to VJ-day to 650 at the present time, and will continue to decrease to 50 at the end of the coal year. These 50 will be engaged in clean-up work.

Office of Price Administration: On VJ-day this agency had 16 major rationing programs in effect on a national basis. This number has been reduced to two.

Paid employees (as opposed to volunteers) actually engaged in administering the rationing programs have decreased from 27,055 on August 15, 1945, to 8,952 on October 31, 1945. This figure includes field offices and local boards. Actually the reduction has been greater since these figures do not include reductions in "overhead" employees indirectly concerned with rationing. Proportionately heavy reductions have been made in this category, as well.

The committee has concluded that extension of certain titles of the Second War Powers Act for a period of 6 months is essential in order to assure an orderly liquidation of much of our wartime economy and to aid reconversion. The necessity results basically from the fact that our armed forces and industry are still deployed for war, and from the continuance of a number of basic shortages which threaten to cripple industry and to cause inconvenience or even suffering to consumers.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am always delighted to yield to the gentleman from Indiana.

Mr. SPRINGER. Under the Senate bill, S. 931, the gentleman is aware of the fact that it contains allocations with respect to tin, antimony, cinchona bark, and alkaloids, and streptomycin, and so forth. There is nothing about building material export controls here. The gentleman certainly does not think that the Senate bill should be passed in preference to the bill which we have just reported out of the Judiciary Committee, does he?

Mr. HOBBS. I think, from mere hearsay, the House bill is a much better bill in several respects. I have not seen the Senate bill, but I think if we go to conference, or, better still, reject the Senate bill and send the whole problem back to our committee for further study, we could work out and report a much better bill than either.

Mr. SPRINGER. Let me ask this question: Is it not proper to pass the House bill here so the two bills may go to conference on account of the disagreement?

Mr. HOBBS. That may be so, but I want to see and understand the Senate bill before passing on that.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will be so happy to yield to my chairman.

Mr. MICHENER. I think there is a misunderstanding. If the statement of the gentleman from Alabama as to the procedure suggested were followed, the House would pass the Senate bill, and that would end it, and the Senate bill is much more restrictive that the House bill is. The real purpose here is to send this bill to conference where the differences can be worked out, and the only way that that can be done is to adopt an amendment to the Senate bill, because if you adopt the Senate bill it goes to the White House and there is no further opportunity for conference. It is all ended, and the Senate bill is much more restrictive than the House bill, in the form in which the subcommittee reported it.

Mr. HOBBS. I am cordially in agreement with the statement of the chairman and the statement of the chairman of the subcommittee unless the defeat of your motion and reference of the Senate bill to your committee for study would give us a chance to compare the respective merits.

The SPEAKER. The time of the gentleman from Alabama has again expired.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman be permitted to proceed for two additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will be glad to yield to the distinguished gentleman.

Mr. McCORMACK. As I understand, if this legislation passes, it has to pass at a certain time; is that correct?

Mr. HOBBS. Yes, sir; by the 31st of this month, in regard to everything but building materials and possibly some allocation authority as to food supplies.

Mr. McCORMACK. So time is of the essence.

Mr. HOBBS. Oh, very definitely.

Mr. McCORMACK. Let me see if I understand the gentleman correctly. While he is not in favor of the amendment, nevertheless he is in favor of the bill going along to the Senate in order to get it to conference, so the gentleman is placing himself on record as opposing the amendment for future action, and his position at this time is that the bill should pass the House; is that correct?

Mr. HOBBS. Possibly that may be wise.

Mr. DURHAM. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. Gladly.

Mr. DURHAM. I notice here, of course, it extends CPA No. M311 on quinine. Now, did this committee go thoroughly into the stock pile of quinine that we have on hand? Can anybody answer that question?

Mr. HOBBS. They certainly did, sir, and I more confidently praised them than they would praise themselves. That was gone into very carefully and fully, and it was explained that the supply of cinchona bark was being practically monopolized by the manufacturers of hair tonic instead of being used for medicine which will relieve many cases of heart trouble and malaria.

Mr. DURHAM. Of course, you understand at the present time, to get 5 grains of quinine, you have to have a prescription under this War Powers Act, and the people of the country, of course, are becoming a little bit concerned about that. The stock piles of quinine in this country, of course, is scarce. I think it is necessary to extend it. You probably remember that we passed Public Act 520 which carried out the stock-pile idea, and I wonder if the committee inquired into the stock pile on hand.

Mr. HOBBS. The gentleman, I know, is a druggist by profession and an outstanding one.

Mr. DURHAM. I thank the gentleman very much.

Mr. HOBBS. Well, he is, and so regarded not only all over North Carolina but everywhere else by the people who know him and the skill with which he keeps up with medicinal drugs and stock-pile supplies. I will say to the gentleman that the only way to prevent 80 percent of all the importations of cinchona bark going into the manufacture of certain hair tonics was to do this thing and make this control so that the sick people of America could, through proper allocations, hope to obtain relief and cures.

Mr. DURHAM. If that is the fact, of course, and I am sure it is, because the committee would not have made an erroneous decision, I withdraw my reservation of objection. I think it is a wise decision, because I understand how quinine can go into other products that are not medicinal.

Mr. HOBBS. I thank the gentleman.

Mr. WALTER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WALTER. As I understand, the gentleman from Michigan moved to strike out all after the enacting clause of the Senate bill and to substitute therefor the House bill.

The SPEAKER. The gentleman is correct.

Mr. WALTER. Does not that mean that this entire matter will be subject to any legislation written by the committee of conference? In other words, it is all

in disagreement, and an entirely new bill may be written?

The SPEAKER. The Chair will state that the conferees will have a very wide scope in bringing in legislation.

Mr. MILLER of Nebraska. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I understood from the gentleman from Alabama that the Senate bill was far more restrictive and extended less of the War Powers Act than we propose to do here in the House. Is that correct?

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Indiana.

Mr. HALLECK. The Senate bill has a different approach. I think it is a 90-day extension for all materials and services now being allocated, so in that regard it is a broader bill than the House bill.

Mr. MILLER of Nebraska. The gentleman from Alabama said it was a more restrictive bill. If so, I was certainly going to go along with the Senate. I can say that to the gentleman because I have been one of the Members of this body that feel there have been too many regulations imposed upon the American people and that these building allocations that are presently in effect are holding up the construction of any type of building. The allocations of steel that were in effect on boxcars prevented the country from getting box cars. It has been only within the last 2 weeks that the powers that be have seen fit to let them make perhaps 10,000 cars a month, when they should have been making them 6 months ago, starting on 10,000 cars a month. United States Steel said they were in 98 percent of production. I just hope we do not continue these wartime controls when they are not necessary.

I spoke last year when the gentleman from Alabama was in the well of the House and asked him then how much longer we expected to continue the War Powers Act. He said, "I hope they can end by next March 31." Now we come in and ask for another extension. We did that with Selective Service. I am getting sick and tired of continuing all of these War Powers Acts. If there is any way under the sun to limit them, cut them off, or set a definite time for terminating them, I want to do it. I do not think we are doing it in this bill. The people want less regulations, not more. The way to quit regulations is to quit.

Mr. HALLECK. Of course the gentleman finds himself in a very considerable company of people around here who are as intent as he on doing that.

Mr. MILLER of Nebraska. I doubt it.

Mr. HALLECK. Possibly the gentleman may doubt it but it still is the truth. They want to do away with unnecessary controls, regulations, and directives. Certainly we are moving in that direction. I think the committee has gone over this matter very carefully. I may say to the gentleman from Nebraska—possibly I did not make myself clear—that the Senate proposal may be more restrictive as to time but as to the number of commodities or articles or services to be included under these controls it is much broader than the House bill. Certainly I think the gentleman will agree with the gentleman from Indiana and the other members of the committee, together with the Senate committee. When they get this matter in conference they are not going to extend any control for which there cannot be shown to be an absolute necessity and desirability.

Mr. MILLER of Nebraska. I have one more question I want to ask of someone. What is the termination date that is presently in the bill?

Mr. SPRINGER. The termination date provided in the bill on the items under III, which I mentioned in the second part of the statement I made, is December 31, 1947, and on building materials June 30, 1947.

Mr. MILLER of Nebraska. There is no way for further extension except by an act of Congress? The gentleman does not think that can be done by Executive order?

Mr. SPRINGER. I do not think so.

Mr. MILLER of Nebraska. The gentleman is not sure about that?

Mr. SPRINGER. I am positive that it cannot be, because we have set out definitely the articles and the length of time which they may be extended.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Michigan.

Mr. DINGELL. May I ask the chairman of the subcommittee this question: When the House conferees come back here with a bill written in conference, we will then have an opportunity finally to reexamine the entire bill?

Mr. SPRINGER. The gentleman is entirely correct.

Mr. MILLER of Nebraska. How many regulations will they take off as of the 31st of March? How many employees will be released by ending the controls under this bill? What economies will be made?

I am concerned because it is my firm belief that allocations and restrictions in the past has been keeping down construction and retarding reconversion in this country. Business cannot go forward if it must carry an extra load of regulations. I would like to know which titles go out——

Mr. SPRINGER. All of title 1, all of title 2, all of titles 4, 7, and 14 go out.

Mr. MILLER of Nebraska. What do those titles cover?

Mr. SPRINGER. Title I relates to transportation across to the Pentagon Building and to the Navy Department across the Potomac River. There is no necessity of that because the Interstate Commerce Commission has declined to grant permission to the Capital Transit Co. to continue, and the two transit companies of Virginia are going to handle that problem.

Title No. 2 relates to the acquisition and disposition of property during the war. Certainly there is no necessity of that at this time, and it was so stated before the subcommittee.

Title No. 4 relates to the authority to make purchases by Federal Reserve Banks. That has been covered by other legislation which is permanent in character.

Title No. 5 relates to the navigation and inspection laws, the waiver of which we passed just a week ago on a bill reported by the Committee on Merchant Marine and Fisheries covering that particular item.

Title No. 7 refers to the activities in time of war and is specifically related to activities of members of draft boards and other kindred Government agencies with relation to political activities.

Title No. 14 relates to the utilization of vital war information by various agencies of Government by communicating that information to other agencies of the Government requesting it.

Mr. MILLER of Nebraska. We are making progress in getting rid of controls. The committee is to be complimented—I just hope no attempt is made for further extension when these dates end as intended in this bill—I trust also that personnel and appropriation for all these controls will end promptly.

(Mr. HOBBS asked and was given permission to revise and extend his remarks and include certain articles and quotations.)

The SPEAKER. The question is on the committee amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

A similar House bill (H. R. 1983) was laid on the table.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the bill (S. 931) to extend certain powers of the President under title III of the Second War Powers Act, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the gentleman from Michigan? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MICHENER, SPRINGER, FELLOWS, DEVITT, WALTER, BYRNE of New York, and CRAVENS.

EXTENSION OF REMARKS

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD and include a letter to a Member of the other body.

Mr. CHURCH asked and was given permission to revise and extend his remarks.

Mrs. SMITH of Maine asked and was given permission to extend her remarks in the RECORD in two instances; one, in connection with the retirement of Col. Frances A. Blanchfield; and to include in the other a brief report of the Committee on Armed Services.

Mr. HAND asked and was given permission to extend his remarks in the RECORD.

GOOD FARMING—GOOD LIVING

Mr. COLE of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COLE of Missouri. Mr. Speaker, I take this time to call attention to an article entitled "Good Farming—Good Living" in the April issue of "Country Gentleman. I wish to commend the publisher of Country Gentleman for their excellent judgment in selecting the Scott Sawyers farm located in the Third Congressional District of Missouri, the most fertile farming section of the United States, as the basis of the first of a series of articles to illustrate by actual example what the well-managed farm offers in increasing opportunities for really good living. This series of articles will emphasize the growing realization that the farm is more than a mere food production plant—it is a "place to live" as well.

The Sawyers were selected to represent the Corn Belt farm families because of their "knack of weaving their work and their living together into a most satisfactory, comfortable pattern," according to the magazine's editors.

The family consists of Mr. and Mrs. Sawyers, their four children, Scott, Jr., Carolyn, Jimmy, and Janet, and Mrs. Sawyers' parents, Mr. and Mrs. John L. Tebow. They live on a 220-acre place given over principally to raising cattle, turkeys and pigs.

Scott, Jr., 18, is presently a freshman in agriculture and engineering at the University of Missouri. In 10 years of 4-H Club work, he won a long string of prizes, climaxed by the 1945-46 State championship in the Thomas E. Wilson meat animal project.

In an editorial accompanying the lead article, Robert H. Reed, the magazine's editor, says that "for many years most of the agencies serving agriculture—and we include ourselves—have put a heavy emphasis on means of obtaining better and more profitable farm production."

While a revolution in production has been in progress, however, another and equally important side of farming has had far less recognition he says, adding:

> We miss the point of all this progress in agriculture if we do not see that the end product of good farming is good living. Not good living in any narrow sense, but including a wide range of satisfactions that are distinctive of the American family type of farm.

I heartily recommend as good reading this well-written and interesting article.

FIGHTING COMMUNISM IN GREECE AND TURKEY

Mr. MATHEWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. MATHEWS. Mr. Speaker, in my quest to find out what the people who are going to pay the bill think about the President's plan to combat communism in Greece and Turkey and other places, I asked a hotel clerk last night what he thought about it. He said he thought it was all right if it was done the right way. He said in the hotel business and in hotel advertising there is a right way and a wrong way. But he said, "I would not favor occupational troops." Then, Mr. Speaker, he hesitated and made a remark which I think is very significant. He said, "Honestly, I do not have enough real facts to give an intelligent opinion." Mr. Speaker, is there a Member in this House who could not say amen to that?

I am going to pursue my quest a little further next week and hope to bring you some reports each day.

PRISONERS OF WAR IN EUROPE

Mr. OWENS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter from Dean Acheson, Acting Secretary of State.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. OWENS. Mr. Speaker, last month I had occasion to address the House with respect to German war prisoners in Europe, especially in France. I pointed out the condition of slavery to which such prisoners were being subjected. Since that time the American Federation of Labor has complained of the effect that such slavery is having upon labor in our country. I followed up the matter through the Secretary of State, and today I received a letter from Dean Acheson, Acting Secretary of State, with regard to the repatriation of certain prisoners of war in France, Belgium, Luxembourg, Great Britain, Russia, and the Netherlands. While the situation has been tremendously improved, that is, where we have direct control, the actions of Great Britain and particularly Soviet Russia regarding such prisoners still are very unsatisfactory. I intend to take further steps in connection with the entire matter.

The letter and news release from the Acting Secretary of State are placed in the RECORD at this point, and I would appreciate your valuable comments.

The letter and release follow:

MARCH 25, 1947.

The Honorable THOMAS L. OWENS,
House of Representatives.

MY DEAR MR. OWENS: I refer to your letter of March 3, 1947, requesting information with respect to the status of German prisoners of war in France, The Netherlands, Luxembourg, and Germany and, if it is available, similar information regarding those in England and the Soviet Union. You state that you are particularly interested in knowing when such prisoners of war, especially those originally in United States custody, will be repatriated and enclose a copy of the CONGRESSIONAL RECORD of Wednesday, February 5, containing on pages 804-806 the text of your address on the subject of German prisoners of war.

I have delayed replying to your letter pending the conclusion of discussions at Paris between the American and French representatives concerning the release of German prisoners of war transferred by us to the French for rehabilitation work in that country. An agreement has now been reached for the release from prisoner of war status of these men at the earliest practicable time. As you will see from the enclosed press release dated March 13, the repatriation rate of 12,000 per month which the French initiated on January 1, 1947 will be immediately increased to a minimum of 20,000 per month. As explained in the press release, the French authorities will offer to the prisoners of war a choice between being repatriated to Germany or released from prisoner of war status on the spot to remain in France as voluntary workers. The International Committee of the Red Cross has agreed to associate itself with the program and has been given special status by the French Government with respect to the supervision of the operation and the individual rights of the prisoners of war.

As you are aware, the repatriation operations in Belgium and Luxembourg are much smaller involving approximately 40,000 prisoners of war in Belgium and less than 7,000 in Luxembourg. The Belgian Government has indicated general accord with this Government's request that the repatriation operation be completed by October 1, 1947, and the Luxembourg Government has stated that its repatriation program will be completed well before that date.

In effecting these transfers we did not relinquish our responsibility for any enemy prisoners of war captured by the American forces and assurances were received from the Governments concerned that the terms of the Geneva Prisoners of War Convention would be observed with regard to all German prisoners of war so transferred. Moreover, the installations at which such prisoners of war are held are being visited and inspected by representatives of the International Committee of the Red Cross. This Government now believes, however, that the time has come for these prisoners of war to be released and it is to that end that the steps mentioned above have been taken.

Although information previously given out was to the effect that 10,000 prisoners of war had been transferred by the United States authorities to the Netherlands Government for rehabilitation work, it has recently been determined through a check of the pertinent records that although the American military authorities were prepared to allocate this number to the Netherlands Government, the transfer was never actually made. A copy of the Department's announcement dated March 11 correcting the erroneous statement is enclosed.

The relatively small number of German prisoners of war still under our direct control in the European theater are being released rapidly, the target date for the completion of the operation being July 1.

The British Government, like this Government, is a party to the Geneva Prisoners of War Convention of 1929, which establishes standards of treatment to be accorded captured enemy military personnel and provides for their repatriation. The Soviet Government is not a party to that Convention. Since no transfers of American-captured prisoners of war were made to the British or Soviet Governments for rehabilitation work, no representations have been made to them by this Government regarding the repatriation of German prisoners of war which they hold.

As reported in the press, the situation of German prisoners of war has been discussed at the Council of Foreign Ministers now in session at Moscow. Tass, the official Soviet news agency, reports that the Soviet Government has stated that 890,532 German prisoners of war are in the territory of the Soviet Union and that since Germany's surrender 1,003,974 German prisoners of war have been repatriated to Germany.

According to the most recent information received by the Department, it is estimated that as of the end of March there will be 307,000 German prisoners of war in the United Kingdom, and nearly 87,000 in the

Middle East, with the rate of return now about 15,500 monthly from the United Kingdom and 2,500 monthly from the Middle East (to be doubled by July).

Sincerely yours,

DEAN ACHESON,
Acting Secretary.

[Enclosures: 1. Press release No. 183, March 11, 1947. 2. Press release No. 191, March 13, 1947.]

DEPARTMENT OF STATE,
March 11, 1947.

(No. 183)

The Department of State wishes to correct an erroneous statement made in the Department's press release No. 868, December 5, 1946, and in subsequent communications to the public concerning this Government's policy with respect to the repatriation of German prisoners of war captured by American forces and subsequently transferred to other governments for rehabilitation labor.

The information previously given out was to the effect that 10,000 such prisoners of war had been transferred to the Netherlands Government. It has now been determined that this information is inaccurate. A check of the pertinent records by the American military authorities reveals that no German prisoners of war were transferred by this Government to the Netherlands Government for rehabilitation work in that country. Although the American military authorities were prepared to allocate 10,000 such prisoners of war to the Netherlands, the transfer was never made.

DEPARTMENT OF STATE,
March 13, 1947.

(No. 191)

American and French representatives have just concluded a meeting in Paris convened at the request of the United States for the purpose of working out the details of the release and repatriation of German prisoners of war transferred by this Government to the French for rehabilitation labor. As a result of this meeting an agreement has been concluded initiating a program which contemplates the release from prisoner-of-war status of these men at the earliest practicable time. This will be accomplished either by direct repatriation to Germany or by release from prisoner-of-war status in France of those who elect to remain as free workers.

The French authorities, now hold approximately 450,000 German prisoners of war transferred to them by the American authorities and, in addition, according to information supplied by the French, approximately 180,000 captured by their own forces. The French have suggested and we have agreed that for humanitarian and other reasons it would be unfair to give priority to the release and repatriation of American-captured prisoners of war at the expense of the others. Consequently, the program agreed to will be applicable to both categories. A separate accounting will, of course, be made by the French authorities to the American authorities regarding the release and repatriation of prisoners of war captured by our forces.

Under the agreement the repatriation rate of 12,000 per month which the French initiated January 1, 1947 will be immediately increased to a minimum of 20,000 per month. The French have agreed to increase this figure as soon as rail-transport facilities in France permit.

The French authorities will offer to the prisoners of war a choice between being repatriated to Germany or released from prisoner-of-war status on the spot to remain in France as voluntary workers. Those who choose the latter will be released from prisoner-of-war status and will receive work contracts, giving them rights similar to those enjoyed by other foreign workers in France. This alternative to repatriation was agreed to by this Government at the express request of the French Government in consideration of the known need for labor in that country at the present time. In agreeing to this arrangement we insisted, and the French fully concurred, that a satisfactory formula be arrived at to guarantee a free choice to each individual prisoner of war and that before making the choice each be fully informed of the status to be accorded him if he elected to waive repatriation and remain in France as a free worker. Assurances to this effect have been included in the agreement between the two Governments.

The International Committee of the Red Cross has agreed to associate itself with the program and has been accorded special status by the French Government with respect to the supervision of the operation and the protection of the individual rights of the prisoner of war. The willingness of the International Committee of the Red Cross to participate in this program satisfies this Government that a free choice will be guaranteed.

The agreement further provides that the progress of the operation will be closely observed and the two Governments will reexamine the situation periodically, having in mind this Government's desire that the operation be completed by October 1, 1947.

THE TAX BILL

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, I take cognizance of the fact that on the vote in the House this afternoon on the bill H. R. 1, the yeas were 273 and the nays were 137, practically 2 to 1. I am encouraged by this vote to assume that the President will solve the problem by an Executive veto. If and when that comes to pass, I want to say to the House that possible the triumvirate of DINGELL, ENGEL, and GORE will bring in a fair, equitable, and just coalition tax bill, that will do justice to all taxpayers, both in the upper and the lower brackets.

I yield back the remainder of my time.

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. BENDER] is recognized for 10 minutes.

GREECE AND TURKEY

Mr. BENDER. Mr. Speaker, I see from the newspapers that Mr. Truman has instructed our delegate to the United Nations to explain the actions which the United States proposes to take in regard to Greece and Turkey. I think that it is going to take a lot of explaining—more than a speech—more than a pretty letter—more than pleasant noises and generalities written by some State Department official.

Mr. Speaker, the people of the world are sick of war. They don't want another war, and that is why the American people support the United Nations. Let us get it clear—the American people, whether the State Department likes it or not, support the United Nations. They despise with all their heart anyone and everything that destroys, bypasses, or in any way begins to tear down the one hope that exists in the world for peace—the one instrument through which collective security and collective action against aggressors can be undertaken.

Mr. Speaker, how can anybody fail to recognize that the course of action proposed by the President destroys the very foundations of the United Nations? Every American who owns an automobile knows what a bypass is. Mr. Truman has deliberately bypassed the United Nations. He proposed that we and we alone without consultation undertake to push back aggression throughout the world. His policy which will go down in history as the Truman Doctrine says that we alone are to say who is the aggressor and we alone are to take whatever action is needed. Our armed services are to become an international police force, the agencies of our Government are to replace the agencies of the United Nations.

More than this, Mr. Truman's proposal on Greece and Turkey comes at a time when the United Nations has an investigating commission in Greece. It comes at a time when the Food and Agricultural Organization of the United Nations has already studied the Greek situation for a year, and has turned in an excellent and authoritative report on what is needed. Without consultation, without regard to the fact that the United Nations is already deeply involved in the Greek and near-eastern situation, without regard to the fact that the United Nations adequately handled the situation in Iran, without regard to the fact that every nation in the Middle East represented in the United Nations is directly affected by our decisions in regard to Greece and Turkey, without regard to anything or anybody or to our own commitments to the United Nations to bring before it any act of aggression or any condition existing in the world which threatens the peace, Mr. Truman has deliberately undertaken to replace the United Nations by the armed forces of America, by our economic and political strength.

Pleasant words spoken tomorrow, nicely phrased letters written yesterday will not cover up the hideous fact that the course of action proposed by the President basically destroys the United Nations.

When this Congress votes for the Truman doctrine let us be perfectly clear that by so doing we will be making the choice between one world and a world divided into two armed camps. Let us be perfectly clear that we will have turned our backs upon mankind in the effort to obtain collective security. Let us be clear that we will be establishing a policy which destroys the United Nations.

I for one will not be party to such a crime against mankind. We know without any doubt whatsoever that a policy which establishes two main powers in the world—each pursuing its own power without regard for the other, each engaging in a world-wide economic and military armament race—we know that such a policy can only end in war. The Truman policy is nothing other than an

undeclared declaration of war. That policy, if it is pursued, will lead to war.

There is no other policy to oppose the Truman policy than the wholehearted and full support of collective security and collective action against aggression now provided for through the United Nations. In the past, I have voted for American participation and support to the various international organizations for trade, for financial stability, for UNRRA, and so forth. I refuse to vote now for a policy which destroys every act of intelligent good will and enlightened self-interest which the American people have engaged in for the past 4 years. I refuse to stab the United Nations in the back. I refuse to agree that the world inevitably is divided into two armed camps which must engage in atomic warfare.

I cannot but believe that the Truman policy has been dictated by short-sighted bigoted military men whose minds are warped by their constant playing with war plans. We need now those men who can find a way to make the United Nations work—who know how to build the United Nations instead of destroying it—men who can formulate policy which will obtain the support of the entire world.

The best thing that President Truman can do is to recognize that a horrible mistake has been made and that the United States Government should vote emergency relief for the Greek people and turn over the problem of Greece and the Middle East to the one place where it can successfully be handled; namely, the United Nations.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LARCADE, for about 2 weeks, on account of official business.

To Mrs. DOUGLAS (at the request of Mr. MCCORMACK), for today, on account of illness.

To Mr. FOGARTY, from March 31 to April 10, 1947, on account of official business.

To Mr. MORTON (at the request of Mr. MEADE), for the remainder of the week, on account of illness.

To Mr. PASSMAN, from March 31 to April 11, 1947, on account of official business.

To Mr. KEOGH, until April 11, 1947, on account of official business.

COMMUNISM

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes, to revise and extend my remarks and to include as a part thereof a speech I made in Boston last spring warning the country against communism.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the words I uttered against communism in making a speech last spring in Boston were only too true, and events have proven them to be true. I made this speech warning against communism, at which time I referred to Communists in our various Government departments, and, unfortunately, in the United States generally. Nine months afterward the President acted to rid the State Department and other departments of Communists.

Mr. Speaker, the action by the President was late, very late, but better late than never.

My address delivered on April 27, 1946, was as follows:

COMMUNISM IN THE UNITED STATES

(Extension of remarks of Hon. EDITH NOURSE ROGERS, of Massachusetts, in the House of Representatives, Thursday, May 2, 1946)

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me at Boston on April 27, 1946, before the New England Conference of Republican Women:

"From time to time I hear someone ask: 'Well, are there really as many Communists in the United States as claimed, and, if so, are they really so dangerous to our liberties as they are reported to be?'

"These questions are just as vital to our welfare and the welfare of our children, and our children's children as the question:

"'Are there really atom bombs, and are they really so dangerous and destructive as they are reported to be?'

"Our American system of government, our whole system of economy, all we have, our liberties, our religious and political freedom—all are wrapped up in the answer to that question of whether or not there are many Communists in the United States, and whether they are so dangerous as they are reported to be or not.

"I am convinced there are many Communists, grim, fanatical, determined, ruthless, cunning schemers, in the United States, and I believe, further, that they are more dangerous than most persons suppose them to be.

"The time was—and we are still prone to think of Communists and the communistic movement in that light—when Communists were a furtive band of men and women who were without funds, who met secretly in cellars or in garrets, or in dim, smoky, unclean dives and restaurants to plot fanatical and hopeless plans against the Nation. That time has passed, communism in the United States today is a cleverly planned, bold, insolent, well-financed, skillfully managed political and revolutionary movement, reaching out in every direction, sending out propagandists; using the most scientific methods of persuasion over the radio, through the press, through magazines, by means of lectures, and even in a dangerously large section of our pulpit and our schools and colleges.

"There are not dozens, nor hundreds, nor thousands of these trained and fanatical Communists. There are hundreds of thousands of them and although they are fanatical it is with a cool, deep determination that they are going to overthrow our American system of Government, economy, and society. They have their training centers, their schools for agitators, their indoctrination system.

"These Communists are reaching out to try to contaminate the ranks of labor, of the veterans, as well as of the church-going people, the students and their teachers everywhere.

"It is an alarming fact, too, that there are many very cleverly organized and operated Communist front organizations which appear more or less innocent but which are deadly serious in their purpose to wreck our system of government, bring chaos in our economy and reduce our people to the status of slaves of the state—as they are today in Russia. These active full-colored red organizations mean to overthrow our American political, economic, social, and religious system by the ballot boxes if they can, but if they fail in that, they are determined upon bloody revolution to accomplish their ends.

"At the outer edge of this communistic movement are many sincere and innocent, but completely deceived and misled individuals, many of them high in the social scale. Some even are preachers; some are public officials; some are teachers; some are just earnest rank and file citizens who have been persuaded and defrauded into believing that communism will mend all the ills and injustices they see around them and against which they instinctively rebel.

"In this process of attempting to communize this country these alien ideologists have perfected the most remarkably clever techniques. Today communism as politics is 'big politics.' As an infiltrating group movement it is a 'big' movement. These Communists are no longer content to meet in cellars and dives and get out smudgy, gray printed sheets and pamphlets. They issue well-written, well-printed, beautifully typed, cleverly designed literature that would deceive the very elect.

"Now, where do they get the money to do all this?

"First, they have deluded a good many wealthy persons in this country who have provided them with millions of dollars, not realizing what these Communists actually mean to do. Then they have received such recognition in high places that they have become not only respectable, politically, but actually sought after. They have insinuated their henchmen into key places in government. Much patronage, many favors, much control over business is exercised by men and women who have wormed their way into posts of influence, power, and authority in the Government.

"Then, too, since the United States of America—your America and my America—is the richest prize on the face of the globe today, foreign schemers have sent their best brains into this country and have sent over funds to finance this dreadful movement to wreck our American system, take over our country, and reduce us to a condition of slaves to a minority who will call themselves the state if their plans succeed.

"Believe me, if these statements sound incredible, they are nevertheless still true. This Communist movement in America is a game, the greatest history ever saw, for a prize—the control of the riches, the Government, and the people of the greatest nation history ever saw.

"Why do these Communists want to wreck this Nation, our Government, our economy, our society instead of becoming part of it? It is because they are obsessed by a lust for power and riches—not merely a few dollars, not just financial security and an estate—but the riches of a whole state, the riches of an entire nation. Hitler, Mussolini—they are two of the same ilk who were so insatiably lustful for power and riches that they were willing to rule or ruin their own countries, and, having ruled, they did ruin their own countries.

"Let me say to you that the first step toward communism is socialism—the abolition of the right of property, of your right to own your own homes, an automobile, a washing machine, or a radio. The second step is communism—and the third step is fascism. They are all of a piece; they are every one the deadly enemy of our American system of government, of our American system of economy under which the poorest boy or girl may aspire to become rich, of our American system of society, under which, generally speaking, there is more understanding, kindliness, tolerance, and cooperation among the different stratas of society than in any other nation on earth.

"In this ruthless, grim fight that is being waged by these Communists, terminological distortions in our very language have taken place. There are liberals, of course. There

are liberals who perhaps disagree with us as to many things about our Government or our economy or our society. But they are willing to attain their aims of reform—or what they may believe to be reforms—by our American process of proposal, disagreement, discussion, and compromise. That is the essence of our system of government under the Constitution. That is the essence of our governmental system of checks and balances. That is the system by which men may most nearly arrive at the exact truth—that system of proposal, disagreement, discussion, and compromise. That system gives due consideration and adequate hearing to the rights of minorities. But the Communists want none of that. They want to sit at the top and issue the orders, and any disagreement or discussion does not lead to compromise under the Communist rule as it is practiced, but to a concentration camp, the noose, or the firing squad before the wall.

"These Communists who want to deceive the people all call themselves liberals. They want to overthrow our Government. They want to wreck our economy. They want to destroy our system of society. But let anyone oppose them or criticize their intentions and objectives and they promptly howl 'reactionaries.' The modern definition of a reactionary is anybody who disagrees with a Communist.

"Now let us see what real liberals and liberalism are, actually:

"The heroic men and women who crossed the stormy ocean in cockleshell boats to find liberty from autocratic oppression and totalitarian tyranny were liberals.

"The signers of the Declaration of Independence were liberals.

"The framers of the Constitution were liberals. They founded the most liberal government ever conceived by man and planted upon the face of this globe.

"On the other hand, totalitarianism and tyranny by an individual or a group at the top is the oldest form of oppression known to man. Yet these Communists want to go back to what they call a dictatorship of the proletariat.

"The fact is no such communism exists in Russia. The effort to operate communism was abandoned years ago in Russia. Today, and for years, Joseph Stalin and his little group of top administrators are, and have been, absolute despots. There is no common equality of citizens except the common term of 'comrade.' Foremen get much more than the rank-and-file workers receive. Faster workers actually get more money per piece in piecework than the slower workers do. In the American Army a lieutenant receives three times the pay of a private. A recent report revealed that in the Russian Army a lieutenant receives 13 times the pay of a private. I am speaking of second lieutenants, of course. To a Russian soldier the possession of a cheap wrist watch is something he will empty his pockets to achieve. You and I know that there was hardly a boy or girl in our armed services who did not have a very accurate wrist watch and thought little about it.

"So instead of the lovely, gentle communism which these agitators in this country paint as a beneficent communism in Russia, concentration camps, oppression, the Ogpu and terrorism cover the land and are a part of the everyday life of those who live behind the iron curtain.

"If communism were working so well in Russia, just exactly why, do you suppose, the Russian rulers keep that iron curtain about Russia? Why would they not rather display to the world the blessings, the accomplishments, the fine results they claim for the communism which these American Government workers preach?

"So then, our forefathers—the founding fathers, who were true liberals—founded upon this continent the most liberal government man ever knew.

"In 150 years under our liberal American system we have achieved the highest living levels, the highest wages, the best working conditions, the greatest production, the most luxuries for the masses, the best system of railroads and highways, the most automobiles, refrigerators, and other material comforts, the greatest degree of religious, political, and social liberty ever achieved by any people in any length of time anywhere on the earth. Why should we let these scheming Communists persuade us to give up all of that to embrace a form of absolutism which inevitably would wreck every one of those advantages?

"The Communists argue that we must change our system of government, economy, and society because it is outmoded. A democracy such as ours cannot wage war or defend itself against the more efficient dictatorships either of fascism or of the proletariat, they assert. Our economy has matured they insist—whatever that may mean—and we must change to a new one. Let's look at the facts about all this and see whether or not there is a shred of truth in these communistic assertions.

"Not only have we achieved all of the wonderful advantages and comforts of life, all the liberties and the privileges which I outlined a moment ago, but we have proved the efficiency of our American system in war. Let me remind you that for 40 years the war lords of Japan were preparing for the struggle they knew they would one day wage against the western world. For 20 years Mussolini drove Italy, boot and spur, getting ready for the war he knew was coming. For 20 years Joseph Stalin drove Russia to prepare for a war he knew would come. For 12 years Hitler and his Nazi thugs drove the enslaved German people day and night getting ready for the war against civilization Hitler knew he would one day wage.

"What of America? In three short years, under our free Government, free industry, free labor, free agriculture, our free people of every religious faith, every political creed, every race and color turned to, overcame that lead of 40 years and 20 years and 12 years and put us on an offensive war basis. What else did we do? We fought two wars—one in the Atlantic and one in the Pacific. The Pacific war we fought lone-handed without any help from any other nation, and at the same time we sent billions piled upon billions of dollars' worth of lend-lease help—gifts—to Britain, Russia, and all other nations fighting on our side. We sent more than $9,000,000,000 worth of arms munitions, machines, material and foodstuffs to Joseph Stalin in Russia. We sent more than $30,000,000,000 of the same kind of lend-lease gift supplies to Britain. And even that is but a small part of the miracle we performed. While we did all that we kept up our own living standards.

"Now what is happening?

"The despised America, the inefficient governmental, economic, and social system these Government-wrecking Communists prate about, scorn, and berate is being asked to lend billions—I should say give—to Britain, to Russia, to France, to China, to all the other countries, at the very same time we are undertaking to carry probably half the burden of feeding a distressed and starving world. That is the kind of government, that is the kind of an efficient economy, that is the kind of an efficient social system these scheming plotters would like to overthrow in order to get their greedy clutches on the riches, the property, the loveliness that is America, in order to become dictators over our people. Whenever you hear anybody talking about the advantages of communism over Americanism, about the advantage of a dictatorship of the proletariat, about the superior efficiency of the Russian system over the American system, you tell him that every fact of history—recent history—of the very things that are happening now in the world—give the lie to all he says to belittle the United States.

"We have the most magnificent, the most efficient, the most progressive, the most liberal, the most scientific system of production, of government, of society, of politics in this whole wide world, and every fact of history in the First and Second World Wars proves it, as do all the peacetime accomplishments we have achieved. We are the most blessed people in the most blessed land on God's footstool.

"Eternal vigilance is still the price of liberty. We must be more vigilant against the wicked, dangerous menace of these Communists. These anarchists would wreck our Nation to produce chaos so they can take over and loot and enslave and rule. It must not be, and we, the citizens, are the ones who must prevent it.

"The heroic men and women who have come back from the wars in which they endured indescribable horrors and trials to defend liberty and free government abroad now are compelled to fight for it at home. They won the war; now they must win the peace—and we must help them.

"You ask, 'What can we women do about all this?'

"We women, the special guardian of religion, which communism brags about, more in peace than in war.

"We vote; we can support candidates who stand for—I mean actually stand for—the continuation of our American system of government, economy, and society.

"We can speak out and speak with authority, knowing we are right, whenever and wherever we hear some Communist, some Communist sympathizers, or some deluded citizen who thinks communism is what it is not, tries to cry down our American system.

"You must speak up, you must defend your democracy whenever the question is raised. If the majority of the citizens do not stand firm in defense of our system, then we will lose that system.

"If ever our American system of freedom is extinguished, the light of the world will truly go out and the hope which lights the hearts of all who love liberty, godliness, and progress will become darkness.

"Communism would stamp out religion. We women must uphold religion. We must stand by our faith for the sake of the world.

"We must stand by America for the sake of the world."

THE HONORABLE CHARLES A. EATON

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, the very distinguished and most able dean of the New Jersey congressional delegation, the chairman of the House Committee on Foreign Affairs, whom we affectionately know as "Doc" EATON, is 79 years old today.

"Doc" was feted in his committee room shortly after the House convened. The host was the friendly gentleman from Pennsylvania [Mr. FULTON], who, like the Member now addressing you, holds "Doc" as one of his congressional fathers, an inspiration to the younger men of the House. There was a birthday cake with all the "fixin's" and the table piece was a vase holding 79 American Beauty roses; these from the 15 other Members of Congress from New Jersey. A high light of the occasion was a phone ring from the White House. The President had

called to extend personally a birthday salute.

Three years ago this day, I felt the urge to speak on the floor about my dean. I phoned "Doc" in his office at the time and asked him how he felt. Without a moment's hesitation he gave me what the boys in the gallery might call "the punch line." Here is what he said, "Gordon, the spirit of '76 is invincible." Today, when I reminded him of this, he beamed and said, "Now I can say that the spirit of '79 is 3 years younger than the spirit of '76!"

I know that all of the good doctor's colleagues in the House join me now in wishing him many years of health and happiness in the service of our country right here in the body he loves so much.

Mr. BENDER. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield to the distinguished gentleman from Ohio.

Mr. BENDER. The gentleman has referred to Dr. EATON, a former resident of my home city of Cleveland. For many years he served as pastor of the Euclid Avenue Baptist Church, and later, for some 20 years, worked alongside my father at the General Electric Co. I am very fond of the gentleman. When he left Cleveland for New Jersey they had a great civic celebration for Dr. EATON, and at that time he said: "I have never knowingly added to another man's burden." That very well expresses the kind of a man, the kind of a fine Christian character we have in Dr. EATON, and I am so glad the gentleman from New Jersey has risen here to pay this tribute to him.

Mr. CANFIELD. I know that what the gentleman from Ohio has just said is true. May I add this? Dr. EATON has never forgotten Cleveland.

PROGRAM FOR TOMORROW AND NEXT WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I take this time to say that we had hoped that if the so-called sugar bill had been acted upon in the Senate it might not be necessary for us to meet tomorrow. However, the bill has not been passed so it will be necessary for us to meet tomorrow to dispose of that. So far as I know, that will involve no particular controversy.

Then, with respect to the program for next week, it is my understanding that a deficiency appropriation bill will be reported and will be ready for consideration on Monday. It is expected that general debate on that bill will be had on Monday and that on Tuesday the bill may be read and finally acted upon.

Also it is probable that there will be several conference reports to be considered next week and, of course, those will be taken up at any time during the session. Beyond that, Wednesday and Thursday are undetermined.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I understand that in the deficiency bill there are a number of appropriations for the Veterans' Administration.

Mr. HALLECK. Well, I am not informed as to the details involved in the deficiency bill. It has not been reported so I do not know.

Mrs. ROGERS of Massachusetts. But since it is a deficiency bill there is likely to be an appropriation for the Veterans' Administration.

Mr. HALLECK. As to that I am not informed.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 565. An act to amend section 3539 of the Revised Statutes, relating to taking trial pieces of coins; to the Committee on Banking and Currency.

S. 566. An act to amend sections 3533 and 3536 of the Revised Statutes with respect to deviations in standard of ingots and weight of silver coins; to the Committee on Banking and Currency.

JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on Enrolled Bills, reported that that committee did on March 26, 1947, present to the President, for his approval, joint resolutions of the House of the following titles:

H. J. Res. 118. Joint resolution to strengthen the common defense by maintaining an adequate domestic rubber-producing industry; and

H. J. Res. 154. Joint resolution making an appropriation for expenses incident to the control and eradication of foot-and-mouth disease and rinderpest.

EXTENSION OF REMARKS

Mr. MANSFIELD of Texas asked and was given permission to extend his remarks in the RECORD and include a letter.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 29 minutes p. m.) the House adjourned until tomorrow, Friday, March 28, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

494. A letter from the Chairman, Federal Power Commission, transmitting a report showing the names and compensation of the members and employees of the Federal Power Commission as of June 30, 1946; to the Committee on Interstate and Foreign Commerce.

495. A letter from the Secretary of Agriculture, transmitting a final report of the investigation conducted by the Commodity Exchange Authority; to the Committee on Agriculture.

496. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill to amend the act of March 14, 1944, to include Coast Guard personnel in the exemption from payment of tolls on the Golden Gate Bridge; to the Committee on Interstate and Foreign Commerce.

497. A letter from the Archivist of the United States, transmitting lists or schedules, or parts of lists or schedules, covering records proposed for disposal by various Government agencies; to the Committee on House Administration.

498. A letter from the Comptroller General of the United States, transmitting a report on the audit of Home Owners' Loan Corporation (H. Doc. No. 184); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 1844. A bill to authorize the Administrator of Veterans' Affairs to grant easements in lands belonging to the United States under his supervision and control, and for other purposes; without amendment (Rept. No. 187). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 2368. A bill to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $3,000,000 as a revolving fund in lieu of $1,500,000 now authorized and for other purposes; without amendment (Rept. No. 188). Referred to the Committee of the Whole House on the State of the Union.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 1888. A bill to incorporate the AMVETS, American Veterans of World War II; with amendment (Rept. No. 189). Referred to the House Calendar.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 190. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 191. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. SPRINGER: Committee on the Judiciary. H. R. 1983. A bill to amend the Second War Powers Act, 1942, as amended; with amendment (Rept. No. 192). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 49. A bill to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States; with amendments (Rept. No. 194). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHORT: Committee on Armed Services. H. R. 1605. A bill to amend the act approved December 28, 1945 (59 Stat. 663), entitled "An act to provide for the appointment of additional commissioned officers in the Regular Army, and for other purposes," as amended by the act of August 8, 1946 (Public Law 670, 79th Cong.); without amendment (Rept. No. 195). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 1368. A bill to include civilian officers and employees of the United States Naval Government of Guam among those persons who are entitled to the benefits of Public Law 490 of the Seventy-seventh Congress, approved March 7, 1942 (56 Stat. 143), as amended, and for other purposes; without amendment (Rept. No. 196). Referred to the

Committee of the Whole House on the State of the Union.

Mr. ELSTON: Committee on Armed Services. H. R. 1807. A bill to authorize the Secretary of the Navy to grant to the county of Pittsburg, Okla., a perpetual easement for the construction, maintenance, and operation of a public highway over a portion of the United States naval ammunition depot, McAlester, Okla.; without amendment (Rept. No. 197). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

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

Mr. ANDREWS of New York: Committee on Armed Services. S. 875. An act to authorize the President to appoint Maj. Gen. Laurence S. Kuter as representative of the United States to the Interim Council of the Provisional International Civil Aviation Organization or its successor, without affecting his military status and perquisities; with amendment (Rept. No. 193). Referred to the Committee of the Whole House.

Mr. ELSTON: Committee on Armed Services. H. R. 2248. A bill to authorize the Secretary of War to grant an easement and to convey to the Louisiana Power & Light Co. a tract of land comprising a portion of Camp Livingston in the State of Louisiana; without amendment (Rept. No. 198). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. BARTLETT:

H. R. 2814. A bill to amend the second proviso in section 27 of the Merchant Marine Act, 1920, as amended (U. S. C., 1940 ed., title 46, sec. 883); to the Committee on Merchant Marine and Fisheries.

By Mr. LeCOMPTE:

H. R. 2815. A bill to provide hospitalization for certain persons who served in the armed forces of the United States in time of peace; to the Committee on Veterans' Affairs.

By Mr. LANE:

H. R. 2816. A bill to provide that veterans who have 10 or more years of service to their credit for the purposes of the Civil Service Retirement Act may receive credit for certain additional periods; to the Committee on Post Office and Civil Service.

By Mr. POTTS:

H. R. 2817. A bill to amend the Canal Zone Code, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CASE of New Jersey:

H. R. 2818. A bill to establish the position of Associate Director in the Federal Bureau of Investigation and to fix the compensation therefor; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 2819. A bill to remove the 10-year limitation on the time within which certain claims against the United States must be presented to the General Accounting Office; to the Committee on the Judiciary.

By Mrs. NORTON:

H. R. 2820. A bill to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry; to the Committee on Education and Labor.

By Mr. DOMENGEAUX:

H. R. 2821. A bill to provide for the control and eradication of certain plant life in the navigable waters, feeder streams, swamps and marshes, and other waters of the United States; to the Committee on Public Works.

H. R. 2822. A bill to prohibit the transportation in interstate and foreign commerce of certain plants and seeds; to the Committee on Agriculture.

By Mr. FERNANDEZ:

H. R. 2823. A bill to provide for a commission to adjudicate claims of American nationals who were prisoners of war of Japan, for payment of its awards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FULTON:

H. R. 2824. A bill to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry; to the Committee on Education and Labor.

By Mr. HAGEN:

H. R. 2825. A bill to provide additional funds for cooperation with public-school districts (organized and unorganized) in Mahnomen, Itasca, Pine, Becker, and Cass Counties, Minn., in the construction, improvement, and extension of school facilities to be available to both Indian and white children; to the Committee on Public Lands.

H. R. 2826. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for investigatory personnel of the Federal Bureau of Investigation who have rendered at least 20 years of service; to the Committee on Post Office and Civil Service.

By Mr. WOLVERTON:

H. R. 2827. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the creation of a consolidated international air carrier for the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HINSHAW:

H. R. 2828. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the creation of a consolidated international air carrier for the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H. R. 2829. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the creation of a consolidated international air carrier for the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWELL:

H. R. 2830. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the creation of a consolidated international air carrier for the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

My Mr. MANSFIELD of Texas:

H. R. 2831. A bill authorizing preliminary examinations and surveys of the streams, and their larger tributaries, flowing through the Brazoria-Galveston soil conservation district and the coastal plains soil conservation district, in Texas; to the Committee on Public Works.

By Mr. VURSELL:

H. Res. 164. Resolution to create a House committee to investigate the mine explosion at the Centralia Coal Co., mine No. 5, Wamac, Centralia, Ill.; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

Mr. ANDERSON of California:

H. R. 2832. A bill for the relief of Mrs. Mie Sagara; to the Committee on the Judiciary.

H. R. 2833. A bill for the relief of Isa Okuda; to the Committee on the Judiciary.

H. R. 2834. A bill for the relief of Mrs. Teiko Kimura; to the Committee on the Judiciary.

By Mr. BROPHY:

H. R. 2835. A bill for the relief of Moy Sieu; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 2836. A bill for the relief of Mrs Maymea Whittaker; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 2837. A bill for the relief of the Bunker Hill Development Corp.; to the Committee on the Judiciary.

PETITIONS, ETC.

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

281. By Mrs. SMITH of Maine: Resolution of Slovak Catholic Sokol, Assembly 13, Lisbon Falls, Maine, Paul J. Rovnak, president, and John S. Karkos, secretary, urging congressional investigation of the Czechoslovak question; to the Committee on Foreign Affairs.

282. By Mr. TALLE: Petition of the Reverend Charles E. Mason, Manchester, Iowa, and 37 other citizens of Iowa, supporting S. 265, a bill to prohibit advertising of intoxicating beverages; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, MARCH 28, 1947

(Legislative day of Monday, March 24, 1947)

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

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Lord Jesus, who didst promise that by faith Thy disciples might remove mountains, increase our faith, till we no longer are awed by difficulties and frightened by problems. Hold us by Thy mighty hand until doubts shall cease and we begin to believe. Then shall we find all things possible, even Thy solutions to the questions that perplex us. For this we do pray. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 27, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 1) to reduce individual income-tax payments, in which it requested the concurrence of the Senate.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)