

FARM CREDIT ADMINISTRATION

James Earl Wells, Jr., to be Cooperative Bank Commissioner of the Farm Credit Administration.

DEPARTMENT OF THE NAVY

Rear Adm. Albert G. Noble, United States Navy, to be Chief of the Bureau of Ordnance in the Department of the Navy, for a term of 4 years.

IN THE ARMY

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

To Adjutant General's Department

Lt. Col. Cranford Coleman Bryan Warden
Maj. Robert Loomis Anderson
Maj. Thomas Edward Pickett Barbour

To Ordnance Department

Maj. Nelson Marquis Lynde, Jr.

To Air Corps

Lt. Col. Gilbert Hayden
Maj. George Harold Graham
Maj. Harold Elworthy Todd
Capt. Henry James Heuer
Capt. Robert Muirhead Reed
First Lt. Earl Morse Bradford
First Lt. William Kneidler Cummins
First Lt. Frederick Charles Engelman
First Lt. Edgar Max McGinnis
First Lt. Edward Blakslee Reed
First Lt. Milton Frederick Ritterbush
First Lt. Joe Neal Swanger
First Lt. Robert Andrew Wys

APPOINTMENTS IN THE ARMY NURSE CORPS IN THE REGULAR ARMY OF THE UNITED STATES

To be lieutenant colonels

Florence A. Blanchfield, [REDACTED]
Jessie M. Braden, [REDACTED]
Ida W. Danielson, [REDACTED]
Mary F. Galli, [REDACTED]
Alida J. Garrison, [REDACTED]
Ida L. Langenheder, [REDACTED]
Elizabeth V. Messner, [REDACTED]
Joanna Peters, [REDACTED]
Agnes A. Resch, [REDACTED]
Elsie E. Schneider, [REDACTED]
Burdette B. Sherer, [REDACTED]
Lillian G. Thompson, [REDACTED]
Maidie E. Tilley, [REDACTED]
Edna D. Umbach, [REDACTED]
Rozene Wentz, [REDACTED]

To be majors

Lucile B. Bacchieri, [REDACTED]
Bernice W. Chambers, [REDACTED]
Rosalie D. Colhoun, [REDACTED]
Helen A. Dugan, [REDACTED]
Pearl T. Ellis, N700355
Elizabeth Fitch, [REDACTED]
Anna M. Grassmyer, [REDACTED]
Abigail B. Graves, [REDACTED]
Frances C. Henchey, [REDACTED]
Helen V. Johnson, [REDACTED]
Pauline Kirby, [REDACTED]
Dorothy M. Kurtz, [REDACTED]
Mary Miller, [REDACTED]
Mary J. Miller, [REDACTED]
Dora A. Noble, [REDACTED]
Amy R. Pendergraft, [REDACTED]
Mary C. Scherer, [REDACTED]
Sara M. Schoenberger, [REDACTED]
Augusta L. Short, [REDACTED]
Alice C. Wickward, [REDACTED]

To be captains

Helen Adams, [REDACTED]
Vivian L. Allmendinger, [REDACTED]
Eleanor R. Asleson, [REDACTED]
Mary S. Barry, [REDACTED]
Estella Baylor, [REDACTED]
Jaynie E. Belcher, [REDACTED]
Monta R. Boswell, [REDACTED]
Althea V. Buckins, [REDACTED]
Burnett C. Drumm, [REDACTED]
Blanche H. Eager, [REDACTED]
Martha Fulwood, [REDACTED]
Mabel E. Hause, [REDACTED]
Myrtle C. Huhner, [REDACTED]
Cecilia F. Kehoe, [REDACTED]

Virginia K. Kilroy, [REDACTED]
Ethel A. Lamansky, [REDACTED]
Blenda M. Laverick, [REDACTED]
Margaret M. Moss, [REDACTED]
Julia I. Mullen, [REDACTED]
Clemmie L. Reynolds, [REDACTED]
Alvine L. Schmidt, [REDACTED]
Catherine M. Underdown, [REDACTED]
Lena Vanderwood, [REDACTED]

To be first lieutenants

Irene C. Blochberger, [REDACTED]
Aller M. Crowell, [REDACTED]
Thelma Crowell, [REDACTED]
Anna M. Hackett, [REDACTED]
Emilie K. Jensen, [REDACTED]
Marguerite M. Klein, [REDACTED]
Blanche M. McAndrews, [REDACTED]
Avis O. Meeks, [REDACTED]
Mollie A. Petersen, [REDACTED]
Helen A. Stack, [REDACTED]
Mary M. Steppan, [REDACTED]
Ruth M. Stoltz, [REDACTED]
Frances P. Thorp, [REDACTED]
Madeline M. Ullom, [REDACTED]
Marguerite A. Yerger, [REDACTED]

APPOINTMENTS IN THE OFFICERS' RESERVE CORPS OF THE ARMY OF THE UNITED STATES

To be brigadier generals

Edward Courtney Bullock Danforth, Jr.
Ralph Gates Boyd
Robert Wesley Colglazier, Jr.
George Harris Cosby, Jr.
James Bell Cress
James Alexander Crothers
Lloyd William Elliott
John David Higgins
Russell Archibald Ramsey

IN THE NAVY

APPOINTMENTS IN THE CORPS, GRADES, AND RANKS 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 (junior grade)

*Stearns, George F., Jr.

To be ensigns

*Barahal, George D. *O'Malley, George F.
*Burnett, Collins W. *Potter, James A., 3d
*Fisher, Guin M. Stansell, Herman J., Jr.
Graham, Horace E.
Hartley, Cecil M. *Thornton, William H., Jr.
Hedges, William D. *Vranicar, Raymond
*Kenner, Jack L.
*Maloney, John M.
McKenzie, Lawrence H. Ward, John F.
Nutter, Paul "M" Willett, Charles F.

To be assistant surgeons, Medical Corps, with the rank of lieutenant (junior grade)

Basilicato, Gennaro Mayer, William E.
Faaland, Halvdan G. K. Orr, William S.
King, Robert L. Quilter, Thomas N.

To be assistant paymasters, Supply Corps, with the rank of ensign

Batterson, Robert E. Depew, Robert W.
Davis, Albert S. Desanto, James V.
Ferris, Robert H. Forlenza, Vincent A.
Fink, William W. Fowler, George O.
Shepard, John C. Moon, Ralph E.
Tucker, Oscar G. Oller, William M.
Becker, Charles Rehberg, Jerome A.
Chance, Carl Shenk, Eugene M.
Cherryman, Rexford R. Woody, Ellis A.

To be assistant civil engineers, Civil Engineer Corps, with the rank of ensign

Kwinn, Edward S.
Lee, James J.

To be assistant dental surgeons, Dental Corps, with the rank of lieutenant (junior grade)

Grossman, Frank D. Rupp, Nelson W.
McCrory, John J. Staples, William R.

To be commissioned warrant officer, chief radio electrician

Holt, Robert L.

To be commissioned warrant officer, chief pay clerk

Day, Donald J. Kroger, Raymond M.
Harter, August J. McKenney, Charles V.
Hiatt, Donald A.

To be ensigns in the Navy from June 6, 1947

Bernard N. Bloom Charles R. Hannum
Billy A. Dodge Donald J. Weintraut
Maurice A. Person George T. Younggren
Donald R. Williams

To be assistant civil engineer in the Navy with the rank of ensign from June 6, 1947

Joseph W. Neudecker, Jr.

To be assistant paymaster in the Navy with the rank of ensign

Francis Roche

IN THE MARINE CORPS

To be second lieutenants from June 6, 1947

John W. Drury John D. Krohn
George C. Fox Eugene R. Puckett
Jack E. Harlan

UNITED STATES DISTRICT JUDGE

David Chavez, Jr., to be United States district judge for the district of Puerto Rico.

UNITED STATES MARSHALS

Henry Otis Camp to be United States marshal for the northern district of Georgia.
Loomis E. Cranor to be United States marshal for the western district of Kentucky.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 8, 1947

The House met at 11 o'clock a. m.

Rev. Paul V. Galloway, LL. D., pastor of the Central Methodist Church, Fayetteville, Ark., offered the following prayer:

Eternal God, in whose presence we gain strength and righteousness, help us to draw near unto Thee that this day may be lived in doing Thy will and in hallowing Thy name.

Bless these men and women as they think and work together. Be with those whom they love and those for whom they labor.

If there are heavy hearts, help them to share with Thee that their burdens may be lessened. If there are crosses to be borne, give them Thy power. If there are motives that are impure and hearts that are unclean, let Thy forgiving love cleanse and purify.

Grant unto all the servants and leaders of our Nation Thy goodness, Thy wisdom, and Thy courage.

Make us receptive to Thy truth that we may walk in Thy paths and be led by Thy light—for Thine is the kingdom, and the power, and the glory, forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill and a joint resolution of the following titles, in

which the concurrence of the House is requested:

S. 1515. An act to make surplus property available for the alleviation of damage caused by flood or other catastrophe; and

S. J. Res. 98. Joint resolution providing for membership and participation by the United States in the World Health Organization and authorizing an appropriation therefor.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 395. An act authorizing the issuance of a patent in fee to Richard Jay Doyle.

FEDERAL RESERVE BRANCH BANK BUILDINGS

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 274, Rept. No. 803), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3952) to amend section 10 of the Federal Reserve Act, as amended, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

TERMINATION OF CONSUMER CREDIT CONTROLS

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 275, Rept. No. 804), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 222) terminating consumer credit controls. That after general debate, which shall be confined to the joint resolution and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. HERTER asked and was given permission to extend his remarks in the RECORD and to include a letter from the

Maritime Commission, together with certain accompanying tables.

Mr. CAMP asked and was given permission to extend his remarks in the RECORD and include a short address by Mr. Ivan Allen, chairman of the Franklin D. Roosevelt Warm Springs Memorial Commission.

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include a telegram.

Mr. KENNEDY asked and was given permission to extend his remarks in the RECORD and include a telegram and a letter.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an address which I made in the House on January 15, 1926, in opposition to canceling the Italian loan. I think it is very much in order at this time.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PHILIPPINE INDEPENDENCE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 389)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

As required by section 7 (4) of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes," I transmit herewith, for the information of the Congress, the seventh and final report of the United States High Commissioner to the Philippine Islands covering the period from September 14, 1945, to July 4, 1946.

I recommend that this report be printed as a congressional document.

HARRY S. TRUMAN.

THE WHITE HOUSE, July 8, 1947.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. GROSS. I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, yesterday the House passed by a vote of 388 to 0 the bill to permit cashing of terminal-leave bonds by our veterans. I was in my district on business and could not return in time to be present for the vote. Had I been present, I would have voted for passage of the bill.

REDUCING INDIVIDUAL INCOME TAX

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 272 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 3950) to reduce individual income tax payments, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendments shall be in order to the said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but such amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

CALL OF THE HOUSE

Mr. HOEVEN. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. ALLEN of Illinois. 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. 101]

Barden	Dorn	Meade, Ky.
Bland	Flannagan	Nixon
Bolton	Fletcher	Pace
Boykin	Fuller	Powell
Cole, Mo.	Gifford	Robison
Cole, N. Y.	Hart	Scoblick
Coudert	Hartley	Short
Courtney	Hendricks	Smith, Ohio
Cravens	Johnson, Okla.	Taylor
Davis, Tenn.	Kearns	Thomas, Tex.
Dawson, Ill.	Kelley	Vinson
Dingell	Lanham	Vorys
Domengeaux	Mansfield, Tex.	

The SPEAKER. On this roll call, 389 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. CELLER asked and was given permission to extend his remarks in the RECORD.

Mr. LANE asked and was given permission to extend his remarks in the RECORD in three instances and to include newspaper articles and other items.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and to include an editorial.

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD and to include a newspaper article.

Mr. FISHER asked and was given permission to extend his remarks in the RECORD and to include a newspaper article.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and to include an article.

Mr. BENDER asked and was given permission to extend his remarks in the RECORD in five instances and to include articles from Mr. Donaldson.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD on the subject of competition between the railroads and airlines.

Mr. HESS asked and was given permission to extend his remarks in the RECORD and to include an article from the Cincinnati Inquirer.

THE SUGAR BILL

Mr. HOPE. Mr. Speaker, I ask unanimous consent to file a supplemental report on the bill H. R. 4075.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

EXTENSION OF REMARKS

Mr. CASE of New Jersey asked and was given permission to extend his remarks in the RECORD and to include a Gallup poll.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. HARLESS of Arizona, Mr. NORBLAD, and Mr. ROBERTSON asked and were given permission to extend their remarks in the RECORD.

Mr. MCGREGOR asked and was given permission to extend his remarks in the RECORD.

INDIVIDUAL INCOME TAX REDUCTION ACT OF 1947

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

I yield myself such time as I may desire.

Mr. Speaker, this resolution provides consideration of H. R. 3950, a bill to reduce individual income-tax payments. This rule also waives points of order against the bill and prohibits amendments, except those offered by direction of the Committee on Ways and Means. The type of closed rule embodied in this resolution is customary in tax legislation, and the procedure of bringing tax legislation to the floor under a closed rule has been long established in practice by both parties.

A bill of this nature offers a wonderful opportunity for Members to express their views on a number of subjects, but, unfortunately, time is now an important factor. This bill must be passed by the House quickly, so that the Senate will be able to act on it and get it to the President by the end of the week. Allowing 10 days for the President to consider the bill, the Congress will still have time to override in case of a veto.

This bill does not necessitate any discussion on my part. We all understand it. We passed a similar bill earlier this session, and we were enlightened by 6 hours of debate at that time. This is the same bill, except that the provisions of this bill become effective January 1, 1948. In view of this fact and in consideration

of the pressure of other business, this resolution limits debate to 2 hours.

I had planned to discuss the need for this legislation and to make some observations on the advisability of reducing taxes at this time. But as time is an important factor, I will limit myself to a brief observation as to the importance of drafting tax legislation that will encourage incentive.

One of the finest instincts of a normal man is his desire to provide for the future security of himself and his family. Now, the present tax laws, which strike at the very roots of personal incentive, should rightly be a matter of deep concern to every thoughtful American. People generally do not realize what has been done to them in the past 10 years. With income and estate taxes and interest rates at their present levels, it is virtually impossible for a young man to accumulate a competency for his old age. The present personal income taxes make the development of small business a well-nigh insurmountable task. Even an exceptionally able man cannot look forward to self-provided financial security in his old age under our present tax law. This situation must be remedied. We should never forget that, while the welfare of the so-called common man is of vital importance, it is only through the initiative and ingenuity of the uncommonly gifted individual that the general well-being of all of our people can be advanced.

Political freedom will not long endure in the absence of a financially independent, self-reliant citizenry. The dynamic character of the American economy will also wither away unless ambitious, enterprising individuals are enabled to plow back into their business an adequate portion of the fruits of their efforts. A steady flow of new and successful enterprises into the economic bloodstream of the Nation is essential to the continued operation of our private competitive business system. Furthermore, the inner fiber of our people will be insidiously weakened if the prospect of a self-respecting, independent old age is virtually destroyed. The quality of our business leadership will also suffer in the years ahead if some means is not devised by which adequate financial incentives can be provided for those of the rising generation who must shortly assume the grave responsibility of directing the existing business enterprises of this country. Incentive is important. Without it, this Nation would deteriorate and pass from existence. Our tax laws should be an incentive for our citizens to provide themselves a better standard of living.

Mr. Speaker, I hope the rule is rapidly passed, that both the House and the Senate will pass the bill and that the President will sign it. In the event he does not, I feel the Congress will be justified in overriding his veto.

I now yield to the gentleman from Illinois [Mr. SABATH].

The SPEAKER. The gentleman from Illinois [Mr. ALLEN] has consumed 6 minutes.

The gentleman from Illinois [Mr. SABATH] is recognized for 30 minutes.

REPUBLICAN REVENUE BILL

Mr. SABATH. Mr. Speaker, if the chairman of the Committee on Rules were as candid in explaining the provisions of the bill and the need for the bill as he is in describing the rule, I would, of course, congratulate him. His description of the rule makes it clear that it is a gag rule of the worst form. Naturally we have passed rules like this before on tariff and complicated tax bills which deprived the Members of the opportunity to offer amendments. Only the holier-than-thou Committee on Ways and Means has the privilege to offer any amendment under this rule. The Members, of course, will have the right to vote on them.

You know, Mr. Speaker, I was amazed this morning when the Pastor offered his prayer to observe only four Republicans on the floor, and that at a time when they were especially in need of the Chaplain's prayer for guidance.

Mr. Speaker, my colleague, the chairman of the Committee on Rules, stated that the bill is for the protection of future generations. This, of course, saying the least, is a very lame justification for the bill. It would be in the interest of future generations if we were to start now, while the country is prosperous, to reduce our great public indebtedness to avoid saddling upon the future generations this tremendous burden. The fact is that this bill is in the interest of a few thousand of the wealthiest people of the Nation by reducing their income taxes by nearly \$4,000,000,000.

BUSINESS NEEDS NO FURTHER STIMULATION

Another reason that is given to urge the enactment of this legislation is that the bill will aid and stimulate business and will serve as an incentive to increase business. This plea is made as though business needed additional funds in order to exist or continue; yet I read in the New York Times just a few days ago, as well as in other reputable financial papers, that some 228 outstanding corporations during the first 3 months of this year made a profit 305 percent above the great profits they enjoyed in 1946; and notwithstanding the fact that all the corporations have a great backlog of orders, and have more business on hand, that will assure them of greater production and, naturally, greater profits, and that they have more cash, greater bank balances, reserves and surpluses than ever in their history. Therefore, it is ridiculous for anyone to claim that they need this reduction in taxes to stimulate and increase their business.

REPUBLICAN MISRULE BEGOT STAGGERING DEBT

The President vetoed the first tax bill, and his main reason was that if there was ever a time to start to reduce the great public debt this is the time, when the country is as prosperous as it is. We will not be able to reduce the debt if we reach such prosperous years as the country suffered from under 12 years of Republican misrule, especially during the 4 years of Hoover prosperity; and, by the way, much of the debt that has been in-

curred was because of the Republican administration under President Hoover which made it necessary for President Roosevelt and the Democratic Congress to put the country back on its feet, feed the hungry, save the municipalities, the States, the banks, insurance companies, railroads, and the business of the Nation. Naturally, a great deal of money had to be expended to restore America, to make it the country of prosperity that we have enjoyed under a Democratic administration. I hope we will continue to be prosperous, that people will continue to be employed at a high wage, and that business will make fair and reasonable profits on their investments.

HAMILTON'S POLICIES ABANDONED

I regret that the Republicans have failed to follow the founder of the Republican Party, Alexander Hamilton, who advised and recommended that it would be for the best interests of the country to reduce its indebtedness. It was Hamilton's belief and practice that no debt should be incurred until the means of retiring it had been established. I have a report from Dun & Bradstreet and from outstanding businessmen as well as financiers who plead and insist that our duty now is to begin the reduction of the tremendous debt brought about by Republican misrule and the unfortunate war, which also, by the way, was brought about because the Republicans failed to approve the League of Nations. If the League of Nations had been approved and we had been members of the League of Nations, Germany and Japan never could have prepared for war and we would not have been saddled with the great debt for the war.

Mr. Speaker, it is our solemn duty to begin to reduce the country's indebtedness in order to protect the value of billions of dollars of our outstanding bonds held by patriotic Americans; to keep the country and dollar sound; to safeguard the solvency of our Government; and to hold down the interest rates on our outstanding indebtedness. I make this assertion because only this morning I observed that the interest rates have been increased by the banks to 3.1 percent which will force us to pay additional millions to the bankers on our refinancing.

TAX REDUCTIONS BENEFIT THE RICH

I concede that this bill provides for the reduction of individual income taxes and it will be the hue and cry of the Republicans that the bill will reduce taxes. Yes, it will reduce taxes as I have stated by about \$4,000,000,000, but for whom? Nearly all of this great sum will inure to the benefit of the prosperous, money-making, high-salaried, and bonus-drawing officers and officials, and the wealthy groups. I feel it is my duty to show in plain figures whose taxes will be reduced. I have here a correct and official table giving the spendable income after tax in various income brackets and it shows a man earning \$1,200 will have a tax reduction of 21 cents weekly while the millionaire will enjoy an additional spendable income of \$8,695.69 weekly. The table which I insert at this point shows more fully the spendable income

inuring to various income groups, as follows:

Married person—no dependents

Net income before personal exemption	Spendable income after tax (amount)			
	Present law	H. R. 1 as amended	Difference	Difference on weekly basis
\$1,200.....	\$1,162	\$1,173	\$11	\$0.21
\$1,500.....	1,405	1,433	28	.54
\$2,000.....	1,810	1,867	57	1.09
\$4,000.....	3,411	3,529	118	2.27
\$6,000.....	4,955	5,164	209	4.02
\$10,000.....	7,815	8,252	437	8.40
\$25,000.....	15,918	17,734	1,816	34.92
\$50,000.....	25,205	30,164	4,959	95.37
\$100,000.....	36,473	49,498	12,625	242.79
\$500,000.....	92,536	137,926	65,390	1,257.50
\$1,000,000.....	160,286	271,176	110,890	2,132.50
\$5,000,000.....	1,725,000	1,177,176	452,176	8,695.69

¹ Taking into account maximum effective rate limitation of 85.5 percent.

Mr. Speaker, from an examination of this table every one must realize that this bill reduces the income taxes of the low-earning groups by a few pennies and of the wealthy by thousands of dollars.

The National Association of Manufacturers and the financial lobby who urge this legislation will endeavor to make the people believe that the Democrats are opposed to a reduction of taxes, satisfied that very few people are overjoyed by paying taxes. If I did not believe that in the interest of our Nation, as I said before, it is our solemn duty to reduce our great indebtedness, and could bring myself to vote for income-tax reduction, still I could not play into the hands of these selfish gentlemen who urge upon us a bill which reduces the taxes of the lowest income groups by pennies and at the same time increases by tenfold their cost of living. In other words, the people of small incomes are taxed indirectly through the increased cost of necessities produced and controlled by the same interests which support this measure.

CANNOT FOOL THE PEOPLE

It is my firm belief that no amount of big business propaganda, nor hypocritical explanations, will ram down the throats of the small taxpayers of this country the false claims that this bill is designed to reduce their taxes.

You are paying no heed to history when you rush this unfair bill through without pause, in an autocratic disregard of measured thought and debate which is equal to the dictatorial methods of Uncle Joe Cannon, czar of the House, when he was Speaker.

You are disregarding the counsels of Alexander Hamilton and of Andrew Mellon.

And you fail to appreciate the sage advice of Abraham Lincoln when he said:

You can fool some of the people all of the time and all of the people some of the time, but you cannot fool all of the people all of the time.

Mr. Speaker, I have a few more observations to make, but many members of the Rules Committee and others desire to give expression on this rule, and in the hope they will bring about a realization to the Republicans and the mem-

bership that the rule should be defeated and that this bill ought to be buried, that we follow the advice of President Truman and all outstanding and fair-minded financiers and businessmen of the Nation, I reserve the balance of my time.

Mr. Speaker, under leave granted I insert at this point a portion of a news story from the New York Times of June 22 which refutes the theory that business needs the stimulation of personal income-tax reductions in the highest and most privileged brackets:

PLANT EARNINGS UP 305 PERCENT IN LAST YEAR—
228 INDUSTRIAL MANUFACTURERS SHOW TOTAL OF \$597,553,217 FOR FIRST 1947 QUARTER—
DECLINE IN STRIKES HELPS—DIP IN TAXES ALSO CONTRIBUTES TO IMPROVEMENT AS OUTPUT TOPS AUGUST 1945 MARK

(By C. M. Reckert)

Consolidated net income of 228 industrial manufacturers in the first quarter of this year rose 305 percent to \$597,553,217 from the \$147,665,103 return of the same companies in the initial 3 months of last year, according to our survey of official earnings statements.

The improvement in income for the quarter resulted not only from an increased return due to higher prices and lower taxes, but primarily from a larger volume of operations. This was borne out by industrial production throughout the March quarter, which was maintained at the highest monthly rate since August 1945, when it was 186 percent of capacity. Industrial activity, as measured by the Federal Reserve Board's adjusted index of the 1935-39 average, reached 189 percent of capacity in each of the first 3 months.

While the earnings increase seems to be remarkable, it must be realized that many abnormal conditions affected business in the comparable period of 1946. Industrial output during the initial quarter a year ago was the lowest since the war's end, because of major industrial strikes. Consequently, transition to peacetime manufacture was impeded and unfilled orders continued to accumulate. This year many companies enjoyed the benefit of sizeable refunds from tax credits; a year ago contracts were still being canceled and settlements effected.

THE TAX IMPOSED BY BUSINESS ON THE PEOPLE

In yesterday morning's Washington Post, Mr. Speaker, I noticed a headline, "Bank earnings gain largest in 19 years," followed by a story showing an increase of 25.5 percent in bank earnings in the members of the Richmond Reserve Bank, followed by an exposition of the big increase in railroad earnings and a new record in retail sales by Sears, Roebuck & Co. The same thing is true of every efficient commercial and industrial enterprise in the country.

But in the Chicago Times of June 29, a little over a week ago, there was another kind of a news story—a sort of "in memorium" for the Office of Price Administration. This shows how, to gain those inordinate and extortionate profits, the business community has laid their own private tax on the earnings of every man and woman in the United States, and this bill does not hold a candle to this unauthorized and unofficial business tax.

PRICES STILL UP YEAR AFTER OPA

Prices are higher, goods more plentiful, 1 year after OPA came to its riotous death June 30, 1946.

(The Federal price fixing agency, you'll recall, showed faint stirrings of life for a time when a new measure was substituted for the one vetoed by President Truman. But it went to final rest in December, with its remaining powers transferred to other agencies.)

DEBATE RAGES ON

The nylon lines are gone now. Under-the-counter deals for scarce items are going. Butchers have lost their glamor for housewives. But this last may be only momentary. Stocks of meat, poultry, and dairy products are on a hand-to-mouth basis, according to the Department of Agriculture.

A cross-country survey showed advocates and opponents of OPA no nearer agreement than ever on the value of the agency. Those for OPA argue that prices have risen spectacularly, that supply increases in the few items that have shown signs of declining would have developed just as quickly under OPA. Those "agin" argue that goods are more easily available, that the black market has been eliminated and that OPA was unenforceable unless backed by wartime patriotism.

The cost-of-living index of the Bureau of Labor Statistics on May 15, released this week was 155.8. Last June it was 133.3. Since that time, fats and oils have risen 58.6 percent, meat 52.2 percent, beverages 60.6 percent, sugar and sweets 31.6 percent.

Hogs which had a ceiling of \$14.85 a year ago are bringing \$25.25 per 100 pounds in the Chicago market today. Butter which sold at 56½ cents a pound wholesale is bringing 66½ cents. (Last year, producers were receiving a Government subsidy of 15 cents a pound on butter.)

CORN UP TO \$2.15

Most spectacular grain at the moment is corn, selling in Chicago this week end at \$2.12½ to \$2.15 a bushel, against an OPA ceiling of \$1.46½.

A sharp rise in hide and finished leather is given as a reason for higher shoe costs.

"The fall line of men's suits and overcoats will be higher in price, mainly as a result of a 15 percent wage increase in the clothing industry in December," Mayer Kestnbaum, president, Hart Schaffner & Marx, said.

One year ago a popular brand of soap sold at three bars for 18 cents, but advertisements carried the words "when available." Today the soap is 10 cents a bar, with no remarks about availability.

A year ago men's white shirts were one to a customer. Today they are being sold without limit.

PRESIDENT POINTED OUT FAULTS

This tax bill suffers from every fault pointed out by the President in his veto message of H. R. 1 except for the single and not too important matter of the effective date.

It is a patchwork bill hastily thrown together by the unofficial and unauthorized tax advisers of the Committee on Ways and Means merely to fulfill some of the unthinking campaign pledges of some Republican candidates last fall.

As the President pointed out, if this bill becomes law its inequities become frozen into the crazy-quilt pattern of Federal taxation law.

What is needed is a long-term revision of all revenue laws.

During the war years we had to improvise.

The imposition of taxes was an important and valuable part of the war effort, not only to raise revenues for the prosecution of the war but also to fight democracy's battles.

The May 1947 issue of Dun's Review contains an illuminating article on debt retirement versus tax reduction by Roy A. Foulke, vice president of Dun & Bradstreet, which quotes both Hamilton and Albert Gallatin, and reviews the history of the public debt.

No one will accuse Dun & Bradstreet of being a democratic or liberal organization, so I am going to quote just a few paragraphs of advice from Mr. Foulke's article.

He says:

In the light of the variety of conflicting opinions, the following four basic objectives, listed in the order of their importance, would seem to be the elements of sound business policy for consideration in determining taxation legislation at this time:

1. That Federal personal income-tax legislation be made to apply from June 30 to June 30 to coincide with the fiscal year of the Federal Government. * * *

2. That every possible cent be saved in the operations of the manifold departments, divisions, bureaus, agencies, and corporations of the Federal Government. * * *

3. That the Federal debt be reduced at the rate of at least \$5,000,000,000 yearly.

4. That the over-all average reductions in personal income-tax rates for the fiscal year 1947-48 range between 5 and 10 percent, and that the reduction in 1948-49 be based on the size of the surplus in 1947-48 with an anticipated surplus of \$5,000,000,000 for continued debt reduction. In any such legislation, consideration should be given to the equalization of taxes to be paid individuals with the same exemptions and the same incomes throughout the country, by enacting provisions which would be uniform with those of the existing nine community-property States.

(Mr. SABATH asked and was given permission to revise and extend his remarks and include a few articles from outstanding men, and some letters.)

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, I hope to see the time come when people in political life will cease to direct their barbs at ex-President Hoover. I never have found it pleasing to join in the criticism to which he has been subjected. I think he is one of the great world influences, and I would like to see his wisdom more often brought to bear upon our domestic and world problems.

Mr. Speaker, the Committee on Rules felt justified in bringing this bill back to the House because of sustained public interest in tax reduction. Of course, the history of the bill is fresh in the minds of Members, and the conviction of this House and of the Senate as heretofore expressed is to the effect that something ought to be done to give hope and encouragement to people who are producing.

Mr. Speaker, private enterprise cannot survive under a system of taxation that is confiscatory. I am not unmindful of the fact in making this statement that the public debt is enormous, and that any country's system of taxation must follow the public debt. We should, and I think we must, however, consider the question as to how much of the citizen's earnings can government afford to take without destroying maximum effort.

People labor and strive in the hope and in the expectation of enjoying in the main the fruits of their efforts. Government has been laying an enormous burden upon the taxpayers, and to indicate an intention of easing up on the load would, in my opinion, be a tremendous stimulus to business. I think the psychological effect of adopting this bill would be good, and I think evidence of its influence upon the citizens would become immediately apparent. To continue the levying of a tax to take the major part of the citizen's earnings and do it from year to year and make it a permanent policy of government could, and would, in my opinion, change the very nature of our people; in other words, if the Government is to take all that the worker earns except enough to support the individual living in a very modest sort of a way, then the man with one talent is just as well off as the man with 10.

Mr. Speaker, I hope the House will adopt the pending resolution and that the Congress will pass the bill overwhelmingly.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I agree with the words just said by the gentleman from Georgia in reference to President Hoover.

Mr. Speaker, in 1930 the outgo of this Government was \$3,440,000,000 and the income was \$4,178,000,000, and we had a surplus of \$738,000,000 in 1930. Seventeen years later, last year, 1946-47 the outgo was \$42,505,000,000 and the income was \$43,259,000,000. We had a surplus this year, for the first time in 17 years, of \$754,000,000. That was due to the election last fall, for it resulted in a cutting down of Government expenses. Thanks to the Republican Party.

In 1930 the national debt was about \$18,000,000,000. The national debt at the present time is \$258,000,000,000. In those 17 New Deal years the national debt increased 1,700 percent, the outgo increased 1,400 percent, and the income increased 1,000 percent.

What are we trying to do here in cutting down the load on the taxpayers? We are not trying to do it with the idea of endangering our solvency, but we want to give the people of this country the opportunity to display the vigor they have always had under the private enterprise system in getting out and doing things, creating jobs, improving equipment. Too many people today are handicapped and do not want to work because they say, "What is the use? The Government takes everything I earn." We want to give the worker an opportunity to be thrifty, he can improve his property, and his position. He can feel as if his Government can help him by cutting his taxes, but above all, he wants the expense of Government cut and cut to the bone. He wants this extravagance terminated, in the operation of his government. That is what the Republicans stand for. Now, what do we want to do as good American citizens? We want to put this tax bill into

effect, and then we want to start chopping down these Government expenses. We want to cut out every dollar in the operation of Government that we possibly can. And we can cut it many, many hundreds of millions of dollars.

I take my hat off to the gentleman from New York [Mr. TABER] and the members of the Committee on Appropriations for the duties they have performed during this session of Congress. I want to tell you it is a marvelous thing the way they work. It is marvelous the way the Committee on Appropriations has cut down these expenses. They deserve the support of all Members and the thanks of the general public. But the American people will never see the results fully attained until we have somebody in the executive branch of the Government who is going to work the same as they do in the legislative branch of the Government. We need cooperation and we get nothing but veto.

If we want to get this country on its feet, that is the duty which you must perform and which I must perform. By encouraging thrift, creating jobs and opening up opportunity.

Here is another thing we must be careful about, and that is in our spending for relief in foreign countries. We cannot take the burdens of every nation in the world upon our shoulders and expect this country to survive.

Here is an article I saw in the paper yesterday:

LADY ASTOR OFFERS TO STAY IN UNITED STATES
TO CANCEL BRITISH DEBT

CHARLOTTESVILLE, VA., July 5.—Lady Nancy Astor, peppery Virginia-born socialite who won a seat in the British House of Commons by virtue of her wits and a wise marriage, kindly offered to stay in the United States for good today if we would cancel Britain's debts to this country—only \$5,000,000,000 or so.

I say to Lady Astor, if she is more interested in Britain than she is in America, then she ought to go back to Britain where she found her last love because we want people in America who are going to protect America. We want people in America who are going to be for America and save America. That is the duty you have to perform and that is the duty I have to perform. I am going to do my duty to the best of my ability. Lady Astor gave up America for Britain; now she wants to get America for the Empire. I am against it.

Now, what we can do to encourage the people of this country is to pass this tax bill. I hope the Senate will do likewise and that the President will see the error of his vetoes and sign this bill, because it is going to be essential if we are going to keep our country solvent, if we are going to pay off our national debt, and if we are going to do the things for the people of America that we ought to do. We want to pay our debts. After World War I they reduced the tax bill four times and cut our national debt from twenty-seven and one-half billions to sixteen billions. We today can cut the taxes and cut expenses of Government and reduce our national debt by ten billions a year if we do the right

thing and put more business into Government and less Government into business. Less taxes, less expenses, less Government in business.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. CLARK].

Mr. CLARK. Mr. Speaker, I agree with the sentiments expressed by the gentleman from Georgia as to former President Hoover. Some time ago I found pleasure in voting to change the name of one of our great dams in his honor. But it must not be forgotten that Mr. Hoover in the minds of the American people represents an era. I think that was all my distinguished friend from Illinois had in mind in making the reference that he did. Mr. Hoover happened to be President at the end of something like a dozen years of Republican rule, and it was unfortunate for him to be the one holding the hen-house door open when the chickens came home to roost at the end of that 12 years. And the Hoover era will not soon be forgotten by the American people.

I voted against the tax bill and to sustain the recent veto of the President. I know of no reason why I should now change that position. Certainly, changing the date of the bill 6 months does not constitute such a reason. I voted against the tax bill because this Nation is in debt a great deal more than anybody conceived to be possible a dozen or 15 years ago. If we were to pay \$25,000,000,000 on our national debt in the next fiscal year, it would not be too much. It would not be 10 percent of what the Government owes.

Our policy as a Nation, foreign and domestic, must be based upon the financial stability of our Government. Bonds that have been bought by millions of people throughout the country must be kept absolutely sound, as we face a rather uncertain future. If we cannot substantially reduce the debt of this Nation when people are prosperous and the Nation is prosperous, when in the name of Heaven are we going to do it. Oh, it is all right to talk about the psychological effect, but the American people are making money right now. We are in the best position we will probably be in for 20 or 25 years to make a substantial reduction of this debt. Drastic reduction of the national debt would make sound the program which the gentleman from Pennsylvania [Mr. RICH], referred to. But as matters now stand it is proposed to make a reduction of only 1 percent on the largest debt the world has ever known. Yesterday the Congress authorized the payment of terminal leave bonds in cash. Circumstances were such that I could not be here, but had I been I would have voted for that measure, because it was but an act of justice to the rank and file who bore the heat and burden of the day in the recent war. But all the same it is taking \$2,000,000,000 out of the United States Treasury. The passage of this tax bill will shut off \$4,000,000,000 more from the Treasury. So that in 2 days the record of this House is to take \$6,000,000,000 out of the Government Treasury and put it into spend-

ing channels. I do not base my opinion upon statistics or the theory of some economists, but you go out and ask the average housewife and she will tell you mighty quick and very willingly whether or not we have inflation. We are playing with fire. To reduce taxes at this time of uncertainty by \$4,000,000,000, in the face of obligations that necessarily confront us in our foreign and domestic policy, seems to me wholly unjustified.

Of course everybody wants tax relief, but debt reduction should come before tax reduction and in good spirits I must express my deliberate judgment that if all politics were stricken out of this bill there would be nothing left but the enacting clause.

The SPEAKER. The time of the gentleman from North Carolina [Mr. CLARK] has expired.

Mr. SABATH. Mr. Speaker, I yield 7 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, the question of whether this Nation at this time can afford to reduce taxes and thereby reduce the income of the Government is a question so grave that it transcends all political, all party, and all personal considerations. It is a question of whether this Congress proposes to maintain, or restore if you please, the solvency of this Government. We are confronted with the greatest debt ever known in the history of any country—over \$250,000,000,000. We were burdened with a proportionately large debt after the First World War. When the Republican Party came into power at that time they proceeded to pay that debt—and I think it is a compliment that should be paid to them—and put this Nation upon a financially sound and solid basis. Now, in this hour, when the income of the Nation is greater than ever, when the ability to pay this debt will never be equaled again in our time, it is proposed to reduce taxes, reduce the revenues of the Government, and place ourselves in a position where we will never pay this debt in our time, or any substantial portion of it. Is it fair or is it honest to bequeath this huge burden to future generations, who had no part in creating it?

Mr. RICH. Mr. Speaker, will the gentleman yield for a question?

Mr. SMITH of Virginia. Mr. Speaker, I do not care to yield.

I have searched my conscience in the effort to find an excuse and a reason to go along with some of my friends who felt that we could afford to make this change in our tax policy the first of next year. I cannot do it. I cannot find that we are in any different position than we were when I voted against this bill just a few weeks ago.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I decline to yield and I regret to do so, but I merely want to express to the House my own individual views on this matter without attempting to influence the views of anyone else. I am sure the gentleman from Pennsylvania, as all Members in this House, are acting upon their conscience

in this matter; but it is a grave matter. If you do not pay this debt now you are never going to pay it. It is said that we are going to have a surplus and going to pay a substantial part of this debt. What are you going to pay? Your own figures in the report show that we would pay \$2,600,000,000, I believe it is. That is 1 percent of this great debt created in our generation. By that policy you propose to continue the payment of that debt for 100 years.

In this time of inflation when every pressure is toward further inflation let us get down to solid, sound finance and pay as much as we can upon this debt, because when you return to normalcy, you gentlemen on both sides of the aisle know that you are not going to make these large payments on the debt. It is estimated in the committee report on this bill that we are going to raise so much revenue next year—estimated. What is an estimate? After all is said and done an estimate is nothing more than a polite name for a wild guess, because nobody knows what the revenue is going to be next year, and nobody in this room knows what the expenditures are going to be for the next fiscal year. This House made a great gesture for economy. It passed bills cutting the President's budget and yet they go to another body, pressure groups are on them every moment of the day, and you are going to see those bills come back here this year as you have in past years, come back here greatly increased. In addition to the appropriation bills what about the expenditures you are authorizing here every day? I happen to be a member of the Rules Committee and every day before that committee now are coming bills asking for authorizations that are going to increase the payments you have got to make out of the Treasury. Your budget does not tell you what you are going to spend. Oh, no; these authorizations that Congress passes are the things that tell you what you are going to spend. And what is happening about them now upstairs in the Rules Committee where they are presented before they come to the floor? Let us see. Just a week or so ago you passed a wool-subsidy bill. A lot of the Members say they do not like subsidies, that they do not believe in subsidies, and they protest against subsidies, but in wartime subsidies are necessary. I never believed in subsidies. I do not like them in war and I certainly do not like subsidies in peacetime. But what has happened about subsidies and what is happening every day about subsidies? Just the other day you voted up a bill for \$100,000,000 for a subsidy on wool. Then a few days later comes along another subsidy and great pressure from certain groups for this subsidy because it is going to happen to help some individuals who may be Members of this House who come from certain parts of the country. We pass out a bill that is going to pay \$80,000,000 subsidy on the production of certain metals. Do you think that bill is going to pass?

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. SABATH. Mr. Speaker, I yield the gentleman two additional minutes. I wonder whether the gentleman has been informed that the rate of interest today has increased three points due to existing conditions.

Mr. SMITH of Virginia. Oh, yes; all our expenses are going to increase. While we have the money, while everybody has plenty of money, we ought to reduce the debt. I know it is a hard duty to perform. It is hard for me to stand up here and vote against giving my constituents and myself a tax reduction, but somebody has got to do it if we are going to put this Nation on a sound basis. That is the problem after all that is presented to you today. Never mind all this talk that you ought to relieve this group from taxes or you ought to relieve that group from taxes. That is all politics. Let us get down to sound stuff. The dollar in your pocket is only as sound as the Government behind it. What we ought to do is relieve our Government of the insolvency with which it is threatened today after 18 years of unbalanced budgets. Let us think about this seriously.

Now, getting back to subsidies, we are paying a subsidy of nearly \$450,000,000 for the mail of this country, for the benefit of certain groups—friends of yours, friends of mine—but we are paying that subsidy out of the Treasury of the United States just the same as if we handed them the money to the extent of \$450,000,000. What has happened? Your Committee on Post Office and Civil Service has brought in a bill asking that this subsidy be done away with and we save \$400,000,000. Is this Congress going to do it?

Not on your life. You are not going to get a chance to vote on it even if you wanted to.

What about our merchant marine? We have reached the point where conditions in the merchant marine are such that it costs three times as much to operate a vessel of the United States as any of our competitors. Do you think we are going to let the merchant marine die? No. You are going to pay a subsidy. You tell me about your estimates of what money you are going to have left over. You cannot tell anything about estimates until you get through voting on bills for these authorizations.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I want to call attention to observations made by some outstanding Secretaries of the Treasury in the history of our country on the question of tax reduction versus debt reduction. One hundred and fifty years ago Alexander Hamilton had this very question presented to him as Secretary of the Treasury after the Revolutionary War where there was a demand for a tax reduction at a time when the debt of our country was abnormally high, just the same as it is now.

Alexander Hamilton made a historic report to the Congress at that time, com-

ing out absolutely in favor of debt reduction as against tax reduction, and in part he said:

Some men declaim against the public debt and for the reduction of it as an abstract thesis yet are vehement against every plan of taxation which is proposed to discharge old debts or avoid new ones.

Secretary Gallatin remarked in his report for 1805 that—

A persevering application of the resources afforded by seasons of peace and prosperity, to the discharge of the principal . . . is the only effectual mode by which the United States can ultimately obtain the full command of their revenue, and the free disposal of all their resources.

He further said:

A diminution of that interest—

On the debt—

is, with respect to the ability of defraying the other annual expenses, a positive increase of revenue, to the same amount.

In 1924, Secretary Mellon pointed out that once governmental expenditures were consistent with efficiency, and he said:

Debt reduction is the best method of bringing about tax reduction. Aside from gradually refunding at lower rates of interest it is the only method of reducing the heavy annual interest charge.

Now, we have a national debt of \$258,000,000,000, roughly speaking, with our income at the high level it is, and now we are going to reduce our taxes together with other inflationary influences. We are taking the dangerous journey of tax reduction as against debt reduction. The sound thing to do, the course to take for sound money, the course to take for good business, the course to take to make our Government bonds more protective for those who have invested in them, such as insurance companies, banks, and individuals, is to reduce the national debt rather than at this time, in the life of our Nation's history, take the dangerous course of reducing our income taxes.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. HALLECK. In view of the fact that the proposal before us is to initiate tax reduction next year, do I understand from the gentleman's statement that he is opposed to all tax reduction next year?

Mr. McCORMACK. I am opposed to tax reduction until the national debt has been substantially reduced, and I take that position in the interest of sound government, sound money, sound business, and in the interest of our people. I cannot understand how it is that the majority party, the Republican Party, contrary to the history of the great leaders of its party in the past, is taking a journey directly in the opposite direction to that which is consistent with the best interest of our country.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. HALLECK. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. Speaker, will the gentleman yield further?

Mr. McCORMACK. I yield.

Mr. HALLECK. Then do I properly interpret the gentleman's statement and answer as meaning, on his part, that he is against tax reduction next year?

Mr. McCORMACK. The position of the gentleman from Massachusetts is that he is against tax reduction until there has been a very substantial debt reduction.

Mr. HALLECK. This bill, as I pointed out, and as the gentleman knows, seeks to give tax reduction next year.

Mr. McCORMACK. I understand that.

Mr. HALLECK. Therefore, it seems to me clear that what the gentleman is saying is that he would be against any tax bill that would reduce taxes next year, because certainly there could be no determination as to money to be applied on the payment of the public debt next year until the year is concluded.

Mr. McCORMACK. So far as I am concerned, I take the same position that the gentleman from Virginia [Mr. SMITH] took; that as between tax reduction and debt reduction at this time, having in mind our national debt, I think that it is imperative and I consider it in the best interest of our country, much as we might like to give reduction in our taxes, to take the course that will bring about as quickly as possible as substantial a reduction of our national debt as we can while the national income is high and revenue is coming into our Government.

Mr. HALLECK. Will the gentleman yield further?

Mr. McCORMACK. Of course I yield.

Mr. HALLECK. It appears very clear to me by what the gentleman is saying that he would oppose any kind of tax reduction for the taxpayers of this country next year, and hence maintain in effect the extremely high level of wartime taxes during that year so far removed from the war itself.

Mr. McCORMACK. As far as I am concerned, I would regret very much seeing any tax-reduction bill. One equalizing and applying more fairly without a diminution of the revenue would be a different proposition. However, I would regret seeing any tax bill passed now or next year that would sharply reduce the revenue of the Government. I prefer that any surplus be used for debt reduction. I consider that as quick a debt reduction as we possibly can make is the best kind of a tax reduction we can make, and at the same time it is the best assurance of protection of business, bonds, bank deposits, and everything else. It is also an insurance against inflationary tendencies. It is my position that as between tax reduction and debt reduction at this time, I favor debt reduction.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentleman from Indiana [Mr. HARNES].

Mr. HARNES of Indiana. Mr. Speaker, I am obliged to remind the two distinguished gentlemen who just addressed the House, the gentleman from Virginia

[Mr. SMITH] and the gentleman from Massachusetts [Mr. McCORMACK], of a grave omission in their remarks. I am glad they grant proper recognition to the fact that Republican administrations made substantial reductions of the national debt in the 1920's. They should have mentioned the equally significant fact, however, that the Republicans during that same period reduced Federal taxes four different times. My party reduced the national debt not by clinging to excessive and burdensome wartime tax rates but by promptly terminating all emergency agencies, by cutting out non-essential activities, and by practicing real economy and efficiency in government. My party demonstrated 25 years ago exactly what we are urging here today, namely, that a reduction in tax rates does not necessarily mean a reduction in revenue; but that a reduction, intelligently formulated and timed, offers added incentives to all economic groups which can actually increase the flow of revenue into the Treasury.

I recognize the sincerity of the gentlemen, and feel as they do that we must promptly undertake an orderly program of debt retirement. But I believe we can best insure surplus revenues for debt payment by trimming costs of government to the bone and at the same time by offering our tax-stifled economy some relief and some real added incentive.

Let me call to the attention of the House a type of expenditures by the departments and agencies which I believe every Member on both sides of the aisle will agree are largely waste and extravagance. It is just such unwarranted and improper activities as these I shall describe for you that deprive the American taxpayers of the relief they deserve and should have today. The Democratic members of my committee join me in this criticism of unwarranted Federal expenditures.

Mr. Speaker, the highest-priced publicity staff in the world, employed by the Federal Government, is swamping newspaper offices with an unprecedented flood of news releases. Some of this material, of course, contains useful information. But a lot of it, also, is sheer propaganda designed to influence public thinking and to bring pressure on Congress. And much of it is just pure "hog wash."

The House on April 28, 1947, authorized the Subcommittee on Publicity and Propaganda of the Committee on Expenditures in the Executive Departments to investigate publicity and propaganda activities of the Federal Government.

In an attempt to get some idea of the amount of publicity and propaganda being issued by the Federal agencies in the form of official press releases, the subcommittee—of which I am chairman—recently wrote to a group of outstanding newspapers requesting that they save all such material received from the Federal agencies during a single week. I would like at this time to call attention to the material forwarded to the committee office by one newspaper, the New York Times, as a result of that request.

I would also like to call attention to the reply from Mr. A. Kirchofer, of the Buffalo Evening News. He said:

The enclosed material is all that came to our office this week. This is certainly not a typical week. Someone must have been tipped off that you were conducting a survey.

Be that as it may, here is the material received from the New York Times. As the Members can see, it is a stack nearly a foot high. Considering the thousands of newspapers there are in the country, even the hundreds that have their own representatives in Washington—and even making allowance for the obvious assumption that all did not receive all the material the Times received—still, it is apparent from this package received by this one newspaper during a single week that the publicity output of the Federal agencies is tremendous.

Perhaps hard-pressed newspaper publishers might receive from this some slight indication of what causes the chronic paper shortage. This may also give our hard-pressed taxpayers some idea why Federal expenditures continue so high the President felt it necessary to veto a bill which would have granted some income-tax relief. It took some money to gather and prepare this material, and it took money to hire the stenographers and typists, and the people who ran the mimeograph machines that ground out this material.

Yes, it took money to prepare this material—a surprising amount of money. The latest available estimate placed Federal expenditures for publicity purposes at about \$75,000,000 a year. And it was estimated that around 45,000 Federal employees were engaged either part time or full time in the preparation of publicity material; and, I might say here, this is typical of a lot of New Deal spending.

In order to get some idea of what is involved in this material, I requested the Public Printer to estimate roughly how many columns of newsprint would have been consumed had all this material been used. He estimated that it would have required 800 columns or 100 pages of the New York Times, making no allowance for advertising or feature material.

Put this in terms of your own home town newspaper, and you will see that most papers could not possibly have printed all this publicity material from the Federal agencies had they thrown out all other news. Take the case of a newspaper averaging 30 pages a day, 7 days a week, and allow 40 percent for advertising. They would have had exactly 26 pages left for the entire week, for comics, features, and all other news.

And please understand that the material considered here does not include the numerous pamphlets on every item under the sun the agencies are constantly pouring out.

Let me repeat that this material contained some worth-while information that was of real value to the press and to the public. I do not contend that all of it should be shut off. I do contend that much of it could be dispensed with, that

the public press simply cannot absorb all of it.

I shall not take the time of the House to analyze any substantial portion of this material, but I would like to call attention to some of the items, to show the Members what they are getting for this \$75,000,000 a year.

There were, for instance, 64 sheets of material dealing with the State Department's foreign broadcasts. Could there have been any coincidence between the release of this flood of material, and the fact the issue of those broadcasts was under consideration by Congress at the time? I believe the Members know the answers to that one.

And here is another item, this one from the Office of the Housing Expediter. Let me quote from it:

At least 1,000,000 dwelling units of all types, of which about 750,000 will be new permanent homes, will be completed this year if controls on residential construction are continued for a few more months, Housing Expediter Frank R. Creeden said today. It will be the best year on housing completions since the middle twenties, he added.

I will not take time to read the whole release, but let me just pick up one more paragraph:

It must be emphasized, however—

This release continues—

that such a record home-building achievement will be possible only if controls are continued a few months longer on nonresidential construction. Right now there is a backlog of more than 2,000,000,000 in deferrable nonresidential projects being held up because of material shortages. If this pent-up demand were suddenly turned loose on the building-materials market, the resulting scramble for materials would leave the little fellow trying to build a home out in the cold, both literally and figuratively. It would be the lifting of L-41 all over again—only worse, because without price control, the sky would be the limit on the scarce building items.

If that is not propaganda, designed to influence Congress, I do not know what would be.

It was interesting to note that the War Department devoted a five-page 2,000-word release giving details on the President's private plane—including attention to such incidentals as "a large swivel and reclining chair, upholstered in two-tone blue barkweave cloth," which "may be rotated 360°," and has behind it "a bleached mahogany filing cabinet and a transparent plastic magazine rack"—but it dismisses its announcement of a "new, most powerful jet engine" in less than 200 words.

Then we have one from the Labor Department, titled "Home Building in Washington Area Well Above Last Year." This material might well be of interest to Washington readers, but was it not a waste of time and materials to have it mimeographed and distributed generally?

There is a 67-page single-spaced Daily Report on Foreign Broadcasts by the Foreign Broadcast Information Branch, Central Intelligence Group.

Then there is a nice little bit from the Coast Guard, which tells of the sighting

of the first iceberg of the season by the cutter *Mendota*, and goes on to say that—

For those on board who had never seen a berg, and perhaps for the old-timers, too, it was a thrilling experience. The terrible majesty and strange beauty of an iceberg—

This little gem continues—

made an unforgettable impression on all of us who gazed in awe and wonder on this monstrous oddity of the sea. As the cutter approached closer, the delicate blues and greens of the hard glacial ice were discernible. Our first berg resembled, roughly, an aircraft carrier in shape and size, being tabular or flat-topped with vertical cliff-like sides rising 30 feet above the surface and having a length estimated at 750 feet and beam of 200 feet.

I will not read any further, but there is much more of the same.

The Coast Guard was so anxious not to keep the public press waiting for this material that it had the item radioed back to Coast Guard headquarters here for release.

The War Department has a 400-word release from Paris, France, telling of a New York City girl celebrating a WAC birthday reunion in the French capital. One paragraph from this release tells us that—

Today's dinner was climaxed by cutting a large, beautifully decorated birthday cake bearing five candles to mark the anniversary. Following dinner, the Wacs and ex-Wacs topped off their day with a party at the officers' club at the St. Germain depot, American Graves Registration Command—located on the Seine River in the suburbs of Paris.

Vital information for the public press. Can you not just picture the excitement in the Times city room when that delicious morsel of copy was received?

Mr. Speaker, supplying necessary information to the public on the activities of its Federal Government is one thing. Flooding news offices with propaganda to influence congressional action, and meaningless blurbs designed purely to keep the name of a particular agency or department in the public eye is another. That sort of thing must stop. The Subcommittee on Publicity and Propaganda, although it was created but a short time ago, has already made considerable headway in that direction. As chairman of that committee, I confidently predict we will be able to report greater progress as time goes on.

My subcommittee is engaged in a relatively small action of the over-all battle against an entrenched bureaucracy which is bitterly resisting every effort to eliminate nonessential activities and to force real economy in Government.

But despite the bitter and powerful resistance, Congress is winning this battle because public sentiment is overwhelmingly supporting us. We can and should, therefore, enact these proposed tax reductions with confidence that they will in no way hinder regular payments against the national debt hereafter.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1948

Mr. HORAN, from the Committee on Appropriations, reported the bill (H. R. 4106) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District, for the fiscal year ending June 30, 1948, and for other purposes, which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the State of the Union and ordered printed.

Mr. FOGARTY reserved all points of order against the bill.

INDIVIDUAL INCOME TAX REDUCTION ACT OF 1947

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 consideration of the bill (H. R. 3950) 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 consideration of the bill H. R. 3950, with Mr. HERTER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Minnesota [Mr. KNUTSON] is recognized for 1 hour and the gentleman from North Carolina [Mr. DOUGHTON] is entitled to 1 hour.

Mr. DOUGHTON. Mr. Chairman, I yield the time allotted to me, under the rule, 1 hour, to the gentleman from Tennessee [Mr. COOPER].

Mr. KNUTSON. Mr. Chairman, I yield myself such time as I may require.

The CHAIRMAN. The gentleman from Minnesota is recognized.

Mr. KNUTSON. Mr. Chairman, as I listened to the gentlemen from North Carolina, from Virginia, and from Massachusetts—and I name them in the order in which they spoke, CLARK, SMITH, and McCORMACK—deplore this legislation and hope it would not pass because of its untimeliness, because of the big national debt and other reasons too numerous to mention, I wonder why those gentlemen who now say we must not give tax relief to 49,500,000 harassed taxpayers did not get up and talk about the national debt in 1945 when the Ways and Means Committee brought in a tax bill that gave approximately \$6,000,000,000 relief to the corporations of America. And I will yield briefly to the gentleman from Massachusetts to explain.

Mr. McCORMACK. Did the gentleman support the bill himself?

Mr. KNUTSON. Yes, sir; it was a good bill.

Mr. McCORMACK. What was that bill? That bill was merely to wipe out a lot of wartime taxes.

Mr. KNUTSON. What have we before us now but wartime taxes?

Mr. McCORMACK. But that was for the purpose—

Mr. KNUTSON. Ah, now—

Mr. McCORMACK. The gentleman said he would yield to me; he volunteered to yield.

Mr. KNUTSON. I yield.

Mr. McCORMACK. Yes; they were excise taxes, a double tax placed upon corporations during wartime. The gentleman knows that tax bill was entirely different than the one now before the House. The question of tax reduction and debt reduction present entirely different situations.

Mr. DINGELL. Mr. Chairman, will the gentleman yield to me?

Mr. KNUTSON. I yield.

Mr. DINGELL. Who threw us overboard in conference and deserted the House on that very issue of giving to corporations one-half of the relief on excess-profits taxes?

Mr. KNUTSON. The Democratic Congress.

Mr. DINGELL. The gentleman from Minnesota and his Republican colleague from New York.

Mr. KNUTSON. Well, we must have been pretty powerful to outvote the majority. The cold fact remains that, notwithstanding a deficit of nearly twenty billions a Democratic Congress voted to give nearly \$6,000,000,000 in tax relief to the corporations of America in 1945; and now, when it is proposed to give approximately \$4,000,000,000 to 49,500,000 harassed individual income-tax payers they hold up their hands in holy horror and say: "Look at the debt. We cannot do it with the size of the debt as it is at the present time." It just goes to show the world moves forward. It is the first time I have heard these same gentlemen talk about our debt for 15 years. They voted for every appropriation bill, they voted time after time to pile up the debt on the American people, and it is only now, when we are trying to give relief to the harassed taxpayers of the country, that they suddenly remember that there is a public debt which is of their doing.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I cannot yield further. I am giving the gentleman from North Carolina [Mr. Doughton] 10 minutes of my time.

Mr. ROBSION. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I cannot yield now.

Let us take a look at this bill. What does it propose to do? It is going to give tax relief to forty-nine and a half million people. Who of all of the speakers who have spoken against the bill mentioned the fact that the taxpayers of the United Kingdom have already had one tax reduction and that the people of Canada have had two tax reductions, the last of which went into effect on July 1 and granted relief of 29 percent? Oh, yes, it is all right for the people of the United Kingdom to get a tax reduction, it is all right for the people of Canada to get a tax reduction, but when the American people ask for tax reduction they say "No. You have to pay taxes in order to rehabilitate the world."

The President in effect says we cannot have a tax reduction because we cannot give the people too much money of their own earnings to spend. That would be inflationary, he says, but not a peep from the White House when wage increases are given time after time and time after time. Did the President say anything about the recent increase in wages to the miners? Did he say anything about all the other wage increases, all of which gave the people more money to spend and consequently must be inflationary? Wage increases are inflationary because they add to the price of the things we must buy. On the other hand, a tax reduction is not inflationary. It does not add to prices.

Now, let us examine this bill. You are going to hear a lot of demagoguery this afternoon about this being a tax bill for the rich as against the poor; but when you hear that statement bear in mind that 63 percent of the total reduction or \$2,571,000,000 goes to taxpayers with net incomes under \$5,000. This class represents over 96 percent of all taxpayers and under present law they only pay 56 percent of the total tax burden. Forty-four and one-tenth percent of the total reduction, or \$1,800,000,000, goes to taxpayers with net incomes of \$3,000 or less. Only 19 percent of the total reduction goes to taxpayers with incomes above \$25,000. These taxpayers pay 24 percent of the total tax under the present law.

You are going to hear a lot of pious talk—we have already heard some—about a motion to recommit. I am wondering how they are going to square their motion to recommit with what they say on the floor? According to the morning papers the motion to recommit will provide for increasing the exemptions of the individuals by either \$100 or \$200.

Let us see what this would do to the revenues. If you increase the exemption from \$500 to \$600 per capita the loss of revenue will be \$1,800,000,000 and the number of taxpayers removed from the rolls would be 4,200,000.

I am going to watch the roll call to see how consistent the preceding speakers will be. If you increase the exemption from \$500 to \$700 per capita the loss in revenue will be \$3,500,000,000 or almost enough to wipe out the increase proposed in the bill H. R. 3950. The number of taxpayers that will be removed from the rolls will be 9,700,000.

Now, if you give \$2,000 to married persons and \$1,000 to a single person, with a \$500 exemption for dependents, the number of taxpayers removed from the rolls will be 20,000,000 and the cost would be \$6,000,000,000.

Yes, I am going to watch that roll call. I am going to find out if you folks are sincere or whether you are just politicking. Income payments are now running at an annual rate of \$178,000,000,000. The revenue estimated for fiscal 1948 is based on income payments of only \$170,000,000,000; therefore our total receipt figures are conservative.

If we wait for a comprehensive tax study to be completed before we give individuals income tax relief, it would be

difficult to give such individuals tax relief at least until 1949. It is my guess that by 1949 we will have given so much money away to other countries that it might be out of the question to have tax reduction then. Let me say right here, my friends, that this may be the last opportunity in a long time that the American people will have for individual tax relief. There is no doubt about it at all, and I want you to remember that you have been warned.

Total receipts for fiscal year ending June 30, 1948, are estimated at \$41,400,000,000. With reductions proposed under H. R. 3950 the receipts will amount to about \$39,900,000,000, which is \$1,500,000,000 off for fiscal 1948.

H. R. 3950 is effective January 1 next instead of July 1 last. The effect of H. R. 1 on the receipts for the fiscal year 1948 was to reduce the revenue by approximately \$3,300,000,000. This bill will reduce the revenues for fiscal year 1948 by only \$1,500,000,000. Bear that in mind. Yet, some raise their hands, to high heaven in protest over giving the American people tax relief to the extent of \$1,500,000,000 during the last 6 months of this fiscal year. These same gentlemen voted to give the American corporations a \$5,238,000,000 lift in 1945.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Not now.

Mr. FORAND. The gentleman is all wrong in his figures.

Mr. KNUTSON. The gentleman is not wrong in his figures.

Mr. FORAND. He is wrong in his figures.

Mr. KNUTSON. The gentleman is not wrong.

Mr. HOFFMAN. Regular order, Mr. Chairman.

Mr. KNUTSON. Sit down; sit down. I do not propose to be diverted.

Mr. FORAND. Just tell the truth.

Mr. KNUTSON. I call the gentleman's attention to page 57 of the printed hearings on H. R. 1. Those are Secretary Snyder's figures.

The crying need is to give individual income-tax relief now. That is what the country is demanding. As I have already told you, the United Kingdom has had one tax reduction; Canada has had two. Yet we have not had any except the measly 5-percent reduction that was given in the Revenue Act of 1945, when we had a deficit of \$21,000,000,000. We gave the American taxpayers a reduction in the face of a \$21,000,000,000 deficit and gave the corporations almost \$6,000,000,000 relief in the face of a \$21,000,000,000 deficit. We are not going to let you forget it next year, either.

The minority speaks in one breath about inflation and in the other breath about recession. It takes more than a year for a tax bill to become fully operative, according to testimony given by Secretary Snyder before our committee. Therefore, if there is any danger of recession, it is important that we act now before the wolf is at the door.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I am sorry, I have so little time I cannot yield.

Mr. ELLIOTT. A few Democratic votes on this side might help you a little later.

Mr. KNUTSON. If the gentleman wants to put it on that basis, I will yield to him. I have always supported the gentleman regardless of the aisle, because he is usually right. I do not want him to run out on me today.

Here are some of the objections they are going to raise to this bill. They are going to tell you that a comprehensive tax study is now under way before the Committee on Ways and Means and should not be prejudiced by hasty income-tax action. The answer to that is, unless action is taken now, there will probably be no effective tax reduction until fiscal 1949, if then. The burdensomeness of the present income-tax rates and their stultifying effects on initiative and investment will not permit such delay.

Another objection that they will raise is that the expenditure requirements for the fiscal year 1948 are still very uncertain. The answer is, two appropriation bills which have already passed Congress embody substantial cuts. The Treasury-Post Office bill and the Labor Department-Federal Security Agency bill represent a cut of \$986,000,000 below the budget estimates. Savings resulting from the House action on the other bills total \$1,729,000,000. Therefore, at the present time it appears that the total savings on 1948 appropriations will be about two billion seven hundred millions. The reduction in expenditures will be substantially larger. In the President's budget it was indicated that 1948 appropriations would be about 86 percent of expenditures in that fiscal year. This percentage relationship means that a reduction of two billion seven hundred millions in appropriations is the equivalent of a cut of three billion one hundred millions in expenditures. A reduction of three billion one hundred millions in expenditures will leave a surplus in 1948 of seven billions. Since the collection loss resulting from the passage of H. R. 3950 is only one billion five hundred millions, a balance of \$5,500,000,000 will remain. This provides amply for debt retirement and any contingencies that may arise.

Another objection they are going to raise is that tax reduction now is inappropriate because the economic picture is not clear. The answer is, while there is no real evidence that a general business recession has begun, it is clear that the economy has leveled off. For the last 2 months there has been little change in either an upward or downward direction. Therefore, there is relatively little basis now for the fear of an inflationary spiral, which is basic to this objection to a tax reduction at the present time. Moreover, the great majority of business forecasters still expect that there will be some downward readjustment before the end of the calendar year 1947. The purchasing power which H. R. 3950 will begin to release on January 1, 1948, will be a good thing for the economy of the country, assuming that those who are forecasting a recession know what they are talking about.

It is high time that we reduced the penalties against investment and managerial

incentive imposed by the marginal rates under the individual income tax.

Here is another objection that they will probably raise. They will say that H. R. 3950 is not the right kind of a reduction because it gives the greatest relief to those who need it the least. The answer to that is that of the total reductions in tax liabilities of \$4,100,000,000 resulting from the passage of H. R. 3950, \$2,600,000,000, or 63 percent, goes to incomes of less than \$5,000, and \$1,800,000,000, or 44 percent, to incomes below \$3,000.

The greatest percentage of reduction in H. R. 3950 is 30 percent, which is received by persons with a surtax net income below \$1,000. Only those whose incomes are below \$1,040 receive more than 20 percent reduction. On the other hand, the tax on incomes between \$136,700 and \$302,400 is reduced by only 15 percent, and on incomes in excess of \$302,400 by only 10½ percent.

They will probably tell us that H. R. 3950 does not reduce taxes in the same proportion as they were increased during the period of 1939 to 1945. The answer to that is that this argument assumes that the rate structure in 1939 was ideal whereas it represented the end result of a determined share-the-wealth policy sponsored by the Roosevelt administration during the thirties.

Another objection that they will probably raise, and which would have no more substance than the others I have mentioned, is that the special exemption of \$500 for persons over 65 years of age is unwise. The answer to that is that this exemption recognizes the heavy concentration of small incomes in this age group and the inability of these people to adjust themselves to wartime changes in prices and taxes by accepting employment at the prevailing high rates of wages. This exemption will provide a logical basis for removing the exclusions now enjoyed by particular types of retirement income under existing law. A general exemption of this sort is preferable to a piecemeal extension of this system of special exclusions for the benefit of particular types of retirement income.

Now, I come to another objection which will probably be raised. A sound public policy requires the reduction of the public debt as rapidly as possible. Well, of course, we are all in agreement with that. We can have both debt and tax reduc-

tion under H. R. 3950. The application of the full amount of the surplus realized in the fiscal year 1948 to the debt retirement would be a dangerous practice. When the economy has leveled off and a downward turn is possible, a very large debt retirement concentrated in a short period of time may actually be the factor which precipitates the downward turn. In the short run, debt retirement reduces consumer income and is a deflationary factor.

Another objection that I can foresee is that the expenditure estimates now used involve an understatement because they fail to take into account additional outlays arising out of our international responsibility. I believe the gentleman from Virginia raised that point. The answer to that is, even after the enactment of H. R. 3950 at least \$5,400,000,000 will be available for debt retirement and contingencies in the fiscal year 1948 to meet all future drafts on the Treasury, foreign and domestic, it is necessary to maintain our economy on a sound basis through a sound tax system. I can conceive of no better way to maintain our country on a sound basis than to give the American taxpayers some relief from the tax load they are now carrying, which was imposed during the war.

When I was interrogated by the gentleman from Massachusetts he referred to the fact that the \$6,000,000,000 tax reduction that we gave corporations in 1945 was a war tax. Well, what would you call the present taxes which individuals are paying if they are not war taxes. If it was desirable to give relief to the corporations of America to the tune of nearly \$6,000,000,000 when we had a deficit of \$21,000,000,000, it stands to reason we should at least be willing to give the individual taxpayers of America tax relief to the tune of \$1,500,000,000 during the last 6 months of the present fiscal year when we will have a surplus in the Treasury that will amount to as much as \$5,400,000,000.

I have here a very interesting comparison of tax reductions provided by H. R. 3950 by net income classes, showing the percentage distribution of returns, the tax under the present law and tax reduction. I will insert this table and inasmuch as I do not have much time remaining I will reserve the balance of my time.

Comparison of the tax reduction provided by H. R. 3950 by net income classes—percentage distribution of returns, tax under present law, and tax reduction

[Income payments of \$170,000,000,000]

Net income class	Taxable returns		Tax under present law		Reduction provided by H. R. 3950	
	Number	Percent of total	Amount	Percent of total	Amount	Percent of total
Zero to \$3,000.....	39,710,430	79.9	\$6,479,000,000	36.5	\$1,800,000,000	44.1
\$3,000 to \$5,000.....	8,012,673	16.2	3,520,000,000	19.8	772,000,000	18.9
Total under \$5,000.....	47,723,103	96.1	9,999,000,000	56.3	2,572,000,000	63.0
\$5,000 to \$10,000.....	1,265,839	2.5	1,453,000,000	8.2	307,000,000	7.5
\$10,000 to \$25,000.....	530,578	1.1	2,125,000,000	12.0	428,000,000	10.5
\$25,000 and over.....	151,643	.3	4,178,000,000	23.5	774,000,000	19.0
Total over \$5,000.....	1,948,060	3.9	7,756,000,000	43.7	1,509,000,000	37.0
Grand total.....	49,671,163	100.0	17,755,000,000	100.0	4,081,000,000	100.0

Source: Staff of the Joint Committee on Internal Revenue Taxation.

CHART 3.—Numbers of days in 1947 that various classes of taxpayers must work for the Federal Government to pay their income taxes¹

Income of taxpayer (thousands):	Working days in year
\$0 to \$3.....	17
\$3 to \$5.....	36
\$5 to \$10.....	52
\$10 to \$25.....	81
\$25 to \$50.....	126
\$50 to \$250.....	176
\$250 and over.....	230

¹Based upon 300 working days in the year and upon the percent of the taxpayer's income going for Federal income taxes according to the estimates of the U. S. Treasury Department presented to the House Ways and Means Committee on Mar. 18, 1947.

The CHAIRMAN. The gentleman from Minnesota has consumed 28 minutes.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. KNUTSON. Mr. Chairman, I yield 10 additional minutes to the distinguished gentleman from North Carolina.

The CHAIRMAN. The gentleman from North Carolina [Mr. DOUGHTON] is recognized for 20 minutes.

Mr. DOUGHTON. Mr. Chairman, the subject of taxation has given me much concern since this Congress convened on January 1; not only much concern, but considerable study and some loss of sleep. It is a matter concerning which I know there is an honest difference of opinion, and to those who differ with me I accord perfect honesty of purpose and motive.

In the discussion of this important matter I feel we should approach it coolly, dispassionately, and keep our temperature and our blood pressure normal.

As a result of the study that has been given to the estimated Federal receipts and expenditures since the Eightieth Congress convened, I believe the time has now arrived when we can safely give the taxpayers of the United States some relief from the heavy burden of Federal taxation made necessary by World War II. I believe the time has arrived when we can do that in safety. To support that statement, I call as a witness and submit the testimony of the distinguished Secretary of the Treasury, Hon. John Snyder, in whose judgment and integrity, of course, we have confidence. I shall submit his statement before the Committee on Ways and Means on May 19, 1947, when we began the comprehensive study of the subject of taxation.

There has been considerable discussion here as to whether or not this is the time, or even whether the time is approaching when we should consider tax relief measures. If we are going to enact any tax relief measure for the calendar year 1948, I maintain this is not too early to begin. If we wait until January 1948 to take up the subject, it will take us weeks and probably months to get a bill out of our committee and

through the House. Then it would have to go to the other body, then to conference, and then to the President. As a result, any tax bill enacted at the next session of Congress after January 1, if it applied to the calendar year 1948, would have to be retroactive. So I repeat that if we are going to have tax relief for 1948, now is the time to begin. In substantiation of my belief that now is the time to approach the subject, I quote Secretary Snyder:

We are nearing lower peacetime levels of Government expenditures and continuing high levels of national income and production.

Both of which we know are true.

And he said:

A period of tax reduction is approaching.

What does that mean? Does that mean that we should not begin to consider the subject? It is approaching. A period of tax reduction is approaching. That is what the Secretary of the Treasury said. Surely he did not mean 1949. He must have meant not later than 1948. I assume that is a reasonable construction to place on his remarks. I do not believe the argument can be sustained that this is not the opportune time to begin to reduce the tax burden in view of the Secretary's statement. I believe the time has arrived, provided we do not make the effective date of this tax bill before January 1, 1948, and that is what is provided in this bill.

For reasons that I will summarize a little later I shall support the pending bill unless a more equitable bill is adopted by the House on a motion to recommit, which I understand will be offered. If it provides a better solution to the tax problem, if it is a more feasible bill, I shall support it; otherwise, if the motion to recommit is not adopted, then I shall support the pending bill; but I do not see how those who believe the time has not arrived for any tax reduction at all can support a motion to recommit providing for tax reduction. So it boils down to three things, whether we shall adopt the motion to recommit, pass the pending bill, or have no tax reduction at all. That is the issue before the House.

It should be borne in mind that this is not the first tax-reduction bill, and if enacted it will not be the first tax-reduction law since VJ-day in 1945. That should be kept in mind. Just a few weeks after VJ-day, our Committee on Ways and Means sat down with the Secretary of the Treasury, the Honorable Fred Vinson, and the members of the staff of the Joint Committee on Internal Revenue Taxation, and devoted careful study in working out a tax-reduction bill. On October 9, 1945, as chairman of the Committee on Ways and Means, by unanimous direction of that committee, I reported a bill that was passed overwhelmingly by the Congress and approved by the President on November 8, 1945.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Minnesota.

Mr. KNUTSON. I had no intention of criticizing the passage of the 1945 act. As a matter of fact, I supported it.

Mr. DOUGHTON. Yes; the gentleman supported that.

Mr. KNUTSON. I supported it.

Mr. DOUGHTON. Yes. The minority Members, led by the distinguished gentleman who is now chairman of the Ways and Means Committee, cooperated fully in supporting the act unanimously.

Mr. KNUTSON. In the face of a \$21,-000,000,000 deficit I supported it.

Mr. DOUGHTON. I have not the exact figures, but those are the facts.

I should like to point out that the preparation of the Revenue Act of 1945 was the result of the nonpartisan efforts of the members of the Committee on Ways and Means, for in my opinion politics and tax legislation should not be mixed. Politics never writes good law of any kind.

Secretary Vinson recommended that we reduce taxes in the amount of \$5,000,000,000, or as near that figures as practical. As finally enacted, the Revenue Act of 1945 provided for a reduction for the calendar year 1946 of \$5,925,000,000. In this law substantial reductions were made in corporate taxes and individual income taxes, and some in excise taxes.

The reduction in corporate taxes for calendar year 1946 was estimated at \$3,140,000,000; individual income taxes were cut \$2,645,000,000, removing 12,000,000 taxpayers from the rolls; and excise taxes were reduced by \$140,000,000 by the repeal of the auto use tax. At the current levels of national income it is estimated that the annual revenue loss from the changes made by the Revenue Act of 1945 would total approximately \$9,000,000,000. So it is clear that our Republican friends, now in control of the Congress, do not have a monopoly on the willingness and desire to reduce taxes when it can be reasonably and safely done.

As is well known, I opposed H. R. 1 when it was originally before the House in March of this year. I did this for several reasons. First, for the reason that it was to become effective on January 1, 1947, and I do not believe in retroactive tax laws. Moreover, we did not know enough at that time about the fiscal picture for 1948 to safely enact a tax-reduction law. The President's budget message estimate the revenues for 1948 at \$38,900,000,000 and expenditures at \$37,500,000,000. So there was little margin of safety to insure even a balanced budget, not to mention debt retirement. I am happy to say that our fiscal prospects seem to be much brighter now. The net receipts under existing law are estimated by the staff of the Joint Committee on Internal Revenue Taxation for the fiscal year 1948 at approximately \$41,500,000,000. Even after enactment of the pending bill the 1948 receipts are estimated at nearly \$40,000,000,000, which will provide a surplus of \$5,000,000,000 for debt retirement, if the President's budget is reduced by only \$2,000,000,000. Even if the budget is not cut at

all, there is an estimated surplus of nearly \$2,500,000,000 for debt reduction.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Georgia.

Mr. PACE. Does the gentleman mean that if this bill becomes law that the estimated revenue for fiscal 1948 will be approximately \$40,000,000,000?

Mr. DOUGHTON. That is correct. Then, if you do not trim the President's budget at all, that gives you \$2,500,000,000. If we trim the budget by \$2,500,000,000, you have four or five billion dollars as a conservative estimate to apply on the public debt. I believe that is an estimate on which we can rely, because the figures we have had for several months have been underestimated, and if the economic conditions are as the economists predict they will be, I would not be surprised if our revenue receipts were above \$40,000,000,000. All estimates are at best a guess. We do not know absolutely and definitely what our revenue receipts will be, but we do have a much better insight on the 1948 fiscal picture now than we had when H. R. 1 was before the House.

Mr. PACE. Mr. Chairman, if the gentleman will yield further, does the gentleman consider the payment of two or two and one-half billion as adequate for the national debt on an annual basis?

Mr. DOUGHTON. Well, I would not consider it a negligible amount to be paid on the national debt, of course, but I do not consider that that is all that we can pay on it, because we certainly have reason to believe that the President's budget will be trimmed some. I do not think it will be reduced to amount to any four and one-half or six billion, as was estimated to begin with. But, from the evidence we have on the matter and from the most thorough and careful study I can make, it is safe to estimate that, if H. R. 3950 is enacted into law and becomes effective January 1, 1948, for the fiscal year 1948 we will be able to pay somewhere between three and five billion dollars on the national debt. I think that is a conservative estimate.

I made the statement, when the President's veto message was before the House, that I did not feel that I could support another general tax bill that did not provide for removing the inequity or injustice among taxpayers similarly situated in the community-property States and the non-community-property States. I introduced a bill to remove that inequity, and brought that matter up when this bill was reported out. It was stated that it was a very difficult proposition to draft. I called on the legislative counsel, Mr. Beaman, the highest authority we have in drafting tax legislation, to learn whether or not it would be practicable to try to embody that provision in this tax bill. He said he thought not, that it would take more time. Then our committee discussed the matter and we voted unanimously to begin now the consideration of this tax inequity that exists among married people in community-property States and non-community-property States, with a view toward working out and perfecting legislation

to equalize that injustice. The members of the committee pledged themselves that in the next tax-reduction bill we would include a provision removing that inequity.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. It is also true that the committee has had before it many very intelligent witnesses dealing with that same subject.

Mr. DOUGHTON. That is true. Of course, we do not want to bring out and have enacted into law a tax bill that is not workable. On the advice of the head of the legislative counsel, Mr. Beaman, on whom we all rely in drafting tax bills to make them legal and workable, we deferred consideration of the matter, with the unanimous understanding that the subject would be taken care of in the next tax bill.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Colorado.

Mr. CARROLL. What would the community-property-tax legislation to which the gentleman refers entail in loss of revenue?

Mr. DOUGHTON. It is estimated to be something less than a billion dollars. I do not know how much it would be. But even if tax rates have to be adjusted elsewhere, whatever it takes to remove that inequity and that injustice and place married people on a basis of equality, I shall favor.

Mr. CARROLL. The gentleman has had great experience in these matters. I should like to have him inform me what it would mean in loss of revenue if we removed excise taxes.

Mr. DOUGHTON. The gentleman refers to wartime excise taxes?

Mr. CARROLL. Yes.

Mr. DOUGHTON. I do not know exactly, but that is a matter for a general tax-revision bill.

Mr. COOPER. If the gentleman will yield, my recollection is that if we remove the wartime increases of excise taxes it means not quite \$1,300,000,000.

Mr. KNUTSON. One and one-tenth billions, I understand.

Mr. CARROLL. On that basis, if we remove the wartime increases in excise-tax rates, coupled with the community-property-tax adjustment, we would have a loss of revenue of approximately \$3,000,000,000?

Mr. KNUTSON. That would be aside from the liquor and tobacco taxes.

Mr. DOUGHTON. Mr. Chairman, in conclusion, I should like to see some tax reduction effective January 1, 1948. If Federal taxes were all the American citizen had to pay, the load would not be so very heavy. But the total of State, county, and municipal taxes of various kinds, when added to present Federal-tax burdens, justifies the enactment of Federal income-tax reduction at this time. If the House rejects the motion to recommit that bill, the choice is between the tax reduction provided for in H. R. 3950 and no tax reduction at all. After careful consideration of the fiscal outlook for 1948, it is my opinion that some

tax reduction, although it may not be exactly the kind of reduction I should like, is justifiable, and can safely be made at this time. Then, in the comprehensive tax revision now under way in the Committee on Ways and Means, we can consider what adjustments should be made in corporate taxes, estate and gift taxes, excise taxes, and any further changes in individual income taxes that may at that time seem advisable. Since I believe that we can balance the budget and make a substantial payment on the public debt, I shall vote for tax reduction at this time.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOPER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it is with regret that I am unable to agree with the majority of the members of the Committee on Ways and Means in their support of the pending bill, H. R. 3950.

The provisions of this bill are identical with those of H. R. 1 as it finally passed both Houses of Congress and which was vetoed by the President, except that H. R. 3950 is effective as of January 1, 1948, instead of July 1, 1947, as was provided in H. R. 1.

I spoke at some length while the bill, H. R. 1, was under consideration in the House on March 26, 1947, as appears at pages 2656 to 2658 of the CONGRESSIONAL RECORD of that date, and my views with respect to the pending bill are substantially the same as those expressed on that occasion.

I expressed the conviction then, just as I do now, that it is not yet time to reduce taxes, and that when the time does come it should be done on a much fairer and more equitable basis than is provided in this measure. As I pointed out on the previous occasion to which I have referred, it should be borne in mind that we have already given very important tax relief since the close of the recent war. The Revenue Act of 1945 reduced wartime taxes about \$9,000,000,000. It made major reductions in corporation taxes and reduced individual income taxes and made some minor reductions in excise taxes. Its main purpose was to ease the transition from wartime to a peacetime economy. This transition was made with far less decline in business activity than had been anticipated.

Any further tax reduction at this time to stimulate business activity cannot be justified. Business conditions are the best that we have ever known in the history of this Nation. In 1946, production reached the highest point in peacetime in our history, being 50 percent greater than the last peacetime year of 1939 and only 15 percent less than the highest point during the war.

Our national income amounted to about \$165,000,000,000 in 1946, and the estimates now are that it will run about \$10,000,000,000 more than that in 1947.

With these favorable conditions existing, it is certainly the proper time to give attention to our national debt.

The cost of World War II was an enormous sum. To hear some of the remarks made about the size of the na-

tional debt, one would think that some gentlemen had already forgotten that we had the most destructive and expensive war in all human history. This \$258,000,000,000 national debt was the price invested for the preservation of freedom and liberty in this country of ours, and you cannot estimate the value of freedom and liberty in dollars and cents.

From 1939 to 1946, our Federal expenditures amounted to more than \$400,000,000,000. We now have about 85,000,000 individual bondholders in this country. These people have the right to look to the Congress for the preservation of the soundness of the financial system of this country and to know that these bonds will continue to be sound and worth their face value to them. We are unable to know yet just what our fiscal situation will be. Only two of our annual appropriation bills have gone to the President. Considerably more than half of our annual appropriation bills are still pending in the Congress. Nobody knows at this point what they are going to finally amount to. I hope the reduction can be great—even greater than that regarding which some have expressed themselves before; but my guess is that when the final books are balanced, when the Secretary of the Treasury, the responsible official of this Government charged with the fiscal affairs of the Government, makes his report we will find very little actual reduction in the President's budget of \$37,500,000,000. You need only to look to yesterday when we passed legislation providing for the payment of the terminal-leave bonds for our men of the armed forces, estimated to cost from \$1,800,000,000 to \$2,000,000,000. Those are situations we must face. We know that these things are happening day after day. So it is time for us to try to be certain that we can afford a tax reduction before we rush in here for political expediency and provide a tax reduction before we know exactly what our budget situation will be.

With the disturbed and unsettled conditions of the world, we are still unable to know what our international requirements will be. Right now we know that attention is being focused upon the so-called Marshall plan, a plan presented by our great Secretary of State, which he thinks, and many of the leading thinkers of this Nation agree with him in the view, is necessary for the preservation of our system and our form of government to afford relief to other nations of the world, to help them prevent the spread of communism. Now, we know the figures have been given in the press that this program may amount to \$5,000,000,000 a year for a number of years in the future.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. VORYS. The gentleman will find the report of the subcommittee of the Committee on Foreign Affairs giving the most accurate figures to date, which reveals no such estimate at all. The estimates given there are from official sources, and will show that we could meet the obligations involved in the Marshall plan under a budget with this reduction, and that no such stratospheric

figure of \$6,000,000,000 a year is in contemplation.

Mr. COOPER. How much do you figure it is going to cost?

Mr. VORYS. Our studies showed that throughout this year it might run as high as \$1,500,000,000, but with accepted credits it would be down to \$800,000,000. For the next year, 1949, our studies showed that the total not already covered or expected to be covered would be \$7,000,000,000 for the 3 years.

Mr. COOPER. Are you going to be able to effectively prevent the spread of communism throughout the world on less than a billion dollars a year? My friend, I am afraid you are just not realistic.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. CARROLL. I think the gentleman has made one of the most pertinent points that has been made so far. Where are we going with the Marshall plan? How can the Committee on Foreign Affairs know where they are going when the European countries themselves have not submitted their economic plan?

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. COOPER] has expired.

Mr. COOPER. Mr. Chairman, I yield myself two additional minutes.

I am sorry I will not have time to go further into the points I had expected to discuss, but I would like to refer in the 2 minutes I have to the motion to recommit, which I understand the distinguished gentleman from Rhode Island [Mr. FORAND] will offer. It is similar to a plan that he offered in the committee; similar to a bill that was introduced by him, or at least a part of it in some respects.

While I take the position that now is not the time to reduce taxes until we know more definitely what our actual budget situation will be and what our foreign requirements will amount to, I hope if you are going to reduce taxes and you think that now is the time to do it, certainly a fairer and more equitable plan should be provided than that presented by the pending bill. This motion to recommit will cover just two points: One is an increase of the present exemption from \$500 to \$600, and the second is to reduce by 3 percentage points the present income-tax brackets. That will be estimated to lose about \$3,379,000,000 in revenue, but under this plan 80 percent of the relief would go to people with incomes of less than \$5,000, whereas under the pending bill only 62 percent will go to the people with less than \$5,000. So if tax reduction is to be provided I respectfully submit that the plan suggested in the motion to recommit to be offered by the gentleman from Rhode Island is much fairer and more equitable than that provided in the pending bill.

Bear in mind that under the pending bill you reduce in the high income-tax brackets the burden of taxes practically to the 1939 level, before the war. You do not do that for the small-income taxpayers. So this plan to be presented in the motion to recommit would be much

fairer if it is desirable to pass a tax-reduction bill at this time.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. COOPER. Mr. Chairman, I yield 8 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, before proceeding with my prepared statement I do want to say to the chairman of our committee, the gentleman from Minnesota [Mr. KNOTSON] that in the tax bill of 1945, which he criticized and to which he contributed so much toward its delinquency, that at the time of its passage we at least did strike from the tax rolls 12,000,000 of those who were most deserving in the lowest income-tax brackets.

Furthermore it was the gentleman himself and his Republican colleague who deserted my fellow conferee, the gentleman from Tennessee [Mr. COOPER] and myself and brought about the retention of the high wartime excise taxes so vital to the consumers in order to give big wartime corporations bloated with war profits total and immediate relief from excess-profits taxes, about which he now complains.

Mr. Chairman, this is the wrong bill and the wrong time.

It is the same sickening mess containing all the favoritism toward the high-income groups and all of the discrimination against the millions of needy taxpayers in the low-income class. The rich taxpayers who constitute 1,948,000, or approximately 4 percent of the total, are to obtain 37 percent, or over one and one-half billions in tax relief. While the millions of small, needy taxpayers, numbering 47,723,000 and representing 96 percent of the whole, are to receive 63 percent of the relief, or roughly two and one-half billions. The reduction for the downtrodden rich, with incomes above \$300,000, will be about fifty-four millions, or relief per capita of \$57,000, while the well-to-do poor, with incomes under \$5,000, will receive an average of \$54 relief per capita, a difference of a mere \$6,946 per capita in favor of the rich.

To illustrate the inequity of this bill, Mr. Chairman, let me point out that the take-home pay of the average American family of four with an income of \$2,500 would be increased by \$28.50. A similar family with an income of \$15,000—a Congressman's salary—will receive a take-home pay increase of \$727.70. The \$100,000 family of four will benefit by \$12,460.20. A family of four receiving a net income of \$500,000 will have \$58,175 more to spend, while the million-dollar family of four will have over \$100,000 to spend each year, from tax savings alone, on a new yacht and a new country home.

I am certain the President will again courageously veto this brazen attempt to betray the needy in favor of the greedy and his action, I predict, will again be sustained by the other body should we fail in our responsibility and our sense of fairness and good judgment. It is a strange phenomena how this legislative cadaver could ever be revived after a veto which for the first time in the history of the Congress, I believe, was sustained in connection with a tax bill. Yet, it is not strange at all if you make even a

superficial analysis of the benefits and ascertain who are to be the recipients of the lion's share of Republican generosity. The cohesive force of the plunderbund is determined to get theirs now. They fear that further study and delay till next January may alert the people and that this may be detrimental to their unjustified and selfish grab.

There are more important and pressing phases of Federal taxation than are here presented to you. The reduction of the public debt and of the attendant interest charges should be the first and most important move of the Congress. Mark you, for every billion dollars of debt unpaid this year, the taxpayer will be called upon to pay out roughly an additional \$20,000,000 in interest annually during the added or delayed redemption period. Putting it another way: For every hundred dollars paid on the public debt this year the taxpayer will save \$2 thereafter; in other words, he will reap deferred dividends by the prompt paying off of our obligation. Important, too, you will not be passing on to posterity a war debt which was not of their making. There is another facet to look at and, having called your attention to the fact, you will have a hard time justifying your desertion of the President and the great mass of needy taxpayers for the rich unless first you provide relief for married couples and for dependents. With the higher prices paid for food, clothing, and rents since the killing of price controls by the Republicans, immediate liberalization of exemptions assumes prime importance. It truly touches all taxpayers from the highest to the lowest bracket.

In any consideration of the tax problem we cannot overlook the importance of continued excessive excise taxes; they are repressive and burdensome. The wartime excises, highest in history, I believe, have served their purpose of providing added revenues needed in the defense of our country. They were effective in the control of inflation and of competitive buying of consumers goods, made scarce by wartime restrictions and conversion. To continue these indefinitely would violate a congressional pledge, inserted at my insistence and upon my motion in the committee report at the time of their enactment, that they would be repealed by Congress at the termination of hostilities or by proclamation of the President. The committee and the House acted in good faith to carry out the pledge when the tax reduction bill of 1945 was considered in this chamber. The abject submission to the Senate of the House conferees, excluding my colleague the gentleman from Tennessee [Mr. COOPER] and myself, inexcusable as it was, continued the levy until abolished by Presidential proclamation terminating hostilities, following which they were quickly and indefinitely reimposed by Congress to handicap business and to burden the consumer. If these discriminatory wartime super sales taxes levied upon a limited few items are not repealed soon, the Congress will be charged with violating its word and, moreover, for a possible recession brought about by a buyers strike of indignant consumers.

As a taxpayer, my stake in this iniquitous Knutson tax plan is perhaps greater

than that of the average citizen in my district, because I stand to benefit more and immediately. But my interest and responsibility as a legislator are clearly on the side of the average taxpayer who is neediest and represents the great bulk of our deserving people.

What deal is the Republican majority offering some of you Democrats for anticipated desertion of principle, party, and President? According to press reports you are being blackmailed to vote in reversal of your previous action, the failure of which will bring reprisal in the matter of presenting legislation on the FEPC, antilynching, and the poll tax. Particularly you men of the South are asked to stultify yourselves, to submit peacefully or stand the consequences. I resent these tactics as I know you do. No member of the House worthy of membership has ever shrunk from combat. Let us consider each bill and fight it out on the merits. Resist this attempt of blackmail which reflects adversely and particularly upon the Members from the South.

The Republican leadership has staked all on the repassage of the tax grab and every trick in the bag will be used to succeed. Important and pressing legislation bearing upon the Nation's security and the peoples' welfare will be jettisoned. Housing for veterans, desperately short and delayed by Republican opposition, will be junked. The demands of education as voiced by the leading educators of the country will be ignored, as will the pressing problems of health and welfare. No time for the consideration of any of these and a score more legislative problems, not even once; but for the tax grab, all the tactics, time and energy possible will be employed and repeated until success, they hope, will crown their efforts.

A well-known columnist, heretofore trustworthy, refers to the Knutson bill, H. R. 3950, as a Republican-Democratic move or action. Do not let anybody fool you. We, the members of the minority, had nothing to do with it. Not in the beginning or at the end, nor did the Republican members of the committee, for that matter. We were not treated as members of the Committee on Ways and Means, nor even as Democrats. We, the elected Representatives, were on the outside while unofficial outsiders functioning as the voice of organized wealth wrote the bill which, bearing the name of the present chairman, was presented to the committee and the Congress.

It was when first presented lopsided, premeditatedly, unfair, and unjust, doing violence to millions of small taxpayers but that is in accord with the philosophy of the Republicans who believe that, "Those who has gets and those who has not shall have it taken away from them."

Do not let the press releases of the chairman fool you; no concession has been made to the people, the President, or in committee. It is the same old tripe recipe with a new number and another date. It will be dumped by President Truman as it has been once before provided, however, that the other body is inclined to pass it again.

Mr. Chairman, the Republican controlled Committee on Ways and Means, and I mean, controlled, presents to you

for your consumption the same old tax mess which you could not stomach when once before it was returned from the White House. Sample it and see for yourself. It is the same rank recipe concocted by Chairman KNUTSON, as an untested election dish. The only difference is the change in the number assigned to the bill and its effective date. Instead of being known as H. R. 1, it is now known as H. R. 3950. Its effective date for the relief of the rich is by force of administration, opposition, and your previous action, postponed until January 1, 1948, instead as was originally intended, July 1, 1947. But it is the same old tax swill, less wholesome for the ageing. It is warmed over and relabeled to fool the Members of this House but it is no more palatable, no more wholesome than when you turned it down when it was returned to you cold by the President from the White House.

Mr. COOPER. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. LYNCH].

Mr. LYNCH. Mr. Chairman, except for the change of the effective date, there is no difference between this bill which we are now considering and H. R. 1, which I heretofore opposed. The mere change of the effective date does not, in my opinion, render the bill more acceptable. As a matter of fact, during the intervening weeks since the passage of H. R. 1 circumstances have developed that, to my mind, make it even more apparent that this present bill, differing only from H. R. 1 in its effective date, should not pass.

I regret this move for a tax-reduction bill of this character at this time for I feel that this is a time when all of us, Republicans and Democrats alike, should work together to place the country on a firm financial foundation, so that we might build for the future—whatever that future might hold. A few weeks ago I opposed H. R. 1 because at that time I stated that we were passing a tax bill reducing government revenues when we did not know what the expenses of operation of government for the fiscal year were going to be. There has been no change in the situation since that date, except for the fact that one appropriation bill has thus far reached the President's desk. When the House passed H. R. 1 it did so with the expectation that the promises that were made—I should not say "promises"—I should rather say "boasts"—that the President's budget would be cut by \$6,000,000,000 would be fulfilled. We have seen that these boasts have fallen short by at least 50 percent, even before the other body has undertaken to restore many of the cuts which the House Appropriations Committee felt were necessary. Not only that, but yesterday we passed the bill to cash the terminal leave bonds, which involves an additional \$1,800,000,000 not even budgeted.

I understand it is estimated that \$100,000,000 will be necessary for the hoof-and-mouth-disease investigation and treatment, and that there is also a reported subsidy of \$85,000,000 for lead.

So today we stand in the same position insofar as our domestic appropriations are concerned as formerly, while insofar as our foreign commitments are

concerned our position is decidedly less favorable from a tax viewpoint. The situation overseas has developed to the extent that it must be apparent to all that the commitments of the United States must be far greater than originally anticipated when we thought that Russia would, in a straightforward way, aid in the reconstruction of Europe. We now know that the burden of reconstruction of Europe will not be shared by Russia; we now know that the obligations that the United States must assume will be greater than heretofore anticipated, because we relied, in good faith, upon Russia's cooperation in the rehabilitation of Europe.

I realize that the American people are most desirous of tax reduction. I know full well the pressure that has been brought by the business interests of the country to reduce taxes. Practically every industry has come before our committee urging that tax relief be given to their particular industry. With business at its highest peak; with the national income at its highest level and with unemployment at the minimum, we still hear the complaints of business that tax relief is needed in order to overcome the sales resistance of the public. There is no talk of a reduction of manufacturers' prices and in the face of the testimony, the conclusion is inescapable that the business interests of the country have come before our committee, not because taxes are so oppressive that they are killing the goose that laid the golden egg, but, rather, because they want to increase their corporate dividends over and above the record-making dividends of 1946 and the first quarter of 1947. I do not intend to go into a long discourse on taxes, except to point out this very salient feature, which should be borne in the minds of us who are passing on this tax legislation and that is, we do not know what our future commitments will be.

We are now fairly convinced that the economy drive, insofar as Government operation is concerned, cannot be reduced more than one or two billion dollars below the President's budget, and if we reduce the normal source of supply of money to operate the Government through income-tax reductions we must, if we are going to reduce the national debt, obtain the money from other sources. We are heading, under the present fiscal program of this Congress, toward a national excise or sales tax and that is just as certain as I am standing here. More than one of the present members of the Advisory Tax Council has already intimated that. If my recollection serves me correctly, our distinguished chairman has indicated the possibility of a broader base for excise taxes, or, in other words, sales taxes, as a sinking fund for the reduction of the national debt. Now what does that mean? It means that the stenographer, the laborer, the white-collar worker will pay by sales tax the same amount as those in the higher brackets pay in taxes for the ordinary necessities and comforts of daily life. That is a complete reversal and abandonment of the democratic principle that taxes should be levied against those who are best able to carry the burden.

Mr. Chairman, I shall not speak further, but I warn the Members of the House that this 20 percent tax reduction across the board is a forerunner of increased excise taxes or sales taxes, which must be borne by those in the lower brackets, so that even if you give them a 20 percent cut in their income taxes, they will more than make it up in the sales or excise taxes that they must pay. If we are to have a tax reduction effective January 1, 1948, then it is my firm conviction that that tax reduction should take the form of an increase in the personal exemption. I believe that relief should first be given to those in the lower brackets, so that they might more readily meet the increased cost of living that has resulted from the removal of food and rent controls. I am in accord with the motion that will be made to recommit for the reason that under the proposal that will be advanced by the gentleman from Rhode Island [Mr. FORAND] to increase the exemption from \$500 to \$600 per person and to reduce the tax by three points in each bracket, 80 percent of the benefit will go to those taxpayers having a taxable income of \$5,000 or less per annum, as against 62 percent of this class who will benefit under the Knutson bill. The proposal of the gentleman from Rhode Island [Mr. FORAND] gives relief where relief is most needed.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, my position today is the same as it was when the original Knutson bill, H. R. 1, came before the House. I question seriously the wisdom of reducing taxes at this time. However, I feel that if this Congress is to reduce taxes, then the bill before us today, H. R. 3950, does not provide the proper distribution of the relief to be afforded.

Before I go into that phase of it, I want to take the time to make the correction that I sought to make for the benefit of the chairman of our committee. May I have the attention of the chairman of the committee, who refused to yield to me before?

The gentleman has repeatedly made the statement that the 1945 tax bill reduced corporation taxes \$6,000,000. Yet, when I tried to help him keep the record straight, he was kind enough to tell me to sit down. Well, I will not go that far with him, I will simply quote the figures for the record to show that the Revenue Act of 1945 reduced estimated tax liabilities for the calendar year 1946 by a total of \$5,925,000,000. Corporate tax liabilities were reduced by an estimated \$3,140,000,000; individual income taxes by \$2,645,000,000, and miscellaneous taxes by \$140,000,000.

These figures are taken from the annual report of the Secretary of the Treasury next following the date of enactment of the Revenue Act of 1945.

This report covered the fiscal year ended June 30, 1946, was submitted on January 10, 1947.

Now the \$6,000,000,000 figure to which the gentleman from Minnesota refers is something else entirely. He is talking about the amount by which corpo-

rate tax receipts would have exceeded receipts under present law, assuming a \$165,000,000,000 level of income payment to individuals, if the Revenue Act of 1945 had not been enacted.

Even under this assumption the gentleman from Minnesota is incorrect, for the exact figure in the case of corporations is \$5,238,000,000 according to Treasury estimates and not the \$6,000,000,000 to which the gentleman has referred.

The figures quoted from the hearings by the gentleman from Minnesota are based on a hypothetical case.

The 1945 bill also removed from the tax rolls 12,000,000 taxpayers in the lower income brackets.

I am opposed to H. R. 3950, Mr. Chairman, because I do not think it is fair that a married man who has an income of only \$1,200 a year should get relief of only 22 cents a week, while the man with a \$50,000 income would get relief to the tune of \$95.36 a week, and that the fortunate fellow with an income of \$200,000 gets relief to the tune of \$242.80 a week, as compared to the 22 cents a week for the \$1,200 individual.

Mr. Chairman, as was said before, I am going to offer a motion to recommit. It is a very simple motion, although when reduced to writing it may seem to be rather complicated. But reduced to plain, every-day English, all it will do will be to increase the exemptions on a per capita basis \$100, that is, from \$500 as under present law to \$600. Point number 2 is that it will reduce the surtax 3 percentage points in each bracket. That is all that it would do, but its effect would be altogether different from the effect of H. R. 3950. Under this proposal 80 percent of the relief would go to those in the income brackets of \$5,000 and under whereas under the Knutson proposal, namely, the bill H. R. 3950, only 62 percent would go to that group, which, to my mind, is the group that should get relief if relief is to be given.

In addition to that, a 3 percentage point reduction in the surtax brackets means that everybody, particularly those in the higher income brackets, will get fair and equitable treatment. In fact, it amounts to \$1,734,000,000 of relief for that group which is only 4 percent of the taxpayers. Bear in mind that in this country you have 96 percent of your taxpayers whose income is \$5,000 or less and only 4 percent whose income is above \$5,000. Yet, to that 4 percent will go \$1,734,000,000 under my proposal.

I think we are treating them mighty fair, and I sincerely hope those of you who are a little in doubt as to what you are going to do, those of you who want to be fair, will vote for the motion to recommit. If you do not do it, then you are just simply offering a sop to the low income taxpayer and giving the big taxpayer a windfall.

The following memorandum and tables set forth clearly the effect my proposal would have if enacted into law:

PROPOSAL TO INCREASE INDIVIDUAL INCOME-TAX EXEMPTIONS TO \$600 PER CAPITA AND TO REDUCE PRESENT LAW TENTATIVE SURTAX RATES BY 3 PERCENTAGE POINTS IN EACH BRACKET

This memorandum compares a proposal to increase individual income-tax exemptions

to \$600 per capita and to reduce present law tentative surtax rates by 3 percentage points in each bracket with H. R. 3950, a bill introduced on June 24, 1947. H. R. 3950 is the same as H. R. 1, except that the effective date of the reductions is changed to January 1, 1948. The reductions under my proposal would also become effective January 1, 1948.

A. REVENUE LOSS

The increase in exemptions and reduction in surtax rates under my proposal would reduce individual income-tax liabilities by an estimated total of \$3,379,000,000, assuming income payments of \$166,000,000,000. This is \$425,000,000 less than the \$3,804,000,000 reduction under H. R. 3950 at the same level of income payments. (See tables 1 and 2.)

As compared with H. R. 3950, my proposal would distribute to low-income taxpayers both a larger dollar reduction and a larger proportion of the total tax reduction. Under H. R. 3950, \$2,372,000,000, or about 62 percent of the total tax reduction, would go to taxpayers with net incomes of less than \$5,000. Under my proposal, 80 percent of the total reduction, or \$2,689,000,000, would go to taxpayers with net incomes of less than \$5,000, of whom 4,700,000 would be removed from the tax rolls.

The tax reduction in the net income classes over \$5,000 under H. R. 3950 would amount to \$1,433,000,000, or about 38 percent of the total reduction. Under my proposal, these taxpayers would receive \$690,000,000, or 20 percent of the total.

B. ANALYSIS OF PROVISIONS

1. Increase in exemption

The present per capita exemption of \$500 was adopted in 1944. The amount to which a \$500 exemption would have to be increased to offset the effect of the price increases since 1944 has risen to over \$600. Thus, the \$100 increase would approximately adjust the level of exemptions for this price change.

Low exemptions are frequently urged to obtain a broad base in order to achieve wider tax consciousness and to preserve the revenue potentialities of the individual income-tax system. The four and seven-tenth million reduction in the number of taxpayers

under my proposal is not necessarily in conflict with the objectives of a broad base income tax, since forty-three and eight-tenths million taxpayers would remain on the rolls. Moreover, many low-income taxpayers are now on the tax rolls primarily because of inflationary conditions, even though the purchasing power of their incomes is no greater than in 1944.

The available family budget information and estimates of the relative amounts of income needed by single persons and families of different sizes to obtain the same general standard of living suggest that the per capita system of exemptions allows somewhat too much to dependents in comparison with the amount allowed single persons and married couples. The proposal would maintain the per capita exemption system and would not alter the exemption ratios as between single persons and families of different sizes. If the exemption increase is viewed merely as an adjustment for price changes, per capita exemptions may be preferred because they permit a greater simplification of the income tax than would other exemption ratios.

The increase in the per capita exemption from \$500 to \$600 would reduce individual income tax liabilities by an estimated \$1,646,000,000, assuming income payments of \$166,000,000,000. Of this amount, \$1,507,000,000, or 92 percent, would go to taxpayers with net incomes under \$5,000. (See table 2.)

2. Reduction in surtax rates

This provision gives each taxpayer a reduction amounting to 2.85 percent of surtax net income.¹ The tax rate on the first \$2,000 of net income after personal exemptions would be reduced from 19 percent to 16.15 percent and the tax rate on net incomes after personal exemptions in excess of \$200,000 would be reduced from 86.45 percent to 83.6 percent. (See table 3.) The provision would also reduce the rates of tax proportionately more at the lower income levels than at the higher levels. For example, it amounts to a 15-percent reduction of the 19-percent bracket rate and a 3.3-percent reduction of the 86.45 percent bracket rate.

The estimated reduction in individual income-tax liabilities from this provision, after

taking into account the effect of the exemption increase, would be \$1,734,000,000, assuming income payments of \$166,000,000,000. Of this amount \$1,183,000,000, or 68 percent, would go to taxpayers with less than \$5,000 of net income. (See table 2.)

C. COMPARISON OF THE TAX REDUCTIONS UNDER THE PROPOSAL AND UNDER H. R. 3950 BY MARITAL AND DEPENDENCY STATUS

For single persons with no dependents, the proposal would give more tax reduction than H. R. 3950 below about \$1,070 of net income and less reduction above \$2,200. Between these levels, single persons would receive about the same reduction under the two plans.

Married persons with no dependents would benefit more from the proposal than from H. R. 3950 below \$4,290 of net income, although the reduction is only slightly higher under the proposal in the area between \$2,000 and \$4,290. Above \$4,290 they would receive a larger tax reduction under H. R. 3950.

The tax benefit from an increase in the per capita exemption becomes greater as the number of exemptions increases. Consequently, the proposal would give more tax reduction than H. R. 3950 over a greater portion of the income scale to persons with dependents than to those without dependents. For example, married persons with two dependents would benefit more from the proposal than from H. R. 3950 up to a net income of \$8,530, as compared with the corresponding levels of \$1,070 for single persons and \$4,290 for married persons without dependents.

A detailed comparison of the tax liabilities at specified levels of net income under the proposal and H. R. 3950 is given for married persons with two dependents in the attached tables 4 and 4a. The tax reductions under the proposal range from 100 percent at the lowest end of the income scale to 3.3 percent at the highest; under H. R. 3950, the tax reductions range from 30 percent to 10.5 percent. The changes in effective rates under the two plans are also substantially different. The decrease in present law effective rates under the proposal is approximately 3 percentage points for all levels of income; under H. R. 3950, the decrease ranges from 1 to over 11 percentage points.

TABLE 1.—Estimated number of taxable income recipients and their individual income tax liability, distributed by net income classes, under present law,¹ H. R. 3950² and proposal to increase the per capita exemption to \$600 and reduce present law tentative rates by 3 percentage points in each bracket

[Assuming 1947 income payments of \$166,000,000,000]

Net income classes (thousands)	Number of taxable income recipients			Total tax liability ³		
	Present law	H. R. 3950	\$600 per capita exemption and 3-percentage-point reduction in tentative surtax rates	Present law	H. R. 3950	\$600 per capita exemption and 3-percentage-point reduction in tentative surtax rates
	Thousands	Thousands	Thousands	Millions	Millions	Millions
\$0 to \$1.....	6,352.3	5,882.3	5,752.3	\$299.5	\$304.3	\$152.5
\$1 to \$2.....	20,138.9	19,718.9	17,549.8	2,839.6	2,021.4	1,982.6
\$2 to \$3.....	14,322.0	14,217.0	12,930.2	3,692.3	2,834.2	2,664.6
\$3 to \$4.....	4,655.5	4,655.5	4,620.3	1,827.7	1,398.2	1,351.0
\$4 to \$5.....	1,333.2	1,333.2	1,321.3	775.9	605.1	595.1
Under \$5.....	46,801.8	45,806.9	42,074.0	9,435.0	7,063.2	6,745.8
\$5 to \$10.....	1,126.9	1,126.9	1,126.9	1,318.0	1,038.4	1,078.9
\$10 to \$25.....	470.2	470.2	470.2	1,874.4	1,493.8	1,652.3
\$25 to \$50.....	101.2	101.2	101.2	1,435.5	1,157.1	1,332.2
\$50 to \$100.....	32.7	32.7	32.7	1,183.6	959.4	1,121.1
\$100 to \$250.....	9.8	9.8	9.8	915.2	752.2	878.7
\$250 to \$500.....	1.3	1.3	1.3	328.9	280.5	318.1
\$500 to \$1,000.....	.4	.4	.4	234.5	205.5	227.2
\$1,000 and over.....	.2	.2	.2	276.2	246.8	267.7
Over \$5.....	1,742.8	1,742.8	1,742.8	7,566.3	6,133.7	6,876.1
Grand total.....	48,544.6	47,549.7	43,816.7	17,001.3	13,196.9	13,621.9

¹ Internal Revenue Code, as amended by the Revenue Act of 1945.

² A bill introduced on June 24, 1947 which is the same as H. R. 1, except that the effective date of the reductions is changed to Jan. 1, 1948.

³ Includes normal tax, surtax, and alternative tax on net long-term capital gains.

NOTE.—Figures are rounded and will not necessarily add to totals.

Source: Treasury Department, July 7, 1947.

¹ The reduction in surtax rates under the proposal is made before the 5-percent reduc-

tion. Thus, while tentative tax rates are reduced by 3 percentage points the final re-

duction is 95 percent of 3 percentage points or 2.85 percent.

TABLE 2.—Comparison of the decrease in individual income tax liability under H. R. 3950 and proposal to increase the per capita exemption to \$600 and reduce present law tentative surtax rates by 3 percentage points in each bracket, by net income classes
[Assuming 1947 income payments of \$166,000,000,000]

Net income classes (thousands)	Decrease in tax from present law under—				Decrease from present law resulting from the—			
	H. R. 3950		\$600 per capita exemption and 3-percentage-point reduction in tentative surtax rates		Increase in the per capita exemption to \$600		Deduction of tentative surtax rates by 3 percentage points ¹	
	Amount	Percent distribution	Amount	Percent distribution	Amount	Percent distribution	Amount	Percent distribution
	Millions		Millions		Millions		Millions	
0 to \$1.....	\$95.2	2.5	\$147.0	4.3	\$120.0	7.3	\$27.0	1.5
\$1 to \$2.....	818.2	21.5	857.0	25.4	507.1	30.8	349.9	20.2
\$2 to \$3.....	858.1	22.5	1,027.7	30.4	558.2	33.9	469.5	27.1
\$3 to \$4.....	429.5	11.3	476.7	14.1	241.9	14.7	234.8	13.6
\$4 to \$5.....	170.8	4.5	180.8	5.4	79.4	4.8	101.4	5.8
Under \$5.....	2,371.8	62.3	2,689.2	79.6	1,506.6	91.5	1,182.6	68.2
\$5 to \$10.....	279.6	7.3	239.1	7.1	73.7	4.5	165.4	9.5
\$10 to \$25.....	380.6	10.0	222.1	6.6	45.1	2.7	177.0	10.2
\$25 to \$50.....	278.4	7.3	103.3	3.1	13.4	.8	89.9	5.2
\$50 to \$100.....	224.3	5.9	62.5	1.8	5.1	.3	57.4	3.3
\$100 to \$250.....	163.0	4.3	36.5	1.1	1.7	.1	34.8	2.0
\$250 to \$500.....	48.4	1.3	10.8	.3	.2	(²)	10.6	.6
\$500 to \$1,000.....	29.0	.8	7.3	.2	(²)	(²)	7.3	.4
\$1,000 and over.....	29.4	.8	8.5	.3	(²)	(²)	8.5	.5
Over \$5.....	1,432.7	37.7	690.2	20.4	139.3	8.5	550.9	31.8
Grand total.....	3,804.5	100.0	3,379.4	100.0	1,645.9	100.0	1,738.5	100.0

¹ After taking into account the increase in the per capita exemption to \$600.

² Less than 0.05 percent.

³ Less than \$50,000.

NOTE.—Figures are rounded and will not necessarily add to totals.

Source: Treasury Department, July 7, 1947.

TABLE 3.—Comparison of combined normal tax and surtax rates under present law,¹ H. R. 3950, and proposal to increase the per capita exemption to \$600 and reduce present law tentative surtax rates by 3 percentage points in each bracket

Surtax net income		Combined normal tax and surtax rates						Percentage point decrease (–) or increase (+) in rates compared with present law	
Exceeding—	Not exceeding—	Present law		Rates after reductions under H. R. 3950	\$600-per-capita exemption and 3-percentage-point reduction in tentative surtax rates		H. R. 3950	\$600-per-capita exemption and 3-percentage-point reduction in tentative surtax rates	
		Tentative rates	Rates after 5-percent reduction		Tentative rates	Rates after 5-percent reduction			
		Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
0.....	\$1,000.....			13.30			–5.70		
\$1,000.....	\$1,400..... ¹	20	19.00	20.00	17	16.15	+1.00	–2.85	
\$1,400.....	\$2,000.....			15.20			–3.80		
\$2,000.....	\$4,000.....	22	20.90	16.72	19	18.05	–4.18	–2.85	
\$4,000.....	\$6,000.....	26	24.70	19.76	23	21.85	–4.94	–2.85	
\$6,000.....	\$8,000.....	30	28.50	22.80	27	25.65	–5.70	–2.85	
\$8,000.....	\$10,000.....	34	32.30	25.84	31	29.45	–6.46	–2.85	
\$10,000.....	\$12,000.....	38	36.10	28.88	35	33.25	–7.22	–2.85	
\$12,000.....	\$14,000.....	43	40.85	32.08	40	38.00	–8.17	–2.85	
\$14,000.....	\$16,000.....	47	44.65	35.72	44	41.80	–8.93	–2.85	
\$16,000.....	\$18,000.....	50	47.50	38.00	47	44.65	–9.50	–2.85	
\$18,000.....	\$20,000.....	53	50.35	40.28	50	47.50	–10.07	–2.85	
\$20,000.....	\$22,000.....	56	53.20	42.56	53	50.35	–10.64	–2.85	
\$22,000.....	\$26,000.....	59	56.05	44.84	56	53.20	–11.21	–2.85	
\$26,000.....	\$32,000.....	62	58.90	47.12	59	56.05	–11.78	–2.85	
\$32,000.....	\$38,000.....	65	61.75	49.40	62	58.90	–12.35	–2.85	
\$38,000.....	\$44,000.....	69	65.55	52.44	66	62.70	–13.11	–2.85	
\$44,000.....	\$60,000.....	72	68.40	54.72	69	65.55	–13.68	–2.85	
\$60,000.....	\$70,000.....	75	71.25	57.00	72	68.40	–14.25	–2.85	
\$70,000.....	\$80,000.....	78	74.10	59.28	75	71.25	–14.82	–2.85	
\$80,000.....	\$90,000.....	81	76.95	61.56	78	74.10	–15.39	–2.85	
\$90,000.....	\$100,000.....	84	79.80	63.84	81	76.95	–15.96	–2.85	
\$100,000.....	\$136,700..... ²	87	82.65	66.12	84	79.80	–16.53	–2.85	
\$136,700.....	\$150,000.....	89	84.55	67.64	86	81.70	–16.91	–2.85	
\$150,000.....	\$200,000.....	90	85.50	71.87	87	82.65	–12.68	–2.85	
\$200,000.....	\$302,400..... ³	91	86.45	73.48	88	83.60	–12.97	–2.85	
\$302,400 and over.....				77.35			–9.10		

¹ Internal Revenue Code, as amended by Revenue Act of 1945.

² Upper limit of the notch area under H. R. 3950. The exact point is \$1,395.83.

³ Point at which 10.25-percent reduction of present law tentative tax takes effect under H. R. 3950. The exact point is \$136,719.10.

⁴ Point at which 15-percent reduction of present law tentative tax takes effect under H. R. 3950. The exact point is \$302,395.00.

⁵ Subject to a maximum effective rate limitation of 85.5 percent.

⁶ Subject to a maximum effective rate limitation of 76.5 percent.

⁷ Subject to a maximum effective rate limitation of 82.65 percent.

Source: Treasury Department, July 7, 1947.

TABLE 4.—Comparison of amounts and effective rates of individual income tax under present law,¹ H. R. 3950, and proposals to increase the per capita exemption to \$600 and reduce present law tentative surtax rates by 3 percentage points in each bracket, for specified amounts of net income

[Married person 1—2 dependents]

Net income before personal exemption	Amounts of tax			Effective rates		
	Present law	H. R. 3950 ¹	\$600 per capita exemption and 3-percentage-point reduction in tentative surtax rates	Present law	H. R. 3950 ¹	\$600 per capita exemption and 3-percentage-point reduction in tentative surtax rates
				Percent	Percent ¹	Percent
\$2,400.....	\$76	\$53		3.2	2.2	
\$3,000.....	190	133	\$97	6.3	4.4	3.2
\$4,000.....	380	304	258	9.5	7.6	6.5
\$5,000.....	589	471	431	11.8	9.4	8.6
\$6,000.....	798	638	612	13.3	10.6	10.2
\$8,000.....	1,292	1,034	1,034	16.2	12.9	12.9
\$10,000.....	1,862	1,490	1,531	18.6	14.9	15.3
\$15,000.....	3,639	2,911	3,116	24.3	19.4	20.8
\$20,000.....	5,890	4,712	5,198	29.5	23.6	26.0
\$25,000.....	8,522	6,818	7,653	34.1	27.3	30.6
\$30,000.....	24,111	19,289	22,481	48.2	38.6	45.0
\$35,000.....	42,823	33,858	39,946	56.4	45.1	53.3
\$40,000.....	62,301	49,841	59,189	62.3	49.8	59.2
\$45,000.....	190,475	157,154	183,073	76.2	62.9	73.3
\$50,000.....	406,600	348,425	392,073	81.3	69.7	78.4
\$55,000.....	622,725	541,800	601,073	83.0	72.2	80.0
\$1,000,000.....	838,850	735,175	810,073	83.9	73.5	81.6
\$5,000,000.....	¹ 4,275,000	¹ 3,825,000	¹ 4,132,500	85.5	76.5	82.2

way of persuasion to those who are getting ready to vote on this measure, by a continuance of this debate. However, I would like to comment briefly on some of the statements that have been made, and then to read to you from a very interesting table which I have, a table that has been prepared by the staff of the Joint Committee on Internal Revenue Taxation.

In the first place, we have heard several Members rise in opposition to this bill, to say that the only distinction between this bill and H. R. 1 is the effective date, next January 1. It should be pointed out that there is another differential. It will become very obvious to the gentlemen who oppose this measure when the final roll is called, and when those additional Members, who voted against H. R. 1, cast their votes for the pending measure, as they have announced they are about to do.

I think that is a distinction between H. R. 1 and the bill before us today that should not be overlooked. In fact, if it were not true, this bill would not be before us today.

We hear much said about the inequity of this bill or about the fact that it is the wrong kind of a bill. We hear talk about a fairer type of tax reduction. Those arguments are coming from the very same Members who 2 years ago on this floor supported a reduction of 5 percent straight across the board. We hear much about applying our savings on the Federal debt, and this, Mr. Chairman, coming from Members who have consistently failed to support us in our efforts to cut the Federal budget of \$37,500,000,000 so that there would be money to apply on the Federal debt. Member after Member comes to the well of the House and says, "We hope the reduction can be great," but still we get no support from them when an effort is made to cut these astounding figures that go to make up the Federal budget. Therein lies the inconsistency of those who oppose this bill. They say that now is not the time for tax reduction; it ought not to be done, but if you are going to do it we have a better idea of how to do it. There is but an ill-concealed attempt to scuttle all hope for tax relief. I trust that no Member of this House is being misled by this plan.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. GRANT of Indiana. I yield.

Mr. KNUTSON. Not only have we received no help from some of these spenders but they have done everything possible to thwart our efforts.

Mr. GRANT of Indiana. The gentleman is correct.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. GRANT of Indiana. I yield.

Mr. DINGELL. Now, I want to protest that as being absolutely not in accord with the truth. We were never called upon to have anything to do with the writing of this bill.

We disavow it now. We had nothing to do with it to begin with and nothing to do with it in the end.

Mr. KNUTSON. We were talking about appropriations. Of course we did

not call the gentleman in because we knew he could not be helpful.

Mr. GRANT of Indiana. And the gentleman from Michigan missed the point. We were talking about cutting the Federal budget and the cost of the Federal Government.

The gentleman from Tennessee [Mr. COOPER] said that we must be absolutely certain that we can afford tax reduction. But no such arguments were made by those who sponsored the tax-reduction bill of 1945 when, in the face of a deficit for the previous year of \$50,000,000,000 and in the face of an estimated deficit of \$20,000,000,000 for that year, they passed a tax-reduction bill that took \$6,000,000,000 from the revenues of Uncle Sam.

Those who oppose this bill say now is not the time to cut taxes. But 2 years ago in the face of an even greater national debt, and with huge annual deficits staring us in the face they, the Democratic Congress, supported the tax-reduction program of 1945 and it was signed by a Democratic President, a program to cut \$6,000,000,000 from the Federal revenues. The majority of this tax reduction at that time went to the corporations of this country.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. KNUTSON. Mr. Chairman, I yield two additional minutes to the gentleman from Indiana.

Mr. GRANT of Indiana. Mr. Chairman, I have here some tables prepared by the joint committee which will give to each of you the savings in individual income-tax payments that will be realized by the residents of your respective States when this bill, H. R. 3950, becomes the law of the land:

Estimated reduction in individual income taxes for 1948, under H. R. 3950, by States

[In thousands]

Alabama.....	\$30,190
Arizona.....	11,459
Arkansas.....	14,235
California.....	415,959
Colorado.....	28,667
Connecticut.....	76,538
Delaware.....	25,276
Florida.....	54,942
Georgia.....	43,032
Hawaii.....	18,716
Idaho.....	9,161
Illinois.....	335,902
Indiana.....	72,298
Iowa.....	40,876
Kansas.....	35,621
Kentucky.....	31,045
Louisiana.....	36,834
Maine.....	14,541
Maryland.....	140,839
Massachusetts.....	167,327
Michigan.....	197,042
Minnesota.....	62,362
Mississippi.....	12,529
Missouri.....	94,432
Montana.....	8,928
Nebraska.....	30,724
Nevada.....	6,363
New Hampshire.....	9,783
New Jersey.....	139,887
New Mexico.....	7,135
New York.....	800,608
North Carolina.....	41,381
North Dakota.....	7,549
Ohio.....	227,513
Oklahoma.....	31,474
Oregon.....	38,991
Pennsylvania.....	307,627

Rhode Island.....	\$25,086
South Carolina.....	17,381
South Dakota.....	7,159
Tennessee.....	39,382
Texas.....	133,098
Utah.....	10,658
Vermont.....	5,177
Virginia.....	46,555
Washington.....	73,412
West Virginia.....	21,690
Wisconsin.....	69,495
Wyoming.....	4,776
Total.....	4,081,492

NOTE.—Figures are rounded and will not necessarily add to total.

Source: Staff of Joint Committee on Internal Revenue Taxation.

In addition, Mr. Chairman, I have a table showing, by counties, the savings that will be forthcoming to the residents of my own State of Indiana, under this bill. That table follows:

Estimated distribution by counties in the State of Indiana of 1 year's tax reduction provided for in H. R. 3950

[In thousands]

Counties:	Tax reduction
Adams.....	\$251
Allen.....	4,498
Bartholomew.....	437
Benton.....	184
Blackford.....	269
Boone.....	336
Brown.....	55
Carroll.....	202
Cass.....	688
Clark.....	381
Clay.....	327
Clinton.....	567
Crawford.....	94
Daviess.....	311
Dearborn.....	336
Decatur.....	259
De Kalb.....	409
Delaware.....	1,685
Dubois.....	252
Elkhart.....	1,534
Fayette.....	336
Floyd.....	566
Fountain.....	278
Franklin.....	144
Fulton.....	261
Gibson.....	369
Grant.....	1,114
Greene.....	382
Hamilton.....	382
Hancock.....	299
Harrison.....	161
Hendricks.....	256
Henry.....	701
Howard.....	951
Huntington.....	563
Jackson.....	386
Jasper.....	195
Jay.....	306
Jefferson.....	270
Jennings.....	136
Johnson.....	323
Knox.....	765
Kosciusko.....	453
Lagrange.....	171
Lake.....	7,384
La Porte.....	1,209
Lawrence.....	466
Madison.....	1,803
Marion.....	15,879
Marshall.....	460
Martin.....	96
Miami.....	505
Monroe.....	585
Montgomery.....	549
Morgan.....	287
Newton.....	161
Noble.....	396
Ohio.....	41
Orange.....	195
Owen.....	129

Estimated distribution by counties in the State of Indiana of 1 year's tax reduction provided for in H. R. 3950—Continued

Counties:	[In thousands]	Tax reduction
Parke	-----	\$189
Perry	-----	153
Pike	-----	174
Porter	-----	504
Posey	-----	217
Pulaski	-----	161
Putnam	-----	308
Randolph	-----	440
Ripley	-----	253
Rush	-----	302
St. Joseph	-----	4, 178
Scott	-----	111
Shelby	-----	501
Spencer	-----	162
Starke	-----	170
Steuben	-----	261
Sullivan	-----	298
Switzerland	-----	82
Tippecanoe	-----	1, 399
Tipton	-----	218
Union	-----	96
Vanderburgh	-----	4, 230
Vermillion	-----	287
Vigo	-----	2, 306
Wabash	-----	507
Warren	-----	95
Warrick	-----	195
Washington	-----	147
Wayne	-----	1, 292
Wells	-----	241
White	-----	254
Whitley	-----	283
Cities:		
Elkhart	-----	785
Goshen	-----	341
La Porte	-----	421
Michigan City	-----	594
Mishawaka	-----	542
South Bend	-----	2, 938

NOTE.—Figures are rounded and will not necessarily add to total.

Source: Staff of Joint Committee on Internal Revenue Taxation.

That means, in each case, just that many more million dollars to be retained in your home communities, to be added to the family savings, or that will be spent with the merchants up and down your main street.

Comparatively speaking, Mr. Chairman, tax reduction is not inflationary, because it does not add to the selling price of commodities. On the other hand, however, these inflated governmental expenditures, these huge foreign loans and gifts about which we heard so much a few moments ago, all of which the President is constantly advocating and defending, do add to the cost of living and are definitely inflationary. It is not inflationary to let your fellow citizen in your home community have these added savings. He will handle them better and more wisely, I promise you, than will a swollen Federal bureaucracy.

Mr. POTTS. Mr. Chairman, will the gentleman yield?

Mr. GRANT of Indiana. I yield.

Mr. POTTS. Under the bill under discussion, H. R. 3950, will not the small taxpayer pay a smaller proportion of the national tax than he is now required to pay under the present tax law?

Mr. GRANT of Indiana. The answer is definitely "Yes."

Mr. POTTS. Does it not mean, therefore, that those who vote against the bill want the small taxpayer to pay a larger portion of the tax?

Mr. GRANT of Indiana. The gentleman is definitely correct.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, a few minutes ago the gentleman from Michigan [Mr. DINGELL], speaking on the minority side, in his remarks said to the gentleman from Minnesota [Mr. KNUTSON], chairman of the committee, that we did not have anything to do with the writing of this bill; and the answer of the gentleman from Minnesota was to the effect "We did not call you in because we knew you would not be helpful." I submit, Mr. Chairman, that is not a democratic process to be used in the framing of an important measure of this sort. It only indicates the attitude of the chairman of the Ways and Means Committee in attempting to force down the throats of the people an inequitable tax bill.

This bill is slightly soiled, slightly shopworn. It has been debated and debated. No sound reason has been advanced why it should be passed at this time.

Mr. Chairman, I do not find the people in my particular congressional district excited about getting a tax reduction. They do not ask too many questions about it. But there is one question in the public mind these days about which I receive many inquiries and which is worrying more than any other subject all of the people of this country. I am sure it is worrying all of the Members of Congress. I refer to the fight that is going on today between the two ideologies of communism and socialism on the one side and freedom-loving democracies on the other. The onward march of the totalitarian states, Mr. Chairman, can only be stopped in one of two ways. First, it can be stopped by war. It can be stopped by the democracies again going through the terrible years of suffering and agony we just went through in order to save us from totalitarian Nazi Germany. Or it can be stopped by a Government of the United States which is financially sound and economically strong, cooperating and working with other freedom-loving peoples and nations. Collapse of our prosperous economy would undoubtedly be a boon to communism. We must remain financially strong, for that is the only way we can defeat the march of totalitarianism, Mr. Chairman, and if we do not have a sound economy in America and a sound financial Government then we have not much hope for the future. So I say, Mr. Chairman, this is not the time to reduce taxes. This is the time to pay up on our national debt, thus making our Government economically stronger and financially sounder.

What are we doing now? We are helping those people and those nations who want to remain free and independent.

To give the small tax relief to the people of this country provided in this bill, which will not do them much good, and thus weaken our Government, will

endanger our freedom and our liberty for the future. It is certainly not the proper thing to do.

Mr. Chairman, I hope the Members of the Republican Party will follow the policy that they have always followed of preaching and practicing a sound, strong, financial economy; and that they will not, for purely partisan purposes, pass this little tax relief bill which is inequitable in the mind of any man who approaches it with a fair, open viewpoint to see where it gives the most tax relief. This is important. I hope when the final vote comes that those who want a sound economy, those who are so much afraid of communism, anarchy, confusion, and chaos will vote on final passage against this iniquitous, inequitable, unfair measure of tax relief.

There are other reasons for not enacting H. R. 3950, Mr. Chairman. The prospect for a substantial cut in appropriations, if anything, is worse than when H. R. 1 was originally considered by the House. The failure to make substantial cuts in the President's budget, combined with necessary appropriations not included in our budget, and with prospective international commitments which will materialize in fiscal year 1948, have greatly dimmed my hopes for any substantial surplus in the current fiscal year. If there is any doubt that the budgetary picture will not permit both tax reduction and substantial debt retirement in 1948, the people have indicated that they do not want tax reduction at the expense of debt retirement. According to the most recent Gallup poll, only 38 percent of the people would give priority to tax reduction over debt retirement. I again repeat my charge that the Republican plan is to substitute sales taxes to replace the revenue lost by H. R. 3950. On more than a dozen occasions since the Knutson tax bill was passed by the House, the majority members of the Committee on Ways and Means have raised the prospect of finding new sources of revenue—new excise or sales taxes—through shifting much of the burden that is now being carried by the income-tax group to the excises. Now, if the Republicans wish to run on a program of a Federal sales tax in 1948, I shall be delighted, for that will insure a healthy Democratic majority in the Congress. And last, even if the Republican plan were not to replace the income-tax reduction provided by this bill with sales taxes falling most heavily upon the low-income group, H. R. 3950 discriminates against taxpayers in the lower brackets. Mr. Chairman, I think the working people of my district and my State will know what the Republican Party stands for when they learn that the \$300,000 man is given an increase in take-home pay, after taxes, of more than 60 percent, while the man under \$5,000 receives less than a 5-percent increase in take-home pay. Or to put it another way, the increase in take-home pay of the individuals under \$5,000 averages around 4 cents an hour, while the \$300,000 man would receive a windfall of \$19 an hour increase in take-home pay. I think even those Members of

the House who have already decided to vote for this bill should realize that this \$19 an hour increase in take-home pay is voted by them to less than 1,500

taxpayers in the country, while the other 49,000,000 taxpayers must assume their burden of eventual retirement of the war debt if H. R. 1 should become law.

Mr. Chairman, I insert at this point in the RECORD a table showing the number of taxpayers, by State and size of net income:

Number of taxpayers, by State and by size of net income

[Estimates for 1947 based on 1943 distribution, by State and classes]

States and Territories	Total	Under \$5,000	\$5,000, under \$10,000	\$10,000, under \$25,000	\$25,000, under \$50,000	\$50,000, under \$100,000	\$100,000, under \$300,000	\$300,000 and over
1. Alabama.....	585,959	570,982	9,128	4,420	992	347	84	6
2. Alaska.....								
3. Arizona.....	183,021	177,847	3,043	1,693	304	111	19	4
4. Arkansas.....	284,386	276,131	4,958	2,586	516	147	48	
5. California.....	993,181	833,067	99,843	46,127	9,918	2,201	937	88
6. Colorado.....	375,413	360,374	9,691	4,279	759	216	78	16
7. Connecticut.....	899,863	856,473	29,525	10,438	2,317	814	250	46
8. Delaware.....	108,715	102,964	3,493	1,599	364	167	90	38
9. District of Columbia.....	392,731	374,414	12,283	4,514	1,083	327	102	8
10. Florida.....	612,074	585,023	16,115	8,229	1,892	582	191	42
11. Georgia.....	686,480	664,686	12,959	6,771	1,538	464	152	10
12. Hawaii.....	173,100	163,806	6,536	2,022	606	186	40	4
13. Idaho.....	173,059	168,486	3,155	1,223	152	33	10	
14. Illinois.....	3,448,219	3,308,887	89,250	37,992	8,400	2,757	809	124
15. Indiana.....	1,323,532	1,287,050	24,792	9,216	1,771	520	163	20
16. Iowa.....	831,633	800,311	23,890	6,301	891	239	41	10
17. Kansas.....	584,081	566,302	14,199	5,360	830	213	71	6
18. Kentucky.....	603,559	589,703	8,564	4,138	810	249	75	20
19. Louisiana.....	611,760	594,383	10,593	5,266	1,032	363	115	8
20. Maine.....	293,867	285,491	5,635	2,304	405	101	29	2
21. Maryland.....	937,258	898,595	26,595	9,216	1,953	667	206	26
22. Massachusetts.....	1,921,114	1,853,351	42,710	19,090	4,271	1,308	358	26
23. Michigan.....	2,275,038	2,166,923	78,432	22,570	4,777	1,691	583	62
24. Minnesota.....	972,421	945,396	18,481	6,677	1,346	402	119	
25. Mississippi.....	247,968	238,689	5,409	3,150	597	108	35	
26. Missouri.....	1,234,444	1,198,126	22,200	10,956	2,429	716	193	24
27. Montana.....	780,120	773,167	5,071	1,646	192	29	11	4
28. Nebraska.....	437,206	421,216	11,156	3,997	658	150	25	4
29. Nevada.....	77,132	74,883	1,352	658	152	59	22	6
30. New Hampshire.....	186,615	182,527	2,705	1,081	213	69	20	
31. New Jersey.....	1,925,792	1,848,671	51,950	19,795	3,755	1,210	377	34
32. New Mexico.....	115,764	112,324	2,141	1,081	152	52	12	2
33. New York.....	5,867,636	5,611,536	155,963	73,287	18,065	6,269	2,183	333
34. North Carolina.....	747,443	730,108	10,255	5,360	1,194	379	119	28
35. North Dakota.....	174,318	168,486	4,508	1,176	132	13	3	
36. Ohio.....	2,599,262	2,492,351	72,685	26,237	5,576	1,763	564	86
37. Oklahoma.....	510,408	496,069	9,353	3,903	708	268	71	6
38. Oregon.....	513,446	491,419	14,312	5,925	1,245	402	131	12
39. Pennsylvania.....	3,684,045	3,570,577	71,445	30,563	7,448	2,636	840	136
40. Rhode Island.....	318,807	308,892	4,973	2,828	729	239	102	4
41. South Carolina.....	373,120	365,054	5,071	2,353	425	134	38	
42. South Dakota.....	149,450	145,086	3,268	940	121	29	6	
43. Tennessee.....	687,849	669,266	11,269	5,501	1,235	435	125	18
44. Texas.....	1,919,647	1,862,712	33,356	18,009	3,886	1,167	413	104
45. Utah.....	211,434	205,928	3,606	1,505	304	72	19	
46. Vermont.....	100,780	98,284	1,690	658	101	29	18	
47. Virginia.....	792,888	767,550	16,565	6,771	1,225	350	115	12
48. Washington (includes Alaska).....	1,046,793	1,015,599	20,397	8,511	1,639	491	144	12
49. West Virginia.....	497,180	486,739	6,874	2,868	546	121	32	
50. Wisconsin.....	1,183,854	1,151,324	22,087	8,464	1,488	383	100	8
51. Wyoming.....	87,669	84,243	2,366	893	132	23	10	2
Total.....	48,544,504	46,801,801	1,126,897	470,202	101,204	32,701	10,298	1,401
	48,544.6	46,801.8	1,126.9	470.2	101.2	32.7	10.3	1.4

This table shows that in the State of Pennsylvania only 136 taxpayers would receive this maximum increase in take-home pay of 60 percent or more, while 3,000,684 residents of the Keystone State would receive an increase in take-home pay of less than 5 percent. In Michigan 62 taxpayers would receive the \$19 an hour increase in take-home pay, while 2,275,000 taxpayers would receive 4 cents an hour increase in take-home pay. The same disproportionate benefits are provided for all residents of all the States, and enactment of this bill amounts to a vote of special privilege for these few 1,500 taxpayers at the expense of the other 49,000,000. In this connection I need not point out that most of the millions of young people who fought the war are largely in the bracket under \$5,000 where the tax reduction is so small and where the increase in wartime tax rates fell so heavily.

My final question, Mr. Chairman, is whether these veterans who fought the war now must come home to pay, not only their share of the financial cut in this \$257,000,000,000 national debt but the share of the upper-bracket taxpayers as well. That is precisely what will happen if H. R. 3950 becomes law.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

TAX BILL WILL BE AN ADDITIONAL EXPENSE—NOT A SAVING

Mr. PATMAN. Mr. Chairman, this bill if enacted into law will cost about \$4,000,000,000, and that has been pictured as a saving. Let us see if it will be a saving.

During the history of this Nation, on long-term bonds, we have paid as much in interest as we have paid on the principal. In other words, for every \$1 of principal we have paid \$1 of interest or \$2 for every \$1. With the national debt as large as it is, it is reasonable to assume that in the future we will pay \$2 or possibly \$3 in interest for every \$1 of principal; therefore, the \$4,000,000,000 which has been pictured as a saving may turn out to be an expense of \$8,000,000,000 or \$12,000,000,000 before it is paid. For every dollar we pay on the national debt today we save the taxpayers from \$3 to \$4.

So, why do you say it is a saving? It is a tremendous and an enormous expense in the long run. Now, while we are reducing taxes we are increasing the interest rate. May I invite your attention

to the fact that 1 year ago the going rate of interest on Government obligations was 1.996 percent. Today the going rate of interest is 2.10 percent. The difference is that today the cost of servicing our national debt, paying the interest on it, is \$138,000,000 more this year than it was 1 year ago. That means an increase of \$735,000 a day just in interest alone.

The Federal Reserve Board has recently issued an order which will be effective day after tomorrow, July 10, and the effect of it is to unpeg the three-eighths percent bills, which means that instead of the Government getting money for three-eighths of 1 percent the Government will pay up to maybe three-fourths of 1 percent on those bills. That will also enormously increase the interest charges on the national debt. It does not hardly make sense to me, just talking for myself. I am not attempting to speak for any other person, but it hardly makes sense to me to be causing the interest rates to go up and the cost of carrying the national debt higher and higher and higher all the time, and yet reduce taxes.

How much should we pay on this national debt? Certainly we should pay six or seven billion dollars a year, if we can. We should amortize it possibly over

a period of 40 years and pay six or seven billion dollars a year. As long as we have this tremendous debt, which it held largely by commercial banks which created the money by a bookkeeping transaction to buy the bonds, we are in danger of ruinous inflation, so the quicker we get rid of this debt the better off we will be.

NATIONAL DEBT REPRESENTS LIVES OF 3,000,000 MEN

Now, this debt is approximately \$258,000,000,000. Why do we owe that much money? I will tell you why we owe it. It represents the lives of millions of American boys who are back here safely now, who probably would not be back here were it not for this national debt. Our Government adopted the policy, and it was adopted by Members on both sides of the aisle, when this war started that manpower was worth more than money; that we would not send a man into a place of danger against an enemy if a machine could be sent there instead, regardless of the cost of that machine. We used money instead of men. We used money to buy food and ammunition and equipment and supplies and arms for the purpose of placing these vital essentials of war into the hands of our allies, and our allies took our ammunition and destroyed our common enemy, thereby saving the lives of American boys. Considering the heavy casualty list of the different countries of the world, it is reasonable to assume that our policy in creating this debt and using money instead of men has saved the lives of 3,000,000, at least, American boys, and we should be glad to pay it, and pay it off as quickly as possible.

[From the Wall Street Journal of July 2, 1947]
TREASURY CONSIDERING INCREASE IN INTEREST RATE ON 90-DAY BILLS FROM PRESENT THREE-EIGHTHS PERCENT—MAY BE FIRST STEP TOWARD HIGHER LEVEL OF INTEREST RATES GENERALLY

WASHINGTON.—There are growing indications in Washington that the Treasury soon may be willing to pay higher interest on its shortest term borrowings.

At the moment the Treasury has about \$16,000,000,000 of 90-day bills outstanding. These carry interest at an annual rate of three-eighths percent. The rate on these 3-months' bills has been pegged at this level since the beginning of the war. The pegging is done by the Federal Reserve System which stands ready to buy all such bills at a price to maintain the three-eighths percent rate; it now owns more than \$14,000,000,000 of them. It also will resell these bills so that the buyer gets three-eighths percent. The bills are sold by the Treasury with that understanding.

That's contrary to normal free money market practice, in which bill rates would be allowed to fluctuate in accordance with the supply and demand for money. Now it appears likely that a free market in the case of Treasury bills will be restored.

There has also been some talk in Washington that the pegging of Treasury certificates, which have a maturity of 1 year and carry a seven-eighths percent interest rate, might be abandoned. But this, it is believed, would happen some time after the bill rate was freed. Although there is no formal arrangement covering the pegging of the certificates at this rate, the Federal Reserve System has since the beginning of

the war bought and sold these certificates in a way to support the seven-eighths percent rate. About \$26,000,000,000 of certificates are outstanding.

High Treasury and Federal Reserve officials have had the subject of unpegging the bill rate under discussion this week. It has been talked about many times before, but previously the Treasury has been hostile to any change. Now, however, the Treasury seems more receptive to the idea that interest rates on short-term securities should be permitted to rise.

In some quarters it is suggested that freedom of the Treasury bill rate might be the first step toward a higher level of interest rates generally.

One group of Federal financiers, the Board of Governors of the Federal Reserve System, has favored a rise in interest rates for some time. Their theory: If a borrower has to pay more for his money, he will tend to borrow less. That, they suggest, will help curb inflation.

The Treasury, on the other hand, has argued that the Government is paying out about \$5,000,000,000 yearly in interest on the national debt and that any rise in interest rates would just add to the cost of servicing that debt. Lately, however, with a GOP-sponsored trend toward economy in fiscal affairs Treasury officials have come to the conclusion that interest rates perhaps can be permitted to firm somewhat.

If short-term rates were unleashed, nobody knows how high they'd go, but experts say bills might jump five-eighths percent or three-fourths percent and certificates to 1 percent or even 1½ percent.

What will happen if and when the interest rate peg is pulled? Probably nothing the workman can point to. Maybe nothing that will affect him for some time. If higher interest rates on some Treasury securities should bring about a tightening of credit available to business and individuals, it would be a gradual process.

MEANS SOMETHING, TOO

Unpegged rates would mean something tangible, however, to institutional investors such as banks, universities and insurance companies. The great bulk of the Treasury bills not in the hands of the Federal Reserve System are held by commercial banks and insurance companies. Occasionally some big corporations with funds available for short-term investment buy these bills.

In normal times when money markets are free Treasury bills are sometimes subject to wide fluctuations depending on how much or how little banks have available to invest in these short-term obligations.

Since the war ended and the Government's urgent need to borrow subsided, insurance companies have been insisting the Treasury unpeg rates. Actually, all Federal interest rates are pegged now. These pegs were inserted as the war got under way to keep down the cost of financing the war.

Insurance executives argue the Government doesn't need this protection any more, and it is injuring the insurance business. They say many kinds of life insurance policies commit the insurance company to pay a fixed interest rate, frequently 3 percent, on premiums left to accumulate with the company. Obviously, to break even on this deal, the company must invest this money to make at least 3 percent.

INVESTMENTS LIMITED

Nowadays, insurance executives complain, that is impossible. In the first place, they say, most States limit insurance company investments to only the highest grade securities, such as Government and municipal bonds and a few industrial preferred stocks. These "blue chips" seldom pay as high returns as riskier investments. Even the long-

term "Governments" designed for institutional investors yield less than 2.5 percent. Few industrial preferred stocks pay more than 4 percent to make matters still worse for the insurance firms, there aren't enough long-term Government securities to go around.

Insurance companies want the Government to issue more long-term (5 to 20 years) securities at higher than present rates. But until then, they'll be happy if it will raise interest rates on short-term securities. When that happens, they think banks may be willing to buy and hold more of these short-term securities which suit their investment requirements and reduce their holdings of long-term Governments, which fit insurance company requirements.

WHAT INSURANCE FIRMS SAY

The insurance firms bewail the fact that banks have been buying all long-term securities they could lay their hands on and letting the Federal Reserve banks sweep up the short-term stuff they don't want.

Banks and insurance companies share their complaints with other institutional investors, like universities and hospitals which rely largely on endowment income to keep operations going.

These long-term investors argue that when the Treasury pays little for the use of borrowed money, other people do the same thing. If the Treasury only offers, say 2½ percent, a business corporation doesn't have to offer 5 percent to attract investors. It can attract them at 4 percent or even less. That policy in part explains the wave of corporate re-financing at low rates which has been evident during and just after the war.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KNUTSON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I have listened with a great deal of interest, as I always do, to my colleagues who are speaking on either side of the question. I know this, from rather long experience in this House, that down deep in the heart of every man who casts his vote there is the thought that he wants to do that which he thinks is best for his country. That is the feeling that I am sure possesses every man on the floor of this House.

The only way I can judge the future as far as I am concerned is from experiences I have had in the past. I recall very vividly, because I was here, the debates when it was sought to reduce taxes after the first World War. I recall very well what the \$26,000,000,000 debt then meant to the people of this country. They questioned very seriously whether they could pay that debt in the course of many, many years.

Our party came into power after the first World War, and we had all of the problems that follow wars such as the last one and the recent one. I recall conditions at that time. About 7,000,000 people were idle. There was not a stream of smoke coming from the smoke-stack of an industry in this country. Even in a town as small as the one I live in the citizens organized soup kitchens to take care of people who ordinarily had jobs in our factories. It seemed like a very unusual thing under those conditions to talk about reducing taxes, but it was the judgment of the best minds of

the time that it ought to be done. It was the judgment of the best minds of that day in the Government, and I think I can truthfully say that it was true of the leading minds in both parties, that there would have to be retrenchment, and very severe retrenchment. So we started in exactly as we are doing now to cut the expenses of government.

We did lower the taxes, and what was the result? It gave an impetus to industry. Money was released for venture capital, new industries sprang up, men were employed. Inside of a year 7,000,000 men were employed at good wages. Smoke was belching from every chimney of every factory in this country. Farmers were prosperous. Things were just going fine and continued to do so for more than 10 years.

What about the payment on the national debt? One billion dollars was paid on the national debt, even though we reduced taxes. It was not long before we reduced taxes again. Prosperity was still greater. We paid another billion on the national debt, and we paid \$1,000,000,000 on the national debt each year for 10 years.

They say our people are employed. Yes, factories are busy in this country, but what we need is this. The GI's who are in our colleges are crowded into temporary huts, they are living in trailers, they do not have houses to live in, but they are there determined to get an education. They have dreams that are going to make this country great, if you give them the opportunity. But you are strangling future industry with the taxes we are carrying now. The high rate was 50 percent after the First World War, but here we are exacting 90 percent, almost confiscation.

I have here a report from the Treasury. A person earning up to \$3,000 has to work 17 days to pay his Federal income tax. That does not include the State taxes. From \$3,000 to \$5,000 he has to work 36 days. From \$5,000 to \$10,000 he works 52 days, \$10,000 to \$25,000 81 days, \$25,000 to \$50,000 126 days, and so on down until some work as high as 230 days to pay their Federal taxes. These figures are based on 300 working days in 1947. This bill provides for an additional exemption of \$500 for each person who attains the age of 65 before the end of the taxable year 1948. The exemption will benefit 3,700,000 taxpayers and will remove 1,400,000 persons from the rolls. Unlike younger persons, the greater number of those who have attained the age of 65 are unable to compete for full-time jobs at the present high-wage level. I trust that upon reflection President Truman will sign H. R. 3950 and thus redeem in part at least his promise of cooperation.

It will be recalled that President Truman, just after the election last November 1946, publicly promised cooperation with the Republican majority. He said:

The people have elected a Republican majority to the Senate and to the House of Representatives. Under our Constitution the Congress is the lawmaking body. The

people have chosen to entrust the controlling voice in this branch of our Government to the Republican Party. I accept this verdict in the spirit in which all good citizens accept the result of any fair election.

I wish to call attention to the fact that the Republican Party accepted this admirable gesture of good will and offer of cooperation on the part of President Truman as genuine and forthright in all respects.

An opportunity soon presented itself to the Republican majority in the House and in the Senate to cooperate with the President which was done without hesitation. It will be recalled in this connection that many war excise taxes were about to expire; there was a popular clamor in favor of letting them expire. President Truman recommended and even urged the extension of the war excise taxes rather than let them expire automatically. It will be recalled that the Republicans in the House and in the Senate in response to President Truman's request to continue the excise taxes did extend them.

Most of these excise taxes are now upon the statute books as the result of a sincere attempt on the part of the Republicans to cooperate with President Truman in accordance with the gesture which he made following the election.

It came as a surprise, not only to the Republican Party in both the House and the Senate, but to the entire country when President Truman vetoed H. R. 1 and launched an attack against the proposal of tax reduction.

Mr. JENKINS of Ohio. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS of Ohio. Mr. Chairman, it is true as a number of my colleagues have said that this bill that we are now considering is the same as H. R. 1, except that this bill H. R. 3950 is applicable from January 1, 1948, instead of from January 1, 1947. In other words, by this difference in time the taxpayers failed to get a tax reduction of about \$3,500,000,000 in this year of 1947. But if the present bill is passed the taxpayers will get a reduction of \$3,500,000,000 next year.

When the President in his veto message rejected H. R. 1, he stated that his reason for the veto was that that was not the time to reduce taxes. He further said that he would prefer to pay something on the enormous national debt.

Now we have postponed the date for one full year. It may be that this 1-year extension is not enough, but it seems to me that now is surely the time. The President has never said when the time will be right.

According to figures furnished by the tax experts attached to the Ways and Means Committee we can safely pass this bill and then have about \$5,000,000,000 to apply on the national debt. If we can do this there is no reason for any postponement of tax-reduction legislation. And no person, especially no New Dealer,

should frown at paying as much as \$5,000,000,000 on the national debt.

Mr. Chairman, I cannot agree with those who might wish to vote to send this bill back to the committee on a motion to recommit. For if this is done and the exemptions are raised from \$500 to \$700 that will mean an additional reduction of over \$3,000,000,000 in tax receipts for the coming year. That would mean that we would have that much less to apply on the national debt.

I cannot see how anyone can ask for this additional reduction in taxes and then say that he is against the pending bill because it makes it impossible to make a payment on the national debt. The passage of the bill under consideration would permit a greater payment on the national debt than a bill which would lower the amount of taxes collected by \$3,000,000,000 more than the bill under consideration.

Likewise I cannot see how a Member can stand up and declare that he is opposed to the pending bill because this is not the proper time, for surely no time will be the proper time if this is not the proper time. What more could any person want than a situation that will result if this pending bill is passed. If it is passed we will reduce the taxes of forty-nine and one-half million people in the total amount of \$4,000,000,000 and still have \$5,000,000,000 to apply on the national debt. This is a more favorable position than the country has enjoyed since the New Dealers took over the Government 15 years ago.

When we were considering H. R. 1 some weeks ago I said that it was evident that the President was determined to prevent the passage of any tax-reduction law until after he shall have had the opportunity to recommend such a reduction when he addresses the House and Senate in joint session next January when the Congress again comes into session.

Mr. Chairman, there is no just reason why this tax-reduction program should not be passed today by a vote large enough to guarantee its passage over the veto of the President should he decide to veto it.

Now is the accepted time and the passage of H. R. 3950 is the proper way.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, I am going to vote against this tax bill. I am going to do so, first, because I believe the distribution of tax relief in this present bill is unsound, with an insufficient amount of relief being given to the lower-income groups, those hardest hit by inflation of prices and by indirect taxation.

Secondly, I am opposed to this bill because it provides tax relief in 1948 at a time—July 1947—when we have no definite knowledge of our tax receipts or our future expenditures, both at home and abroad.

Thirdly, the statistical evidence for the first half of 1947 demonstrates that in both our employment and production

we have reached our highest level in the history of this country, with profits after taxes in the first half of this year at their highest, and with the number of employed at 58,000,000, a record figure.

All of these factors, and other related factors, have caused me to decide to vote against this tax bill. I believe tax relief must be given in peacetime, but it should not be given until the abnormalities of the present have been leveled and we are once again in a peacetime economy.

Mr. COOPER. Mr. Chairman, I yield the time remaining on this side to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I have listened to a great many of the remarks made on both sides of the aisle today. I am glad to note that no bitter statements have crept into this debate nor any unjustified criticism of anybody from the President down; at least, if they have been made, I have not heard them. When we have debate like that in the Congress of the United States I am always proud of this body, and usually I am very proud of it.

I did, however, hear all of the remarks of the gentleman from Virginia [Mr. SMITH]. If I had time enough to make only one statement I would say that I would adopt the remarks of the gentleman from Virginia [Mr. SMITH] as my own.

The issue before us today is not a contest as between people who want to reduce taxes and people who do not want to reduce taxes. We know that everybody in the House wants to reduce the tax burden which now lies so heavily upon the people of the country. The question we must confront and the question that we will confront is: how and when? I do not believe this is the time. I do not believe our economy is in such a condition that anyone can say with reasonable certainty even to himself that taxes should be reduced a certain amount.

Furthermore, even if I did think now was the time to reduce taxes I would not do it in this way. If the Federal Treasury were in such a condition that it could fulfill its obligations and if I were reducing the taxes of the people of the country, I would allow more of the reduction to go to the low-income people than is provided by this so-called Knutson bill.

I do not know whether anybody else is alarmed or not about our financial and fiscal structure, but I am. I am tremendously interested in what my dollar is going to be worth 2 years from now—5 years from now—10 years from now. I know that if there is any recession whatsoever, and there must be one sometime because prices cannot keep on going up, it will be that much more difficult for people to feed and clothe and house themselves. I know the greatest thing that I can do to safeguard the value of my dollar in the future is to reduce this tremendous and crushing national debt which we have upon us at this time. I know that \$258,000,000,000 is almost an inconceivable amount of money.

Every dollar that we pay on that, every dollar that we reduce it, makes my dollar more stable, makes my dollar sounder.

Our friends on the left have since long before 1896 talked about the soundness of the money that the people are to have in their pockets to spend. Nobody knows yet, even though this \$6,000,000,000 gesture was made several weeks ago, how much money we are going to spend, even on the regular appropriation bills, much less the extraordinary appropriation bills, in the fiscal year 1948. So it would appear to me to be the sound, the wise, the sane thing to do to wait until the first of the year or maybe until the 15th of March 1948 and have a look around and see how much money is going to be produced in the way of taxes in this calendar year of 1948 before we begin reducing taxes. It seems to me that that is so sound, that it is so unanswerable, that it should take hold, even upon one who is most anxious, politically or otherwise, to reduce taxes at an early date.

There is going to be a motion to recommend. I want it understood that I am not for any tax reduction at this time, for the reasons I have given, but those who desire some tax reduction now, and want it fairer to the man with the average income than the pending bill, can vote for the motion to recommend, which will provide that 80 percent of the relief provided will go to people of \$5,000 or less income, while the pending bill gives only 62 percent of relief to that group. It would appear to me that the low-income man, the salaried man, the white-collared man, who is having a terrific time getting along now, with stabilized wages and still-mounting prices, should be the men and women who are to have first consideration in a tax-reduction bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KNUTSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Chairman, if it were possible for the Members of Congress to offer amendments to the tax bill we now have under debate, I would like to offer as amendments two provisions which were included in my tax bill, H. R. 4087. These are, first, that the effective date of the tax reduction be made July 1, 1947, instead of January 1, 1948; second, a 40-percent reduction in income taxes for that great mass of people in the lower income brackets, particularly that class commonly referred to as the white-collar workers. However, inasmuch as I will not be able to offer these amendments under the rule that governs the consideration of the tax bill before us, and appreciating that the people of this country in all walks of life are clamoring for relief from the oppressive wartime taxes, I will support the measure. If this bill is not passed today our people will not obtain relief from the heavy burden because, in my opinion, no other tax bill will be passed in this session of Congress.

Mr. ROBSION. Mr. Chairman, a few moments ago the roll call on H. R. 3950 the new tax-reduction bill, was completed; 302 voted in favor of the bill and 112 voted against the bill. It now goes to the Senate to be considered by that body. H. R. 3950 is identical with H. R.

1, which was passed by the House and Senate a few weeks ago and vetoed by the President with one single exception. That is the tax-reduction bill vetoed by the President would have been operative as of July 1, 1947. The tax reductions provided in H. R. 3950 become operative January 1, 1948.

On June 30, 1947, this Nation closed its business in the black with a sizable surplus in the Treasury. For 17 consecutive years this Nation has been closing with a heavy deficit. We were able to end up with a balanced budget and a surplus by reason of the wise action of the Republican-controlled Eightieth Congress in effecting savings by cutting out hundreds of thousands of useless Federal officeholders, cutting out waste and unnecessary expenditures. Because of this action we find a balanced budget and a surplus that clearly justifies a tax reduction. This is the first genuine tax reduction in 17 years. The war has been over now approximately 2 years with the same high wartime taxes still in force on individual incomes and excise taxes.

This bill will give relief to nearly 50,000,000 individual income-tax payers and will save them approximately \$4,000,000,000. This bill gives 30 percent reduction of taxes to the workers on the railroads, farms, in the shops, mines, mills, stores, restaurants, to the teachers and to all of those in the low-income-tax brackets. It gives an additional \$500 exemption to approximately 1,500,000 persons 65 years of age and over. It gives 20 percent reduction in taxes to the next or middle group of individual income-tax payers, numbering 15 to 18 million persons. It gives only 10½ percent reduction to the top group of individual income-tax payers. However, in this top income-tax group, they can be taxed as much as 76½ percent. At the present time, they are paying approximately 87 percent of their taxable income. I think all of us must agree that it is hitting a man's income pretty hard when you take 76½ percent out of every dollar for taxes.

This talk about giving the relief to the rich and little consideration to the persons of medium or low incomes is not supported by the facts. In the low incomes, they have 30 percent relief and in the high incomes, only 10½, while those of incomes in the medium brackets have 20 percent reduction.

TAX REDUCTION FOR BIG CORPORATIONS IN SEVENTY-NINTH CONGRESS

There should be no tax reduction unless there is a surplus. However, our Democratic friends, in the last Congress, passed a bill giving a 10 percent across the board tax reduction to corporations and others. This afforded billions of dollars of tax reduction to the corporations of the Nation, and thousands of these corporations made very high profits during the war. We heard no talk about helping the low and medium group of income taxpayers. At the time they put through this phony income-tax reduction in which the big corporations shared heavily, we were facing a deficit for that particular year of tens of billions of dollars. There was no surplus in the Treasury, we were then

going in the red heavily and had been for many years, yet our Democratic friends, for what I believe was purely political purposes to aid in the election of a Democratic Congress in 1946, put through this phony tax-reduction bill.

At the very time that tax-reduction bill was being considered we had the stars from Hollywood and the high-pressure salesmen going over the country in a drive to sell billions of dollars of new bonds and increase our public debt. No one could justify that tax reduction when we were faced with a tremendous deficit and at the same time selling new bonds and creating new debts, yet the administration urged that sort of a tax reduction bill under those circumstances. If a bank should declare a dividend in any year it was facing a deficit, they could and really should be prosecuted, but our Democratic friends were willing to declare a dividend in taxes and sell new bonds to replace the revenues that were taken away by tax reduction, but now we, for the first time in 17 years, have a balanced budget and a surplus in the Treasury and such reduction in the expenditures of the Government that we can legally, justly and properly give to the American people this tax relief and we give the greater amount of relief to those who need relief most, but President Truman is opposing it.

REPUBLICAN CONGRESS HAS MADE IT POSSIBLE

Early in the Eightieth Congress the President submitted his budget requesting the Congress to appropriate and make available for him and his administration for the fiscal year beginning July 1, 1947, the enormous sum of \$37,500,000,000. This is an enormous sum to be expended for the third peacetime year since the war closed. President Franklin D. Roosevelt, as I recall, never asked for more than about one-third of that sum in any peacetime year. The Republicans have and will effect savings in the Eightieth Congress of approximately \$5,000,000,000, and but for these savings no tax reduction bill could be possible at all this year.

The only way to cut down taxes is to cut expenditures. Our Democratic friends have developed a high technique in increasing taxes and in increasing the expenditures of the Government, and the President and his leaders have been fighting vigorously and they continue to fight vigorously reduction in expenditures and reduction in taxes.

I wish here to commend the scores of Democrats who have joined with the Republicans in the House in reducing expenditures and in the reduction of taxes. The demand of the American people for a reduction in expenditures and taxes has been growing day by day. When the President's veto was up for consideration in the House some weeks ago 273 voted to override the President's veto and 137 voted to sustain his veto. Today 302 voted in favor of the tax bill and only 112 voted against it. This indicates to me that if the President should veto this bill the House will pass it over his veto—26 votes more than the necessary two-thirds. I am very hopeful that the Presi-

dent will sign this bill and give this long-deserved relief to the nearly 50,000,000 taxpayers of this country. It will put into the pockets of the working people additional money to spend for themselves and their families, and it will encourage those who have funds to invest them in job-producing enterprises. It will make for general prosperity in the Nation. People who have money to invest will not long continue to take all the risks of loss in going into new enterprises, and then when they do make money have to give approximately 87 percent of their taxable income to the Government.

We must constantly work for economy, honesty and efficiency in the Government and keep in mind other taxes that are paid by the American people to their districts, cities, counties and States. At present the working people and others of low incomes are paying at least one-third of their income for taxes. This bill may not go as far as many of us would like to see it go but the relief provided in this bill is certainly much better than no relief at all.

A general tax reduction bill is now being prepared by the Ways and Means Committee dealing with all Federal taxes including excise taxes to be introduced and considered early in 1948. Many high excise taxes must be cut out or reduced.

Mr. KNUTSON. Mr. Chairman, I yield the balance of the time on this side to our distinguished Speaker, the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, I rise to speak for the tax-reduction bill not as a partisan, but because I believe it is an essential part of our readjustment to peace. I am also convinced the Congress must retain and protect its rightful prerogative of determining when and how much taxes shall be levied upon the people.

When this Congress convened, it was obvious, if we were to put America back on the right track, we must drastically reduce Government spending. It was essential we achieve a balanced budget; begin paying off the national debt; and give some tax relief to the 49,000,000 of people who bore uncomplainingly enormous tax burdens for victory in the war.

It is an unusual procedure which we are proposing in this House today, as we attempt, in the same session of the Congress, to reenact a major piece of legislation which has been in disagreement between the executive and the legislative branches.

Oppressive taxes have toppled many a government to destruction, and many a monarch from his throne. I urge you to remember three vital facts:

First. The tendency of all governments is to continue endless expansion of spending to the point of ruin.

Second. Taxes come from the labor, the sweat, the privations, and the thrift of all the people.

Third. The people finally tire of intolerable tax burdens; business withers; production slows down; initiative is discouraged; frustration replaces confidence and hope—and the Government falls before the onslaughts of demagogues who

find in chaos their opportunity for temporary power and loot.

The people last November demanded government costs be cut and the tax burden lightened.

We have balanced the budget; we have curtailed spending; we shall make a substantial payment on the debt. All now needed to complete this well-coordinated program is to give the 49,000,000 of American people a tax break.

This House has performed a magnificent job of cutting out wasteful, extravagant, "don't-count-the-cost" practices of bureaucratic spending, as the people demanded.

This tax bill is a straightforward, honest, open program. No trick economics and no false promises are to be found in it.

There is no use of trying to confuse the issue by substitute proposals. Everyone knows it is this bill reported out of the Ways and Means Committee, or no bill. And let no one forget; the American people do want tax reductions.

The appropriation reductions have been made on a sound basis, against terrific pressures of hostile propaganda. Our task was to preserve the solvency of the Government and insure the safety of the people's assets in bonds, savings, and insurance policies.

This Congress is succeeding in this vital mission. It merits the gratitude and the support of everyone who loves America and our way of life.

The taxicab driver, the cook, the housemaid, the millions of school teachers, policemen, firemen, factory and office workers, people in the lower salary brackets everywhere, all will welcome the extra take-home pay which will be theirs with the passage of this bill.

Our people should not be required to support an inflated wartime tax structure. There is no valid reason for refusing them this relief from excessively burdensome wartime taxes.

Certainly we ought to do half as well by our taxpayers as Canada and Great Britain have. Great Britain has reduced her tax rates twice in the postwar years. Canada has reduced hers twice.

The pending measure gives the greatest relief to those least able to pay.

The people won't believe you wanted to get them greater tax reduction if the final result is no bill at all. They will not accept excuses.

This bill would relieve of all taxes nearly a million of our poorest people—people over 65, whose individual income is under \$1,000. That advantage may well be the means of them getting really sufficient food.

I cannot agree with the doctrine advanced by some that it is unwise to give the American people tax reduction because they already have too much money. More money in the hands of the people will bring a higher standard of living.

We all know if we permit the Government to pursue a policy of ever-increasing spending, it will do so. It is much easier for bureaus and commissions and departments to find reasons for increasing expenditures than for cutting them.

We all know high taxes mean high prices and inflation.

Venture capital must be encouraged. High taxes retard business expansion. They reduce job opportunities for men and women who must work. They help to maintain high costs, because taxes are involved in all costs.

Tax-rate cuts do not necessarily mean corresponding losses to the Treasury. The history of this Nation abounds in evidence that lower tax rates stimulate commerce and trade, which in turn yield greater Federal revenues.

Action now will reassure the American people this Congress serves the best interests of the Nation. I hope the Congress passes the pending measure by such a decisive vote as to persuade the President the people should have this delayed justice.

If we do not achieve these tax reductions by next January we will dishearten our people. Let us make it possible for Americans to enjoy a fairer share of the fruits of their labor.

Colleagues, we must end loose fiscal policies and excessive taxation and begin to practice real economy. We must give progress a boost; we must give prosperity a pat on the back; we must hand a torch of hope to our overburdened people; we must give the younger citizens a break; we must think about the welfare of our own people while we are pondering the problems of all the rest of the world. Pass this bill and give America an impetus toward new horizons of hope and peace.

The necessity for this tax bill is great. But an even greater issue is involved in this proposition. It is the fundamental question of whether or not the Congress shall retain its right to perform its constitutional function of determining what taxes shall be levied on the people.

In all our history there has been but one other Executive who ever attempted to invade the tax-making power of the Congress. That effort was turned back. Shall the Members of the Eightieth Congress be less vigilant to preserve the

rights of the people's representatives than the Congress which foiled the first attempt?

We must set our faces sternly against any attempt to whittle away the functions and the prerogatives of the Congress. Unless Congress protects its right to determine the taxes which shall be levied upon the people, and the right to direct the spending of the public funds, the foundations of our American system of government will be destroyed. Then we would no longer have a government of the people.

Colleagues, let us pass this tax bill now.

Let us vote down the motion to recommit if offered as it would simply mean no tax legislation.

The CHAIRMAN. All time has expired. Under the rule, the bill is considered as having been read.

The bill H. R. 3950 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 to read as follows:

"Sec. 11. Normal Tax on Individuals

"There shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax determined by computing a tentative normal tax of 3 percent of the amount of the net income in excess of the credits against net income provided in section 25, and by reducing such tentative normal tax as provided in section 12 (g). For alternative tax which may be elected if adjusted gross income is less than \$5,000, see Supplement T."

(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 "by 5 percent thereof" and inserting in lieu thereof "as provided in subsection (g) of this section."

(c) Reduction of tentative normal tax and tentative surtax: Section 12 (g) of the Internal Revenue Code is hereby amended to read as follows:

"(g) Reduction of tentative normal tax and tentative surtax:

"(1) The combined normal tax and surtax under section 11 and subsection (b) of this section shall be the aggregate of the tentative normal tax and tentative surtax, reduced as follows:

If the aggregate is: The reduction shall be:
Not over \$200----- 33½ percent of the aggregate.

Over \$200 but not over \$279.17. \$67.

Over \$279.17 but not over \$100,000. 24 percent of the aggregate.

Over \$100,000 but not over \$250,000. \$24,000, plus 19¼ percent of excess over \$100,000.

Over \$250,000----- \$52,875, plus 15 percent of excess over \$250,000.

In no event shall the combined normal tax and surtax exceed 76½ percent of the net income of the taxpayer for the taxable year.

"(2) Whenever it is necessary to ascertain the normal tax and the surtax separately, the surtax shall be an amount which is the same proportion of the combined normal tax and surtax as the tentative surtax is of the aggregate of the tentative normal tax and tentative surtax; and the normal tax shall be the remainder of such combined normal tax and surtax.

"(3) 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) Taxable years to which applicable: The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1947. For treatment of taxable years beginning in 1947 and ending in 1948, see section 6.

SEC. 3. Individuals With Adjusted Gross Incomes of Less Than \$5,000

(a) In general: 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:

"Sec. 400. Imposition of Tax

"In lieu of the taxes imposed by sections 11 and 12, there shall be levied, collected, and paid for each taxable year upon the net income of each individual whose adjusted gross income for such year is less than \$5,000, and who has elected to pay the tax imposed by this supplement for such year, a tax as follows:

If adjusted gross income is—		And the number of exemptions is—					If adjusted gross income is—		And the number of exemptions is—								
At least	But less than	1	2	3	4	5 or more	At least	But less than	1	2	3	4	5	6	7	8	9 or more
The tax shall be—							The tax shall be—										
\$0	\$550	\$0	\$0	\$0	\$0	\$0	\$2,275	\$2,300	\$237	\$145	\$74	\$8	\$0	\$0	\$0	\$0	\$0
550	575	1	0	0	0	0	2,300	2,325	240	149	77	11	0	0	0	0	0
575	600	4	0	0	0	0	2,325	2,350	244	154	80	14	0	0	0	0	0
600	625	7	0	0	0	0	2,350	2,375	247	158	83	17	0	0	0	0	0
625	650	10	0	0	0	0	2,375	2,400	251	163	86	20	0	0	0	0	0
650	675	13	0	0	0	0	2,400	2,425	254	167	89	23	0	0	0	0	0
675	700	16	0	0	0	0	2,425	2,450	257	172	92	26	0	0	0	0	0
700	725	19	0	0	0	0	2,450	2,475	261	176	95	29	0	0	0	0	0
725	750	22	0	0	0	0	2,475	2,500	264	181	98	32	0	0	0	0	0
750	775	25	0	0	0	0	2,500	2,525	268	185	101	35	0	0	0	0	0
775	800	28	0	0	0	0	2,525	2,550	271	190	104	38	0	0	0	0	0
800	825	31	0	0	0	0	2,550	2,575	275	194	107	41	0	0	0	0	0
825	850	34	0	0	0	0	2,575	2,600	278	199	110	44	0	0	0	0	0
850	875	37	0	0	0	0	2,600	2,625	281	203	113	47	0	0	0	0	0
875	900	40	0	0	0	0	2,625	2,650	285	208	116	50	0	0	0	0	0
900	925	43	0	0	0	0	2,650	2,675	288	212	119	53	0	0	0	0	0
925	950	46	0	0	0	0	2,675	2,700	292	216	122	56	0	0	0	0	0
950	975	49	0	0	0	0	2,700	2,725	295	219	125	59	0	0	0	0	0
975	1,000	52	0	0	0	0	2,725	2,750	298	222	128	62	0	0	0	0	0
1,000	1,025	55	0	0	0	0	2,750	2,775	302	226	131	65	0	0	0	0	0
1,025	1,050	58	0	0	0	0	2,775	2,800	305	229	135	68	0	0	0	0	0
1,050	1,075	61	0	0	0	0	2,800	2,825	309	233	139	71	4	0	0	0	0
1,075	1,100	64	0	0	0	0	2,825	2,850	313	236	144	74	7	0	0	0	0
1,100	1,125	67	0	0	0	0	2,850	2,875	317	240	148	77	10	0	0	0	0
1,125	1,150	70	3	0	0	0	2,875	2,900	321	243	153	80	13	0	0	0	0
1,150	1,175	73	6	0	0	0	2,900	2,925	324	246	157	83	16	0	0	0	0
1,175	1,200	76	9	0	0	0	2,925	2,950	328	250	162	86	19	0	0	0	0
1,200	1,225	79	12	0	0	0	2,950	2,975	332	253	166	89	22	0	0	0	0
1,225	1,250	82	15	0	0	0	2,975	3,000	336	257	171	92	25	0	0	0	0
1,250	1,275	85	18	0	0	0	3,000	3,050	341	262	178	96	30	0	0	0	0

"If adjusted gross income is—		And the number of exemptions is—					If adjusted gross income is—		And the number of exemptions is								
At least	But less than	1	2	3	4	5 or more	At least	But less than	1	2	3	4	5	6	7	8	9 or more
		The tax shall be—							The tax shall be—								
\$1,275	\$1,300	\$88	\$21	\$0	\$0	\$0	\$3,050	\$3,100	\$349	\$269	\$187	\$102	\$36	\$0	\$0	\$0	\$0
1,300	1,325	91	24	0	0	0	3,100	3,150	356	276	196	108	42	0	0	0	0
1,325	1,350	94	27	0	0	0	3,150	3,200	364	282	205	114	48	0	0	0	0
1,350	1,375	97	30	0	0	0	3,200	3,250	371	289	213	120	54	0	0	0	0
1,375	1,400	100	33	0	0	0	3,250	3,300	379	296	220	126	60	0	0	0	0
1,400	1,425	103	36	0	0	0	3,300	3,350	386	303	227	132	66	0	0	0	0
1,425	1,450	106	39	0	0	0	3,350	3,400	394	310	234	141	71	5	0	0	0
1,450	1,475	109	42	0	0	0	3,400	3,450	401	318	241	150	77	11	0	0	0
1,475	1,500	112	45	0	0	0	3,450	3,500	409	325	247	159	83	17	0	0	0
1,500	1,525	115	48	0	0	0	3,500	3,550	416	333	254	168	89	23	0	0	0
1,525	1,550	118	51	0	0	0	3,550	3,600	424	340	261	177	95	29	0	0	0
1,550	1,575	121	54	0	0	0	3,600	3,650	431	348	268	186	101	35	0	0	0
1,575	1,600	124	57	0	0	0	3,650	3,700	439	355	275	195	107	41	0	0	0
1,600	1,625	127	60	0	0	0	3,700	3,750	447	363	282	204	113	47	0	0	0
1,625	1,650	130	63	0	0	0	3,750	3,800	454	370	288	212	119	53	0	0	0
1,650	1,675	133	66	0	0	0	3,800	3,850	462	378	295	219	125	59	0	0	0
1,675	1,700	137	69	2	0	0	3,850	3,900	469	386	302	226	131	65	0	0	0
1,700	1,725	141	72	5	0	0	3,900	3,950	477	393	309	233	140	71	4	0	0
1,725	1,750	146	75	8	0	0	3,950	4,000	484	401	317	240	149	77	10	0	0
1,750	1,775	150	78	11	0	0	4,000	4,050	492	408	324	247	158	83	16	0	0
1,775	1,800	155	81	14	0	0	4,050	4,100	499	416	332	253	167	89	22	0	0
1,800	1,825	159	84	17	0	0	4,100	4,150	507	423	340	260	176	95	28	0	0
1,825	1,850	164	87	20	0	0	4,150	4,200	514	431	347	267	185	101	34	0	0
1,850	1,875	168	90	23	0	0	4,200	4,250	522	438	355	274	194	107	40	0	0
1,875	1,900	173	93	26	0	0	4,250	4,300	529	446	362	281	203	113	46	0	0
1,900	1,925	177	96	29	0	0	4,300	4,350	537	453	370	288	212	119	52	0	0
1,925	1,950	182	99	32	0	0	4,350	4,400	544	461	377	295	219	125	58	0	0
1,950	1,975	186	102	35	0	0	4,400	4,450	552	468	385	301	225	131	64	0	0
1,975	2,000	191	105	38	0	0	4,450	4,500	559	476	392	309	232	139	70	4	0
2,000	2,025	195	108	41	0	0	4,500	4,550	567	483	400	316	239	148	76	10	0
2,025	2,050	200	111	44	0	0	4,550	4,600	574	491	407	324	246	157	82	16	0
2,050	2,075	204	114	47	0	0	4,600	4,650	582	498	415	331	253	166	88	22	0
2,075	2,100	209	117	50	0	0	4,650	4,700	589	506	422	339	260	175	94	28	0
2,100	2,125	213	120	53	0	0	4,700	4,750	597	513	430	346	266	184	100	34	0
2,125	2,150	216	123	56	0	0	4,750	4,800	605	521	437	354	273	193	106	40	0
2,150	2,175	220	126	59	0	0	4,800	4,850	612	528	445	361	280	202	112	46	0
2,175	2,200	223	129	62	0	0	4,850	4,900	620	536	452	369	287	211	118	52	0
2,200	2,225	227	132	65	0	0	4,900	4,950	627	544	460	376	294	218	124	58	0
2,225	2,250	230	136	68	2	0	4,950	5,000	635	551	467	384	301	225	130	64	0
2,250	2,275	234	140	71	5	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, 1947. For treatment of taxable years beginning in 1947 and ending in 1948, 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) the following:

"(D) an additional exemption of \$500 for the taxpayer if he has attained the age of 65 on or before the last day of his taxable year;

"(E) an additional exemption of \$500 for the spouse of the taxpayer if—

"(i) a joint return is made by the taxpayer and his spouse under section 51 and the spouse has attained the age of 65 on or before such last day in which case the aggregate exemption of the spouses under subparagraph (D) and this subparagraph shall not exceed \$500 with respect to each spouse who has attained the age of 65 on or before such last day; or

"(ii) a separate return is made by the taxpayer, and his spouse has attained the age of 65 on or before such last day and has no gross income for the calendar year in which the taxable year of the taxpayer begins and is not the dependent of another taxpayer."

(b) Technical amendments:

(1) Section 58 (a) (1) of the Internal Revenue Code (relating to requirement of declaration of estimated tax) is hereby amended to read as follows:

"(1) his gross income from wages (as defined in section 1621) can reasonably be expected to exceed the sum of \$4,500 plus \$500 with respect to each exemption provided in section 25 (b); or."

(2) Section 1622 (h) (1) of the Internal Revenue Code (relating to withholding exemptions) is hereby amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

"(A) An exemption for himself, and an additional exemption for himself if he has attained the age of 65 or will attain such age before the expiration of the taxable year under chapter 1 in respect of which amounts deducted and withheld under this subchapter in the calendar year in which such day falls are allowed as a credit.

"(B) If the employee is married, any exemption to which his spouse is entitled, or would be entitled if she were an employee receiving wages, under subparagraph (A), but only if such spouse does not have in effect a withholding exemption certificate claiming such exemption."

(3) Section 23 (x) of the Internal Revenue Code (relating to deduction of medical, etc., expenses) is hereby amended by striking out the second and third sentences thereof and inserting in lieu thereof the following: "The maximum deduction for the taxable year shall be \$1,250, except that if more than one exemption is allowed under section 25 (b) for the taxable year (exclusive of an exemption under section 25 (b) (1) (D)) the maximum deduction for the taxable year shall be \$2,500."

(c) Taxable years to which applicable. The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1947. For treatment of taxable years beginning in 1947 and ending in 1948, 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 per centum 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 per centum 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 per centum 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 as shown in the table in subsection (b) (1); plus

"(B) the sum of the amounts shown in the second and third 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	1 Amount of one withholding exemption	2 Maximum amount subject to 12 percent rate	3 Maximum amount subject to 18 percent rate
Weekly.....	\$11.00	\$21.00	\$9.00
Biweekly.....	22.00	43.00	17.00
Semimonthly.....	23.00	46.00	19.00
Monthly.....	46.00	93.00	36.00
Quarterly.....	139.00	278.00	110.00
Semiannual.....	278.00	556.00	219.00
Annual.....	556.00	1,111.00	440.00
Daily or miscellaneous (per day of such period).....	1.50	3.00	1.00"

(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	.40	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.....	5.20	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.....	6.20	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.....	6.50	5.00	3.40	1.80	.60	0	0	0	0	0	0
\$48.....	\$49.....	6.60	5.20	3.60	2.00	.70	0	0	0	0	0	0
\$49.....	\$50.....	6.80	5.30	3.80	2.10	.80	0	0	0	0	0	0
\$50.....	\$51.....	6.90	5.40	4.00	2.20	.90	0	0	0	0	0	0
\$51.....	\$52.....	7.00	5.60	4.10	2.30	1.00	0	0	0	0	0	0
\$52.....	\$53.....	7.20	5.70	4.30	2.40	1.20	0	0	0	0	0	0
\$53.....	\$54.....	7.30	5.90	4.40	2.60	1.30	0	0	0	0	0	0
\$54.....	\$55.....	7.50	6.00	4.50	2.80	1.40	.10	0	0	0	0	0
\$55.....	\$56.....	7.60	6.10	4.70	2.90	1.50	.20	0	0	0	0	0
\$56.....	\$57.....	7.70	6.30	4.80	3.10	1.60	.40	0	0	0	0	0
\$57.....	\$58.....	7.90	6.40	4.90	3.30	1.80	.50	0	0	0	0	0
\$58.....	\$59.....	8.00	6.50	5.10	3.50	1.90	.60	0	0	0	0	0
\$59.....	\$60.....	8.10	6.70	5.20	3.70	2.00	.70	0	0	0	0	0
\$60.....	\$61.....	8.30	6.90	5.40	3.90	2.20	.90	0	0	0	0	0
\$61.....	\$62.....	8.60	7.20	5.70	4.20	2.40	1.10	0	0	0	0	0
\$62.....	\$63.....	8.90	7.40	6.00	4.50	2.70	1.40	.10	0	0	0	0
\$63.....	\$64.....	9.20	7.70	6.20	4.80	3.10	1.60	.30	0	0	0	0
\$64.....	\$65.....	9.40	8.00	6.50	5.10	3.40	1.90	.60	0	0	0	0
\$65.....	\$66.....	9.70	8.30	6.80	5.30	3.80	2.10	.80	0	0	0	0
\$66.....	\$67.....	10.00	8.50	7.10	5.60	4.10	2.30	1.10	0	0	0	0
\$67.....	\$68.....	10.30	8.80	7.30	5.90	4.40	2.60	1.30	0	0	0	0
\$68.....	\$69.....	10.50	9.10	7.60	6.10	4.70	3.00	1.50	.30	0	0	0
\$69.....	\$70.....	10.80	9.30	7.90	6.40	5.00	3.30	1.80	.50	0	0	0
\$70.....	\$71.....	11.10	9.60	8.20	6.70	5.20	3.70	2.00	.70	0	0	0
\$71.....	\$72.....	11.40	9.90	8.40	7.00	5.50	4.00	2.30	1.00	0	0	0
\$72.....	\$73.....	11.60	10.20	8.70	7.20	5.80	4.30	2.50	1.20	0	0	0
\$73.....	\$74.....	11.90	10.40	9.00	7.50	6.10	4.60	2.80	1.50	.20	0	0
\$74.....	\$75.....	12.20	10.70	9.30	7.80	6.30	4.90	3.20	1.70	.40	0	0
\$75.....	\$76.....	12.40	11.00	9.50	8.10	6.60	5.10	3.60	1.90	.70	0	0
\$76.....	\$77.....	12.70	11.30	9.80	8.30	6.90	5.40	3.90	2.20	.90	0	0
\$77.....	\$78.....	13.00	11.50	10.10	8.60	7.10	5.70	4.20	2.40	1.10	0	0
\$78.....	\$79.....	13.30	11.80	10.30	8.90	7.40	6.00	4.50	2.70	1.40	.10	0
\$79.....	\$80.....	13.50	12.10	10.60	9.20	7.70	6.20	4.80	3.10	1.60	.30	0
\$80.....	\$81.....	14.00	12.60	11.10	9.60	8.20	6.70	5.30	3.70	2.00	.80	0
\$81.....	\$82.....	14.70	13.20	11.80	10.30	8.90	7.40	5.90	4.50	2.70	1.40	.10
\$82.....	\$83.....	15.40	13.90	12.50	11.00	9.50	8.10	6.60	5.20	3.60	2.00	.70
\$83.....	\$84.....	16.10	14.60	13.20	11.70	10.20	8.80	7.30	5.80	4.40	2.60	1.30
\$84.....	\$85.....	16.80	15.30	13.80	12.40	10.90	9.50	8.00	6.50	5.10	3.50	1.90
\$85.....	\$86.....	17.40	16.00	14.50	13.10	11.60	10.10	8.70	7.20	5.70	4.30	2.50
\$86.....	\$87.....	18.10	16.70	15.20	13.70	12.30	10.80	9.40	7.90	6.40	5.00	3.30
\$87.....	\$88.....	18.80	17.30	15.90	14.40	13.00	11.50	10.00	8.60	7.10	5.70	4.20
\$88.....	\$89.....	19.50	18.00	16.60	15.10	13.60	12.20	10.70	9.30	7.80	6.30	4.90
\$89.....	\$90.....	20.20	18.70	17.30	15.80	14.30	12.90	11.40	9.90	8.50	7.00	5.60
\$90.....	\$91.....	21.20	19.70	18.30	16.80	15.40	13.90	12.40	11.00	9.50	8.10	6.60
\$91.....	\$92.....	22.60	21.10	19.60	18.20	16.70	15.30	13.80	12.30	10.90	9.40	8.00
\$92.....	\$93.....	23.90	22.50	21.00	19.60	18.10	16.60	15.20	13.70	12.20	10.80	9.30
\$93.....	\$94.....	25.30	23.80	22.40	20.90	19.50	18.00	16.50	15.10	13.60	12.20	10.70
\$94.....	\$95.....	26.70	25.20	23.80	22.30	20.80	19.40	17.90	16.40	15.00	13.50	12.10
14 percent of the excess over \$200 plus												
\$200 and over.....		27.40	25.90	24.40	23.00	21.50	20.10	18.60	17.10	15.70	14.20	12.70"

"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.	12.40	9.50	6.10	3.20	.70	0	0	0	0	0	0
\$92.	\$94.	12.70	9.80	6.50	3.50	.90	0	0	0	0	0	0
\$94.	\$96.	13.00	10.10	6.80	3.70	1.10	0	0	0	0	0	0
\$96.	\$98.	13.30	10.30	7.20	3.90	1.40	0	0	0	0	0	0
\$98.	\$100.	13.50	10.60	7.60	4.20	1.60	0	0	0	0	0	0
\$100.	\$102.	13.80	10.90	7.90	4.40	1.90	0	0	0	0	0	0
\$102.	\$104.	14.10	11.20	8.20	4.70	2.10	0	0	0	0	0	0
\$104.	\$106.	14.40	11.40	8.50	4.90	2.30	0	0	0	0	0	0
\$106.	\$108.	14.60	11.70	8.80	5.10	2.60	0	0	0	0	0	0
\$108.	\$110.	14.90	12.00	9.10	5.50	2.80	.30	0	0	0	0	0
\$110.	\$112.	15.20	12.30	9.30	5.90	3.10	.50	0	0	0	0	0
\$112.	\$114.	15.50	12.50	9.60	6.20	3.30	.70	0	0	0	0	0
\$114.	\$116.	15.70	12.80	9.90	6.60	3.50	1.00	0	0	0	0	0
\$116.	\$118.	16.00	13.10	10.20	6.90	3.80	1.20	0	0	0	0	0
\$118.	\$120.	16.30	13.40	10.40	7.30	4.00	1.50	0	0	0	0	0
\$120.	\$122.	16.70	13.80	10.80	7.80	4.40	1.80	0	0	0	0	0
\$122.	\$124.	17.20	14.30	11.40	8.50	4.90	2.30	0	0	0	0	0
\$124.	\$126.	17.80	14.90	11.90	9.00	5.40	2.80	.20	0	0	0	0
\$126.	\$128.	18.30	15.40	12.50	9.60	6.20	3.30	.70	0	0	0	0
\$128.	\$130.	18.90	16.00	13.00	10.10	6.90	3.70	1.20	0	0	0	0
\$130.	\$132.	19.40	16.50	13.60	10.70	7.60	4.20	1.70	0	0	0	0
\$132.	\$134.	20.00	17.00	14.10	11.20	8.30	4.70	2.10	0	0	0	0
\$134.	\$136.	20.50	17.60	14.70	11.80	9.00	5.20	2.60	.10	0	0	0
\$136.	\$138.	21.10	18.10	15.20	12.30	9.40	5.90	3.10	.50	0	0	0
\$138.	\$140.	21.60	18.70	15.80	12.80	9.90	6.60	3.60	1.00	0	0	0
\$140.	\$142.	22.20	19.20	16.30	13.40	10.50	7.40	4.00	1.50	0	0	0
\$142.	\$144.	22.70	19.80	16.90	13.90	11.00	8.10	4.50	2.00	0	0	0
\$144.	\$146.	23.30	20.30	17.40	14.50	11.60	8.60	5.00	2.40	0	0	0
\$146.	\$148.	23.80	20.90	18.00	15.00	12.10	9.20	5.70	2.90	.40	0	0
\$148.	\$150.	24.40	21.40	18.50	15.60	12.70	9.70	6.40	3.40	.80	0	0
\$150.	\$152.	24.90	22.00	19.10	16.10	13.20	10.30	7.10	3.90	1.30	0	0
\$152.	\$154.	25.40	22.60	19.60	16.70	13.80	10.80	7.80	4.40	1.80	0	0
\$154.	\$156.	26.00	23.10	20.10	17.20	14.30	11.40	8.50	4.80	2.30	0	0
\$156.	\$158.	26.50	23.60	20.70	17.80	14.80	11.90	9.00	5.40	2.80	.20	0
\$158.	\$160.	27.10	24.20	21.20	18.30	15.40	12.50	9.50	6.10	3.20	.70	0
\$160.	\$162.	28.00	25.10	22.20	19.30	16.40	13.40	10.50	7.40	4.10	1.50	0
\$162.	\$164.	29.40	26.50	23.60	20.60	17.70	14.80	11.90	9.00	5.40	2.70	.20
\$164.	\$166.	30.80	27.90	24.90	22.00	19.10	16.20	13.20	10.30	7.20	3.90	1.40
\$166.	\$168.	32.10	29.20	26.30	23.40	20.50	17.50	14.60	11.70	8.80	5.10	2.60
\$168.	\$170.	33.50	30.60	27.70	24.70	21.80	18.90	16.00	13.10	10.10	6.90	3.70
\$170.	\$172.	34.90	32.00	29.00	26.10	23.20	20.30	17.30	14.40	11.50	8.60	4.90
\$172.	\$174.	36.30	33.30	30.40	27.50	24.60	21.60	18.70	15.80	12.90	9.90	6.70
\$174.	\$176.	37.60	34.70	31.80	28.90	25.90	23.00	20.10	17.20	14.20	11.30	8.40
\$176.	\$178.	39.00	36.10	33.10	30.20	27.30	24.40	21.40	18.50	15.60	12.70	9.80
\$178.	\$180.	40.40	37.40	34.50	31.60	28.70	25.70	22.80	19.90	17.00	14.00	11.10
\$180.	\$182.	42.40	39.50	36.60	33.60	30.70	27.80	24.90	21.90	19.00	16.10	13.20
\$182.	\$184.	45.10	42.20	39.30	36.40	33.50	30.50	27.60	24.70	21.80	18.80	15.90
\$184.	\$186.	47.90	45.00	42.00	39.10	36.20	33.30	30.30	27.40	24.50	21.60	18.60
\$186.	\$188.	50.60	47.70	44.80	41.80	38.90	36.00	33.10	30.20	27.20	24.30	21.40
\$188.	\$190.	53.40	50.40	47.50	44.60	41.70	38.70	35.80	32.90	30.00	27.00	24.10
14 percent of the excess over \$400 plus—												
\$400 and over		54.70	51.80	48.90	46.00	43.00	40.10	37.20	34.30	31.30	28.40	25.50"

"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	7.20	4.00	1.10	0	0	0	0	0	0	0
\$80	\$82	11.10	7.60	4.30	1.40	0	0	0	0	0	0	0
\$82	\$84	11.40	8.00	4.60	1.60	0	0	0	0	0	0	0
\$84	\$86	11.60	8.30	4.90	1.90	0	0	0	0	0	0	0
\$86	\$88	11.90	8.70	5.20	2.10	0	0	0	0	0	0	0
\$88	\$90	12.20	9.00	5.50	2.30	0	0	0	0	0	0	0
\$90	\$92	12.40	9.30	5.80	2.60	0	0	0	0	0	0	0
\$92	\$94	12.70	9.60	6.10	2.80	0	0	0	0	0	0	0
\$94	\$96	13.00	9.90	6.40	3.10	.30	0	0	0	0	0	0
\$96	\$98	13.30	10.10	6.70	3.30	.50	0	0	0	0	0	0
\$98	\$100	13.50	10.40	7.00	3.50	.80	0	0	0	0	0	0
\$100	\$102	13.80	10.70	7.30	3.80	1.00	0	0	0	0	0	0
\$102	\$104	14.10	10.90	7.60	4.00	1.20	0	0	0	0	0	0
\$104	\$106	14.40	11.20	7.90	4.30	1.50	0	0	0	0	0	0
\$106	\$108	14.60	11.50	8.10	4.50	1.70	0	0	0	0	0	0
\$108	\$110	14.90	11.70	8.50	4.70	2.00	0	0	0	0	0	0
\$110	\$112	15.20	12.00	8.90	5.00	2.20	0	0	0	0	0	0
\$112	\$114	15.50	12.30	9.10	5.20	2.40	0	0	0	0	0	0
\$114	\$116	15.70	12.60	9.40	5.50	2.70	0	0	0	0	0	0
\$116	\$118	16.00	12.80	9.70	5.80	2.90	.20	0	0	0	0	0
\$118	\$120	16.30	13.10	9.90	6.10	3.20	.40	0	0	0	0	0
\$120	\$122	16.70	13.50	10.40	6.70	3.50	.70	0	0	0	0	0
\$122	\$124	17.20	14.10	10.90	7.40	4.00	1.20	0	0	0	0	0
\$124	\$126	17.80	14.60	11.50	8.10	4.50	1.70	0	0	0	0	0
\$126	\$128	18.30	15.20	12.00	8.80	5.00	2.20	0	0	0	0	0
\$128	\$130	18.90	15.70	12.50	9.40	5.40	2.70	0	0	0	0	0
\$130	\$132	19.40	16.30	13.10	9.90	6.10	3.10	.40	0	0	0	0
\$132	\$134	20.00	16.80	13.60	10.50	6.80	3.60	.90	0	0	0	0
\$134	\$136	20.50	17.40	14.20	11.00	7.50	4.10	1.30	0	0	0	0
\$136	\$138	21.10	17.90	14.70	11.60	8.20	4.60	1.80	0	0	0	0
\$138	\$140	21.60	18.40	15.30	12.10	8.90	5.10	2.30	0	0	0	0
\$140	\$142	22.20	19.00	15.80	12.70	9.50	5.50	2.80	0	0	0	0
\$142	\$144	22.70	19.50	16.40	13.20	10.00	6.30	3.20	.50	0	0	0
\$144	\$146	23.30	20.10	16.90	13.80	10.60	7.00	3.70	1.00	0	0	0
\$146	\$148	23.80	20.60	17.50	14.30	11.10	7.70	4.20	1.40	0	0	0
\$148	\$150	24.40	21.20	18.00	14.90	11.70	8.40	4.70	1.90	0	0	0
\$150	\$152	24.90	21.70	18.60	15.40	12.20	9.10	5.20	2.40	0	0	0
\$152	\$154	25.40	22.30	19.10	15.90	12.80	9.60	5.70	2.90	.10	0	0
\$154	\$156	26.00	22.80	19.70	16.50	13.30	10.20	6.40	3.30	.60	0	0
\$156	\$158	26.50	23.40	20.20	17.00	13.90	10.70	7.10	3.80	1.10	0	0
\$158	\$160	27.10	23.90	20.80	17.60	14.40	11.30	7.80	4.30	1.50	0	0
\$160	\$162	28.00	24.90	21.70	18.50	15.40	12.20	9.00	5.10	2.40	0	0
\$162	\$164	29.40	26.20	23.10	19.90	16.70	13.60	10.40	6.70	3.60	.80	0
\$164	\$166	30.80	27.60	24.40	21.30	18.10	14.90	11.80	8.50	4.80	2.00	0
\$166	\$168	32.10	29.00	25.80	22.60	19.50	16.30	13.10	10.00	6.20	3.20	0
\$168	\$170	33.50	30.30	27.20	24.00	20.80	17.70	14.50	11.30	8.00	4.40	1.60
\$170	\$172	34.90	31.70	28.60	25.40	22.20	19.10	15.90	12.70	9.60	5.60	2.80
\$172	\$174	36.30	33.10	29.90	26.80	23.60	20.40	17.30	14.10	10.90	7.40	4.00
\$174	\$176	37.60	34.50	31.30	28.10	25.00	21.80	18.60	15.50	12.30	9.10	5.20
\$176	\$178	39.00	35.80	32.70	29.50	26.30	23.20	20.00	16.80	13.70	10.50	6.80
\$178	\$180	40.40	37.20	34.00	30.90	27.70	24.50	21.40	18.20	15.00	11.90	8.60
\$180	\$182	42.40	39.20	36.10	32.90	29.70	26.60	23.40	20.20	17.10	13.90	10.70
\$182	\$184	44.10	42.00	38.80	35.60	32.50	29.30	26.10	23.00	19.80	16.60	13.50
\$184	\$186	47.90	44.70	41.50	38.40	35.20	32.00	28.90	25.70	22.50	19.40	16.20
\$186	\$188	50.60	47.40	44.30	41.10	37.90	34.80	31.60	28.40	25.30	22.10	18.90
\$188	\$190	53.40	50.20	47.00	43.90	40.70	37.50	34.40	31.20	28.00	24.90	21.70
\$190	\$192	56.10	52.90	49.80	46.60	43.40	40.30	37.10	33.90	30.80	27.60	24.40
\$192	\$194	58.80	55.70	52.50	49.30	46.20	43.00	39.80	36.70	33.50	30.30	27.20
\$194	\$196	61.60	58.40	55.20	52.10	48.90	45.70	42.60	39.40	36.20	33.10	29.90
\$196	\$198	64.30	61.10	58.00	54.80	51.60	48.50	45.30	42.10	39.00	35.80	32.60
\$198	\$200	67.00	63.90	60.70	57.50	54.40	51.20	48.00	44.90	41.70	38.50	35.40
14 percent of the excess over \$500 plus												
\$500 and over		68.40	65.20	62.10	58.90	55.70	52.60	49.40	46.20	43.10	39.90	36.70 "

"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.	10.20	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.	25.40	19.10	11.20	5.60	.10	0	0	0	0	0	0
\$188.	\$192.	26.00	19.70	12.00	6.10	.60	0	0	0	0	0	0
\$192.	\$196.	26.50	20.20	12.70	6.60	1.10	0	0	0	0	0	0
\$196.	\$200.	27.10	20.80	13.40	7.10	1.50	0	0	0	0	0	0
\$200.	\$204.	27.60	21.30	14.10	7.60	2.00	0	0	0	0	0	0
\$204.	\$208.	28.20	21.80	14.80	8.00	2.50	0	0	0	0	0	0
\$208.	\$212.	28.70	22.40	15.60	8.50	3.00	0	0	0	0	0	0
\$212.	\$216.	29.30	22.90	16.30	9.00	3.40	0	0	0	0	0	0
\$216.	\$220.	29.80	23.50	17.00	9.50	3.90	0	0	0	0	0	0
\$220.	\$224.	30.40	24.00	17.70	9.90	4.40	0	0	0	0	0	0
\$224.	\$228.	30.90	24.60	18.30	10.40	4.90	0	0	0	0	0	0
\$228.	\$232.	31.50	25.10	18.80	10.90	5.40	0	0	0	0	0	0
\$232.	\$236.	32.00	25.70	19.30	11.60	5.80	.20	0	0	0	0	0
\$236.	\$240.	32.60	26.20	19.90	12.30	6.30	.80	0	0	0	0	0
\$240.	\$244.	33.40	27.00	20.70	13.30	7.00	1.50	0	0	0	0	0
\$244.	\$248.	34.50	28.10	21.80	14.80	8.00	2.50	0	0	0	0	0
\$248.	\$256.	35.60	29.20	22.90	16.20	9.00	3.40	0	0	0	0	0
\$256.	\$264.	36.70	30.30	24.00	17.70	9.90	4.40	0	0	0	0	0
\$264.	\$272.	37.80	31.40	25.10	18.80	10.80	5.30	0	0	0	0	0
\$272.	\$280.	38.90	32.50	26.20	19.90	12.20	6.30	.70	0	0	0	0
\$280.	\$288.	39.90	33.60	27.30	20.90	13.60	7.20	1.70	0	0	0	0
\$288.	\$296.	41.00	34.70	28.40	22.00	15.10	8.20	2.70	0	0	0	0
\$296.	\$304.	42.10	35.80	29.50	23.10	16.50	9.20	3.60	0	0	0	0
\$304.	\$312.	43.20	36.90	30.60	24.20	17.90	10.10	4.60	0	0	0	0
\$312.	\$320.	44.30	38.00	31.70	25.30	19.00	11.10	5.50	0	0	0	0
\$320.	\$328.	45.40	39.10	32.80	26.40	20.10	12.50	6.50	.90	0	0	0
\$328.	\$336.	46.50	40.20	33.80	27.50	21.20	14.00	7.40	1.90	0	0	0
\$336.	\$344.	47.60	41.30	34.90	28.60	22.30	15.40	8.40	2.90	0	0	0
\$344.	\$352.	48.70	42.40	36.00	29.70	23.40	16.80	9.40	3.80	0	0	0
\$352.	\$360.	49.80	43.50	37.10	30.80	24.50	18.10	10.30	4.80	0	0	0
\$360.	\$368.	50.90	44.60	38.20	31.90	25.60	19.20	11.40	5.70	.20	0	0
\$368.	\$376.	52.00	45.70	39.30	33.00	26.70	20.30	12.80	6.70	1.20	0	0
\$376.	\$384.	53.10	46.70	40.40	34.10	27.70	21.40	14.30	7.70	2.10	0	0
\$384.	\$392.	54.20	47.80	41.50	35.20	28.80	22.50	15.70	8.60	3.10	0	0
\$392.	\$400.	55.30	48.90	42.60	36.30	29.90	23.60	17.10	9.50	4.10	0	0
\$400.	\$408.	56.40	49.80	43.70	37.40	31.00	24.70	18.10	10.30	4.70	0	0
\$408.	\$416.	57.50	50.90	44.80	38.50	32.10	25.80	19.20	11.40	5.70	1.00	0
\$416.	\$424.	58.60	52.00	45.90	39.60	33.20	26.90	20.30	12.50	6.70	4.00	0
\$424.	\$432.	59.70	53.10	47.00	40.70	34.30	28.00	21.40	13.60	7.70	8.80	.80
\$432.	\$440.	60.80	54.20	48.10	41.80	35.40	29.10	22.50	14.70	8.70	11.20	5.60
\$440.	\$448.	61.90	55.30	49.20	42.90	36.50	30.20	23.60	15.80	9.70	14.80	8.00
\$448.	\$456.	63.00	56.40	50.30	44.00	37.60	31.30	24.70	16.90	10.70	18.20	10.40
\$456.	\$464.	64.10	57.50	51.40	45.10	38.70	32.40	25.80	18.00	11.70	21.00	13.70
\$464.	\$472.	65.20	58.60	52.50	46.20	39.80	33.50	26.90	19.10	12.70	23.70	17.30
\$472.	\$480.	66.30	59.70	53.60	47.30	40.90	34.60	28.00	20.20	13.70	26.00	21.50
\$480.	\$488.	67.40	60.80	54.70	48.40	42.00	35.70	29.10	21.30	14.70	28.30	25.70
\$488.	\$496.	68.50	61.90	55.80	49.50	43.10	36.80	30.20	22.40	15.70	30.60	29.90
\$496.	\$504.	69.60	63.00	56.90	50.60	44.20	37.90	31.30	23.50	16.70	32.90	34.10
\$504.	\$512.	70.70	64.10	58.00	51.70	45.30	39.00	32.40	24.60	17.70	35.20	38.30
\$512.	\$520.	71.80	65.20	59.10	52.80	46.40	40.10	33.50	25.70	18.70	37.50	42.50
\$520.	\$528.	72.90	66.30	60.20	53.90	47.50	41.20	34.60	26.80	19.70	39.80	46.70
\$528.	\$536.	74.00	67.40	61.30	55.00	48.60	42.30	35.70	27.90	20.70	42.10	50.90
\$536.	\$544.	75.10	68.50	62.40	56.10	49.70	43.40	36.80	29.00	21.70	44.40	55.10
\$544.	\$552.	76.20	69.60	63.50	57.20	50.80	44.50	37.90	30.10	22.70	46.70	59.30
\$552.	\$560.	77.30	70.70	64.60	58.30	51.90	45.60	39.00	31.20	23.70	49.00	63.50
\$560.	\$568.	78.40	71.80	65.70	59.40	53.00	46.70	40.10	32.30	24.70	51.30	67.70
\$568.	\$576.	79.50	72.90	66.80	60.50	54.10	47.80	41.20	33.40	25.70	53.60	71.90
\$576												

"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 periods are—		And the number of withholding exemptions claimed is—										
		0	1	2	3	4	5	6	7	8	9	10 or more
At least	But less than	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	.05	0	0	0	0	0	0	0	0	0	0
\$2.00	\$2.25	.05	0	0	0	0	0	0	0	0	0	0
\$2.25	\$2.50	.10	0	0	0	0	0	0	0	0	0	0
\$2.50	\$2.75	.15	0	0	0	0	0	0	0	0	0	0
\$2.75	\$3.00	.15	0	0	0	0	0	0	0	0	0	0
\$3.00	\$3.25	.20	0	0	0	0	0	0	0	0	0	0
\$3.25	\$3.50	.20	.05	0	0	0	0	0	0	0	0	0
\$3.50	\$3.75	.25	.05	0	0	0	0	0	0	0	0	0
\$3.75	\$4.00	.30	.10	0	0	0	0	0	0	0	0	0
\$4.00	\$4.25	.30	.15	0	0	0	0	0	0	0	0	0
\$4.25	\$4.50	.35	.15	0	0	0	0	0	0	0	0	0
\$4.50	\$4.75	.35	.20	0	0	0	0	0	0	0	0	0
\$4.75	\$5.00	.40	.20	.05	0	0	0	0	0	0	0	0
\$5.00	\$5.25	.45	.25	.05	0	0	0	0	0	0	0	0
\$5.25	\$5.50	.50	.30	.10	0	0	0	0	0	0	0	0
\$5.50	\$5.75	.55	.30	.15	0	0	0	0	0	0	0	0
\$5.75	\$6.00	.60	.35	.15	0	0	0	0	0	0	0	0
\$6.00	\$6.25	.65	.35	.20	0	0	0	0	0	0	0	0
\$6.25	\$6.50	.85	.40	.20	.05	0	0	0	0	0	0	0
\$6.50	\$6.75	.90	.45	.25	.05	0	0	0	0	0	0	0
\$6.75	\$7.00	.95	.50	.30	.10	0	0	0	0	0	0	0
\$7.00	\$7.25	.95	.55	.30	.10	0	0	0	0	0	0	0
\$7.25	\$7.50	1.00	.60	.35	.15	0	0	0	0	0	0	0
\$7.50	\$7.75	1.05	.65	.35	.20	0	0	0	0	0	0	0
\$7.75	\$8.00	1.10	.65	.40	.20	.05	0	0	0	0	0	0
\$8.00	\$8.25	1.10	.70	.45	.25	.05	0	0	0	0	0	0
\$8.25	\$8.50	1.15	.75	.50	.25	.10	0	0	0	0	0	0
\$8.50	\$8.75	1.20	.85	.55	.30	.15	0	0	0	0	0	0
\$8.75	\$9.00	1.20	.90	.60	.35	.20	0	0	0	0	0	0
\$9.00	\$9.25	1.25	1.05	.65	.40	.25	.05	0	0	0	0	0
\$9.25	\$9.50	1.30	1.10	.70	.45	.25	.05	0	0	0	0	0
\$9.50	\$9.75	1.35	1.15	.75	.50	.25	.10	0	0	0	0	0
\$9.75	\$10.00	1.40	1.20	1.00	.80	.55	.30	.15	0	0	0	0
\$10.00	\$10.50	1.45	1.25	1.05	.85	.65	.40	.25	0	0	0	0
\$10.50	\$11.00	1.55	1.35	1.10	.90	.70	.45	.25	.05	0	0	0
\$11.00	\$11.50	1.60	1.40	1.20	1.00	.75	.55	.30	.15	0	0	0
\$11.50	\$12.00	1.70	1.45	1.25	1.05	.85	.65	.40	.20	0	0	0
\$12.00	\$12.50	1.75	1.55	1.35	1.10	.90	.70	.45	.25	.05	0	0
\$12.50	\$13.00	1.80	1.60	1.40	1.20	1.00	.75	.55	.30	.15	0	0
\$13.00	\$13.50	1.90	1.65	1.45	1.25	1.05	.85	.65	.35	.20	0	0
\$13.50	\$14.00	1.95	1.75	1.55	1.30	1.10	.90	.70	.45	.25	.05	0
\$14.00	\$14.50	2.00	1.80	1.60	1.40	1.20	1.00	.75	.55	.30	.15	0
\$14.50	\$15.00	2.10	1.90	1.65	1.45	1.25	1.05	.85	.65	.35	.20	0
\$15.00	\$15.50	2.15	1.95	1.75	1.55	1.30	1.10	.90	.70	.45	.25	.05
\$15.50	\$16.00	2.20	2.00	1.80	1.60	1.40	1.20	.95	.75	.55	.30	.10
\$16.00	\$16.50	2.30	2.10	1.85	1.65	1.45	1.25	1.05	.85	.65	.35	.20
\$16.50	\$17.00	2.35	2.15	1.95	1.75	1.55	1.30	1.10	.90	.70	.45	.25
\$17.00	\$17.50	2.45	2.20	2.00	1.80	1.60	1.40	1.20	.95	.75	.55	.30
\$17.50	\$18.00	2.50	2.30	2.10	1.85	1.65	1.45	1.25	1.05	.85	.60	.35
\$18.00	\$18.50	2.55	2.35	2.15	1.95	1.75	1.50	1.30	1.10	.90	.70	.45
\$18.50	\$19.00	2.65	2.45	2.20	2.00	1.80	1.60	1.40	1.20	.95	.75	.55
\$19.00	\$19.50	2.70	2.50	2.30	2.10	1.85	1.65	1.45	1.25	1.05	.85	.60
\$19.50	\$20.00	2.80	2.60	2.40	2.20	1.95	1.75	1.55	1.35	1.15	.95	.70
\$20.00	\$20.50	2.95	2.75	2.50	2.30	2.10	1.90	1.70	1.50	1.30	1.05	.85
\$20.50	\$21.00	3.10	2.85	2.65	2.45	2.25	2.05	1.85	1.60	1.40	1.20	1.00
\$21.00	\$21.50	3.20	3.00	2.80	2.60	2.40	2.15	1.95	1.75	1.55	1.35	1.15
\$21.50	\$22.00	3.35	3.15	2.95	2.75	2.55	2.30	2.10	1.90	1.70	1.50	1.25
\$22.00	\$22.50	3.50	3.30	3.05	2.85	2.65	2.45	2.25	2.05	1.80	1.60	1.40
\$22.50	\$23.00	3.65	3.40	3.20	3.00	2.80	2.60	2.40	2.15	1.95	1.75	1.55
\$23.00	\$23.50	3.75	3.55	3.35	3.15	2.95	2.70	2.50	2.30	2.10	1.90	1.70
\$23.50	\$24.00	3.80	3.70	3.50	3.25	3.05	2.85	2.65	2.45	2.25	2.00	1.80
\$24.00	\$24.50	4.05	3.85	3.60	3.40	3.20	3.00	2.80	2.60	2.35	2.15	1.95
14 percent of the excess over \$30 plus												
\$30.00 and over		4.10	3.90	3.70	3.50	3.25	3.05	2.85	2.65	2.45	2.25	2.00

(c) Effective date: The amendments made by this section shall be applicable only with respect to wages paid on or after January 1, 1948.

SEC. 6. Fiscal-Year Taxpayers.

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 1947 and ending in 1948: In the case of a taxable year of an individual beginning in 1947 and ending in 1948, 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, 1947, were applicable to such taxable year, which the

number of days in such taxable year prior to January 1, 1948, 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, 1948, were applicable to such taxable year, which the number of days in such taxable year after December 31, 1947, bears to the total number of days in such taxable year."

The CHAIRMAN. Are there any committee amendments. If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HERTER, 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. 3950) to reduce individual income tax payments, pursuant to House Resolution 272, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

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

Mr. FORAND. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FORAND. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FORAND moves to recommit the bill, H. R. 3950, to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment: Strike out all after the enacting clause and insert the following: "That this act may be cited as the 'Individual Income Tax Reduction Act of 1947.'"

"Sec. 2. Increase in Personal Exemptions.

"Section 25 (b) (1) of the Internal Revenue Code (relating to credits of individual against net income) is hereby amended by striking out '\$500,' wherever appearing therein, and by inserting in lieu thereof '\$600,' and by striking '\$1,000' and by inserting in lieu thereof '\$1,200.'"

"Sec. 3. Reduction in Surtax on Individuals.

"Section 12 (b) of Internal Revenue Code (relating to rates of surtax) is amended by striking out the tax table contained therein and by inserting in lieu thereof the following:

"If the surtax net income is:	The tentative surtax shall be:
Not over \$2,000--	14 percent of the surtax net income.
Over \$2,000 but not over \$4,000.	\$280, plus 16 percent of excess over \$2,000.
Over \$4,000 but not over \$6,000.	\$600, plus 20 percent of excess over \$4,000.
Over \$6,000 but not over \$8,000.	\$1,000, plus 24 percent of excess over \$6,000.
Over \$8,000 but not over \$10,000.	\$1,480, plus 28 percent of excess over \$8,000.
Over \$10,000 but not over \$12,000.	\$2,040, plus 32 percent of excess over \$10,000.
Over \$12,000 but not over \$14,000.	\$2,680, plus 37 percent of excess over \$12,000.
Over \$14,000 but not over \$16,000.	\$3,420, plus 41 percent of excess over \$14,000.
Over \$16,000 but not over \$18,000.	\$4,240, plus 44 percent of excess over \$16,000.
Over \$18,000 but not over \$20,000.	\$5,120, plus 47 percent of excess over \$18,000.
Over \$20,000 but not over \$22,000.	\$6,060, plus 50 percent of excess over \$20,000.
Over \$22,000 but not over \$26,000.	\$7,060, plus 53 percent of excess over \$22,000.
Over \$26,000 but not over \$32,000.	\$9,180, plus 56 percent of excess over \$26,000.
Over \$32,000 but not over \$38,000.	\$12,540, plus 59 percent of excess over \$32,000.
Over \$38,000 but not over \$44,000.	\$16,080, plus 63 percent of excess over \$38,000.
Over \$44,000 but not over \$50,000.	\$19,860, plus 66 percent of excess over \$44,000.
Over \$50,000 but not over \$60,000.	\$23,820, plus 69 percent of excess over \$50,000.
Over \$60,000 but not over \$70,000.	\$30,720, plus 72 percent of excess over \$60,000.
Over \$70,000 but not over \$80,000.	\$37,920, plus 75 percent of excess over \$70,000.
Over \$80,000 but not over \$90,000.	\$45,420, plus 78 percent of excess over \$80,000.

"If the surtax net income is:

The tentative surtax shall be:
Over \$90,000 but not over \$100,000.
Over \$100,000 but not over \$150,000.
Over \$150,000 but not over \$200,000.
Over \$200,000----

"Sec. 3. The Secretary of the Treasury is authorized and directed to make such changes in the tables in section 400 (optional tax table) and section 1622 (withholding tables) as may be necessary to reflect the reduction in taxes provided for in the preceding provisions of this act.

"Sec. 4. The amendments to the Internal Revenue Code made by this act shall become effective with respect to taxable years beginning after December 31, 1947."

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. FORAND. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 151, nays 261, not voting 18, as follows:

[Roll No. 102]

YEAS—151

Abernethy	Folger	Marcantonio
Albert	Forand	Miller, Calif.
Allen, La.	Gary	Mills
Andrews, Ala.	Gordon	Morgan
Barden	Gore	Morris
Bates, Ky.	Gorski	Morrison
Battle	Gossett	Murdock
Beckworth	Granger	Murray, Tenn.
Blatnik	Grant, Ala.	Norrell
Bloom	Gregory	Norton
Boggs, La.	Hardy	O'Brien
Bonner	Harless, Ariz.	O'Konski
Brooks	Harris	Peden
Brown, Ga.	Harrison	Peterson
Bryson	Hart	Pfeifer
Buchanan	Havener	Price, Fla.
Buckley	Hébert	Price, Ill.
Bulwini	Hedrick	Priest
Burleson	Heffernan	Rabin
Byrne, N. Y.	Hendricks	Rains
Camp	Hobbs	Rankin
Cannon	Huber	Rayburn
Carroll	Jackson, Wash.	Rayfield
Celler	Jarman	Redden
Chapman	Johnson, Okla.	Richards
Chelf	Jones, Ala.	Riley
Clements	Jones, N. C.	Rogers, Fla.
Colmer	Karsten, Mo.	Rooney
Cooper	Kee	Sabath
Courtney	Kefauver	Sadowski
Cox	Kennedy	Sasser
Cravens	Keogh	Sheppard
Crosser	Kerr	Sikes
Davis, Ga.	King	Smathers
Dawson, Ill.	Kirwan	Somers
Dawson, Utah	Klein	Spence
Deane	Lane	Stigler
Delaney	Lanham	Teague
Dingell	Larcade	Thomason
Domengeaux	Lea	Walter
Donohue	Lesinski	West
Doughton	Lucas	Wheeler
Drewry	Lusk	Whitten
Durham	Lyle	Whittington
Eberhart	Lynch	Williams
Elliott	McCormack	Wilson, Tex.
Engle, Calif.	McMillan, S. C.	Winstead
Evins	Madden	Wood
Feighan	Manasco	Worley
Fisher	Mansfield,	Zimmerman
Fogarty	Mont.	

NAYS—261

Allen, Calif.	Graham	Morton
Allen, Ill.	Grant, Ind.	Muhlenberg
Almond	Griffiths	Mundt
Andersen	Gross	Murray, Wis.
H. Carl	Gwynn, N. Y.	Nixon
Anderson, Calif.	Gwynne, Iowa	Nodar
Andresen	Hagen	Norblad
August H.	Hale	O'Hara
Andrews, N. Y.	Hall	O'Toole
Angell	Edwin Arthur	Owens
Arends	Hall	Pace
Arnold	Leonard W.	Passman
Auchincloss	Halleck	Patman
Bakewell	Hand	Patterson
Banta	Harness, Ind.	Philbin
Barrett	Hartley	Phillips, Calif.
Bates, Mass.	Hays	Phillips, Tenn.
Beall	Herter	Pickett
Bell	Heslton	Ploeser
Bender	Hess	Plumley
Bennett, Mich.	Hill	Poage
Bennett, Mo.	Hinshaw	Potts
Bishop	Hoeven	Preston
Blackney	Hoffman	Ramey
Boggs, Del.	Hollifield	Reed, Ill.
Boykin	Holmes	Reed, N. Y.
Bradley	Hope	Rees
Bramblett	Horan	Reeves
Brehm	Howell	Rich
Brophy	Hull	Richman
Brown, Ohio	Jackson, Calif.	Rivers
Buck	Javits	Rizley
Buffett	Jenison	Robertson
Burke	Jenkins, Ohio	Robison
Busbey	Jenkins, Pa.	Rockwell
Butler	Jennings	Rogers, Mass.
Byrnes, Wis.	Jensen	Rohrbough
Canfield	Johnson, Calif.	Ross
Carson	Johnson, Ill.	Russell
Case, N. J.	Johnson, Ind.	Sadlak
Case, S. Dak.	Johnson, Tex.	St. George
Chadwick	Jones, Ohio	Sanborn
Chenoweth	Jones, Wash.	Sarbacher
Chilperfield	Jonkman	Schwabe, Mo.
Church	Judd	Schwabe, Okla.
Clark	Kean	Scoblick
Clason	Kearney	Scott, Hardie
Clevenger	Kearns	Scott,
Clippinger	Keating	Hugh D., Jr.
Coffin	Keefe	Scrivner
Cole, Kans.	Kersten, Wis.	Seely-Brown
Combs	Kilburn	Shafer
Cooley	Kilday	Simpson, Ill.
Corbett	Knutson	Simpson, Pa.
Cotton	Kunkel	Smith, Kans.
Crawford	Landis	Smith, Maine
Crow	Latham	Smith, Va.
Cunningham	LeCompte	Smith, Wis.
Curtis	LeFevre	Snyder
Dague	Lemke	Springer
Davis, Wis.	Lewis	Stanley
Devitt	Lodge	Stefan
D'Ewart	Love	Stevenson
Dirksen	McConnell	Stockman
Dooliver	McCowan	Stratton
Dondero	McDonough	Sundstrom
Douglas	McDowell	Taber
Eaton	McGarvey	Talle
Ellis	McGregor	Taylor
Ellsworth	McMahon	Thomas, N. J.
Elsaesser	McMillen, Ill.	Tibbott
Elston	Mack	Tollefson
Engel, Mich.	MacKinnon	Towe
Fallon	Macy	Trimble
Fellows	Mahon	Twyman
Fenton	Maloney	Vail
Flannagan	Martin, Iowa	Van Zandt
Fletcher	Mason	Vorys
Foot	Mathews	Vursell
Fulton	Meade, Ky.	Wadsworth
Gallagher	Meade, Md.	Weichel
Gamble	Morrow	Welch
Gathings	Meyer	Wigglesworth
Gavin	Michener	Wilson, Ind.
Gearhart	Miller, Conn.	Wolcott
Gillette	Miller, Md.	Wolverton
Gillie	Miller, Nebr.	Woodruff
Goff	Mitchell	Youngblood
Goodwin	Monroney	

NOT VOTING—18

Bland	Dorn	Poulson
Boiton	Fernandez	Powell
Cole, Mo.	Fuller	Short
Cole, N. Y.	Gifford	Smith, Ohio
Coudert	Kelley	Thomas, Tex.
Davis, Tenn.	Mansfield, Tex.	Vinson

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Powell for, with Mrs. Bolton against.
Mr. Kelley for, with Mr. Cole of New York against.

Mr. Vinson for, with Mr. Bland against.
Mr. Mansfield of Texas for, with Mr. Short against.

Mr. Davis of Tennessee for, with Mr. Cole of Missouri against.

Mr. Dorn for, with Mr. Coudert against.
Mr. Fernandez for, with Mr. Gifford against.

General pairs until further notice:

Mr. Smith of Ohio with Mr. Thomas of Texas.

Messrs. COOLEY and BELL changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. KNUTSON. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 302, nays 112, not voting 16, as follows:

[Roll No. 103]

YEAS—302

Allen, Calif.	Cravens	Harness, Ind.
Allen, Ill.	Crawford	Harris
Allen, La.	Crow	Harrison
Almond	Cunningham	Hart
Anderson, Calif.	Curtis	Hartley
Andersen	Dague	Hébert
August H.	Davis, Ga.	Hedrick
Andrews, N. Y.	Davis, Wis.	Hendricks
Angell	Dawson, Utah	Herter
Arends	Devitt	Heseltun
Arnold	D'Ewart	Hess
Auchincloss	Dirksen	Hill
Bakewell	Dolliver	Hinshaw
Banta	Domengeaux	Hoeven
Barden	Dondero	Hoffman
Barrett	Donohue	Holmes
Bates, Mass.	Doughton	Hope
Battle	Durham	Horan
Beall	Eaton	Howell
Bender	Elliot	Jackson, Calif.
Bennett, Mich.	Ellis	Javits
Bennett, Mo.	Ellsworth	Jenison
Bishop	Eisnesser	Jenkins, Ohio
Blackney	Elston	Jenkins, Pa.
Boggs, Del.	Engel, Mich.	Jennings
Bonner	Engle, Calif.	Jensen
Boykin	Fallon	Johnson, Calif.
Bradley	Fellows	Johnson, Ill.
Brasblett	Fenton	Johnson, Ind.
Brehm	Fisher	Jones, N. C.
Brooks	Fletcher	Jones, Ohio
Brophy	Fogarty	Jones, Wash.
Brown, Ga.	Foot	Jonkman
Brown, Ohio	Fulton	Judd
Buck	Gallagher	Kean
Buffett	Gamble	Kearney
Bulwinkle	Gary	Kearns
Burke	Gathings	Keating
Busbey	Gavin	Keefe
Butler	Gearhart	Kefauver
Byrnes, Wis.	Gillette	Keogh
Canfield	Gillie	Kerr
Carson	Goff	Kersten, Wis.
Case, N. J.	Goodwin	Kilburn
Case, S. Dak.	Gossett	Kilday
Chadwick	Graham	Knutson
Chapman	Grant, Ind.	Kunkel
Chelf	Griffiths	Landis
Chenoweth	Gross	Lane
Chipperfield	Gwynn, N. Y.	Larcade
Church	Gwynne, Iowa	Latham
Clason	Hagen	Lea
Clements	Hale	LeCompte
Clevenger	Hall	LeFevre
Clippinger	Edwin Arthur	Lemke
Coffin	Hall	Lewis
Cole, Kans.	Leonard W.	Lodge
Corbett	Halleck	Love
Cotton	Hand	Lucas
Cox	Harless, Ariz.	McConnell

McCowan	Peterson	Seely-Brown
McDonough	Philbin	Shafer
McDowell	Phillips, Calif.	Sikes
McGarvey	Phillips, Tenn.	Simpson, Ill.
McGregor	Ploeser	Simpson, Pa.
McMahon	Plumley	Smith, Kans.
McMillan, S. C.	Potts	Smith, Maine
McMillen, Ill.	Poulson	Smith, Wis.
Mack	Preston	Snyder
MacKinnon	Price, Fla.	Springer
Macy	Ramey	Stanley
Maloney	Rankin	Stefan
Martin, Iowa	Redden	Stevenson
Mason	Reed, Ill.	Stockman
Mathews	Reed, N. Y.	Stratton
Meade, Ky.	Rees	Sundstrom
Meade, Md.	Reeves	Taber
Morrow	Rich	Talle
Meyer	Riehlman	Taylor
Michener	Riley	Thomas, N. J.
Miller, Conn.	Rivers	Tibbott
Miller, Md.	Rizley	Tolkeison
Miller, Nebr.	Robertson	Towe
Mills	Robison	Twyman
Mitchell	Rockwell	Val
Morrison	Rogers, Fla.	Van Zandt
Morton	Rogers, Mass.	Vorys
Muhlenberg	Rohrbough	Vurcel
Mundt	Ross	Wadsworth
Murray, Tenn.	Russell	Weichel
Murray, Wis.	Sadlak	Welch
Nixon	St. George	West
Nodar	Sanborn	Wheler
Norblad	Sarbacher	Whittington
Norrell	Sasser	Wigglesworth
O'Brien	Schwabe, Mo.	Wilson, Ind.
O'Hara	Schwabe, Okla.	Wilson, Tex.
O'Konski	Seoblick	Wolcott
O'Toole	Scott, Hardie	Wolverton
Owens	Scott	Wood
Passman	Hugh D., Jr.	Woodruff
Patterson	Scrivner	Youngblood

NAYS—112

Abernethy	Folger	Marcanonio
Albert	Forand	Miller, Calif.
Andersen	Gordon	Monroney
H. Carl	Gore	Morgan
Andrews, Ala.	Gorski	Morris
Bates, Ky.	Granger	Murdock
Beckworth	Grant, Ala.	Norton
Bell	Gregory	Pace
Blatnik	Hardy	Patman
Bloom	Havenner	Peden
Boggs, La.	Hays	Pfeifer
Bryson	Heffernan	Pickett
Buchanan	Hobbs	Poage
Buckley	Holfield	Price, Ill.
Burleson	Huber	Priest
Byrne, N. Y.	Hull	Rabin
Camp	Jackson, Wash.	Rains
Cannon	Jarman	Rayburn
Carroll	Johnson, Okla.	Rayfield
Celler	Johnson, Tex.	Richards
Clark	Jones, Ala.	Rooney
Colmer	Karsten, Mo.	Sabath
Combs	Kee	Sadowski
Cooley	Kennedy	Sheppard
Cooper	King	Smathers
Courtney	Kirwan	Smith, Va.
Crosser	Klein	Somers
Dawson, Ill.	Lanham	Spence
Deane	Lesinski	Stigler
Delaney	Lusk	Teague
Dingell	Lyle	Thomason
Douglas	Lynch	Trimble
Drewry	McCormack	Walter
Eberhart	Madden	Whitten
Evins	Mahon	Williams
Feighan	Manasco	Winstead
Fernandez	Mansfield	Worley
Flannagan	Mont.	Zimmerman

NOT VOTING—16

Bland	Dorn	Short
Bolton	Fuller	Smith, Ohio
Cole, Mo.	Gifford	Thomas, Tex.
Cole, N. Y.	Kelley	Vinson
Coudert	Mansfield, Tex.	
Davis, Tenn.	Powell	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Davis of Tennessee for, with Mr. Powell against.

Mr. Thomas of Texas for, with Mr. Kelley against.

Mr. Bland for, with Mr. Mansfield of Texas against.

Additional general pairs:

Mr. Cole of New York with Mr. Vinson.
Mr. Short with Mr. Dorn.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed, H. R. 3950.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXTENSION OF REMARKS

Mr. FORAND asked and was given permission to revise and extend the remarks he previously made, and include a certain table.

Mr. KNUTSON asked and was given permission to revise and extend his remarks and include a graph.

Mr. GRANT of Indiana asked and was given permission to revise and extend the remarks he made in the Committee of the Whole and include certain tables.

Mr. PATMAN asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include an article appearing in the Wall Street Journal.

Mr. GAVIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include an article.

Mr. CANFIELD asked and was given permission to extend his remarks in the RECORD and include an address he made last Sunday.

Mr. GEARHART asked and was given permission to extend his remarks in the RECORD and to include extraneous matter.

Mr. JARMAN asked and was given permission to include in his extension of remarks, pursuant to the request of the gentleman from Minnesota [Mr. Knutson], several newspaper excerpts and an excerpt from a letter.

Mr. GATHINGS asked and was given permission to extend his remarks in the RECORD and include two separate and distinct articles.

Mr. LEA asked and was given permission to extend his remarks in the RECORD on two different subjects.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a speech.

Mr. HAYS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include a radio statement.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD and include excerpts from articles.

Mr. PLOESER (at the request of Mr. ARENDS) asked and was given permission

to extend his remarks in the RECORD on the subject Government Corporation Bill.

CONSIDERATION OF DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order tomorrow to take up for consideration the District of Columbia appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. CANNON. Mr. Speaker, reserving the right to object, has the gentleman consulted the ranking minority member of the subcommittee?

Mr. HALLECK. I spoke to the gentleman from Rhode Island [Mr. FOGARTY] and he said it was satisfactory to him. I also spoke to the minority leader.

Mr. CANNON. All points of order have been reserved?

Mr. HALLECK. That has been taken care of already.

Mr. PATMAN. Mr. Speaker, further reserving the right to object, and I have no intention of objecting, but I would like to know whether this will interfere with the report of the Committee on House Administration.

The SPEAKER. We expect to call that up today.

Is there objection to the request of the gentleman from Indiana [Mr. HALLECK]?

There was no objection.

CALENDAR WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be permitted to sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. ARNOLD asked and was given permission to extend his remarks in the RECORD and include a statement appearing in the Manufacturer.

DEPARTMENT OF THE INTERIOR APPROPRIATION BILL, 1948

Mr. JONES of Ohio. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 3123, an act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1948, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? [After a pause.] The Chair hears none, and appoints the following conferees:

MESSRS. JONES of Ohio, JENSEN, FENTON, STOCKMAN, CASE of South Dakota, KIRWAN, ROONEY, GORE, and NORRELL.

Mr. CANNON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CANNON. I note that the name of the gentleman from South Dakota [Mr. CASE] is included as one of the conferees. In view of the fact that the gentleman from South Dakota is not a member of the subcommittee and has never attended any of the hearings, and was not present when the bill was marked up, I am at a loss to know on what grounds he has been appointed a member of the conference committee. To include the gentleman from South Dakota, under the circumstances, is in contravention of the long-established custom of the House. I have never known it to be done, without approval of the minority, in the last quarter of a century. Why the departure from precedent on this particular occasion?

The SPEAKER. Because it is in the discretion of the Chair to make the appointments of the members of the committee.

ANDREW W. MELLON MEMORIAL

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H. J. Res. 170) authorizing the erection in the District of Columbia of a memorial to Andrew W. Mellon, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, strike out "at", and insert "in the vicinity of."

Page 1, line 8, after "design", insert "and location."

Page 1, line 10, after "Arts", insert "and the National Capital Park and Planning Commission."

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, may we have an explanation of the joint resolution?

Mr. FULTON. Mr. Speaker, if the gentleman will yield, as the resolution passed the House, the location of the memorial was at the intersection of Pennsylvania Avenue and Constitution Avenue in front of the Mellon Art Gallery. As it is now amended by the Senate the location is stated to be "in the vicinity of," so that in case it is planned to build a traffic underpass there, it can be constructed without interference. In addition, the National Capital Park and Planning Commission have been added so that the design will meet with their approval, as well as the approval of the National Commission on Fine Arts.

Mr. McCORMACK. I reserve the reservation of objection for the purpose of having a proper statement made for the RECORD.

Mr. LECOMPTE. And this is without expense to the Government.

Mr. FULTON. The construction of the proposed memorial is purely by public subscription and without expense to the Government.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA REVENUE ACT OF 1947

Mr. DIRKSEN. Mr. Speaker, I call up the conference report on the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 2 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(s) The word 'resident' means every individual domiciled within the District on the last day of the taxable year, and every other individual who maintains a place of abode within the District for more than seven months of the taxable year, whether domiciled in the District or not. In the case of any resident who is an elective or appointive officer or an employee of the Government of the United States, and who is domiciled outside the District during the whole of the taxable year, there shall be excluded from the gross income of such resident salaries or wages received from the Government of the United States for services rendered as such officer or employee, and income derived from sources without the District. For the purposes of this Act the domicile of such officer or employee for any taxable year shall be in the State which he expressly declares to be the State of his domicile: *Provided*, That he shall have had a domicile in such State under the laws of such State immediately prior to the beginning of the taxable year for which the tax is claimed. Such declaration must be made in writing, under oath, to the Assessor and the time for filing such declaration shall expire sixty days after written demand to file an income-tax return shall have been received by such officer or employee. As used in this subsection the term 'State' means the several States, Territories, and possessions of the United States, and the term 'Government of the United States' includes any

agency or instrumentality thereof, but does not include the Government of the District of Columbia."

And the Senate agree to the same.

EVERETT M. DIRKSEN,
GEORGE J. BATES,
JOS. P. O'HARA,
JNO. L. McMILLAN,
HOWARD W. SMITH,

Managers on the Part of the House.

HARRY P. CAIN,
RALPH E. FLANDERS
(Per H. C.),

J. HOWARD MCGRATH
(Per H. C.),

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The House bill defined the word "resident", for the purpose of the income tax, to mean every individual domiciled within the District on the last day of the taxable year, and every other individual who maintains a place of abode within the District for more than 7 months of the taxable year, whether domiciled in the District or not. The House bill also provided that the word "resident" shall not include any elective officer of the Government of the United States or employees of the United States Government, nor shall it include any officer of the executive branch of such Government whose appointment to the office held by him was by the President of the United States and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States. The House bill also provided that for the purposes of the act the domicile of such officer or employee shall be in the State in which he expressly declares to be the State of his domicile, with the proviso that he shall have acquired a domicile in such State under the laws of such State prior to the beginning of the annual period for which the tax is claimed. The declaration must be made in writing, under oath, to the assessor, and the time for filing such declaration shall not expire until 60 days after written demand shall have been received by such officer or employee.

The Senate amendment provides that the word "resident" means every individual domiciled within the District on the last day of the taxable year, and every other individual who maintains a place of abode within the District for more than 7 months of the taxable year, whether domiciled in the District or not. The Senate amendment further provides that the word "resident" shall not include any elective officer of the Government of the United States or any officer of the executive branch of such Government whose appointment to the office held by him was by the President of the United States and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States, unless such officers are domiciled within the District on the last day of the taxable year. Under the Senate amendment a Federal employee is not exempt from the District income tax if such employee maintains a place of abode within the District for more than 7 months of the taxable year whether or not he is domiciled within the District.

The House has instructed its managers to insist on the provisions of the House bill containing the so-called O'Hara amendment.

The House managers were therefore bound to bring back the substance of that amendment. However, it was agreed at the conference that some clarification of the language of the House provision was desirable. Therefore, the House recedes with an amendment which makes clear that in the case of any officer or employee of the Government of the United States (including any agency or instrumentality thereof but not including the government of the District of Columbia), who is domiciled outside the District during the whole of the taxable year, there shall be excluded from his gross income (1) salaries or wages received from the Government for services rendered as such officer or employee and (2) income derived from sources without the District. In other words, it will carry out the intent of the House that income derived by such officers or employees from within the District, for example, income from operating a taxicab, an apartment house, or business or professional activity, shall be taxable if their place of abode has been within the District for more than 7 months of the taxable year. It is also made clear that the declaration of any such officer or employee that his domicile for any taxable year is in a State shall be conclusive, but only if he had a domicile in that State under the laws of that State immediately prior to the beginning of the taxable year for which the tax is claimed; and of course the latter issue may be litigated.

Amendment No. 2: The House bill provided that the words "gross income" shall not include all amounts up to and including \$2,000 paid during the taxable year to veterans under any law of the United States, or under any law of any State, Territory, or political subdivision thereof as benefits or pensions for disability arising out of injuries received during any period of war.

The Senate amendment provides that the words "gross income" shall not include payments of benefits made to or on account of a beneficiary under any of the laws relating to veterans. The Senate amendment restates existing law. The House recedes.

EVERETT M. DIRKSEN,
GEORGE J. BATES,
JOS. P. O'HARA,
JNO. L. McMILLAN,
HOWARD W. SMITH,

Managers on the Part of the House.

Mr. DIRKSEN. Mr. Speaker, there is no controversy about the report. The Members will appreciate that we had this conference report on the floor a week or 10 days ago. At that time the conferees were mandated to take the bill back to conference with instructions to restore the language that has popularly become known as the O'Hara amendment. With only suitable and clarifying amendments that mandate has been observed, so we now include that language in the conference report under the mandate of the House.

Mr. Speaker, I yield such time as he may desire to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Speaker, the amendment, known as the O'Hara amendment, which was adopted in the House, has been preserved in the conference report with some two or three additional clarifications which do not change the spirit of the amendment. I make this statement merely so that there will be no concern on the part of Members of the House who supported the amendment as to the principle involved.

The SPEAKER. The question is on the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and include a radio address.

PAROLE SYSTEM IN DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 494) to reorganize the system of parole of prisoners convicted in the District of Columbia, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 9, after "compensation" insert "one of whom shall be elected Chairman of the said Board."

Page 4, line 11, strike out all after "may" down to and including "promulgate," in line 12.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

CONTROLLING DANGEROUS WEAPONS IN THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 493) to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 ed.), with Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. O'HARA, ALLEN of California, and ABERNETHY.

FASCISM IN ACTION

Mr. CORBETT. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 83 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the manuscript of a documented study and analyses of Fascism in Action, prepared by the Legislative Reference Service of the Library of Congress, be printed as a House document.

Mr. CORBETT. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain statements and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, about a year ago the Library of Congress, at the request of the gentleman from Illinois [Mr. DIRKSEN], prepared a very fine booklet on Communism in Action. More than 400,000 or 500,000 copies of this excellent booklet have been distributed. I think it is not only a worth-while document and a constructive document, but I think it is essential for the people of our country to have the knowledge and information contained in that booklet. That booklet was prepared under the direction of Dr. Griffith, Director of the Legislative Reference Service. It was prepared under the provisions of the new reorganization of Congress act which gave the Legislative Reference Service in the Library of Congress the privilege of preparing the booklet upon the request of any Member of the House or Senate. When this booklet was printed I wrote to Dr. Griffith and told him that he had done a wonderful job on it and asked him if he would undertake a similar study on fascism. Although I am opposed to communism in any shape, form, or fashion, I am also opposed to fascism in any shape, form, or fashion, and while it is necessary and highly desirable that the people of our country know the evils of communism it is likewise essential that they know about the evils of fascism. Dr. Griffith advised me that in compliance with the law he had the right to prepare such a book and that if I requested it he would be very glad to undertake it. So I made my request in writing, a copy of which I will insert in my statement today.

Dr. Griffith undertook the study. We set a dead line of February 3. The only reason we had a deadline was because we wanted to work to a certain date because when the book was finished I expected to offer a resolution such as has been presented here today for the printing of it as a House document in the same way that the booklet Communism in Action was printed.

This book on fascism has been prepared under the direction of the same man, Dr. Ernest Griffith. It has been prepared by the same staff, so it cannot be said that people who were partisans or biased in the case of communism or fascism prepared this report. They were both prepared by the same people.

The Committee on House Administration held hearings for 3 days. The chairman of that committee, the gentleman from Iowa [Mr. LECOMPTE], and the gentleman from Pennsylvania [Mr. CORBETT], chairman of the Subcommittee on Printing, have been very patient with those of us who have been sponsoring this resolution. I want to personally thank them today for the consideration they have given, and also the members of that committee. I, too, want to express my appreciation to the gentleman from Pennsylvania [Mr. CORBETT] for his extreme fairness demonstrated today by permitting me, as the author of the resolution, not only to open the discussion but to close it. I think that shows extreme fairness, and I appreciate it very much.

This booklet on fascism in action, which was prepared by the Legislative Reference Service, has not been made public. Only 26 copies have been mimeographed. This is one for my own personal use, and there was a copy furnished to each of the 25 members of the Committee on House Administration. It has been gone over by the members of that committee. It has been criticized, and suggestions have been made as to changes. Dr. Griffith and other members of his staff have appeared before the committee and answered questions. I was there 3 days attempting to answer every question I could answer, that was asked by members of that committee.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. CORBETT. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. PATMAN. Personally, I cannot see why there should be any objection to it. We want to know about communism. We dislike communism. We hate socialism, too, as well as communism. That is an enemy that is approaching us from the left. We must watch that enemy and be on the alert against that enemy. At the same time there is an equally vicious enemy, that is equally devastating and destructive, approaching us from the right, in the form of fascism. Let us give to our people and inform ourselves the same with reference to one deadly enemy as to another. We do not want either. So any information or knowledge that can be disseminated that would be helpful to the American people in detecting and preventing either one of these destructive isms, is in the public interest to have that information disseminated.

Mr. MEADE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MEADE of Maryland. Will the gentleman tell us how many copies he expects to have made of this document and how much it will cost?

Mr. PATMAN. I expect to ask for a hundred thousand at first. If there is a demand for more we will ask for more. It may not be as popular as the book on communism. There were 500,000 of that booklet printed. But the cost is not the important thing. We have just gone through a war against fascism, which cost us three or four hundred billion dollars, so it would not be too much expense to pay a few dollars more to inform the public.

Mr. MEADE of Maryland. We are still in the stage that we would like to know how much these things are going to cost.

Mr. PATMAN. The gentleman is a member of the committee and we had evidence.

Mr. MEADE of Maryland. But would you mind telling the House?

Mr. PATMAN. The gentleman is a member of the committee and he can tell the House.

Mr. LECOMPTE. The matter of copies is not involved in this resolution. This simply makes it a House document, and there will perhaps be 1,500 copies printed. Then, when people want them they can get them at the Government Printing Office.

Mr. PATMAN. And pay the Public Printer for them.

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. CORBETT. Mr. Speaker, I yield the gentleman one additional minute.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. FULTON. If this manuscript is made a House document, what will it cost to print 1,500 copies?

Mr. PATMAN. I do not know what the cost would be. I do not know but what it would be about the same amount as Communism in Action, probably a little more because one chapter was left out of Communism in Action which was printed as a Senate document; but the two put together would be just about the size of Fascism in Action.

Mr. FULTON. What did Communism in Action cost?

Mr. PATMAN. I do not know. The cost is not really the important part about it.

Mr. LECOMPTE. The cost under this resolution for the printing of Fascism in Action as a House document is \$1,625. I believe that is the Government estimate.

Mr. FULTON. There are copies available for anyone to see in the Library, are there not?

Mr. LECOMPTE. There are only a very few copies available at the present time.

Mr. FULTON. But there are some available.

Mr. PATMAN. There are none available.

Mr. LECOMPTE. I do not know whether the Library has any available or not.

Mr. PATMAN. There is not one copy available.

Mr. FULTON. How many copies have been available so far?

I am inserting herewith the letter I wrote to Dr. Griffith concerning the preparation of this booklet.

It is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., September 24, 1946.
DR. ERNEST S. GRIFFITH,
Legislative Reference Service, Library
of Congress, Washington, D. C.

DEAR DR. GRIFFITH: I have received and read with interest the booklet which you prepared at the request of Representative EVERETT M. DIRKSEN on Communism in Action. It is House Document No. 754, Seventy-ninth Congress, second session. This booklet is very fine and I have enjoyed reading it. If it does nothing more than arouse a lot of people about the evils of communism, it will certainly be worth while. It is my belief that the book will serve a very fine useful purpose and you are to be commended for the contribution you have made in its compilation.

I am opposed to communism in any form. It should be fought with every means at our command. It is obnoxious to our American democratic system of free enterprise based upon initiative, intelligence, ability, and hard work. Our system is the best in the world and, although it is so much better than communism, I just can't believe that communism can get any hold in America, yet we must be on the alert and make sure that there is no formidable start toward communism.

At the same time I dislike fascism. I think fascism is just as bad as communism. They are both equally bad. I would not attempt to say which is worse. To my mind fascism has a stronger hold in our country today than communism because its roots have become so firmly planted by so much abler and stronger hands and minds. Fascism in our country today is backed by plenty of wealth and a day never passes that the people of our country are not flooded with literature which would lead them down the road to fascism.

Therefore, this letter, in addition to commending you on the book on Communism in Action, is to request you, as Director of the Legislative Reference Service, to prepare a book on fascism to show how fascism operates and to cover generally the same line of approach that you covered in the book on communism.

If you will prepare such a booklet, I expect to offer a resolution in Congress, January 3 next, asking that it be made a public document in order that it may receive wide distribution.

I hope the time will never come in this country when our people will fear only communism or only fascism. They should fear both. Since the book has been prepared on communism, I hope that people will not get the idea that fascism is not feared just as much by Congress and the Legislative Reference Service as communism.

Please advise me at your earliest convenience if you will undertake the preparation of the booklet on fascism in action.

Sincerely yours,

WRIGHT PATMAN.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. CORBETT. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I want to say at the outset that I certainly have no love for fascism, nor do I have any love for communism. But a certain radio commentator and newspaperman, by the name of Drew Pearson, said the other day that I was willing to fight fascism overseas but apparently I did not care about fighting it here in the United States because I opposed the printing of this document in my committee. He was talking about something that he did not know a thing in the world about.

In the first place, the document Fascism in Action has been played up by the left-wing press, by George Seldes and his publication, In Fact, by PM, by the Communist Daily Worker, and by other left-wing publications as being an exposé of fascism in the United States. I challenge any man, including the authors of this document, to show me where any Fascist organization is even so much as mentioned in this book with the possible exception of the foreword by the gentleman from Texas [Mr. PATMAN]. It is just not in here. As a matter of fact the title of the thing is "A Documented Study and Analysis of Fascism in Europe," and does not even mention a single Fascist organization in the United States.

If there were any such thing as a Fascist movement in the United States I might say let us print this book, but I asked the gentleman from Texas [Mr. PATMAN] when he appeared before the committee, to show us some evidence that there was a Fascist movement in the United States and that this book would help expose it. The gentleman from

Texas could not show me—or refused to show me and the committee any evidence that there was any Fascist movement in the United States. The only thing we will be doing in printing this book, in my opinion, will be to draw a red herring across the trail of the Communists in America. In other words, I think we will confuse the issue on the Communists which do constitute a threat to our American form of government and really enter on a witch hunt after some fictitious Fascists who proponents of this measure would have you believe are abroad in our country. As a matter of fact I think that before we expend the people's money in printing this book we should be shown some reason for printing the book. I do not think that it is incumbent upon us to show any reason why it should not be printed until some reason has first been shown why it should be printed.

As I understand it this book will cost about twice as much to print as "Communism in Action." The first 1,400 copies of this book I understand will cost around \$1,600. The first 1,400 copies of Communism in Action cost in the vicinity of \$390.

There was a strong demand for Communism in Action because it has been shown that there is a definite Communist threat in the United States.

The only demand that has come for Fascism in Action has come from certain left-wing groups in this country, such as the previously mentioned radical publications. According to the information that I have, there were a great many letters written protesting the printing of Communism in Action, but to date I am advised by the chairman of the full committee and the chairman of the subcommittee that not a single letter has been received from any Fascist or Fascist organization in the United States protesting the printing of this book. So this Fascist threat to our form of government is all in the imagination and is beyond my scope of comprehension. Certainly if there were Fascist organizations in this country plotting the overthrow of our Government, they would have cried to high heaven.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield to my colleague the gentleman from Mississippi.

Mr. RANKIN. The gentleman may not be aware of it but the Communist Daily Worker, PM, and In Fact, the George Seldes Communist publication call southern Democrats and northern Republicans Fascists.

Mr. WILLIAMS. I thank the gentleman. I may say further that I have found certain passages in this book that would tend, by inference and comparison, to brand northern Republicans and southern Democrats as Fascists, if you want to use this book as an authority. I think that it is a cleverly worded, indirect indictment of certain parts of our country—particularly the South.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. CORBETT. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, I do not think the question here is whether you are for communism or fascism. The question is whether or not the expense shall be paid by this Government to print another Government document.

When you get a Government document that has been prepared by the Legislative Reference Service you have a document that has been prepared by impartial people. That is not the question either. The question is whether you wish to start the practice of having everything that is made up by these people printed and that the taxpayers shall pay for it. At first I asked what the cost was and the sponsor of the resolution did not know the cost. I then asked the committee how much the cost would be and I was informed it would be \$1,680 for the first thousand copies. Then the sponsor of the resolution said he wants 100,000 printed. That is too much for me.

If you get into the printing of these documents by the hundreds of thousands because the Legislative Reference Service is working on them all the time, it will become a never-ending proposition. They are also working for the Committee on Foreign Affairs as well as many other committees. If you start printing such items there is no end to it.

If there are documents that there is a great public demand for, about which you can say your demand will be so-and-so and can prove it, I am in favor of printing them and printing them at the people's expense. However, I am not in favor of turning out a 5-foot shelf of books for every committee that wants these things printed. If we start doing this for one person we are going to have to do it for everybody.

May I ask the sponsor of the resolution how many specific people have asked for copies and how many copies they have asked for?

Mr. PATMAN. I do not know. I think probably the chairman of the committee could answer that because the requests would be made to him.

Mr. FULTON. Let me ask the chairman of the committee: How many people have asked for this and how many copies do they want?

Mr. PATMAN. Let me finish the answer. I have received, I believe, a few hundred requests from people who heard about it.

Mr. FULTON. Are they willing to pay \$1 and something for each copy?

Mr. PATMAN. Yes; some of them are. The gentleman I think is a little bit misleading. He does not intend to be. The fact is your expense is in connection with the first thousand. After that there is not much expense to it. The Government Printing Office will print them and get its money back.

Mr. FULTON. If there is not enough to pay for the first thousand in requests, the Government is already at a deficit when it prints the first thousand, and I have not heard anything more from the sponsor of the resolution himself except the request for a couple of hundred. So on his own statement there is a deficit of \$800.

Mrs. DOUGLAS. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from California.

Mrs. DOUGLAS. I have had a great many requests for this pamphlet.

Mr. FULTON. For how many?

Mrs. DOUGLAS. I do not know.

Mr. FULTON. Would the gentleman say 100 or 200?

Mrs. DOUGLAS. I would say something like that. It is something that there has been a certain amount of publicity carried on in the newspapers and there have been letters coming in from universities, college women's clubs around the country, and so forth, hoping it will be printed.

Mr. FULTON. That would still leave a deficit of \$600 on the first thousand, even taking the gentleman's own statement.

Mrs. DOUGLAS. I will say to the gentleman from Pennsylvania that there is definitely an interest in the mail. It is one of the subjects about which people seem to be interested.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the able gentleman from Texas.

Mr. RAYBURN. The gentleman of course knows, as I am sure he does, that these books will not cost \$1 a copy. It will probably cost as much to print the first one, after all the type has been set up, as it will several thousand. The \$1 cost of the first thousand does not mean that the next thousand will cost that much, or the next 10,000 will cost as much as the first thousand. I doubt it.

Mr. FULTON. No, but I believe the gentleman from Texas will agree with me that it will be a substantial cost.

Mr. RAYBURN. That is true of any of these documents, of course.

Mr. FULTON. If it will cost that amount of \$1,680 to print the first thousand, the successive printings will be a substantial amount also, although not in the same amount.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from New York.

Mr. CELLER. As to the matter of mail, I come from Brooklyn where we have quite a number of colleges and schools and a library system, and I have received requests of the librarians of a dozen different libraries and from hundreds of students in the colleges and schools in Brooklyn asking for copies.

Mr. FULTON. May I ask the gentleman from New York, whom I respect very much, how many requests he has received?

Mr. CELLER. I would say I received about 75 requests.

Mr. FULTON. Then, add the gentleman's 75 to the gentleman from California's 200 and the sponsor's request for 200, you have 475, so there is still a deficit there on the first thousand.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the distinguished gentleman from New York, my good friend on the Foreign Affairs Committee.

Mr. JAVITS. Is it not a fact that you cannot possibly decide this thing on any

such narrow basis as the \$1,600 cost, or whether there is a demand for 750 or 1,000 copies? What you are really doing is this: There has been much consideration given to Communism in Action, and it is justified. Every American should know about Communism in Action. But is it not true that our greatest American tradition is even-handedness, and as it is conscientiously believed that there is a situation requiring the publication of Fascism in Action, that history ought to be told, too. It ought to be made available on an even basis and in the same way. The \$1,600 expense really cannot be considered to be important compared with the matter of treating on an even-handed basis with both of the totalitarian extremes of communism and fascism.

Mr. FULTON. Let me say to the gentleman that certainly American democracy has had 6 or 7 years of intensive practice and indoctrination on the evils of fascism. The gentleman and I were participants in the last war to stop fascism. I thought that when we had finished this war we were through with fascism. Now, my point is, I do not want to go into ancient history and further expense to publish ancient history books here. I understood from one of the gentlemen who spoke here previously that this was simply a documentation of fascism in Europe, that is, Italy and Germany, and that it had almost nothing to do with America.

Mr. PATMAN. Mr. Speaker, if the gentleman will yield, is not the same thing true of Communism in Action, that it dealt with Russia and Europe?

Mr. FULTON. That is where we disagree. I think there is little fascism in the United States.

Mr. CORBETT. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Speaker, I would like to yield to the gentleman from Pennsylvania. I am strictly in a neutral corner on this matter. I want to find out about the merits of the book. We are talking about costs and we are talking about various other things, and I know there are some of us on the floor here that would like to know a little about the merits of the book. Is the principal object to give publicity to the gentleman from Texas [Mr. PATMAN] or is this a book that has sufficient merit to be put into published form along with the other book on communism, and are they both about situations in the United States, or is one about communism in the United States and the other about fascism in Europe? As one Member on this floor, I would like to have the answers to the questions concerning the actual requirements and necessities and the merits of the book and not entirely about whether it is going to cost \$1,600 or \$800.

Mr. FULTON. There have been inferences made at times, but I do not think the gentleman from Texas has put the book out for that purpose.

Mr. CORBETT. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Speaker, I am a member of the Committee on House Administration and have heard the arguments made both pro and con regarding this matter. It seems to me that since Communism in Action has been published, if we should fail to publish Fascism in Action, it could very well be effectively urged by some people who would not care to do our country any good that we were winking at one extreme.

Personally I am very much opposed to communism and I am also very much opposed to fascism. I am opposed to anything that is subversive of good Americanism. I believe you will agree with me that both communism and fascism are opposed to Americanism. I believe you will also agree with me that we must be always alert in this country and anxious and active in supporting our American way of life.

I do not believe in going on witch hunts and I definitely do not believe in becoming hysterical. Personally, I do not agree with a great many very fine people in this House in their views about imminent danger. I do not see it as some do. Honestly I cannot. But I do recognize the fact that there is always some danger that we might actually lose our way of life. We can lose it by the Fascist route just as well as we can by the Communist route. Sometimes I am constrained to think that we could lose it more easily that way.

I think we would do an unwise thing if we should publish Communism in Action, which we have done, and then refuse to publish Fascism in Action. I believe it could be effectively said by a great many people that we were winking at one and fighting only the other.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. MORRIS. I yield to my distinguished friend from Mississippi.

Mr. WILLIAMS. Will the gentleman agree with me that there is more need for the application of the principles of the Holy Bible today than there would be for Fascism in Action?

Mr. MORRIS. Of course we always need the Bible. All of us need it.

Mr. WILLIAMS. I am wondering if the gentleman would also support the printing of the Holy Bible as a House document? What does the gentleman think about that?

Mr. MORRIS. I think that might be going just a little bit far. I think I should oppose that. I believe I should be compelled to do that.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. MORRIS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The gentleman knows that we had other enemies than just Germany and Italy. He knows that we were fighting Japan. Some of us who were in the Pacific feel that if you publish Fascism in Action you then should publish Shintoism in Action, because we were also fighting that aggressive "ism." If you leave Shintoism out and publish Communism in Action and Fascism in Action, you then must go on to Shintoism, because otherwise you would be agreeing with Shintoism. Then when

you get a little further, unless you take what the gentleman from Mississippi says as to the Bible, and publish the Bible, you are in favor of Buddhism and Mohammedanism.

Mr. MORRIS. It is rather trite to put it that way, but I believe that is hardly logical and accurate. If a person has a headache, it is a very good idea sometimes, I think, not to get in the habit of it, but to take an aspirin, but I believe it would be a very bad thing for a man to take a whole box of aspirins at one time. It may be a very good idea for us to publish some of these things occasionally, but if we start to publish everything on any and every subject or ideology that we might disagree with, of course, it would be carrying the matter to an absurd point.

Sometimes I doubt that Congress should have ever gotten into this publishing business. Perhaps that is not the best way to do this. But since we have started it, certainly it would be unwise in my judgment if we did not publish both booklets.

Mr. CORBETT. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. SMATHERS].

Mr. SMATHERS. Mr. Speaker, I subscribe to the remarks made by distinguished colleague the gentleman from Oklahoma [Mr. MORRIS]. Like him, I dislike communism and fascism both. We discussed this at some length in the committee, and it was finally concluded that while we did not like either fascism or communism, inasmuch as we had printed the book *Communism in Action* it was only fair and proper that we should also print something about fascism if some Member wanted it printed.

Some people do not like whisky and some people do not like gambling. It is all sinful. Of course, we are all against sin. So if we are going to waste time talking about the evils of gambling, we might as well waste time talking about the evils of drinking. That is just about what this discussion of fascism and communism amounts to.

It has been charged here that this book would give aid and comfort to the Communists if it were put out. That might be. But we all know that people who believe in a totalitarian form of government will use anything they can for aid and comfort. They frequently quote the Bible in order to get aid and comfort for themselves. They are bound, of course, to quote this booklet if it is printed. But, nevertheless, if it is fair for one side to print its case, it is fair for the other to have its printed. I think, just as the gentleman from Oklahoma [Mr. MORRIS] stated, that we would be making a grievous error to print one side of the picture and then not agree to print the other side.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SMATHERS. I yield.

Mr. McCORMACK. As a matter of fact, I sat on the committee when we voted to print 500,000 copies of *Communism in Action*. Fascism is a totalitarian form of government, and the reason I voted for this book, which I hope will be published, is that it will enable us to ap-

preciate more what our own country stands for. I am not afraid of communism or fascism when we have leadership which will put into vital action the great ideals that we stand for. From reading the book which the gentleman from Illinois [Mr. DIRKSEN] had compiled, I think that what we learn is to have a greater appreciation and love of the fundamental truths of mankind which our country stands for.

Mr. SMATHERS. I thank the gentleman very much.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. SMATHERS. I yield.

Mr. CELLER. I just thumbed through the study called *Fascism in Action* which is a documented study and analysis of fascism in Europe. If you read this I take it that you will have danger signals planted in this country so that we can avoid the pitfalls and dangers that befell the people of Italy, Germany, the Argentine, and Spain, so that we can profit from their experiences. Does not the gentleman think that is the case?

Mr. SMATHERS. Absolutely, and I thank the gentleman very much for his remarks.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. SMATHERS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I can appreciate the remarks made by our distinguished minority leader regarding the effect of this book and that possibly we would have more love for our country if we had a better understanding of the way fascism worked in Europe. But I want to ask the gentleman if he does not think that we do have a greater love for our American form of government just because of the blood that was shed over there during the last 7 years and that we do not need this book to make us love America as compared to fascism.

Mr. SMATHERS. I thank the gentleman very much for his observation, but I do not agree with him at all. It is not a case of whether or not we love America. Let us assume that we all do and that we love democracy. The point is that we are trying to show up the evils to this government. We as a group may fall into the evils of communism on the one hand or fascism on the other hand if we are not made aware of the evils of both.

This book, as I understand it, was not designed to indict any particular group in the United States. I understand that the book *Communism in Action* did not point out any particular groups but merely showed how communism worked and how a country could easily fall into a Fascist dictatorship or a Communist dictatorship without realizing it. It was also brought out at the committee hearings that as far as this book is concerned, you could take the word "Fascism" and substitute it for the word "Communism," because those ideologies are so similar that you can work from one to the other without hardly knowing it. That should be brought out so that the people would know that.

The SPEAKER. The time of the gentleman from Florida [Mr. SMATHERS] has expired.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record at this point.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I have been amazed today as I have witnessed the opposition mount on the floor of the House, to printing as a House document the Legislative Reference analysis of *Fascism in Action*.

The two main points of criticism have been as follows:

(a) The cost of \$1,600 is an unnecessary expenditure for printing the first 1,000 copies.

(b) There is no need for such a study as there are no Fascist groups or Fascist philosophy in the United States.

Regarding the cost objection I have only this to say: It is a hypocritically falacious excuse. We have engaged in the greatest war in the world's history against fascism and its twin nazism. We spent over \$300,000,000 and incurred a million casualties to defeat these twin totalitarian philosophies. To hesitate now to spend \$1,600 for an impartial analysis of the methods and procedures used by the Fascist dictators to enslave their people is parsimony beyond measure.

Can it be that those who oppose the printing of this exposure of Fascist methods are fearful that the yardstick may be used to measure some of our own native Fascist organizations and fascistically inclined people?

I voted for the analysis made by the Legislative Reference which was labeled *Communism in Action*. I have distributed hundreds of these booklets in my district. I would like to follow the same procedure with the *Fascism in Action* analysis.

I am one of those people who fervently believe that in our constitutional democracy there are methods and procedures which can obtain by peaceable means the reforms and improvements we need. I do not believe that we have to turn to any totalitarian method of government for advice or aid.

I fervently believe that our people should know from an authoritative source the fallacies contained in totalitarian beliefs, methods, and procedures. I believe so sincerely in the principles of true democracy that I am willing to place them in competition with any other form of government known to man. I have no doubts as to the outcome of such competition and comparison.

Now as to the second objection raised, that there is no Fascist philosophy groups or individuals in the United States, I brand this contention as false and shocking in the ignorance it betrays.

One has only to recite a few of the groups that have been active in the last decade, many of whom avowedly followed the Nazi-Fascist line to realize the danger of this objection. I give here the names of only a few, the German-American Bund, the Ku Klux Klan, the Black Legion, the Silver Shirts, the Society of

Sentinels, and many others can be gleaned from the La Follette Committee's report on the investigation of civil liberties.

The recent seditionist trial revealed the names of many professional, racist, labor hating, Fascist leaders, such as Gerald L. K. Smith, Lawrence Dennis, George Sylvester Viereck, Joseph P. Kamp, Elizabeth Dilling, and scores of others who have been indicted for pro-Fascist leadership. To say then that there is no cause to expose such Fascist groups and leaders as cited above, or to state that no such Fascist danger exists is to either expose a dangerous ignorance or to become a willing or unwilling tool of sinister forces.

These forces are not dead, either in Europe or America. They are dangerous to the liberty of free men in our democracy.

No expense or trouble is too great, to expose to the pitiless glare of publicity the methods, procedures, aims, and purposes of totalitarian philosophies, regardless of whether they be Fascist, Nazi, Shinto, or Communist. I have faith in the superiority of democracy. I believe it can function to solve the problem of economic security, while maintaining the dignity and liberty of the individual.

Mr. CORBETT. Mr. Speaker, I yield 5 minutes to the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Speaker, I am a little surprised at the debate on this resolution. It seems to me it is a very simple question to decide. I cannot understand why the debate should hinge on the small amount of money involved. I recall several resolutions that were voted out of our committee, which came before this House, many of them carrying provisions which would necessitate very large appropriations, and they were brought up and passed by unanimous consent.

This resolution, it seems to me, should require very little debate if we want to be fair. We voted for Communism in Action, and we were very glad to do so. I think probably that manuscript has done a great deal of good in this country. Perhaps it has taught many people, who knew very little about communism, the dangers of it. I think if this resolution is adopted and we have the manuscript printed, it will have the same effect.

I heard one of the speakers say that this had to do with fascism in Europe. I think the manuscript on Communism in Action had to do with Russia. Is that not right?

Mr. PATMAN. I think that is correct. It is a technical analysis of communism in action in the Soviet Union.

Mrs. NORTON. That is correct; and this is fascism in Europe, where there is and has been much fascism with tragic results. Probably we have quite a bit of fascism in this country also. I think we ought to be warned of its dangers. We must realize that both communism and fascism are very great dangers to our democracy. Because of that I think we ought to know wherein the danger lies.

I would also like to see a companion piece to both of these manuscripts prepared on "Democracy in Action." Of

course, we should know all about democracy. But do we? We are living under a democracy, but I am very much afraid there are many people in this country who do not seem to know very much about what democracy means. We have plenty of fascism in this country. Certainly we have plenty of antidemocracy. So perhaps we should have another manuscript prepared on "Democracy in Action." I believe that if "Democracy in Action" were to become a textbook, let us say, in all of the schools of this country, we would have neither fascism nor communism. People would know exactly how lucky we are and how very fortunate this country is. A fact many seem to forget.

So let us not talk about a few thousand dollars in connection with this resolution. We have voted so many thousands of dollars for so many things that have been so much less important that we should not quibble about a thousand dollars more or less. The manuscript is carefully prepared under the direction of Dr. Ernest Griffith and his staff. The same director and practically the same staff as the one that prepared "Communism in Action." I believe both communism and fascism are threats against the future peace of the world. Any good information about either is necessary and should be available notwithstanding the small cost to the Government. I do not believe that the small cost involved is the reason anybody really is objecting to this resolution; I think it probably goes much deeper and I sincerely hope that the Members will feel as I do, that we should have all the knowledge possible on communism and on fascism and on democracy, too. An informed public can be depended on to make a comparison and then we need have no fear as to the verdict.

Mr. CORBETT. Mr. Speaker, I yield 15 minutes to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Speaker, I would appreciate it if the Clerk would read the report of the Committee on House Administration.

CALL OF THE HOUSE

Mr. BONNER. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and thirty-eight Members are present, not a quorum.

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. 104]

Andrews, N. Y.	Cox	Harness, Ind.
Bell	Cravens	Hartley
Bennett, Mich.	Crawford	Hébert
Bland	Davis, Tenn.	Heffernan
Bloom	Dawson, Ill.	Hendricks
Boggs, La.	Dawson, Utah	Hinsaw
Bolton	Delaney	Jenkins, Ohio
Buckley	Domenegeaux	Jennings
Bulwinkle	Dorn	Johnson, Okla.
Byrne, N. Y.	Eaton	Jones, N. C.
Camp	Elliot	Jones, Wash.
Case, S. Dak.	Flannagan	Kearns
Chadwick	Gallagher	Keating
Cole, Mo.	Gifford	Kee
Cole, N. Y.	Granger	Kelley
Coudert	Hagen	Kennedy

Kerr	Nixon	Short
Kilburn	Norrell	Simpson, Pa.
King	O'Toole	Smith, Ohio
Lea	Pfeiffer	Thomas, Tex.
Love	Powell	Vail
Lynch	Priest	Vinson
Mansfield, Tex.	Rayfiel	Vursell
Mason	Redden	Wadsworth
Meade, Ky.	Rich	Welch
Michener	St. George	West
Mills	Sanborn	

The SPEAKER. On this roll call, 350 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

REVENUE BILL, DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 58.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 3737) to provide revenue for the District of Columbia, and for other purposes, the Clerk of the House is authorized and directed, in section 2 of article III, to insert after the word "repealed" the following: ", effective on the first day of the first month following the approval of this act."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRESIDENTIAL SUCCESSION LEGISLATION

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order at any time to take up for consideration the bill, S. 564, the Presidential succession bill; that general debate continue not to exceed 2 hours, one-half the time to be controlled by the chairman of the Committee on the Judiciary and one-half by the ranking member of the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. HALLECK]?

Mr. SABATH. Mr. Speaker, reserving the right to object, if this bill becomes law and if unfortunately anything should happen to the President, the bill provides that the Speaker of the House would succeed?

Mr. HALLECK. That is right.

Mr. SABATH. If unfortunately it had to be a Republican, I do not know of any man I would rather see President than the present Speaker of the House.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

FASCISM IN ACTION

The SPEAKER. The gentleman from Illinois is recognized.

Mr. BUSBEY. Mr. Speaker, we have under consideration House Resolution 83, which reads as follows:

Resolved, That the manuscript of a documented study and analyses of Fascism in Action, prepared by the Legislative Reference Service of the Library of Congress, be printed as a House document.

This resolution was voted out of the subcommittee of the House Administration Committee without recommendation. It was also voted out of the House Administration Committee without recommendation. It is therefore up to the House itself to decide what action is to be taken on the resolution.

No person who has been through the sacrifices of the last world war can offer any objections to a constructive pamphlet on fascism. The first chapters of the draft presented in the proposed document constitute a very able analysis of fascism in Germany and Italy. One can offer no valid objection to these sections.

Mr. Speaker, there has been so much misrepresentation about this document entitled "Fascism in Action" that I think a review of its history would be in order. I must admit that I did not know such a document existed, or was even in the subcommittee, until one Sunday night I turned on the radio and heard Mr. Drew Pearson accuse the gentleman from Pennsylvania [Mr. CORBETT], chairman of the Subcommittee on Printing, of bottling up the document *Fascism in Action*. From the remarks of Mr. Pearson on the radio I thought it might be interesting to look into the document *Fascism in Action*. I therefore cannot claim a great deal of credit for my analysis of the document because I probably would never have given it a second thought if Mr. Pearson had not called it to my attention.

Unfortunately, the document was not available in its final form then, but was available about a week later. I read it very carefully and found there were inaccuracies in it. At the hearing of the full Committee on House Administration, Dr. Griffith and Dr. Kalijarvi agreed to correct these inaccuracies. I pointed out several other portions that should be revised, and they agreed to make those revisions.

It is unfortunate that printed hearings are not available to the Members of Congress so that they might study them and know exactly what has been under consideration by the committee. However, the hearings have not been returned from the Government Printing Office so we do not have them available in order to make a real evaluation in this debate. It is also unfortunate, the final revised copy of the document is not available to all Members of Congress so they could read its contents in final form.

Someone mentioned there is a demand for this document. I want to explain what created this so-called demand. In the March 17, 1947, issue of *In Fact*, published by George Seldes, there appeared an article entitled "GOP Blocks New United States Book on Fascism." In this article Mr. Seldes makes a great many unfounded charges against the committee and the majority party, together with an appeal to his subscribers to write the chairman of the House Administration Committee, the gentleman from Iowa [Mr. LECOMPTE], and the gentleman from Pennsylvania [Mr. CORBETT], chairman of the Subcommittee on Printing for copies of the document. That is what created the so-called demand.

I checked every post card and letter the committee received. I think it was

the gentleman from Pennsylvania [Mr. FULTON], who asked for this information. I wish to advise him that there were 669 post cards and letters sent in to the gentleman from Iowa [Mr. LECOMPTE], chairman of the committee, and 152 to the gentleman from Pennsylvania [Mr. CORBETT], chairman of the Subcommittee on Printing. Eighty percent of those sent to the gentleman from Pennsylvania [Mr. CORBETT] were duplicates. I analyzed the dates on those post cards and letters and practically every one of them was sent in within a period of 3 weeks after the article appeared in *In Fact*.

I regret the hearings are not available because all this information is brought out in them.

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from New Jersey.

Mrs. NORTON. Is it not a fact that the same staff prepared this manuscript that prepared the Communist manuscript?

Mr. BUSBEY. The gentlewoman from New Jersey is in error because many people worked on this document who did not work on Communism in Action; but it was prepared by the staff of the Legislative Reference Service of the Library of Congress.

Mrs. NORTON. Dr. Griffith was the chairman of that staff or, rather, the director of the staff; is that correct?

Mr. BUSBEY. That is true.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from Michigan.

Mr. HOFFMAN. If we were to print this, why should we not have a study by the Library of Congress, the FBI, and the House Un-American Activities Committee made on communism right here in America?

Mr. BUSBEY. Some of the previous speakers brought up the question of getting acquainted with fascism in America, its dangers, and why we should become acquainted with that subject. I agree with the statement. We should be advised of any Fascists or Fascist organizations in America. But there is not one single word in the document *Fascism in Action* regarding any Fascist organization or any Fascist individual in America.

Mr. HOFFMAN. What is it all about then?

Mr. BUSBEY. It is a study and analysis of fascism in Europe. I wish to advise the Members that 60 percent of the document is on nazism in Germany and the pamphlet, to be correct, should be called *Nazism in Action* because the part devoted to fascism is much smaller than that devoted to nazism in Germany.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. BUSBEY. I yield to the gentleman from Illinois.

Mr. DIRKSEN. If the gentleman will indulge me just a moment, I want to say that I think this is a venture in education, and while I know nothing about the contents of the document, I am going to vote for it. Now, Communism in Action has had a subscription of

about 700,000 copies, and I think it is very useful. I want to concur in the statement made by the gentleman from Michigan that there is a growing need for a companion piece called *Communism in America* that should be documented and it should be printed by the millions of copies so that every citizen and every American will know what this ism really is within the boundaries of our own country.

Mr. BUSBEY. I agree with the gentleman that the people of the United States should be warned about the menace of communism in the United States.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. BUSBEY. Not at the present time, please. I think the gentleman from Illinois has time of his own, if I am not mistaken.

The House Administration Committee, on my motion, agreed to write to Secretary of State General Marshall, and request him to make available for this document the agreement between Ribbentrop and Litvinov, or the famous German-Russian Treaty before Hitler attacked Russia, because it would be a valuable addition to this document. Unfortunately, we have not received a reply from Secretary of State Marshall, and I hope the information will be available before the document is printed.

Mr. Speaker, the *Daily Worker* of June 18, 1947, says:

Congressional attempts being made to suppress or censor part of its report, *Fascism in Action*, are caused by big business stooges in and out of the House.

I defy anybody to name any big business stooges or any businessmen that have been trying to keep this document from being published. I have to admit that I was the member of the committee that raised the objection to the inaccuracies and suggested the changes that should be made in the document. I will take oath that no one in or out of business has approached me at any time to try to keep me from having this document printed.

It is generally agreed among the members of the House Administration Committee that the document, *Fascism in Action*, is a better one in its revised form. However, I do think it can still be improved. Please understand, I am not opposed to the printing of a document on fascism, whether it deals with Europe or America, but I am sure every Member of this body must agree with me in wanting any document on this subject printed as a public document by the House of Representatives to be as actual and factual as possible.

I yield to no one in my firm belief that all doctrines that are un-American and inimical to our form of government should be exposed in order that the people of our country might easily recognize them and thereby be in a position to stamp them out. Certainly fascism comes within this field as well as nazism and communism. Any document or book which presents any proof of any Fascist organizations or individuals in the United States should be made available to the people in order that they may know who our enemies are, especially here at home.

Mr. Speaker, I believe that all of us are firmly indoctrinated in the principles outlined in the Constitution of the United States and its Bill of Rights. That living document protects the individual from the excesses of the state, and it might well be the hallmark of any political movement really trying to bring democracy to a chaotic world. It is natural that we abhor any system purporting to bring democracy to this world which in reality is a system to glorify the state at the expense of the individual, especially during a period when such state power culminates in a single dictator. Regardless of the label, the test is a simple one. Any state subordinating the rights of the individual to the whims and caprices of a dictator cannot be a democratic state according to our conception. Regardless of our political divergencies, we all have been trained since childhood to a recognition of certain legal and ethical concepts.

Instinctively I recoil from any political system which has as a fundamental tenet the antithesis of what we regard as these legal and ethical concepts. I know it is as repugnant to you as it is to me. Let me refresh your recollection by the following illuminating quotations from authoritative Communist and Nazi sources.

The Thesis and Statutes of the Communist International, adopted in 1920, and a fundamental document for all Communist parties, states that—

The task of the proletariat consists of blowing up the whole machinery of the bourgeoisie—in destroying it, and all the parliamentary institutions with it. . . .

Every Communist member (of Parliament) must remember that he is not a legislator who is bound to seek agreements with the other legislators, but an agitator of the party detailed into the enemy's camp in order to carry out the orders of the party there.

On April 30, 1928, Dr. Goebbels, the Nazi propagandist, wrote in his paper *Der Angriff*:

We enter Parliament in order to supply ourselves, in the arsenal of democracy, with its own weapons. We become members of the Reichstag in order to paralyze the Weimar sentiment with its own assistance. If democracy is so stupid as to give us free tickets and salaries for this bear's work, that is its affair.

I note with deep regret that the document prepared by the Legislative Reference Service of the Library of Congress does not mention a single Fascist organization or individual in the United States; in fact, it ignores the subject entirely.

The original document did not bring to the attention of the reader the striking similarity between fascism, communism, and nazism. I, therefore, suggested the inclusion in the preface of my 16 points of similarity of these systems of dictatorship. These will appear in the revised document.

Unfortunately, the foreword by the sponsor, the gentleman from Texas [Mr. PATMAN], deals with a subject far removed from the contents of the document. He makes many charges and accusations that he not only does not back up with proof of fact but was unwilling to do so when he was a witness before the House Administration Com-

mittee. He makes no analysis of concrete manifestations of Fascist attitudes, such as Gerald L. K. Smith, the Columbians, and the Ku Klux Klan.

Dr. Louis Domeratzky, one of the leading economists of our country, was employed at considerable expense in the middle of October 1946 to act as editor-in-chief of the document. His biography, from *Who's Who in America*, reveals his special qualifications for the task.

Four of the chapters were written by Dr. Domeratzky and submitted to Dr. Griffith in their finished form by February 1, 1947. These chapters were Finance and Fiscal Policy, Foreign Policy, Foreign Trade, and Organization of the Economy.

Sometime during the latter part of April changes were made in the four chapters written by Dr. Domeratzky by the Legislative Reference Service. Due to an almost overnight deadline demand of the gentleman from Texas [Mr. PATMAN], it was impossible to even discuss the rewritten chapters with Dr. Domeratzky.

It is my personal opinion that the four chapters prepared by Dr. Domeratzky are far superior to those prepared by the Legislative Reference Service and the document would be of far greater value if the chapters had not been rewritten.

In fairness to Dr. Griffith I wish to bring to the attention of the Members of Congress what, in my judgment, is a serious defect in the Reorganization Act of 1946. At present, if any Member of Congress requests Dr. Griffith to prepare a document such as *Fascism in Action*, or any other book, he has no choice but to comply with the request. There are hundreds of subjects that Members of Congress might ask the Legislative Reference to prepare which they would like to sponsor. I ask you, in all fairness, is it right to use the time of these highly paid specialists to write books because one individual requests it, when their time should be used in preparing data for the various committees and for Members desiring data on important legislation pending before the Congress?

Throughout the manuscript, there was a tendency to generalize and to slant the writing in such a way as to provide the basis, after its appearance as a public document, for using the authority and judgment of the United States Government itself to prove that some present United States policies are similar to the Fascist and expansionist policies of Nazi Germany.

While the document, *Communism in Action*, will never serve the interests of the Soviet Union, the original proposed document, *Fascism in Action*, might have been a valuable propaganda vehicle for the Soviet Union and Communists all over the world.

Mr. CORBETT. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Speaker, I take a moment of this time to congratulate the gentleman from Illinois [Mr. BUSBEY] upon his interest in this document to the end that any inaccuracies that might be found would be discovered and corrected, and that seems to have been done.

I concur largely in and am moved in a large measure by the observation made by the gentleman from Illinois [Mr. DIRKSEN] to the effect that although I am not particularly familiar with the entire document I think it is one that deserves favorable action by the House in printing it as a public document.

I do not know who can define the word "fascism." There is such a thing as Nazi-fascism, which has been prevalent particularly in Germany, and it is not at all dead. It is alive and working today, and has been since very shortly after the cessation of hostilities.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. FOLGER. I am sorry, I have only 3 minutes.

Mr. WILLIAMS. Can the gentleman prove that statement?

Mr. FOLGER. Commissions of very estimable men have investigated the activities of nazism, a form of fascism, in Germany since the war was over, and find that it is growing day by day, week by week, month by month, and now year by year.

As I understand communism, it is another form of totalitarianism. Neither fascism nor communism regards the individual. In this democracy of ours we believe that God created man in His own image, that He breathed into his nostrils the breath of life, and that man became a living soul. There is, therefore, attached to every man that lives a dignity that is unsurpassed by position or power. A man is a man in a democracy. That is the form of government in which we believe. You and I as Members of this House today regard ourselves as the servants of the people of this country, and that is democracy, as opposed to totalitarianism, whether it be fascism or communism, in the world.

Mr. CORBETT. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, there are two extremes of ideology in the world. One is fascism and nazism, and the other is communism. We abhor both. We published *Communism in Action* as a House document, and we must, to be just and even-handed, publish *Fascism in Action*. I am for this resolution and shall vote for it.

Mr. CORBETT. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I have already stated my views in opposition to the printing of this document. I want to use the time I now have for the purpose of telling the House that a motion to recommit this resolution will be made. I want to state the reasons.

In the first place, copies of this document have not been made available to every Member of the House, but have only been made available to members of the Committee on House Administration. Aside from the members of the Committee on House Administration, I dare say there is not a Member of the House who will know what he is voting for when he votes on this.

In the second place, the thing is still being revised, as I understand, and I do

not believe the House would be in a position to vote on it until it had seen the revised and final edition.

There are no hearings available for the use of the House now. They are in process of being printed, and I certainly think they should be available to the Members before they could vote intelligently on this document.

This came out of the subcommittee without recommendation to the full committee. It came from the full committee to the House without any recommendation. I think the House is entitled to have a little further knowledge of the contents and nature of this document before it votes on it. For that reason, a motion to recommit will be made, and I urgently ask the Members to vote to recommit this resolution to the Committee on House Administration.

Mr. CORBETT. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, I understand the expense of this is \$1,680 for the first thousand that would be printed. If you start printing a series of this sort of booklet, first comes Fascism in Action, and then you will have Democracy in Action, and then you are going to have Free Enterprise in Action, and you will go from there on. So the question is, Are you going to start a series of such "action" booklets and do you want to run into the expense of printing 100,000 copies of this? I am for economy.

Mr. CORBETT. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I cannot escape the conviction that those who oppose this resolution fear the truth.

The American people are entitled to have the truth and the facts. For the sake of our democracy we must be prepared to defend ourselves from all dangers, from the left and from the right.

I am opposed to all isms—unless it be Americanism.

Our Government has stood us well for 170 years. We must preserve it; and to preserve our Government and our way of life we must make the American people as familiar with the dangers from fascism—which, I repeat, is a far greater menace than communism—as they are with the dangers of communism. I am sure that the defenders and advocates of fascism or of nazism do not fully realize the dangers.

FASCISM IS SUBVERSIVE AND UN-AMERICAN

Can anyone contend that fascism is not subversive and un-American?

There are certain shrewd gentlemen who, to serve dangerous interests of their own, wave the red herring of communism across the fascist trail to try to throw us off the scent; we must not be misled or turned aside.

If Members will but familiarize themselves with the authentic reports of our own committees, and of Senate committees, and read for themselves what the Nazis and the Fascists have done and are doing and are still planning; or if they will study such books as Darel McConkey's *Out of Your Pocket* and Howard Armbruster's *Treason's Peace* or the

study of cartels by the Twentieth Century Fund, they could not and would not be stopped from exposing the hidden scourge of fascism and its accompanying evils of monopoly and cartel.

EVEN IN OUR OWN COUNTRY

They should learn for themselves what is even now transpiring in Germany and in all European countries where the twin criminal ideologies of nazism and fascism are being nurtured by fanatics for future renaissance, and of how, under cover of base ideological propaganda, there is an international conspiracy to revive and reestablish the world-wide cartels, even here in our own country.

They would not then oppose, but would welcome, the printing of this slim pamphlet by the millions.

Working under cover all over the world, the Nazi-Fascists cannot even wait until the peace treaties are signed to show their hands.

Look at the newspaper headlines of the last month or two.

I select just a few at random to illustrate what I mean. A United Press story from Paris, dated July 1, is headed: "Details of French Rightist plot for march on Paris revealed."

The Washington Post put this headline on another United Press story from Rome dated June 22: "Sudden raids on Fascist lairs net hundreds in Italy, Sicily."

Over a June 14 United Press story from Paris summarizing the report of the International Committee for Study of European Questions the same paper carried this headline: "Sabotage in occupied zones—Argentina is called center of three-continent Nazi ring."

The Chicago Daily News of June 26 had this headline over a byline story by Wallace R. Deuel, the widely known reporter and correspondent: "Germans organize to win sympathy."

Fascism is in action nearer home. The Chicago Sun had this headline on a story from Buenos Aires by Virginia Prewett on June 14: "Argentina takes control of stock market dealings."

AMERICAN FASCISM IN ACTION

Now I am going to quote at length from an editorial column by Peter Edson, an ardent young Republican, who is chief of the Washington bureau of Roy Howard's Newspaper Enterprise Association. This column appeared June 10. I omit only those paragraphs which are no longer timely.

AMERICAN FASCISM IN ACTION

(By Peter Edson)

Six months ago if anyone had said that the United States was leaning toward fascism you could have called him crazy.

On the surface of American life today, however, there are a few events which may be worth a second look in the microscope, to see if they contain the germs of growing fascism. They are in no way related. But, taken together, perhaps they indicate a trend in thinking.

The recent Supreme Court decision approving the FBI search without warrant of the home of an Oklahoma forger is perfectly good Fascist doctrine. Hitler did it—searching and seizing the homes, property, and persons of suspect anti-Nazis without due process of law.

LABOR BILL, TOO

Some portions of the Taft-Hartley labor bill which may later be interpreted as a denial of constitutional rights show Fascist inclinations.

Under certain conditions, employees may be denied their right to reemployment. Supervisory and professional employees are denied the right to be represented by labor organizations of their own choosing.

Sections of the law making new definitions of unfair labor practices are open to a number of interpretations which may be considered unnecessarily repressive.

IT'S A STEP

This new labor law is in no sense comparable to the Hitler and Mussolini labor codes, which virtually enslaved German and Italian workers and broke their unions. Nevertheless, to the degree this law makes a beginning toward such action, it bears watching. The tests will come in how the courts rule on its meaning.

Similarly many other measures now waiting final action in Congress have totalitarian leanings. The bill to wipe out free enterprise competition and create one "chosen instrument" air line to have a monopoly on United States international air commerce is an example.

MORE ATTACKS

In any number of bills proposed this year there is a tendency to take away protection of the consumer and the little man, giving special interests and opportunity for exploitation. So the housing and price controls went off. Thus the regulatory functions of the Federal Power Commission over natural gas, of the Bureau of Reclamation over public power, of the Federal Communications Commission over radio in the public interest, are all under attack.

In business itself the trend toward concentration of productive capacity in the hands of big companies represents a threat to small business, a shift toward the Nazi-type monopoly.

MONOPOLY HUNGER

The desire of the insurance, railroad, and other elements of business to be freed from the antitrust laws is significantly Fascist in its plea for special privilege.

In its foreign policy the United States is suspect. What are the implications of this new recognition of Peron's definitely Fascist regime in the Argentine? Does aid to Turkey and Greece mean bolstering up the dictatorial governments of Athens and Ankara? There seems to be too much Hitlerian belief in the inevitability of another war. What's needed is more preparedness for peace.

THE STUDY

Viewing all these and other events like them, Democratic Congressman WRIGHT PATMAN, of Texas, asked the Legislative Reference Service in the Library of Congress to make a study on fascism in action in the United States today. A short time ago it was finished. PATMAN asked that 100,000 copies be printed for the public.

There was precedent for this in the publication last year of *Communism in Action*, prepared by the Legislative Reference Service at the request of Representative EVERETT M. DIRKSEN (Republican, Illinois).

* * * The fact that censorship of this document is being considered sounds bad. Political censorship of this kind is fascism in itself. PATMAN's full text should be made available, to let the public decide what censorship is needed.

* * * Representative PATMAN asked for an investigation of fascism last March. Nothing has been done in that direction. * * *

When Gov. Harold Stassen interviewed Stalin in Moscow, the Russian dictator declared that he could see no difference be-

tween a Republican and a Democrat. He may be right.

But the answer to that one is that in the United States it's hard to tell the difference between a Communist and a Fascist. One is just as dangerous to the American form of government as the other.

HITLER IDEAS STILL LIVE

Mr. Speaker, wherever there are newspaper and magazine reporters they are writing about fascism in action.

Hitler lives.

The mere fact that Adolf Hitler, the man, died in the flaming ruins of Berlin did not mean the end of the Nazi ideologies.

The undignified execution of Benito Mussolini did not automatically do away with statism. The death of Goebbels and Goering did not bring about an end to the vicious principles and practices of propaganda which they raised to the level of an exact science.

FEW TO FIGHT FASCISM

The voices raised against the dictatorship and invisible government of big business, against the Fascist concepts of statism, of race and religious hatreds, of police rule, are few and small and weak.

Some gentlemen have asked the names of Fascist organizations here. I gave them some on June 13. I shall provide more soon. But not all Fascists are banded together in clubs or organizations.

Fascism is a state of mind, a series of oppressive ideas. I hope this Congress will not refuse to print 1,425 copies of this neutral and scholarly treatise on Fascism in Action. It is inconceivable to me that we should have hesitated so long, after having printed 375,000 copies of Communism in Action with no hesitancy whatever.

I think some members of that committee merely have been blinded by their almost psychopathic fear of communism to the fact that American democracy, as a way of life, is unique in the world today.

WE FOUGHT THE AXIS

Perhaps the gentlemen have forgotten that we are still technically in a state of war with the Fascist Axis. No peace treaty has been signed with Japan; no peace treaty has or can be signed with Germany because there is no responsible German Government. Hitler preferred to destroy his nation and himself rather than to give up his dream of world conquest.

Is Hitler to be victorious in death? Are his ideas to be allowed to race rampant throughout the length and breadth of our Nation without exposure, without criticism, without comment?

DICTIONARIES DEFINE FASCISM

I call upon the Members of this House to consult their dictionaries. In Webster's Collegiate Dictionary, fifth edition, published in 1947, I find this definition of fascism:

Any strongly centralized autocratic national regime with severely nationalistic policies, exercising regimentation of industry, commerce, and finance, rigid censorship, and forcible suppression of opposition.

The very same dictionary defines the Falange as a Spanish Fascist organiza-

tion. Yet we are told with pride that the most prominent American apologist of the Franco Falangist government has appeared before the committee on resolutions of the Republican Party to state his views. Is that the reason that the resolution to print Fascism in Action has been so long delayed? Is there fear that Fascism in Action will offend Merwyn K. Hart and the big business sympathizers of Hitler, Mussolini, Franco, Hirohito?

CORPORATIVE STATE IS FASCIST

Let me quote again from Webster's Collegiate Dictionary the definition of the corporative state:

Centering supreme authority in one corporate body made up of representatives of key corporations (employer-employee bodies) exercising regimentation severally in industry, business, banking, labor, and all other entities of the body politic; as, the Italian corporative state.

The Spanish state might also have been mentioned.

Have we not advanced already too far on the dangerous road toward a corporative state? The National Association of Manufacturers, through its lobbyists and lawyers, is writing the labor laws passed by this Republican Congress. The publications of the United States Chamber of Commerce, prejudiced and distorted as they are, are purchased by the Navy Department as official textbooks.

Mr. Speaker, we must turn back. We must find again the straight and narrow road of democratic faith and democratic action. We must act in the interest of all the people. We must not lose the peace.

Mr. CORBETT. Mr. Speaker, I yield the remaining time to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, the charge is made that the left-wing newspapers are for this resolution. Newspapers like the Washington Post, and the St. Louis Star-Times, and papers published all over the Nation support this. They are not left-wing newspapers. The CONGRESSIONAL RECORD has had a lot about it.

It has been said that the only information contained in it is about fascism in Europe. It is exactly the same as the booklet Communism in Europe. One offsets the other. It was prepared by the same staff. It is said that the cost would be \$1,680 for the first thousand. It is charged that it would cost too much. While the first thousand would be printed, then thousands of other copies would be printed and be sold by the Government Printing Office at a good profit just like other documents have been sold.

I have been opposed to both communism and fascism for 25 years. It is not new with me. I have never denounced one without denouncing the other. One is approaching us from the left and the other is approaching us from the right. We should have full information about both ideologies. This document has not been censored to the extent that anything essential has been taken out of it. The committee did not insist on censorship notwithstanding reports to the contrary. Everything that is essential is in this document. Everything that was

essential to it in the beginning is in it now and will be in it when it is printed. This document has been well prepared by well-qualified, reputable people under the direction of one of the greatest men of this country, Dr. Ernest Griffith, Director of the Legislative Reference Service. It sets out the truth. It states the truth insofar as the Legislative Reference Service has been able to compile the truth. We should not be afraid of the truth. We should want to know about the earmarks of fascism in order that we may identify Fascist organizations in this country. It is necessary that we fight both communism and fascism. We have printed the book on communism. Now let us vote "Yea" on the question that is now coming up to print this document as a House document. Then a request will be made for extra copies. You will have the printed copies. If you do not want extra copies made they will not be printed. You will see the printed copy first, in advance. So I ask you to vote against the motion to recommit and vote "Yes" on the passage of this resolution.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. CORBETT. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

Mr. WILLIAMS. Mr. Speaker, I have a motion to recommit at the Speaker's desk.

The SPEAKER. Is the gentleman opposed to the resolution?

Mr. WILLIAMS. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion of the gentleman from Mississippi.

The Clerk read as follows:

Mr. WILLIAMS moves to recommit the resolution to the Committee on House Administration.

The SPEAKER. The question is on the motion of the gentleman from Mississippi to recommit the resolution.

The question was taken; and on a division (demanded by Mr. WILLIAMS) there were—ayes 116, noes 117.

Mr. FULTON. Mr. Speaker, I ask for tellers.

Mr. RANKIN. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

Mr. FULTON. Mr. Speaker, I ask for tellers.

Tellers were ordered; and the Speaker appointed Mr. CORBETT and Mr. WILLIAMS to act as tellers.

The House again divided; and the tellers reported that there were—ayes 115, noes 124.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the resolution.

The question was taken; and the Speaker announced that the "ayes" had it.

Mr. MARCANTONIO. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. CORBETT. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SPECIAL ORDER GRANTED

Mr. PHILLIPS of California. Mr. Speaker, I ask unanimous consent that on Friday next and on Monday next after disposition of business on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 30 minutes on both days.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. HAND asked and was given permission to extend his remarks in the Appendix of the RECORD.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on H. R. 4102.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Alaska [Mr. BARTLETT] is recognized for 15 minutes.

THE ALASKA SHIPPING SITUATION

Mr. BARTLETT. Mr. Speaker, on behalf of the people of Alaska I desire to thank the gentleman from Ohio [Mr. WEICHEL], distinguished chairman of the Merchant Marine and Fisheries Committee, for appointing a special committee to inquire into the relations of the United States Maritime Commission with the Alaska shipping situation and, generally, to review that situation. The members of this special committee are Mr. ALLEN of California, Mr. BRADLEY of California, Mr. TOLLEFSON of Washington, Mr. JACKSON of Washington, and Mr. HAVENNER of California. I welcome their official entry into a field which fairly cries for investigation.

Most of us are so constituted that we would rather praise than condemn. Perhaps that is especially so when the criticism has to do with the operations of an executive agency of our Government. But the time has come—probably it is overdue—when this House should learn some of the facts relating to the Maritime Commission and Alaska shipping.

I observe that the gentleman from Ohio, Chairman WEICHEL, is unconvinced that the operations of the Maritime Commission are all they should be. Similarly, I note that the gentleman from New York [Mr. TABER], the chairman of the Appropriations Committee, has called the attention of the House to

the practices of that Commission. It is time the House heard about them and for my part I intend here and now to give the House some facts regarding the Maritime Commission and its mismanagement and lack of vision in the Alaska shipping service.

Alaskans have a great pride of place. They are proud of the fact that they live in the northernmost land under the American flag and that they are pioneers in the development of our last great frontier. They are of sturdy stock, assembled from each of our 48 States, and well equipped by reason of mental and physical capacity to surmount the difficulties which are always encountered in a new country.

They are used to meeting emergencies, battling them, and overcoming them. They have created typical American communities, overcoming every obstacle that nature set up against them. They have conquered nature, but now they are confronted by a new and more urgent emergency which is the handiwork of man. They have been assailed by fellow Americans and they have desperate need to draw upon all their reserves.

Living in an area where the maritime rates have always been higher than elsewhere, Alaskans had pretty well adjusted themselves to a condition of legalized plunder; since man is always hopeful and optimistic, they had hoped and expected that which was bad would eventually become better as population increased and as Alaskans became more able to raise their voices effectively. In this hope and in this expectation they simply did not comprehend the strength and the ruthlessness of their masters, the Seattle operators of the steamship lines which serve the Territory.

Alaska has always been a country of high prices. A high price is historically to be expected in a pioneer community. And Alaska, while on the mainland of North America, is with respect to transportation practically in the same position as an island. All its goods that are not produced locally—and such production is only a fraction of 1 percent—must be transported by steamship to Alaska ports. In this transportation Alaskans have always been used to paying terrifically high rates. In the spring of 1947 they found themselves compelled to pay more—much more—than they ever have before and they find this unjust increase made legal by an edict of a United States Government agency.

When the people of a Territory fall even to be heard by an agency because of the arbitrary and capricious exercise of power vested in an agency, they have no recourse but to plead their case before Congress. Today there is little effective redress in the courts against the tyranny, the whimsicality, the bias, and the fears of a quasi-judicial agency. It is to be regretted that appeal from administrative law is a virtual myth, but it is so. Only the most outrageous exercise of discretion, only the most transparent prejudice, only the self-confessed bias of such agencies can be corrected by the courts.

I do not have any expectation that in this instance the plight of 90,000 Alaskans can or will become the concern of

the chastened and restricted courts or a busy Congress. The Congress has already attended, as far as has seemed proper, to the legacy the war left to the peacetime shipping problems of Alaska. But I do want every Congressman, particularly every Congressman who has been baffled in bringing congressional attention to bear on his local problem, to note and to long remember what I say here. It has no bearing on his immediate frustrations, but it is replete with significance for a Congress too busy to pay attention to the arbitrary and capricious doings of governmental agencies in behalf of special interests, and it is overfull with significance that no Delegate can effectively shout down, give pause to, or strike fear into the hearts of Commission officers unless Congress can disengage itself from concerns of national and world-wide moment to rebuke and reprimand an agency for its whimsicality, its ruthlessness, and its utter disregard of the public interest. It is for reasons such as the one I would like to relate, that all Territories and possessions feel themselves like political zombies, of the living political world but politically without soul and without status to render their opinions in a forceful and vital and compelling manner.

The facts of this specific complaint are quite beyond dispute. After making incredible wartime profits—incredible compared with their prewar earnings and incredible compared with their insignificant investments in ships afloat, three Alaska carriers decided to try to perpetuate those earning levels by crying to the high heavens and to all the world that would gullibly listen in a hearing before the United States Maritime Commission at Seattle in November 1945 that they needed the stupendous increase of 118 percent over and above their prewar rates for their postwar carrying between Seattle and Alaska. The 118 percent on top of their prewar rates, then and now, mile for mile, the highest of any shipping trade in the United States coastal, intercoastal, and offshore areas. The carriers attributed the need for this fantastic increase to the new wage-and-price levels emerging from the war, factors the assessment of which everyone was open-minded about, but also to extremely costly and irresponsible labor practices growing up during the war—some of which could inconceivably be established but others of which were open to question.

The hearings in Seattle were so suddenly scheduled and so unbelievably one-sided that a delay in establishing a rebuttal was wrung from the United States Maritime Commission. Moreover, the special examiner appointed for this proceeding was removed. Government economists, accountants, and lawyers from the Territory and from Washington were put to work to reason why such astronomical increases on top of already astronomical rates were required. They soon found that the Seattle hearings had revealed only an excited estimate of nonsense respecting both revenues and costs. Some of the most corrosive and scathing criticism ever offered by the Government in a public hearing sent the carriers into Coventry. The Government's

findings were so compelling that the United States Maritime Commission quashed the carrier's arguments in toto as literally out of the world of reality and probability.

Probably no proceeding before the United States Maritime Commission had ever been laughed down and ridiculed down to proper proportions so thoroughly and devastatingly as was the case in United States Maritime Commission Docket 641. Even Washington, the most sophisticated of all cities in appreciating good though ineffectual raids on the purse of the public, chuckled. Even the Maritime Commission chuckled. And, chuckling, it dismissed the lugubrious plea of the carriers and bade them try again. Not only was the special examiner removed but also the principal witness for the principal carrier was discharged. The \$8,000,000 increase that was declared in Seattle to be necessary was a clearly unsupportable figure. Nobody believed it was necessary. Nobody could show that it was necessary. It was the wolf cry of enterprisers all of a sudden frightened by the prospect of peacetime shrinkage of their wartime profits. And I repeat: Their cry begot merely ridicule in Washington, ridicule from the United States Maritime Commission, ridicule from the Department of Commerce, ridicule from OPA, and ridicule and scorn from the Territory of Alaska. All were willing to concede a need for other maritime carriers for increases 25 to 50 percent over prewar rates for an unsubsidized operation—but no more. Other carriers faced labor problems. Other carriers faced a new price level. But Alaska carriers faced no competition. And they were content to cry wolf. They were content to wear down Washington and to wear down the Territory of Alaska by protracted negotiations, in the hope that weariness of the entire problem would eventually, by default if not by merit, win them what they wanted.

After the United States Maritime Commission was compelled by sheer force of logic to clinch their pleadings as unworthy of entertainment, the carriers pleaded the need for relief from Congress. There were groups for believing that they needed relief from Congress. The economic consequences of the War Shipping Administration's operation of offshore fleets seemed to be bad. Moreover, the war had, by reason of requiring shipping in unaccustomed routes and under adverse weather and enemy-action conditions, led to a severe depletion of the fleets customarily assigned to the Alaska trade. Alaska needed ships which the carriers did not have. Alaska also needed ships to operate at a rate something less than 218 percent of prewar rates. The Congress therefore provided that Alaska residents need not pay the full apparent costs of shipping for the year 1947-48, by providing that the capital costs of the fleet necessary for the 1947-48 operation would in large part be absorbed by the Federal Government as a proper Federal expense for the costs directly attributable to the exigencies of war, costs which were not shipping costs proper, but rather war-

engendered costs. None of the carriers had the requisite capacity for meeting the needs of the Alaska trade. One operator had no ships; one had a hopelessly inadequate vessel, inadequate by prewar and postwar standards, and one operator had a fleet down from a prewar score of ships to five vessels for postwar—as sorry a fleet of "cattle boats" as ever put to sea under the American flag. One of their ships was 77 years old, built when our grandfathers were young—indeed when Ulysses Grant was President.

The carriers had no claim upon Alaska. Theirs was, at most, a vested interest in the past, a well-rewarded interest. They could not supply the needs of Alaska if they would—not without Government ships.

These were gladly supplied in 1942, 1943, 1944, 1945, 1946, and 1947 by the Federal Government. War and the habits of wartime supplied the tonnage needed in Alaska. The Territory was a bastion of defense and a vast loading field for aviaional movement. It was the military support of the west coast. It was the lend-lease life line to Russia.

Its civil population increased between 1942 and 1943 by over 20 percent. Its military population much more. Congress properly recognized the growth of the Territory and its increasing importance as to military area by granting in effect a subsidy on Alaska shipping for 1946 when the other Territories reverted to private operating and for 1947-48 when Alaska should find its bearings for the postwar period. This congressional policy was established by joint resolution in February 1947.

Between 1945 and that date the Territorial Government and the carriers had been in formal communication, in the hope, on the part of the former at least, that protracted and expensive hearing might be avoided and yet that a satisfactory meeting of minds might be effected.

The Territory in these meetings protested that the gross discriminations between the prewar rates payable by the canned fish industry and the year round residents of Alaska should be abolished. The Congress should know that the fish industry in Alaska is a 4 months' industry, but it requires ships on hand the year around for its needs these few months a year; yet it paid before the war about half the rates for freight which residents of Alaska paid. What could be fair about this? The Territory conceded that the welfare of the canned fish industry was important to the Territory's welfare, but it could not in reason or conscience concede that rates which bore so heavily upon its year round business and consumers in order to offset preferential rates for the industry were either fair or in the public interest.

The Territory's plea fell on the deafest of deaf ears. The carriers proceeded to file tariffs in excess of prewar tariffs, which not only preserved but enhanced the degree of discrimination which existed before the war. This filing took place shortly after passing of the joint resolution authorizing a temporary subsidy for the Alaska shipping service. The

carriers consulted no single person in the Territorial government about either the general increase involved or about specific rate increases for freight or passengers. They merely dumped into the laps of the Commission a proposal to increase 1941 freight rates by 66 percent—a 66 percent increase even though there are no capital costs to be reckoned for Government-owned ships. If capital costs were to be covered, the general increase would, by comparison with the 66 percent increase, have to be in the neighborhood of the absurd increase proposed at Seattle in November 1945. Thus it is as if the Government had never rejected the first proposal, as if it had never spent any time and money pointing up the invalidity of it, as if it had never been laughed down.

The 66-percent increase was, as I say, dumped into the lap of the Maritime Commission to be effective 30 days thereafter. The Territory immediately began to prepare a protest, not the usual perfunctory protest and not the merely rhetorical and emotional type of protest, but a thoughtful analysis based on recent cost revenue and tariff experience in the Alaska trade. The analysis showed that the rates proposed were more discriminatory than ever, that the trade was wastefully overserved, that some ships would be making Alaska voyages only one-fifth filled, that the proposed rates would yield \$4,000,000 in excess of legitimate costs and profits.

The Territory presented a carefully weighed brief to the Maritime Commission. It showed that in some instances rates for north-bound goods to residents of Alaska were twice the rates for identical goods south-bound. Between ports it showed the clearest kind of discrimination. The proposed rates would permit a carrier to send out a vessel virtually empty just to compete with another carrier. Why not? The public will pay for it out of excessive rates. The Territory could no more imagine the necessity for such extremely wasteful competition than residents of Washington could imagine the need for running three busses loaded and the next seven empty. The Territory could no more imagine the necessity for such scheduling than the Congress could imagine the need for running three planes out of Washington filled and the next seven planes empty.

But these findings were old stuff. For a year and a half the Maritime Commission has been told about them. The Territory merely brought the statistics on them up to date and prepared its brief with all possible speed.

In the halls of the Maritime Commission, when it was learned that the Territory would protest, there was heard the conjecture, "What would the Territory do for service if the rates were suspended and the carriers refused, as they had threatened if suspension were ordered, to operate?" It became obvious that the Commission entertained threats. In fact, the Territory learned very shortly that threats make rates. Textbooks should be brought up to date.

The Territory's petition for suspension was summarily denied. No reason for the

decision was given. The Territory's petition for oral argument was not even acknowledged. Clearly it was up against a stone wall. The carriers who had assembled here for argument of the proposal smugly zipped their brief cases closed and sauntered off. While we in blind innocence awaited a decision, the carriers had already announced to the Seattle papers that the petition of the Territory had been denied. Not until we got this news did the Maritime Commission inform us that we were not to have a day in court.

Now, with the zealous protection of the Maritime Commission, the carriers have one hand in the Federal Treasury for their capital costs and their other hand in the pockets of Alaska for \$4,000,000 more than they justly deserve—\$4,000,000 on top of \$12,000,000 of cost-covering revenue, that is, rates 33 1/3 percent too high. Four million dollars—twice the cost of statehood some people assert Alaska cannot afford—for 90,000 people to pay. And Alaska is now paying it because administrative caprice and arbitrariness upset all the rules of rate making.

Where is the public interest in this case? It was not even heard, let alone considered. If the Commission seeks to excuse its conduct because of the carriers' threat to suspend operations, then it acknowledges that threats make rates. The Territory was prepared to endure a cessation of service rather than stand for the legalized plunder involved in these new rates. It had only recently endured a 105-day strike, and the Maritime Commission sat on its hands waiting for carriers and union leaders to exhaust each other and the public. The Territory was prepared to withstand threats and attempted blackmail. It knew that it had to.

Of course, the Commission holds out the consolation cup, a little cup or an empty cup, depending upon how you see it. It offers us the opportunity to participate in a general investigation to see whether the new rates are lawful. This is like permitting crime to go on while the courts are hearing why it should not go on. It is a small consolation for the bitter pill the Commission has prescribed for the Territory. For a year and a half the assertions of the carriers have been shown up as gross exaggeration and fantasy. Then, all of a sudden, those assertions are acted upon as true and are to be swallowed up as part of a pretended emergency. Speed of action becomes necessary, so necessary that the carriers can name the rate level they want, the impact of the rates on users and ports, the scheduling they want, and the number of ships they will take from the Government. In effect, they, and not the Commission, have abrogated to themselves the right to decide what is fair, what is equitable, and what the public interest is. All, of course, on an ex parte basis. And the carriers return to Seattle to resume their wasteful ways at rates they had not expected to get and had not shown any need for.

It will be alleged that the Territory will have its day in court; in other words, it will be able to participate in a general rate investigation. But what does this mean? Substantially it means that for

the next 6 to 12 months the present rates will be in effect while the need for them is being explored. Prices in Alaska meanwhile are going up because freight rates have gone up. The people of Alaska will pay and pay and pay while judgment is taken.

But the principal owner of the two important fleets of Alaska is a large-scale cannery. He has seen to it that he and his fellow cannerymen will pay only a small part of the increases, and he has seen to it without any embarrassment. The unnecessary \$4,000,000 will be a buffer against all conceivable kinds of loss, but they will not come in any substantial measure from him or the cannery industry. He does not have to justify a rate for canned fish south-bound from Kodiak to Seattle, one-half the rate for dry groceries north-bound to Kodiak. He makes up his own mind what the public interest is, files the rates he wants, and in effect gets those rates for this year's operation—all that without a hearing. If this is rate making in the public interest, then why bother with the deceptive trappings of a regulatory body? Private determinations make public rates. Why pretend otherwise? Why mislead the public that Alaska's ship rates are this year the results of regulation? No argument, however clever, can make it seem so. No metaphysic can show it to be so.

Moreover, lest any stone be left unturned in behalf of the carriers, the Commission has gone to the incredible length of providing, over the protest of the Territory, that the subsidy approved by Congress may be awarded only to the carriers who pretend to have a first claim on the Alaska trade. No examination of their efficiency is made. No exploration of the waste of having three or four carriers, instead of one, overlapping one another's voyages is conducted. No limit is put upon the number of sailings they may wastefully indulge. The charm of their vested interests overrides such practical considerations. Whether other carriers could do a better job or secure a better balance of traffic—as the Territory knows to be so—is no matter to disturb the Commission.

Congress did not pass an exclusive subsidy for the benefit of the Alaska carriers or for the benefit of the Alaska canneries, but for the benefit of the Alaska public. The Commission, however, believes that what it says a resolution means is what Congress meant. And the Commission says that the subsidy is exclusively not for one carrier, not for efficient carriers, but for the Alaska carriers. It wraps itself up in the pious garb of economy and says that any other decision would result in wasteful use of Government property. It does not dare, however, seriously to examine the fact that in the past 2 years ship after ship at public and Federal expense left for Alaska using only 20 to 30 percent of voyage capacity. Ask any seagoing carrier how typical this scheduling is. Of course, it will occur now and then, but if it became typical the American merchant marine would quickly disappear from the high seas. Foreign competition would quickly see to that. But in Alaska we are helpless against this inefficiency.

The Alaska carriers say that this intolerable loading factor is now necessary because they have been accustomed to it. They do not know how to increase it and they do not want to learn. Paper, pulp, and limestone cannot leave Alaska and British Columbia because their rates are too high. And their rates are too high because paper, pulp, and limestone are not part of their southbound load. They never were! Therefore, they never should be!

So much for this complaint. What can be done about it? Not much in this instance, I fear. The process of government, good and bad government, work too slow for immediate correction. But sooner or later the Congress must come to realize that regulatory powers over rates must be divested from agencies given the responsibility of promoting railroading, trucking, aviation, and merchant marine. Agencies cannot promote these activities with one hand and protect the general public interest with the other hand. It cannot be done. These regulatory powers were once delegated to agencies as public defenders. That concept was soon supplanted by the assumption that the agencies had a quasi judicial function. But even this concept goes by the board in an instance such as I have related, and the responsible agency becomes an abettor and a devil's advocate for private interests. Sooner or later this must be corrected. The sooner it is the better for the public interest.

Any hearings held in the future will be long drawn out, and even the most optimistic of us would scarcely hope that a decision will be reached before the provisions of the joint resolution expire in June 1948. In the meantime, Alaskans will be assessed these terrifically high rates. Some will simply be unable to meet the high cost of living and will return to the States.

And this at a time when the National Government is demanding settlement of Alaska. Again it is the case of the left hand undoing that which has been accomplished by the right. And, curiously enough, the Federal Government, which has furnished ships at practically no cost and exclusively to the Seattle operators, will, as the chief shipper to the Territory, have to pay the lion's share of the new rates. It does not make sense. It cannot make sense, because there is no logic behind it.

SENATE BILLS, JOINT RESOLUTIONS, AND CONCURRENT RESOLUTIONS REFERRED

Bills, joint resolutions, and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 8. An act to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the District of Columbia; to the Committee on the District of Columbia.

S. 136. An act for the relief of Ioannis Stephanes; to the Committee on the Judiciary.

S. 186. An act for the relief of Santiago Naveran; to the Committee on the Judiciary.

S. 187. An act for the relief of Antonio Arguinzonis; to the Committee on the Judiciary.

S. 189. An act for the relief of Simon Fermin Ibarra; to the Committee on the Judiciary.

S. 190. An act for the relief of Pedro Ugalde; to the Committee on the Judiciary.

S. 208. An act for the relief of certain Basque aliens; to the Committee on the Judiciary.

S. 364. An act to expedite the disposition of Government surplus airports, airport facilities, and equipment, and to assure their disposition in such manner as will best encourage and foster the development of civilian aviation and preserve for national defense purposes a strong, efficient, and properly maintained Nation-wide system of public airports, and for other purposes; to the Committee on Expenditures in the Executive Departments.

S. 409. An act for the relief of Milan Jan-drich; to the Committee on the Judiciary.

S. 714. An act authorizing the Secretary of the Interior to issue a patent in fee to Claude E. Milliken; to the Committee on Public Lands.

S. 1043. An act for the relief of Frank J. Shaughnessy, collector of internal revenue, Syracuse, N. Y.; to the Committee on the Judiciary.

S. 1087. An act to amend section 502 (a) of the Department of Agriculture Organic Act of 1944; to the Committee on Agriculture.

S. 1180. An act to authorize the issuance of a special series of commemorative stamps in honor of Gold Star Mothers; to the Committee on Post Office and Civil Service.

S. 1249. An act authorizing additional research and investigation into problems and methods relating to the eradication of cattle grubs, and for other purposes; to the Committee on Agriculture.

S. 1317. An act to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands, for their own use or for lease purposes, while such lands remain under trust patents; to the Committee on Public Lands.

S. 1350. An act to authorize relief of accountable officers of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

S. 1402. An act to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen; to the Committee on the District of Columbia.

S. 1442. An act to amend sections 235 and 327 of the Code of Laws for the District of Columbia; to the Committee on the District of Columbia.

S. 1462. An act to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes; to the Committee on the District of Columbia.

S. 1508. An act to amend the act entitled "An act to express the intent of the Congress with reference to the regulation of the business of insurance," approved March 9, 1945 (59 Stat. 33); to the Committee on the Judiciary.

S. 1515. An act to make surplus property available for the alleviation of damage caused by flood or other catastrophe; to the Committee on Expenditures in the Executive Departments.

S. J. Res. 98. Joint resolution providing for membership by the United States in the World Health Organization and authorizing an appropriation therefor; to the Committee on Foreign Affairs.

S. J. Res. 129. Joint resolution to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia; to the Committee on House Administration.

S. J. Res. 133. Joint resolution to provide for returns of Italian property in the United

States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. Con. Res. 14. Concurrent resolution favoring a fair representation of American small businessmen on policy-making bodies created by Executive appointment; to the Committee on Interstate and Foreign Commerce.

S. Con. Res. 18. Concurrent resolution providing for the printing of proceedings at the unveiling of the statue of William E. Borah; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Mr. LeCOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 811. An act for the relief of J. F. Powers;

H. R. 3333. An act to authorize the transfer of the *Joseph Conrad* to the Marine Historical Association of Mystic, Conn., for museum and youth-training purposes; and

H. R. 3861. An act to allow to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purposes of certain provisions of the Internal Revenue Code.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 665. An act to reimburse certain Navy personnel and former Navy personnel for money stolen or obtained through false pretenses from them while they were on duty at the United States naval training station, Farragut, Idaho;

S. 686. An act to provide for the construction, extension, and improvement of public-school buildings in Owyhee, Nev.;

S. 723. An act to authorize the preparation of preliminary plans and estimates of cost for an additional office building for the use of the United States Senate;

S. 816. An act to repeal the Post Roads Act of 1866, as amended, and for other purposes;

S. 980. An act to amend the act entitled "An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes," approved July 31, 1946;

S. 1231. An act authorizing and directing the Commissioner of Public Buildings to determine the fair market value of the Fidelity Building in Kansas City, Mo., to receive bids for the purchase thereof, and for other purposes;

S. 1420. An act to authorize the issuance of certain public improvement bonds by the Territory of Hawaii;

S. 1421. An act to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes; and

S. J. Res. 122. Joint resolution consenting to an interstate oil compact to conserve oil and gas.

BILLS PRESENTED TO THE PRESIDENT

Mr. LeCOMPTE, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval bills of the House of the following titles:

On July 3, 1947:

H. R. 4031. An act making appropriations to meet emergencies for the fiscal year ending June 30, 1948, and for other purposes.

On July 7, 1947:

H. R. 195. An act to authorize the Secretary of Agriculture to sell certain lands in Alaska to the city of Sitka, Alaska;

H. R. 325. An act to transfer Blair County, Pa., from the middle judicial district of

Pennsylvania to the western judicial district of Pennsylvania;

H. R. 599. An act declaring Kenduskeag Stream, Penobscot County, Maine, to be a nonnavigable waterway;

H. R. 770. An act for the relief of Norman Abbott;

H. R. 837. An act for the relief of the estate of Abram Banta Bogert;

H. R. 959. An act to amend section 3179 (b) of the Internal Revenue Code;

H. R. 1513. An act for the relief of John C. Garrett;

H. R. 1610. An act to amend the act of June 14, 1938, so as to authorize the Cairo Bridge Commission to issue its refunding bonds for the purpose of refunding the outstanding bonds issued by the commission to pay the cost of a certain toll bridge at or near Cairo, Ill.;

H. R. 1851. An act for the relief of A. J. Davis, Mrs. Lorene Griffin, Earle Griffin, and Harry Musgrove;

H. R. 1866. An act for the relief of Paul Goodman;

H. R. 1893. An act to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia;

H. R. 1945. An act to amend sections 2801 (e) (4), 3043 (a), 3044 (b), and 3045 of the Internal Revenue Code;

H. R. 1946. An act to amend sections 2801 (e) of the Internal Revenue Code;

H. R. 2302. An act for the relief of New Jersey, Indiana & Illinois Railroad;

H. R. 2470. An act to authorize the establishment of a band in the Metropolitan Police force;

H. R. 3072. An act to authorize the preparation of preliminary plans and estimates of cost of for the erection of an addition or extension to the House Office Buildings and the remodeling of the fifth floor of the Old House Office Building;

H. R. 3235. An act to amend the Code of Laws of the District of Columbia, with respect to abandonment of condemnation proceedings;

H. R. 3251. An act to amend the act of July 24, 1941 (55 Stat. 603), as amended, so as to authorize naval retiring boards to consider the cases of certain officers, and for other purposes;

H. R. 3311. An act making appropriations for the Departments of State, Justice, and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes;

H. R. 3515. An act to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor; and

H. R. 3547. An act to authorize funds for ceremonies in the District of Columbia.

ADJOURNMENT

Mr. FULTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 54 minutes p. m.) the House adjourned until tomorrow, Wednesday, July 9, 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:

899. A letter from the Chairman, Federal Reserve System, transmitting the Thirty-third Annual Report, covering operations of the Federal Reserve System during the calendar year 1946; to the Committee on Banking and Currency.

900. A letter from the Chairman, United States Maritime Commission, transmitting

a report pursuant to the provisions of section 2, Public Law 12, Eightieth Congress; to the Committee on Merchant Marine and Fisheries.

901. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on House Administration.

902. A communication from the President of the United States, transmitting the report and recommendations of the Joint Philippine-American Finance Commission, dated June 7, 1947, and a technical memorandum entitled "Philippine Economic Development" (H. Doc. No. 390); to the Committee on Foreign Affairs 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:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 274. Resolution providing for the consideration of H. R. 3952, a bill to amend section 10 of the Federal Reserve Act, as amended, and for other purposes; without amendment (Rept. No. 803). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 275. Resolution providing for the consideration of House Joint Resolution 222, joint resolution terminating consumer credit controls; without amendment (Rept. No. 804). Referred to the House Calendar.

Mr. HOPE: Committee on Agriculture. H. R. 1809. A bill to facilitate the use and occupancy of national forest lands, and for other purposes; with an amendment (Rept. No. 805). Referred to the Committee of the Whole House on the State of the Union.

Mr. HORAN: Committee on Appropriations. H. R. 4106. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes; without amendment (Rept. No. 806). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALE: Committee on Interstate and Foreign Commerce. H. R. 4071. A bill to amend sections 301 (k) and 304 (a) of the Federal Food, Drug, and Cosmetic Act, as amended; without amendment (Rept. No. 807). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 3889. A bill to amend Veterans' Regulation No. 1 (a), parts I and II, as amended, to establish a presumption of service connection for chronic and tropical diseases; with amendments (Rept. No. 808). Referred to the Committee of the Whole House on the State of the Union.

Mr. CORBETT: Committee on House Administration. House Resolution 83. Resolution to provide for the printing of a documented study and analyses of Fascism in Action as a House document; without amendment (Rept. No. 809). Referred to the House Calendar.

Mr. DONDERO: Committee on Public Works. H. R. 3862. A bill to authorize the Federal Works Administrator to grant and convey to Montgomery County, Pa., a certain parcel of land of the United States in Norristown Borough, Montgomery County, Pa., for the purpose of erecting an additional annex to the present courthouse; without amendment (Rept. No. 810). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HORAN:

H. R. 4106. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

By Mr. GILLIE:

H. R. 4107. A bill to amend section 5 of the Federal-Aid Highway Act of 1944, approved December 20, 1944; to the Committee on Public Works.

By Mr. BATES of Massachusetts:

H. R. 4108. A bill to reduce in area the Parker River National Wildlife Refuge in Essex County, Mass., and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HESS:

H. R. 4109. A bill to amend the act entitled "An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products, and for other purposes," approved August 7, 1916; to the Committee on Post Office and Civil Service.

By Mr. HOPE:

H. R. 4110. A bill to amend title 1 of the act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges," approved June 29, 1935 (the Bankhead-Jones Act); to the Committee on Agriculture.

By Mr. JENSEN:

H. R. 4111. A bill authorizing the construction of flood-control works on the Little Sioux River and its tributaries in Iowa; to the Committee on Public Works.

By Mr. WOLVERTON:

H. R. 4112. A bill to provide for the acceptance and use of funds for support of the national weather service supplementing the funds appropriated for the operation of the Weather Bureau of the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

H. R. 4113. A bill to redefine the units and establish the standards of electrical and photometric measurements; to the Committee on Interstate and Foreign Commerce.

H. R. 4114. A bill to amend the Public Health Service Act to permit certain expenditures, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Wisconsin:

H. J. Res. 231. Joint resolution providing for membership and participation by the United States in the Caribbean Commission and authorizing an appropriation therefor; to the Committee on Foreign Affairs.

H. J. Res. 232. Joint resolution providing for membership and participation by the United States in the South Pacific Commission and authorizing an appropriation therefor; to the Committee on Foreign Affairs.

By Mr. FULTON:

H. J. Res. 233. Joint resolution authorizing the President to approve the trusteeship agreement for the territory of the Pacific Islands; to the Committee on Foreign Affairs.

By Mr. LARCADE:

H. Res. 276. Resolution to request the Secretary of Agriculture to take immediate action to prevent further damage to crops as a result of the use of the weed killer known as 2,4-D; to the Committee on Agriculture.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to take steps necessary to authorize immediate development of the Great Lakes-St. Lawrence waterway; to the Committee on Public Works.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to enact appropriate legislation to enable the several States and Territories to finance the administration of their unemployment-insurance systems; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. DONDERO:

H. R. 4115. A bill to quiet title and possession with respect to certain land in the town of Cheverly, Prince Georges County, Md.; to the Committee on Public Works.

By Mr. MONRONEY:

H. R. 4116. A bill for the relief of W. S. Burleson; to the Committee on the Judiciary.

By Mr. STIGLER:

H. R. 4117. A bill for the relief of Devi Dja; to the Committee on the Judiciary.

By Mr. WHITTINGTON:

H. R. 4118. A bill to authorize and direct the Secretary of the Interior to issue a patent for certain lands in Rankin County, Miss.; to the Committee on Public Lands.

PETITIONS, ETC.

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

729. By Mr. HART: Petition of the Hudson County Bar Association, expressing opposition to passage of H. R. 1639, the Jennings bill; to the Committee on the Judiciary.

730. By the SPEAKER: Petition of Miss Martha Moffitt, Sanford, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

731. Also, petition of Mrs. Alice R. Praster and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

732. Also, petition of A. M. Keller, Tampa, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

733. Also, petition of James R. Allen, Wilmington, Del., petitioning consideration of his resolution with reference to requesting the removal of the Attorney General of the United States from office for failure to take action on complaints filed with the Department of Justice over a period of several months; to the Committee on the Judiciary.

734. Also, petition of Mrs. C. Cody, Jacksonville, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

735. Also, petition of Henry C. Curtis and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

736. Also, petition of Orville Bright and others, petitioning consideration of their res-

olution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

737. Also, petition of Mrs. Jean Head and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

WEDNESDAY, JULY 9, 1947

(Legislative day of Monday, July 7, 1947)

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

Rev. Albert Joseph McCartney, D. D., minister emeritus, Covenant-First Presbyterian Church, Washington, D. C., offered the following prayer:

Once more, our Father, we would begin the legislative day with Thee. As we pause for this reverential moment, may we be still and know that Thou art God. We invoke Thy blessing upon the Members of the Senate, whether present or absent. Give us strength for our burdens, wisdom for our responsibilities, insight for our times, charity for our speech, courage for our convictions, and unfaltering faith in Thy divine leadership. So may the safety, honor, and general welfare of our Nation be advanced that happiness, peace, and prosperity may be established upon the sure foundation of truth and justice, virtue and piety.

In the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 8, 1947, was dispensed with, and the Journal was approved.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

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

DONATIONS BY NAVY DEPARTMENT TO NONPROFIT INSTITUTIONS AND ORGANIZATIONS

A letter from the Secretary of the Navy, reporting, pursuant to law, a list of institutions and organizations, all nonprofit and eligible, which have requested donations from the Navy Department; to the Committee on Armed Services.

REPORT ON ALASKA OCEAN TRANSPORTATION SERVICE

A letter from the Chairman of the United States Maritime Commission, transmitting, pursuant to law, a report relative to certain ocean transportation service to and from Alaska (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the Nu Beta Epsilon National Legal Fraternity in convention assembled on March 28, 1947, at Chicago, Ill., endorsing

the efforts of Congress and the President toward the immediate immigration of displaced Jews into Palestine, which was referred to the Committee on the Judiciary.

FELICITATIONS FROM ARGENTINE SENATE ON ONE HUNDRED AND SEVENTY-FIRST ANNIVERSARY OF DECLARATION OF AMERICAN INDEPENDENCE

The PRESIDENT pro tempore laid before the Senate a radiogram from J. H. Quijano, president, and Alberto H. Reales, secretary, of the Argentine Senate, which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

JULY 5, 1947.

PRESIDENT OF THE ILLUSTRIOUS SENATE, WASHINGTON:

I have the honor to transmit to you, Mr. President, and through you to that illustrious Senate the feelings of friendship and solidarity which I express in the name of the Argentine Senate and in my own name on the occasion of the one hundred and seventy-first anniversary of the Declaration of Independence of that great Nation.

J. H. QUIJANO,

President of the Senate.

ALBERTO H. REALES,
Secretary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RUSSELL, from the Committee on Armed Services:

H. R. 3055. A bill to permit the Secretary of the Navy and the Secretary of War to supply utilities and related services to welfare activities, and persons whose business or residences are in the immediate vicinity of naval or military activities and require utilities or related services not otherwise obtainable locally, and for other purposes; with an amendment (Rept. No. 463).

By Mr. HILL, from the Committee on Armed Services:

H. R. 3215. A bill to revise the Medical Department of the Army and the Medical Department of the Navy, and for other purposes; with amendments (Rept. No. 464).

By Mr. GURNEY, from the Committee on Appropriations:

H. R. 3678. A bill making appropriations for the Military Establishment for the fiscal year ending June 30, 1948, and for other purposes; with amendments (Rept. No. 465).

By Mr. YOUNG, from the Committee on Appropriations:

H. R. 3993. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1948, and for other purposes; with amendments (Rept. No. 467).

By Mr. BUCK, from the Committee on the District of Columbia:

H. R. 3131. A bill to extend for the period of 1 year the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended; without amendment; and

H. R. 3744. A bill to authorize the construction of a railroad siding in the vicinity of Franklin Street NE., District of Columbia; without amendment.

By Mr. McGRATH, from the Committee on the District of Columbia:

S. 1481. A bill to authorize the Board of Commissioners of the District of Columbia to establish daylight-saving time in the District; without amendment; and

H. R. 1448. A bill to amend section 7 of an act making appropriations to provide for the government of the District of Columbia for

the fiscal year ending June 30, 1903, and for other purposes, approved July 1, 1902; with an amendment (Rept. No. 466).

REPORT OF PERSONNEL AND FUNDS BY COMMITTEE ON AGRICULTURE AND FORESTRY

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following report was received by the Secretary of the Senate:

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
July 8, 1947.

To the SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each staff member employed by it for the period from January 3, 1947, to June 30, 1947, together with the funds appropriated to and expended by it:

James M. Kendall, clerk; salary, \$7,075.06; Joycette K. Jones, clerk; salary, \$6,026.72.

Funds appropriated, \$10,000; funds expended, \$1,780.38.

ARTHUR CAPPER, Chairman.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 9, 1947, he presented to the President of the United States the following enrolled bills and joint resolutions:

S. 665. An act to reimburse certain Navy personnel and former Navy personnel for money stolen or obtained through false pretenses from them while they were on duty at the United States naval training station, Farragut, Idaho;

S. 686. An act to provide for the construction, extension, and improvement of public-school buildings in Owyhee, Nev.;

S. 723. An act to authorize the preparation of preliminary plans and estimates of cost for an additional office building for the use of the United States Senate;

S. 816. An act to repeal the Post Roads Act of 1866, as amended, and for other purposes;

S. 980. An act to amend the act entitled "An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes," approved July 31, 1946;

S. 1231. An act authorizing and directing the Commissioner of Public Buildings to determine the fair market value of the Fidelity Building in Kansas City, Mo., to receive bids for the purchase thereof, and for other purposes;

S. 1316. An act to establish a procedure for facilitating the payment of certain Government checks, and for other purposes;

S. 1420. An act to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii;

S. 1421. An act to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes; and

S. J. Res. 122. Joint resolution consenting to an interstate oil compact to conserve oil and gas.

BILLS INTRODUCED

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

(Mr. JOHNSTON of South Carolina introduced Senate bill 1587, to amend the Reconstruction Finance Corporation Act so as to authorize the Reconstruction Finance Corporation to purchase home loans guaranteed or insured under the Servicemen's Readjustment Act of 1944, which was referred to the