R. Bradner Tilt Unit, No. 318, American Legion Auxiliary, Demarest, N. J.; and Alan Nutt Post, No. 126, American Legion, Cliffside Park, N. J.; all in support of legislation establishing a system of universal military training; to the Committee on Armed Services.

972. By the SPEAKER: Petition of John C. Burt, of New York, N. Y., petitioning consideration of his resolution with reference to reestablishing his civil rights guaranteed by the Constitution of the United States; to the Committee on the Judiciary.

973. Also, petition of Miss Ruth Dodge and others, of Daytona Beach, Fla., petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

974. Also, petition of Mrs. Mary Thitchener and others, of Tampa, Fla., petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

975. Also, petition of Mrs. Nettie Kisir, of Port Orange, Fla., and others, petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

976. Also, petition of J. P. Jackson, of South Miami, Fla., and others, petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

977. Also, petition of Thomas J. Reardon, of Hartford, Conn., petitioning consideration of his resolution with reference to enactment of legislation concerning the substitution of "yield" for "market quotation" as a method of valuation for the extension of credit; to the Committee on Banking and Currency.

978. Also, petition of Thomas J. Reardon, of Hartford, Conn., petitioning consideration of his resolution with reference to enactment of legislation concerning the common defense of our divine national economy; to the Committee on Banking and Currency.

979. Also, petition of Thomas J. Reardon, of Hartford, Conn., petitioning consideration of his resolution with reference to enactment of legislation to combat inflation; to the Committee on Ways and Means.

SENATE

THURSDAY, DECEMBER 18, 1947

(Legislative day of Thursday, December 4, 1947)

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

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

Our Father, let not my unworthiness stand between Thee and the Members of this body as we join in prayer.

Hear not the voice that speaks, but listen to the yearnings of the hearts now open before Thee in this moment when each one of us is alone with Thee.

May the love of God, which is broader than the measure of man's mind; the grace of our Lord Jesus Christ, which is sufficient for all our needs; and the fellowship of the Holy Spirit, who shall lead us into all truth, be with us all this day. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, December 17, 1947, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, in which it requested the concurrence of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT OF DEPARTMENT OF LABOR RELATING TO FEDERAL TORT CLAIMS

A letter from the Secretary of Labor, transmitting, pursuant to law, a report of the Department of Labor, stating "the Department of Labor paid no claims under the Federal Tort Claims Act," fiscal year ended June 30, 1947 (with an accompanying report); to the Committee on the Judiciary.

LAWS PASSED BY MUNICIPAL COUNCILS OF ST. THOMAS AND ST. JOHN AND ST. CROIX, V. I.

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Municipal Councils of St. Thomas and St. John and St. Croix, V. I. (with accompanying papers); to the Committee on Public Lands.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the business and professional division of the Passaic, N. J., section of the National Council of Jewish Women, endorsing the report of the President's Civil Rights Committee; to the Committee on the Judiciary.

By Mr. CAIN:

A resolution adopted by the Twenty-ninth National Convention of the American Legion at New York, N. Y., favoring the enactment of legislation to amend the United States Housing Act of 1937, as amended, to exempt from family income requirements amounts received from the Veterans' Administration for service-connected disability or disabilities; to the Committee on Banking and Currency.

REPORT OF COMMITTEE ON FOREIGN RELATIONS

Mr. SMITH, from the Committee on Foreign Relations, to which was referred the bill (S. 1605) to provide for payment of compensation to the governments of foreign countries for losses and damages inflicted on neutral territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor, reported it with amendments and submitted a report (No. 805) thereon.

BILLS INTRODUCED

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

By Mr. MURRAY (for himself and Mr. WAGNER):

S. 1900. A bill for the relief of Franz Eugene Laub; to the Committee on the Judiciary.

(Mr. CAIN introduced Senate bill 1901, to amend the United States Housing Act of 1937, as amended, to exempt from family income requirements amounts received from the Veterans' Administration for service-connected disability or disabilities, which was referred to the Committee on Banking and Currency and appears under a separate heading.)

By Mr. McMAHON (by request):

S. 1902. A bill for the relief of Athanasios Elias Cheliotis; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 1903. A bill for the extension and remodeling of the Federal building and post office in Aberdeen, Wash.;

S. 1904. A bill for the purpose of erecting a Federal building in Elma, Wash.;

S. 1905. A bill for the extension and remodeling of the Federal building and post office in Olympia, Wash.; and

S. 1906. A bill for the purpose of erecting a Federal building and post office upon a new site in Vancouver, Wash.; to the Committee on Public Works.

(Mr. FULBRIGHT introduced Senate bill 1907, repealing certain provisions of the Internal Revenue Code relating to the tax on oleomargarine, and for other purposes, which was referred to the Committee on Finance and appears under a separate heading.)

(Mr. MYERS introduced Senate bill 1908, authorizing the construction of flood-control work on the Lackawaxen River, Pa., which was referred to the Committee on Public Works and appears under a separate heading.)

By Mr. GURNEY:

S. 1909. A bill to remove the statutory limit of appropriation expenditures for repairs or changes to a vessel of the Navy; to the Committee on Armed Services.

By Mr. ECTON:

S. 1910. A bill authorizing the Secretary of the Interior to convey certain lands in Valley County, Mont., to Alfred Robert Appelgren; to the Committee on Public Lands.

AMENDMENT OF NATIONAL HOUSING ACT RELATING TO SERVICE-CONNECTED DISABILITIES OF VETERANS

Mr. CAIN. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to exempt from family income requirements covering admission to Government low-rent housing projects all amounts received from the Veterans' Administration for service-connected disability or disabilities, and I request that an explanatory statement by me, together with the bill, be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred; and, without objection, the statement presented by the Senator from Washington, together with the bill, will be printed in the RECORD.

The statement presented by Mr. CAIN was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAIN

The purpose of this bill is to exempt from family income requirements covering admission to Government low-rent housing projects, all amounts received from the Veterans' Administration for service-connected disability or disabilities. This action is prompted because many of our disabled veterans are getting not only their disability compensation but subsistence payments under the Servicemen's Readjustment Act of 1944 which results in total income of slightly more than the criteria now established by the Public Housing Administration.

Also to be considered is the fact that compensation payments received from the Veterans' Administration for disability are not classed as income for purposes of taxation and in many other respects. Because of this, it is believed that the inclusion of these payments is not fair to the disabled veterans. I wish to point out that this proposed bill

covers only those disabled veterans receiving amounts from the Veterans' Administration for service-connected disability or disabilities.

This bill was drawn in compliance with Resolution 242 of the Twenty-ninth National Convention of the American Legion, held in New York City, August 28–31, 1947.

The bill (S. 1901) to amend the United States Housing Act of 1937, as amended, to exempt from family income requirements amounts received from the Veterans' Administration for service-connected disability or disabilities, introduced by Mr. CAIN, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the second sentence of section 2 (1) of the United States Housing Act of 1937, as amended, is amended by inserting therein, immediately following the words "net income," the following: "(excluding any amounts received from the Veterans' Administration for service-connected disability or disabilities)."

CONSTRUCTION OF FLOOD-CONTROL WORKS ON LACKAWAXEN RIVER, PA.

Mr. MYERS. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill authorizing the construction of flood-control works on the Lackawaxen River, Pa., and I request that an explanatory statement of the bill by me may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and, without objection, the statement presented by the Senator from Pennsylvania will be printed in the RECORD.

There being no objection, the bill (S. 1908) authorizing the construction of flood-control work on the Lackawaxen River, Pa., introduced by Mr. MYERS, was received, read twice by its title, and referred to the Committee on Public Works.

The statement presented by Mr. MYERS was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FRANCIS J. MYERS, DEMOCRAT, OF PENNSYLVANIA, UPON INTRODUCING IN SENATE A BILL TO AUTHORIZE A FLOOD-CONTROL PROJECT ON THE LACKAWAXEN RIVER IN PENNSYLVANIA

The bill I have introduced authorizes the construction of flood-control work on the Lackawaxen River in Pennsylvania. It is my earnest hope that the Senate Committee on Public Works will see fit to expedite this bill in the next regular session of the Congress so that it may be possible for this project to be authorized in time for its inclusion for construction funds in the regular appropriation bill for flood control in the second session.

This project is somewhat unusual in that initial planning funds of $200,000 have already been made available for it in the civil functions appropriation for the 1948 fiscal year. The planning money was provided, even though the project has not yet been authorized by Congress, because of the extreme urgency of this project and the fact that floods have been sources of great devastation and hardship and suffering and loss of life in the northeastern section of Pennsylvania which this project will protect.

The report of Army engineers on this project points out that direct and indirect damages in this area in a sudden flood in May 1942 took a toll of $6,200,000, which is almost as much as the total estimated cost of $6,802,000 figured by Army engineers for the entire program.

The dollar sign aside, that same flood of May 1942 took 24 lives. There is no way of putting a dollar-sign value on that loss.

The project which my bill would authorize provides for construction of reservoirs on Dyberry Creek above Honesdale and a reservoir on the main stem of the Lackawaxen above Prompton. These improvements will provide protection against future loss of life and will prevent 96 percent of the tangible preventable damages from floods of the magnitude of the 1942 flood, the greatest of record.

This project is put forward as protection against hazards to life and the welfare of the people of Prompton, Seeleyville, Honesdale, and Hawley and is considered by Army engineers to be amply warranted on the basis of the resulting over-all benefits.

In the Seventy-ninth Congress I introduced a bill to authorize the project, but unfortunately too late for action at that time because the Commonwealth of Pennsylvania was not able to act on the project in time for me to try to have this project included in the omnibus authorization bill enacted in July of 1946. Although it has been the policy, I understand, in the past year on the part of the appropriate committees of the Congress to delay acting on individual authorization bills for waterways projects pending the drafting of an omnibus bill, I now feel that this matter has been allowed to drag on too long and that, since planning funds are now being spent on this project and it may soon be time to request construction funds for it, we make sure no technical point of order be raised against it because it is not authorized.

The people of Wayne County and vicinity in Pennsylvania who have suffered these periodic floods would certainly be bewildered if, now that planning work is under way on the project, the project itself is allowed to be delayed over a technicality.

EXPORTATION OF SURPLUS EGGS AND POULTRY PRODUCTS

Mr. BUSHFIELD submitted the following concurrent resolution (S. Con. Res. 36), which was referred to the Committee on Foreign Relations:

Whereas the Congress of the United States has voted to extend interim aid to the countries of Europe and Asia; and

Whereas this program has been inaugurated for the purpose of assisting in the relief and rehabilitation of the people of those countries; and

Whereas it has been reported by the Department of Agriculture that the United States will experience a surplus of approximately 5,000,000 cases of eggs in 1948; and

Whereas the price of both eggs and poultry in some sections of the United States is below 90 percent of parity as established by the Steagall amendment: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that, for the purpose of providing an outlet for the existing and anticipated surpluses of eggs and poultry products in the United States, the agencies and officials of the Government administering any foreign relief or rehabilitation program authorized by the Congress should, in the administration of such program and to the extent practicable, provide for the exportation of so much of the surpluses of such products as may be exported without adversely affecting the rate of domestic consumption of such products or causing undue rises in the prices paid for such products by domestic consumers.

INVESTIGATION OF MANUFACTURED MERCHANDISE HELD IN WAREHOUSES

Mr. LANGER submitted the following resolution (S. Res. 177), which was referred to the Committee on Banking and Currency:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation with a view to ascertaining (1) whether large amounts of manufactured merchandise are being withheld in public and private warehouses pending further general price increases; and (2) whether small retailers and those in rural areas are being discriminated against by large manufacturers and jobbers in the release and sale of manufactured merchandise. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation together with such recommendations as it may deem desirable.

CHANGE OF NAME OF COMMITTEE ON PUBLIC LANDS TO COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. BUTLER submitted the following resolution (S. Res. 179), which was referred to the Committee on Rules and Administration:

Resolved, That paragraph (1) (m) of rule XXV of the Standing Rules of the Senate is amended by striking out "Committee on Public Lands" and inserting in lieu thereof "Committee on Interior and Insular Affairs."

HOUSE BILL REFERRED

The bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

SUGGESTIONS FROM NEW YORK STATE CONCERNING SOLUTION OF THE HOUSING PROBLEM

Mr. IVES. Mr. President, as we all know, the question of housing, particularly public housing, is one of the most serious now confronting the country. I do not think that New York State is in any way peculiar in the difficulties it has encountered in solving this problem. However, New York has been most fortunate in having as Commissioner of Housing one who is, I might say, preeminent in the field of housing, and who has been doing an outstanding job in that connection. His name is Herman T. Stichman.

A few weeks ago, because of my personal interest in this matter, I wrote a letter to Commissioner Stichman requesting his ideas concerning the course that might appropriately be taken by the Federal Government in dealing with this question. He has replied and his answer is so illuminating, so pertinent and altogether so constructive in the suggestions which it contains that I now request unanimous consent to have printed in the RECORD my letter to Commissioner Stichman and his reply to me.

The PRESIDENT pro tempore. Without objection the order is made, and the correspondence will be printed in the RECORD.

The correspondence is as follows:

NOVEMBER 25, 1947.

Hon. HERMAN T. STICHMAN,
Commissioner of Housing,
New York City, N. Y.

DEAR COMMISSIONER: Recognizing you to be a preeminent authority in the field of public housing in which you have been doing an outstanding job, I am writing to you for information and advice. As you know, housing constitutes one of the most serious problems now confronting the country and is one of the most vital questions before the Congress.

As you will recall, I had some experience in dealing with this problem when I was majority leader of the assembly. I remember well how I used to turn to you for assistance in the consideration of legislation. It is only natural, therefore, that I again turn to you for the same reason when I am faced once more with a similar situation.

Inasmuch as you are thoroughly acquainted with the field of public housing and are familiar with the problems connected with it, I shall not presume upon your time by going into details in this communication. I write merely to ask you for ideas, suggestions and recommendations which you may be willing to make in connection with the over-all national housing problem. Any help you may be kind enough to give will be most appreciated.

With kindest personal regards, I remain,

Sincerely yours,

IRVING M. IVES.

DECEMBER 5, 1947.

Senator IRVING M. IVES,
Senate Office Building,
Washington, D. C.

DEAR SENATOR IVES: I appreciate your letter of November 25th and your thoughtful comments. Your continuing deep interest in solving our housing problems, of which I have long been aware, will be most helpful in the future as it has been in the past.

As you know, the citizens of the State of New York have been meeting the housing problem realistically, largely through their own efforts. Governor Dewey and the legislature have not been content to let the future of good housing and of municipal improvement in their State remain dependent on the will of others, but have adopted a program of action. It is fortified by more than a half billion dollars of State funds, presently or soon to be allocated. By means of it we have provided temporary housing for veterans; we are clearing our slums, redeveloping our municipalities, providing good homes for families of low income whom private enterprise has been unable to serve, and are endeavoring to aid private builders to resume an adequate home-building program for all families.

While you are familiar with what the State of New York has done and have aided to the full wherever you could, I should like to recapitulate the housing progress of the people of this State through their Governor and legislature, since it might well serve as a beacon to others. The emergency housing program of the State of New York was launched in the fall of 1945, when it first became evident that the sudden mass release of the men in the armed forces would precipitate a housing crisis. Immediate action by Governor Dewey set in motion a Statewide plan for the conversion of surplus military installations and other unused structures into temporary dwellings for our veterans and their families in municipalities. At the Governor's request, emergency housing and educational funds totaling $69,800,000 have been provided.

Our emergency civic housing developments are designed to provide good family living conditions. They all have gas or electric cooking ranges, mechanical refrigerators, and, with one exception because of the nature of the units, central heating. All have playground space and, where necessary in the largest projects, we have provided facilities for nursery schools, child-health centers, primary classrooms, kindergartens, and other essential community activities. In three of the projects we built apartments with special facilities for paraplegic veterans so that they might live with their families instead of in hospitals. The State also undertook to provide, in cooperation with the Federal Government in some instances, additional facilities necessary practically to double the prewar full-time student capacity of our colleges on campus so as to take care of about 100,000 veterans who would otherwise be deprived of a higher education. The State has built 73 municipal emergency housing projects in 40 communities; it has constructed 161 projects at 53 colleges, including housing, classrooms, laboratories and shops, dining facilities; and it has even prepared 51 sites for Federal installations at colleges, since the Federal program did not provide for this essential. It has also developed 3 great emergency colleges at which about 8,500 students are enrolled. We are providing emergency civic and college housing for over 11,000 veteran families, and dormitory accommodations for more than 13,500 students.

With reference to permanent public housing and slum clearance, the New York State permanent public-housing program was originally based, as you know since you took such an important part in shaping it as a leader of our New York State legislature, on a $300,000,000 capital loan fund provided for under article XVIII of the New York State Constitution. At the request of Governor Dewey this fund was increased to $425,000,000 by the 1947 legislature, subject to the approval of the people by referendum at the recent election, which approval was forthcoming overwhelmingly. The law provides that public housing financed by the State be based on a program of slum clearance, and this is an integral part of each housing project which we develop. Only families in the lowest income earning groups are eligible for our public-housing projects. Low rents are maintained by subsidies paid by the State annually. Such annual permissive payments were increased to $13,000,000 by the 1947 legislature, also at the request of the Governor, and this too was approved by the electorate at the recent election.

At the present time we have entered into contracts with municipal housing authorities for the loan of $240,273,700 to build 38 low-rent housing projects which will accommodate almost 110,000 members of low-income families, clear hundreds of acres of slum dwellings, and aid private enterprise and our municipalities in the rehabilitation of a large number of substandard neighborhoods. These improvements will better family life in the immediate areas, and will improve living conditions throughout the municipalities where they are located. Nine of these projects are completed and fully occupied. About 19 new or extensions to present projects are now contemplated, for which we expect to lend another $145,000,000. Other projects will soon reach the definitive stage. New York State's permanent low-rent housing program will eventually provide good homes in pleasant neighborhoods for about 160,000 persons who would otherwise have to live in substandard housing, and it will eradicate scores of slum areas.

So much for families of low income. For those in the lower middle-income groups, New York State has a limited dividend housing law which enables private builders to construct moderate rental housing. The State waives all tax payments by such housing companies, and the municipalities may exempt such companies from taxes on the increased value resulting from the housing development for an agreed period up to 50 years. That is, there is an exemption from local taxes on the new improvements. The return on invested capital is limited to 6 percent. The State's redevelopment companies law has similar provisions. These laws have resulted in the building of a substantial number of dwelling units by private enterprise.

The State is sponsoring the building of mutual housing projects by groups of veterans under our limited-dividend housing law. Under this plan veterans can use their New York State bonus payments and the cash value of their terminal-leave bonds to aid them in acquiring homes of their own at less than what they would otherwise be paying in rent. The full benefits of the tax exemptions will then go directly to the veterans, instead of to others. These exemptions will result in a saving of expense to each veteran who participates of from $4,000 to $5,000 over a 20-year period. And we hope that the veterans' mutual projects will prove to be housing laboratories, which will result in lowering home-building costs.

The State, through the Division of Housing, also endeavors to correlate all public improvements so as to bring about cooperation between municipalities and private builders in the building of new housing for all families and the development of better neighborhoods. Public housing projects, for instance, are used as the core of municipal-area redevelopment plans.

Some people think that it is up to somebody else—perhaps Government—to do the full housing job. However, as Governor Dewey said in January of 1947:

"For a whole generation the number of added units of housing, in the entire Nation as well as in this State, has failed to keep pace with the growing population and rising standard of living.

"Moreover, the art of building—particularly construction of one-family homes—has failed economically and technologically to keep pace with the ability of other industries to produce goods at constantly decreasing cost, improving quality, and increasing volume. The productive genius of modern America has, up to now, failed the home buyer.

"The retarding factors are well known. They involve practices of construction, styles of construction, restrictive building codes, slavish adherence to traditional tastes, and, above all, our failure to apply to building the ingenuity, imagination, and techniques that have made possible the productive wonders of our time.

"The housing shortage is an unmet challenge, not only to Government but to our entire economy. It is not going to be met by any single, sudden stroke of genius. It merits the most intense thought and effort of us all, combined with study and effort on a new scale to bring down the costs of construction."

We all know that private enterprise cannot provide adequate homes for families of low income at rents which they can afford, and that it cannot clear slums without some public aid. But private industry has not had a full opportunity to demonstrate to what extent it can meet the housing needs of the people in the middle- and upper-income groups. The failure on the part of the Federal authorities to permit timely reconversion for the production of building materials and its unrealistic controls with respect to new home building leave us now without the

benefit of the hundreds of thousands of dwelling units which would otherwise have been built by private builders. These would have helped all down the income line, as the housing given up by the higher-income families would have become available for others.

Housing and municipal improvement programs can best be handled at the local level and control of them should lie there. If each State were to endeavor to handle its housing and redevelopment plans as New York State has done there would be more homes and better cities at less cost. There is room for Federal aid in the field of housing and municipal improvement, but in order that this aid may be truly effective it should be administered through the States. What would you think of a plan whereby Federal aid were granted on a modified matching basis? This might well encourage the individual States to set up their own housing programs just as we have done, and this should enable them to attain results similar to ours with consequent benefits to the people. Local control would better serve local needs, eliminate opposition based on fears of centralized bureaucracy, and result in more and better housing at less cost. The savings of taxpayers' funds by such a program on a country-wide basis would be considerable.

I should be happy to discuss our program and our suggestions with you further.

Cordially yours,

HERMAN T. STICHMAN,
State Commissioner of Housing.

LIQUOR ADVERTISEMENTS IN MAGAZINES AND NEWSPAPERS—ADDRESS BY JUDGE FRED G. JOHNSON

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address entitled "Liquor Advertisements in Magazines and Newspapers Are Not Conducive to Temperance," delivered by Judge Fred G. Johnson, of Hastings, Nebr., before the Nebraska State Convention of the Woman's Christian Temperance Union, on October 29, 1947, which appears in the Appendix.]

WESTERN POWER FOR MORE PRODUCTION—ADDRESS BY GOV. MON C. WALLGREN

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an address on "Western Power for More Production," by Mon C. Wallgren, at the Western Governors' Conference, at Portland, Oreg., December 12 and 13, 1947, which appears in the Appendix.]

THE LATE JUDGE GEORGE DONWORTH, OF SEATTLE, WASH.

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD the proceedings in the United States district court at Seattle, Wash., October 27, 1947, in memory of Hon. George Donworth, former United States district judge, which appear in the Appendix.]

QUESTIONS IN THE MINDS OF THE PEOPLE

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD inquiries propounded by those in attendance at a recent meeting in the First Baptist Church, Seattle, Wash., which appear in the Appendix.]

COLLEGE TRAINING AMONG THE WHITE POPULATION

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD a table compiled from data of the Sixteenth Census, showing the percentage of the white population 25 years of age or more which has completed at least 4 years of college, which appears in the Appendix.]

AMERICAN VETERANS COMMITTEE PLANKS ON LABOR

[Mr. KILGORE asked and obtained leave to have printed in the RECORD the planks adopted by the American Veterans Committee relating to labor, which appears in the Appendix.]

NEW HOPE FOR DP'S—EDITORIAL FROM THE WHEELING NEWS-REGISTER

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "New Hope For DP's," from the Wheeling News-Register of December 17, 1947, which appears in the Appendix.]

MUSIC HAS NO LOBBY—ARTICLE BY CARL E. LINDSTROM

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an article entitled "Music Has No Lobby," by Carl E. Lindstrom, published in the Hartford (Conn.) Times of November 26, 1947, which appears in the Appendix.]

HOW SECRECY CAN HURT—EDITORIAL FROM THE WASHINGTON EVENING STAR

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an editorial entitled "How Secrecy Can Hurt," published in the Washington (D. C.) Star of December 14, 1947, which appears in the Appendix.]

ODD KIND OF CHAIRMAN—EDITORIAL FROM THE HARTFORD (CONN.) TIMES

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an editorial entitled "Odd Kind of a Chairman," published in the Hartford (Conn.) Times of December 13, 1947, which appears in the Appendix.]

CONFIRMATION OF NOMINATION OF ROBERT N. DENHAM

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a statement prepared by him with reference to the confirmation of the nomination of Robert N. Denham to be general counsel of the National Labor Relations Board, which appears in the Appendix.]

HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES AND THE PRESIDENT'S LOYALTY ORDER—LETTER FROM YALE UNIVERSITY SCHOOL OF LAW

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a letter from the Yale University School of Law, dated November 26, 1947, addressed to the President of the United States, the Secretary of State, and the Speaker of the House of Representatives, with reference to the House Committee on Un-American Activities and the President's loyalty order, which appears in the Appendix.]

THE GOVERNMENT OF CHINA

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an interview with Marshal Feng Yu-Hsiang by Robert S. Allen, published in the New York Times of December 14, 1947, which appears in the Appendix.]

PRESENT-DAY HYSTERIA — EDITORIAL FROM THE NEW YORKER MAGAZINE

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an editorial from the New Yorker magazine of December 17, 1947, regarding public hysteria, which appears in the Appendix.]

MEETING OF COMMITTEE ON APPROPRIATIONS

Mr. FERGUSON. Mr. President, I ask unanimous consent that the Committee on Appropriations may be permitted to sit this afternoon during the session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

STABILIZATION OF COMMODITY PRICES AND THE NATIONAL ECONOMY

The Senate resumed the consideration of the resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

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

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

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

Aiken	Hayden	O'Conor
Baldwin	Hickenlooper	O'Mahoney
Ball	Hill	Overton
Barkley	Hoey	Reed
Bricker	Holland	Revercomb
Buck	Ives	Robertson, Va.
Bushfield	Jenner	Robertson, Wyo.
Butler	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capehart	Knowland	Sparkman
Capper	Langer	Stennis
Chavez	Lodge	Taft
Connally	McCarran	Taylor
Cooper	McCarthy	Thomas, Utah
Cordon	McClellan	Tobey
Donnell	McGrath	Tydings
Dworshak	McKellar	Umstead
Eastland	McMahon	Vandenberg
Ecton	Malone	Watkins
Ferguson	Martin	White
Flanders	Maybank	Wiley
Fulbright	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young
Hatch	Murray	
Hawkes	Myers	

Mr. WHITE. I announce that the Senator from Maine [Mr. BREWSTER] and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from Nebraska [Mr. WHERRY] is absent by leave of the Senate.

Mr. HILL. I announce that the Senator from Georgia [Mr. GEORGE] and the Senator from Illinois [Mr. LUCAS] are absent by leave of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent on official business.

The Senator from Florida [Mr. PEPPER] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from California [Mr. DOWNEY], the Senator from Colorado [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], and the Senator from Arizona [Mr. MCFARLAND] are detained on official business at various Government departments.

The Senator from Texas [Mr. O'DANIEL] is unavoidably detained.

The Senator from Oklahoma [Mr. THOMAS] is absent because of attendance at an important committee meeting.

The Senator from New York [Mr. WAGNER] is necessarily absent.

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

The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. President, I have no desire to delay a vote on the amendment. I wish to modify the amendment just a little bit, because its present language might be regarded as

ambiguous. Instead of the language as it is, I offer it with this modification: "issue regulations and orders, and to", omitting the words "for this purpose." I think that clarifies the amendment, and so far as I am concerned I am ready to have a vote on it.

The PRESIDENT pro tempore. The Senator's amendment will be modified as indicated by him.

Mr. BARKLEY. I ask for the yeas and nays on the amendment.

The PRESIDENT pro tempore. Is the request for the yeas and nays sufficiently seconded?

The yeas and nays were ordered.

Mr. TAFT. Mr. President, I want to take only about 2 minutes. The amendment of course changes the whole nature of the joint resolution. As I interpret it, it would grant the President absolute and complete authority to issue orders and regulations regarding inventories and priorities and thus vest in the President complete power over the entire industry of the United States, such as existed under the War Production Board during the war. In effect it would give the President complete power to shut down an industry if he wished to do so or to limit its operations. Furthermore it seems to me to be very clear that it would give the President power to establish complete consumer rationing of any product he might select. That of course would be a compulsory control instead of the voluntary approach which we thought was the proper method to be pursued temporarily.

I may say that I understood the deliberate policy was adopted, with the approval, so far as I know, of the Democrats on the various committees, of putting off the basic question of compulsory control, in order that hearings on the subject might be had at the next session of Congress. The bill dealing with price control was introduced only a day or two ago, and our experience, from past history is that such a measure before it can be completed and acted upon requires certainly a full month of hearings, and a very considerable amount of debate on the floor of the Senate both on the proposal itself and on the numerous amendments submitted by Senators. The same thing is true with respect to the subject of priorities and allocations.

Incidentally what we are all concerned about, I may say, is high prices, and I can see that at least the argument can be made that the way to curb high prices is to fix prices. I cannot see the emergency created by a high-price situation being such as to force upon us complete control of all distribution and all industries, a determination whether they shall operate or shall not operate, how much inventory they shall have, and how they shall conduct their business. It seems to me such a general control is even less justified by the present emergency than is price control.

I may say further, Mr. President, that if the amendment offered by the Senator from Kentucky should be adopted, the chance for legislation at this session would be entirely eliminated, because the House would certainly not accept such a fundamental change in the law under such a rule as may be necessary if the legislation is to be passed by the House tomorrow. So I hope very much that the amendment offered by the Senator from Kentucky will be voted down.

Mr. BARKLEY. Mr. President, I had not intended to say anything further, but I shall merely say one additional word. The amendment does change the perspective of the legislation. It gives the President the authority which he has recommended be given him in order that he may deal with allocations and priorities. Whether they have any direct effect upon prices, or merely an indirect effect, is something we cannot very well determine at this time. The questions of allocations and priorities and high prices are all tangled up together. Obviously, the most direct way to deal with high prices is to establish price controls or ceilings. As I stated yesterday, we are not seeking to amend the bill for that purpose, because without any fault on the part of anyone—and I am not criticizing anyone, Democrat or Republican—it was impossible to have a bill drawn and ready to present to the Congress until a few days ago.

Mr. President, in this connection, inasmuch as the Senator from Indiana [Mr. CAPEHART] yesterday by implication, if not directly, charged the Democrats with some degree of negligence in drawing up a bill to regulate prices, or authorize the regulation of prices, not by setting up an independent agency, but by allowing the President to designate any existing agency or department, such a bill not being ready for introduction until 2 or 3 days ago, I wish to have a statement, prepared by me, read at the desk. I introduced the bill day before yesterday. I do not find the paper at the moment. We are not seeking to complicate the legislation with a price-control bill, because I agree that hearings must be held upon that subject. How long they will continue no one can tell, and what the Congress will ultimately do about the matter is at this moment unpredictable.

The situation is one which is flexible. I have a very strong feeling that if the situation continues to become worse, as it has during the last few months, Congress will be compelled by the very circumstances over which no one now seems to have any control, to take some action, whether drastic or otherwise. Whether it will approach it by gradual steps, and put one foot upon an elevation at a time, and see what happens, and then put another foot upon another elevation, and so on until the thing gets entirely out of control, I do not know. I am not in a position to predict what the Congress will do at the next session.

So what we are seeking to do by the amendment is to give the President authority, coupled with the conception of a voluntary approach, to exercise controls as to priorities and allocations in the event the voluntary method turns out to be a failure, without having to wait for Congress to come back and enact legislation after the voluntary method has failed, and then give the President the power to do what we seek here.

No one can predict how much effect there would be on the price of any particular commodity if the President should be able to allocate to the different sections of the country or to different industries the material which they may need or of which they may be short in the production of anything the American people may require, or that may be required in order to carry out our commitments as part of our foreign policy. I think one of the serious omissions in the joint resolution is that it makes no reference whatever to our foreign policy. It does not even tie it in with it. It treats it purely as a domestic proposition.

Mr. President, I do not care to allocate to any one or to any group responsibility for the fact that a bill on the subject was not introduced earlier.

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

Mr. BARKLEY. I yield.

Mr. TAFT. I do not blame anyone for not introducing a bill. In fact, I wanted to make it clear that so far as price control, at least, was concerned, it was understood that Mr. Harriman was not at this time going to present the case to our committee. He was going to present the other points, but would not present the price proposal until the next regular session because we told him that we could not possibly in the present session take care of all 10 points recommended by the President, and if we were going to do anything we ought to complete our hearings on the matters now contained in the pending measure, and act on them. He acquiesced in that idea. He presented the allocation question, of course, when he appeared before the committee.

Mr. BARKLEY. Mr. President, I do not know anything about any agreement not to present legislation on any of the 10 points raised by the President in his message. I do know that when Mr. Harriman appeared before the Committee on Banking and Currency of the House the chairman of that committee complained that he had not presented a bill, that he was vague and indefinite, and that therefore they did not know how to start—rather assuming that the committee itself could not write a bill unless Mr. Harriman or the administration presented one. Whereupon they went to work to try to draw a bill and present it in concrete form. That is what has been done.

Mr. President, the Senator from Indiana [Mr. CAPEHART] rather belabored himself in trying to intimate that we on the Democratic side were guilty of some degree of laches by not presenting a bill sooner than we did, although he had only presented his bill the day before I introduced a bill relating to price control. In order that the RECORD may be clear I wish to have read at the desk a statement which I issued on the 20th of November, 3 days after the Congress met, on the part of the minority policy committee in regard to the legislation, and to the program laid before the Congress by the President.

The PRESIDENT pro tempore. Without objection, the clerk will read.

The Chief Clerk read as follows:

The Democratic policy committee at a session this morning considered the recommendations of the President in his message on last Monday regarding the interim relief program for certain European nations and also the question of legislation dealing with inflation and the high cost of living.

The policy committee unanimously endorsed the interim program, and will support it, and expressed its gratification at the unanimity with which the Foreign Relations Committee reported the bill and the obvious cooperation which is being given by the Republican majority.

With reference to the President's recommendations of legislation dealing with inflation and the high cost of living, the Democratic policy committee feels that inasmuch as hearings have been arranged for in the two Houses and inasmuch as the responsibility for the initiation of legislation rests with the Republican majority in both Houses, we deem it advisable to wait a reasonable time for the hearings to develop what legislation may be proposed by the majority for the carrying out of the President's recommendations on the subject.

The Democratic policy committee stands ready to cooperate with the Republican majority in enactment of the President's program and hopes that joint proposals in the way of legislation sponsored by both Republicans and Democrats may be promptly forthcoming. Our policy committee recognizes that there is no partisan politics in inflation or the high cost of living and that the program should be dealt with as an economic and social program rather than a program of partisan politics.

The high cost of living affects men of all parties and all sections of the country alike and if it goes unrestricted, its inevitable effect will be to reduce production here at home as well as abroad when we all know that the objective now of all thinking men is to increase that production.

Mr. BARKLEY. Mr. President, I think that was a perfectly proper attitude to be assumed by the minority policy committee. However unfortunate it is, we are in the minority and we recognize that fact. We do not claim otherwise. We recognize, of course, that as a minority we have no power by our strength alone to put any bill through the Congress. We waited a reasonable length of time for bills implementing the President's recommendations to be introduced. I think a month was a reasonable time. When that time had elapsed bills were introduced covering the subject.

But that has nothing to do with the merits of this particular proposal. I think the President ought to be given this mandatory power in order that he may exercise it or have it in his possession in connection with any effort he may make to bring about voluntary agreements.

Yesterday I sought to introduce all these amendments as one, because they are all tied together. I believe that the provision in regard to the relaxation of the antitrust law ought to be modified, and if this amendment is adopted I shall follow it with the supplementary amendment modifying the provisions in regard to the relaxation of the antitrust law.

Mr. President, that is all I have to say, and I am ready for a vote.

The PRESIDENT pro tempore. The question is on agreeing to the first amendment offered by the Senator from Kentucky, as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. REED. I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the Senator from Maine [Mr. BREWSTER] and will vote. I vote "nay."

Mr. WHITE. I announce that the Senator from Minnesota [Mr. THYE], who is necessarily absent, is paired with the Senator from Illinois [Mr. LUCAS].

The Senator from Minnesota, if present and voting, would vote "nay," and the Senator from Illinois, if present and voting, would vote "yea."

The Senator from Maine [Mr. BREWSTER], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER]. The Senator from Maine, if present and voting, would vote "nay," and the Senator from New York, if present and voting, would vote "yea."

The Senator from Nebraska [Mr. WHERRY] is absent by leave of the Senate.

Under instructions of the Committee on Appropriations, the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent, presiding over the public reading of the record of an executive session of the committee held this morning with the Secretary of Agriculture as the witness. The Senator from New Hampshire is paired with the Senator from Arizona [Mr. MCFARLAND]. The Senator from New Hampshire, if present and voting, would vote "nay," and the Senator from Arizona, if present and voting, would vote "yea."

The Senator from Illinois [Mr. BROOKS] is detained by reason of attendance at a meeting of the Committee on Appropriations. If present and voting, he would vote "nay."

Mr. HILL. I announce that the Senator from Georgia [Mr. GEORGE] and the Senator from Illinois [Mr. LUCAS] are absent by leave of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent on official business.

The Senator from Florida [Mr. PEPPER] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from California [Mr. DOWNEY], the Senator from Colorado [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], and the Senator from Arizona [Mr. MCFARLAND] are detained on official business at various Government departments.

The Senator from Texas [Mr. O'DANIEL] is unavoidably detained.

The Senator from Oklahoma [Mr. THOMAS] is absent because of attendance at an important committee meeting.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from Illinois [Mr. LUCAS] is paired on this vote with the Senator from Minnesota [Mr. THYE]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Minnesota would vote "nay."

The Senator from Arizona [Mr. MCFARLAND] is paired on this vote with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from New Hampshire would vote "nay."

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Maine [Mr. BREWSTER], has previously been announced by the Senator from Kansas. If present the Senator from New York would vote "yea," and the Senator from Maine would vote "nay."

If present and voting the Senator from Washington [Mr. MAGNUSON], the Senator from Florida [Mr. PEPPER], and the Senator from Oklahoma [Mr. THOMAS] would vote "yea."

If present and voting, the Senator from Texas [Mr. O'DANIEL] would vote "nay."

The result was announced—yeas 32, nays 47, as follows:

YEAS—32

Barkley	Johnston, S. C.	O'Conor
Chavez	Kilgore	O'Mahoney
Connally	McCarran	Overton
Eastland	McClellan	Russell
Fulbright	McGrath	Sparkman
Green	McKellar	Stennis
Hatch	McMahon	Taylor
Hayden	Maybank	Thomas, Utah
Hill	Morse	Tydings
Hoey	Murray	Umstead
Holland	Myers	

NAYS—47

Aiken	Ferguson	Reed
Baldwin	Flanders	Revercomb
Ball	Gurney	Robertson, Va.
Bricker	Hawkes	Robertson, Wyo.
Buck	Hickenlooper	Saltonstall
Bushfield	Ives	Smith
Butler	Jenner	Taft
Byrd	Kem	Tobey
Cain	Knowland	Vandenberg
Capehart	Langer	Watkins
Capper	Lodge	White
Cooper	McCarthy	Wiley
Cordon	Malone	Williams
Donnell	Martin	Wilson
Dworshak	Millikin	Young
Ecton	Moore	

NOT VOTING—17

Brewster	Johnson, Colo.	Stewart
Bridges	Lucas	Thomas, Okla.
Brooks	McFarland	Thye
Downey	Magnuson	Wagner
Ellender	O'Daniel	Wherry
George	Pepper	

So Mr. BARKLEY's amendment, as modified, was rejected.

Mr. BARKLEY. Mr. President, I offer the amendments which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The clerk will state the amendments for the information of the Senate.

The CHIEF CLERK. On page 2, line 1, it is proposed to strike out the words "voluntary agreements" and in lieu thereof insert "priority allocation and inventory controls."

On page 2, line 7, it is proposed to strike out the words "approved by the President."

On page 2, line 15, it is proposed to strike out the word "or" and in lieu thereof insert the following: "*Provided, however,* That upon the exercise by the President of the priority or allocation or inventory control power herein conferred with respect to any such commodity, the President shall promptly submit to the Congress, when the Congress is in session, or if not in session, at the opening of the next session, the name of such

commodity, which from the date of issuance of the regulation or order by the President shall be and remain subject to such priority or allocation or inventory control, unless, within 30 days following such submission the Congress by concurrent resolution disapproves the application of such controls to such commodity; *And provided further*, That no authority is conferred by this section for the fixing of prices; or."

Beginning on page 2, it is proposed to strike out all following line 17 down to and including line 6 on page 3, and in lieu thereof to insert the following:

The authority conferred by this subsection 2 (a) shall expire on March 1, 1949.

(b) Any person who willfully performs any act prohibited, or willfully fails to perform any act required by any regulation or order issued under the prior provisions hereof, shall be guilty of a misdemeanor, and shall, upon conviction, be subject to a fine of not more than $10,000, or imprisonment for a term not exceeding 1 year, or to both such fine and imprisonment. Whenever any department of the executive branch of the Government has reason to believe that any person is liable to punishment under this section, it shall certify the facts to the Attorney General who may, in his discretion, after such investigation by the Federal Bureau of Investigation as he may deem necessary, cause appropriate proceedings to be brought.

(c) (1) Whenever the President, after a public hearing held upon reasonable notice, determines that a plan of voluntary action with respect to any commodity, facility, or equipment, or with respect to speculative trading on a commodity exchange, is practicable and is appropriate to the successful carrying out of the purposes declared in section 1 of this joint resolution, and would make unnecessary an exercise of the mandatory power conferred in section 2 (a) hereof with respect thereto, the President may request in writing compliance by one or more persons with such plan of voluntary action as may be approved by the Attorney General. Any act or omission by such person or persons in compliance with a written request made pursuant to this section and with a voluntary plan promulgated thereunder shall not be the basis at any time for any prosecution or any civil action or any proceeding under the antitrust laws of the United States or the Federal Trade Commission Act.

(2) Such written request may, in the discretion of the President, be withdrawn at any time by written notice to the Attorney General, and after publication of notice of such withdrawal in the Federal Register as provided in subsection (3), the provisions of this joint resolution shall not apply to any subsequent act or omission by reason of such request or voluntary plan.

(3) The Attorney General shall transmit to the President pro tempore of the Senate and to the Speaker of the House of Representatives, and shall order published in the Federal Register every such request, and any withdrawal hereof, and any plan, program, or other arrangements promulgated under, or which is the basis of, any such request.

(4) The power to make requests conferred by this joint resolution shall expire upon March 1, 1949, and any requests made and voluntary plans adopted under this act shall have no force or effect 6 months thereafter.

The PRESIDENT pro tempore. Is the Senator from Kentucky asking for consideration of the amendments en bloc?

Mr. BARKLEY. Mr. President, this is all one amendment. While it affects the different portions of the joint resolution, on page 2 and following, it is all one proposition. It ties in the authority which I want to give to the President with modifications of that authority in the form of a provision that in the exercise of such authority Congress shall have a 30-day period in which to pass upon the question, whether Congress is in session at the time the order may be isssued or whether it shall act upon it after Congress shall reassemble. So the two things are inevitably together; they are all one amendment. Therefore it seems to me that we ought to be permitted to vote on them as a single amendment, because separately the provisions have no particular relation to each other. In order to meet the objection raised yesterday by the Senator from Ohio [Mr. TAFT] and other Senators to granting this particular power to the President, I have so modified the provision as to give Congress the power, within a 30-day period, to pass upon any order that the President may have issued. Then penalties are provided for violations.

It also modifies to some extent the provision with regard to relaxation of the antitrust laws. So the amendment should be considered as a whole, because each part of it relates to the other parts, and it is not complete and cannot be complete unless all of it is considered as a single amendment. What follows in the more or less extensive language after the repetition of the amendment which was rejected awhile ago, is a modification of the authority sought to be conferred upon the President.

Therefore, Mr. President, I think the whole proposition is one amendment, and should be voted on as such.

The PRESIDENT pro tempore. In the opinion of the Chair, the Senator from Kentucky would have to obtain unanimous consent to have the amendments considered en bloc.

Mr. BARKLEY. Does the Chair hold that they are not all one integrated amendment, but that they are separable?

The PRESIDENT pro tempore. The Chair holds that, as submitted, the amendments are separable.

Mr. BARKLEY. In that case I ask unanimous consent that the amendments may be voted upon as a whole.

The PRESIDENT pro tempore. Is there objection?

Mr. TAFT. Mr. President, the first part is exactly the amendment which has just been voted upon. It seems to me we can draw the same proposal in all sorts of forms over and over again, and can thus take so long a period of time as to preclude the possibility of action on the measure.

I think the amendment is clearly separable. Having voted on the requested authority to issue regulations and orders, I do not see how other amendments relating to it are exactly in order or appropriate to the joint resolution, although I suppose anything can be offered. Certainly the second part, which proposes a fine, and the part which deals with the antitrust laws, are entirely separable.

So I think I would have to object to the request to consider all of them as one amendment. It seems to me they involve entirely different propositions.

Mr. BARKLEY. Mr. President, I wish to say to the Senator from Ohio and to other Senators that of course I would not offer the amendment which has just been rejected in the language found in the first part of this amendment, with nothing more. But in effect it is modified by the language which follows, and substantially that is based upon the assumption that the authority is granted. If the authority is not granted, the language in its present form is inappropriate.

For that reason, although technically they come at different parts of the joint resolution, and from a strictly parliamentary standpoint might be separable, as a matter of fact they are all one proposition and one amendment, which seeks to confer the authority which the Senate has refused to consider all by itself, but to confer it with the modification that the Congress shall have the power to deal with it after the President has exercised it.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. In the event we agree to vote on all these issues—which course may have the advantage of speeding up the process—will amendments be in order to the provisions of the latter part of the amendment the Senator from Kentucky has submitted? I do not wish to have such possible amendments precluded.

Mr. BARKLEY. I may say to the Senator from Ohio, taking him, as well as the entire Senate, into my confidence, that if this amendment, as drawn, is defeated, the only other amendment I would offer to this part of the joint resolution would be one to strike out section 2, which deals with relaxation of the antitrust laws. I think there would be an advantage in voting on it altogether; and so far as I have in mind, I have no intention of offering any further amendment modifying the language, after it is voted on.

Mr. TAFT. Mr. President, a further parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. As to the portion dealing with the antitrust laws, I have no objection whatever, as I stated yesterday, to substituting in that particular section the language of the so-called Harriman bill, in place of the language of the pending measure; and I would not like to be foreclosed from offering such an amendment by reason of the fact that the language of the Harriman bill is included in this amendment.

Mr. BARKLEY. No; the Senator would not be foreclosed, and neither would I. My remarks of a few moments ago had reference to further amendments regarding the power of the President or changing the powers outlined in the joint resolution. The Senator from Ohio and I have conferred regarding the antitrust laws provision, and favoring

the language presented to the Judiciary Committee by Secretary Harriman. That is a matter of detail as to administration.

But what I had in mind was that if this amendment is voted on as a whole and is rejected, I shall have no further amendments undertaking to modify, either by mandatory or other provisions, the power granted to the President in the joint resolution. I do have several amendments dealing with an entirely different subject, which the Senator from Ohio has indicated he would accept.

Mr. TAFT. Yes, with some little reservation which I shall make.

The PRESIDENT pro tempore. The Chair would like to answer the parliamentary question propounded by the Senator from Ohio. In the opinion of the Chair, if this amendment is voted down en bloc, the Senator would be permitted to offer any section of it subsequently as a separate entity.

Mr. TAFT. Then, Mr. President, in the interest of speed, and because this amendment as a whole is a compulsory amendment as I read it, I withdraw my objection.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request propounded by the Senator from Kentucky? Without objection, the amendments will be considered en bloc; and, being considered en bloc, the first amendment is in order, even though it has already been voted upon, because it is now part of a new amendment.

Mr. BARKLEY. Yes. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, I should simply like to point out that this amendment really renews exactly the same question which was rejected a few moments ago; namely, the question of whether we shall change the entire joint resolution from a voluntary approach temporarily, while we are considering the whole question of this vast power, into a compulsory approach. I think adoption of the amendment would mean the end of any possibility of doing anything of this sort before Christmas.

The PRESIDENT pro tempore. The question is on agreeing to the amendments offered by the Senator from Kentucky, which are to be considered and voted upon en bloc. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. REED. I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the Senator from Maine [Mr. BREWSTER] and will vote. I vote "nay."

Mr. WHITE. I announce that the Senator from Minnesota [Mr. THYE], who is necessarily absent, is paired with the Senator from Illinois [Mr. LUCAS]. The Senator from Minnesota, if present and voting, would vote "nay," and the Senator from Illinois, if present and voting, would vote "yea."

The Senator from Maine [Mr. BREWSTER], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER]. The Senator from Maine, if present and voting, would vote "nay," and the Senator from New York, if present and voting, would vote "yea."

The Senator from Nebraska [Mr. WHERRY] is absent by leave of the Senate.

Under instructions of the Committee on Appropriations, the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent, presiding over the public reading of the record of an executive session of the committee held this morning with the Secretary of Agriculture as the witness. The Senator from New Hampshire is paired with the Senator from Arizona [Mr. MCFARLAND]. The Senator from New Hampshire, if present and voting, would vote "nay," and the Senator from Arizona, if present and voting, would vote "yea."

Mr. HILL. I announce that the Senator from Georgia [Mr. GEORGE] and the Senator from Illinois [Mr. LUCAS] are absent by leave of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent on official business.

The Senator from Florida [Mr. PEPPER] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Colorado [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], and the Senator from Arizona [Mr. MCFARLAND] are detained on official business at various Government departments.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from Illinois [Mr. LUCAS] is paired with the Senator from Minnesota [Mr. THYE]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Minnesota would vote "nay."

The Senator from Arizona [Mr. MCFARLAND] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from New Hampshire would vote "nay."

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Maine [Mr. BREWSTER] has previously been announced by the Senator from Kansas. If present, the Senator from New York would vote "yea," and the Senator from Maine would vote "nay."

The Senator from Washington [Mr. MAGNUSON] and the Senator from Florida [Mr. PEPPER], if present and voting, would vote "yea."

The result was announced—yeas 35, nays 48, as follows:

YEAS—35

Barkley	Johnston, S. C.	O'Conor
Chavez	Kilgore	O'Mahoney
Connally	Langer	Overton
Downey	McCarran	Russell
Eastland	McClellan	Sparkman
Fulbright	McGrath	Stennis
Green	McKellar	Taylor
Hatch	McMahon	Thomas, Okla.
Hayden	Maybank	Thomas, Utah
Hill	Morse	Tydings
Hoey	Murray	Umstead
Holland	Myers	

NAYS—48

Aiken	Cain	Flanders
Baldwin	Capehart	Gurney
Ball	Capper	Hawkes
Bricker	Cooper	Hickenlooper
Brooks	Cordon	Ives
Buck	Donnell	Jenner
Bushfield	Dworshak	Kem
Butler	Ecton	Knowland
Byrd	Ferguson	Lodge
McCarthy	Revercomb	Vandenberg
Malone	Robertson, Va.	Watkins
Martin	Robertson, Wyo.	White
Millikin	Saltonstall	Wiley
Moore	Smith	Williams
O'Daniel	Taft	Wilson
Reed	Tobey	Young

NOT VOTING—13

Brewster	Lucas	Thye
Bridges	McFarland	Wagner
Ellender	Magnuson	Wherry
George	Pepper	
Johnson, Colo.	Stewart	

So Mr. BARKLEY's amendment was rejected.

Mr. BARKLEY. Mr. President, I move to strike section 2 from the joint resolution.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Kentucky that section 2 be stricken out.

Mr. TAFT. Mr. President, before the vote is taken, I wish to offer an amendment to the section the Senator seeks to have stricken out.

The PRESIDENT pro tempore. The motion of the Senator from Ohio will take precedence.

Mr. BARKLEY. Mr. President, I might explain, in just a word, the effect of the amendment I am offering, which would not preclude the Senator from Ohio from offering an amendment to the language of the section.

Yesterday a number of Senators expressed their fear of, and objection to, the provisions of section 2, the section dealing with voluntary agreements, requiring the President to consult. Just what "consult" means, within the language of the section, no one knows, whom he would consult, whether consultation would be complying with the law if he talked with 1 or 40 in any given industry, and so on.

The provisions of the joint resolution in regard to consultation are so vague that I do not see how any President could know exactly what they meant. The President certainly would be the judge of whom he would consult, how many he would consult, and when he would consult them, whether he would do it in private or whether he would call a public meeting in regard to any particular industry or any given product or commodity. The meaning of the language is very vague, and in my judgment the enactment of the section would not facilitate the making of agreements. If the President should call a conference, large or small, and urge upon the participants an agreement along any particular line and they refused, it would be a practical repudiation by private industry of the request of the President to consult and enter into some sort of agreement for allocations, priorities, and so on.

Another objection to the section is that it leaves the door wide open, without any restrictions, except that the President would be required to approve the agreements in order that a relaxation of the antitrust laws might be brought about.

It has been argued that so long as the President is authorized to approve or disapprove any agreements made, the question whether the antitrust laws shall be relaxed is entirely within his control, and in a sense that is true, because he might refuse to approve an agreement,

otherwise beneficial, on the ground that he did not think the antitrust laws should be relaxed to the extent provided for in the joint resolution. Yet it would be regarded as an inconsistency on the part of any President to disapprove an agreement because the agreement itself, under the terms of the joint resolution, would relax the antitrust laws.

Therefore we feel that this section of the joint resolution is unworkable and undesirable, and that the joint resolution should be stripped down, in effect, to the two proposals recommended by the President and which have been accepted on the part of the committee, the proposal for extending the two acts which will expire on the 28th day of February, the one with respect to export controls, the other with respect to the allocation of transportation facilities. The amendment I have offered to strike out section 2 would practically have that effect.

Mr. TAFT. Mr. President, I have offered an amendment which is at the desk.

Mr.O'MAHONEY. Mr. President, will the Senator from Kentucky yield before he takes his seat?

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

Mr. O'MAHONEY. I desired to ask the Senator from Kentucky if he does not agree with me that the language of the measure as it now stands would have the effect, as he says, of relieving all those who sign an agreement from the operation of the antitrust laws.

Mr. BARKLEY. Yes.

Mr. O'MAHONEY. With respect to any matter that is within the agreement.

Mr. BARKLEY. Within the scope of the agreement.

Mr. O'MAHONEY. Would it not have the positive effect of releasing from the Clayton Act, from the Robinson-Patman Act, and from all the other antitrust laws, any firm, corporation or individual now under a cease and desist order from the Federal Trade Commission, or under the judgment of any decree that has been made by any court with respect to any matter which might come up within such an agreement?

Mr. BARKLEY. Undoubtedly it would relieve those who are under any such process. It might also operate as an inducement for certain concerns to get in under the tent so they would be relieved of the Clayton Act and all the other antitrust laws, by merely joining in the agreement, which would then be put before the President, for him to approve or disapprove.

Mr. O'MAHONEY. I should like to call attention to the fact that one of the provisions of the antitrust law gives a private litigant who has been damaged by any act in restraint of trade the right to sue in the Federal courts. Would not the effect of this language be to kill the right to bring a private suit with respect to any such agreement?

Mr. BARKLEY. It would take away from any aggrieved person the right to institute a civil proceeding to right any wrong he felt he had suffered on account of a violation of the antitrust law, as well as at the same time relieving the guilty concern of any public prosecution on the part of the Government.

Mr. O'MAHONEY. Finally, would it not have the effect of dividing businesses of this country into two categories? First those who enter into an agreement would be freed from the operation of the antitrust laws, and those who are not brought into the agreement would be under the antitrust laws?

Mr. BARKLEY. Undoubtedly. It is conceivable that two concerns on opposite sides of the street in the same city, one of which had become party to an agreement, the other of which had not, would be put upon an unequal basis. The one on one side of the street, that entered the agreement, would be free from any prosecution or the institution of any civil action, while the one on the other side of the street would be subject to all the penalties of the law, by reason of the fact that he had not become a party to the agreement.

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

Mr. BARKLEY. I yield.

Mr. LANGER. Is it not true that some of the very cases the Federal Trade Commission is now considering might result in moot decisions?

Mr. BARKLEY. They would certainly be suspended. The Commission could take no further action so long as this provision continued in effect.

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

Mr. BARKLEY. I yield.

Mr. MORSE. I merely want to say to the Senator from Kentucky that I intend to support his amendment to strike section 2, for the following three reasons: First, I am perfectly satisfied on the basis of the information I have already received in my office that large numbers of American businesses and a great number of American industrialists are very much opposed to this section of the joint resolution. They will be found within the automobile industry, within the farm-machinery industry, and within a great many fabricating industries dealing with steel products. They are opposed to this section, because, as they state to me, it would play directly into the hands of the already too powerful monopolistic interests of the country. I certainly do not think we can justify relaxing laws which were passed by the Congress to protect the free-enterprise system. Incidentally, it is my party, the Republican Party, that has made a great record to date in passing antitrust laws. Why endanger them now as a party policy? I do not think we have any justification for granting such tremendous power to any business combine as is proposed to be given to monopolists by this alleged voluntary-agreement section of this resolution. This section, which in reality permits of the setting aside of the antitrust laws, will give competitive advantage to those favored by big-business combines, such as the steel companies. They can invoke arbitrary discriminatory practices against large segments of American industry. I am somewhat at a loss to understand how any Senator, devoted to the ideal of a free-enterprise system and to keeping the channels of competition open, can go along with this section of the bill. I do not think we have stopped to consider fully the legal implications of the section. The Senator from Wyoming just now pointed out a very vital legal point, which indicates clearly the discriminatory practices which would be legalized by this section of the resolution.

In the second place, I am opposed to it because, to all intents and purposes, it passes the political buck to the President of the United States. I do not approve of playing partisan politics with the inflation crisis which is visiting such suffering upon the American people.

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

Mr. MORSE. I shall be glad to yield.

Mr. TAFT. It is a strange thing, then, that within the last few days the largest automobile companies—General Motors and Chrysler—have been opposing this bill, because they think it will enable the President to pass the buck to them. They are the monopolists to which the Senator is referring.

Mr. MORSE. The Senator from Ohio is entirely wrong. I am not charging General Motors or Chrysler with being monopolies.

Mr. TAFT. No; but the Senator said the provision would play into the hands of the large monopolistic elements of industry.

Mr. MORSE. That is exactly right, too.

Mr. TAFT. General Motors and Chrysler are not monopolies, but they are the largest elements in the industry.

Mr. MORSE. To a large extent the provision would play into the hands of powerful monopolists in this country that today control the distribution of steel, and it would put into their hands a power which I do not think it is safe to give them.

Mr. TAFT. If I may so suggest, it seems to me the objection which is made that we should not authorize the making of an agreement between the Government and an industry because somebody is going to be "put on the spot," is the weakest kind of argument against such an approach. That is the way they ought to operate. Government and industry ought to get together and ought to be authorized to make any reasonable agreement to carry out perfectly proper purposes approved by the President. I cannot understand the argument that because they are authorized to meet together, somebody is going to be "put on the spot." We do not care whether anybody is "put on the spot" or not. The question is whether desirable results could be obtained.

Mr. MORSE. Mr. President——

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

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

Mr. MORSE. Mr. President, I am at a complete loss to understand the reasoning of the Senator from Ohio [Mr. TAFT] on this point, because I submit there is only one logical result to be reached by pressing his argument, and that is that we ought to give American

monopolies the power to enter into agreements in restraint of trade. That is the net effect of the argument. I shall not be a party to such a program as that. At the present time what we ought to be doing, instead of adopting such a section as this, is tripling appropriations for the enforcement of the antitrust laws. That would be an inflation check with teeth in it. The point I want to make is that I think the program for the allocation and distribution of materials ought to be under a Government policy and legislative program. It should not be determined on the basis of alleged "voluntary agreements" entered into by the existing monopolistic combines that have caused such concern today in the automobile industry as to what is going to happen to that industry if the section proposed by the Senator from Ohio is adopted by the Congress of the United States. Also the farmers of America have great cause to be concerned over the implications of this section. The allocation and distribution of steel is vital to the production of farm machinery and equipment. The Senator from Ohio [Mr. TAFT] may characterize the argument I have been making by the use of any adjectives that suit his purpose, but I want to say, in characterizing my own argument, that I am arguing for complete support by the Republican Party of the antitrust laws as they now appear on the statute books. I do not think we, as a great political party, can justify, from the standpoint of the public interest, any relaxation of the antitrust laws. That is exactly what the proposal of the Senator from Ohio seeks to accomplish. It would have that effect.

I think the effect of the section is to pass the political buck to the President of the United States. That is partisan politics pure and simple and the American people will see through it and disapprove the political strategy. I do not think it can be justified. The allocation of basic materials should be done by the Government in the public interest. We, through legislation, should lay down the specific criteria which ought to govern any relaxation of the antitrust laws. Unless we do that, I say we cannot justify placing the proposed discretionary power in the President.

The last point I want to make is this: I feel that before we proceed to adopt such a proposal as this, it ought to be subjected to the very careful study of the Judiciary Committee of the Senate for a report on its legal implications. Today we do not have such a study and report. When anyone starts playing and tinkering with the antitrust laws by way of any proposal that permits of their being set aside to any degree whatsoever by voluntary agreement entered into by monopolists I think we should be informed in detail as to the legal effects of the proposal. As a lawyer, I do not propose to sit here and vote for such a section as this until I can have in front of me a carefully prepared report by the Committee on the Judiciary as to the legal effects of the section. After all, we are dealing with the legal rights of the American people in relation to their right to be protected from monopolies. It is very unlawyerlike for us to adopt this section before we know what legal effects it will have upon pending cases, upon future cases and upon our entire free-enterprise system. It is one thing for the Government in the public interest to allocate basic materials in short supply. It is quite a different thing to give such power to business combines. It violates the sound public policy of our antitrust laws.

Mr. BARKLEY. Mr. President, in order to show the effect of the section, I wish to read a press release given out by the Attorney General on the 12th day of August of this year. It is as follows:

Attorney General Tom C. Clark today instructed the Antitrust Division of the Department of Justice to launch immediately a program aimed at conspiracies to maintain or to increase present prices in the food, clothing, and housing fields. Such conspiracies will be prosecuted criminally, and in those cases the Justice Department will oppose acceptance by the courts of pleas of nolo contendere, and upon conviction of the defendants, the Department will recommend jail sentences for the individual defendants and maximum fines against the corporations.

Mr. Clark stated that although the criminal provisions of the antitrust laws have been invoked in the past, jail sentences for violations have not been imposed except in a few cases. The relative ineffectiveness of past enforcement policies, together with the soaring high prices now continuing in the food, clothing, and housing fields, he indicated, require that a new and more vigorous approach be undertaken in these fields.

Mr. Clark said that the adoption of this action follows a 3-month analysis of the activities of the Antitrust Division by Assistant Attorney General John F. Sonnett, who has been in charge of the Division since May.

The Attorney General said, "In his State of the Union message in January, President Truman pointed out to the Congress that, despite half a century of antitrust law enforcement, one of the gravest threats to our welfare lay in the increasing concentration of power in the hands of a small number of giant organizations and that today we find that to a greater extent than ever before whole industries are dominated by one or a few large organizations which can restrict production in the interest of higher profits and thus reduce employment and purchasing power.

"In his recent midyear economic report, the President warned that prices, to support a prosperous economy, must be kept down to the lowest point compatible with costs and reasonable business incentives and that a free enterprise system cannot tolerate collusion in price, in curtailment of output, or in restriction of capacity expansion, or the hampering of the entry of new firms into the business life of the community.

"The antitrust program for this year will be aimed at these vital problems.

"In addition to the new program, the Division will continue its present activities aimed at breaking up monopoly power in various industries."

Since that release to the press there have been 14 proceedings instituted by the Department of Justice against various organizations in this country. I ask unanimous consent that there may be printed in the RECORD at this point as a part of my remarks a list of the cases, and comments upon them by the Department of Justice.

There being no objection, the matter, list, and comments were ordered to be printed in the RECORD, as follows:

Attorney General Tom C. Clark announced the filing today in the United States District Court for the Southern District of New York of an information charging the entering into agreements to fix the prices of tires and tubes in violation of the antitrust law by eight agreements t ofix the prices of tires and tubes eight of their officers, a tire manufacturers' trade association, and two of its officers.

The defendant corporations are: Rubber Manufacturers Association, Inc., of New York City; the Dayton Rubber Co., of Dayton, Ohio; the Firestone Tire & Rubber Co., of Akron, Ohio; the General Tire & Rubber Co., of Akron, Ohio; the B. F. Goodrich Co., of Akron, Ohio; the Goodyear Tire & Rubber Co., of Akron, Ohio; Lee Rubber & Tire Corp., of Conshohocken, Pa.; Seiberling Rubber Co., of Akron, Ohio; United States Rubber Co., of New York City.

The individual defendants are: J. L. Cochrun, vice president of Seiberling Rubber Co.; I. Eisbrouch, vice president of the Dayton Rubber Co.; George Flint, assistant secretary of Rubber Manufacturers Association, Inc.; A. A. Garthwaite, Sr., president of Lee Rubber & Tire Corp.; H. N. Hawkes, assistant general manager, tire division, United States Rubber Co.; Lee R. Jackson, executive vice president of the Firestone Tire & Rubber Co.; L. A. McQueen, vice president of the General Tire & Rubber Co.; J. J. Newman, vice president of the B. F. Goodrich Co.; A. L. Viles, president of Rubber Manufacturers Association, Inc.; R. S. Wilson, vice president of the Goodyear Tire & Rubber Co.

The information charges that the defendants agreed on prices, discounts, allowances, bonuses, classifications of customers, uniform warranties, guaranties and adjustment policies, allocation of sales to State, county, and municipal government agencies, limitations upon production of specified types of tires, and other related practices, for the purpose of eliminating price competition.

It is further charged that the defendants agreed to maintain Rubber Manufacturers Association, Inc., a defendant, as a means by which the prices of tires and tubes were fixed.

John Ford Baecher, first assistant, Antitrust Division, said: "The action taken is the result of an investigation started by the Department of Justice following the receipt of numerous complaints from independent tire dealers and others concerning the pricing practices of tire manufacturers. A grand jury in New York began issuing subpenas to the manufacturers on March 13, 1946, during the period of governmental control. These subpenas resulted in the obtaining by by the Government of evidence which disclosed studied price-fixing practices by the industry to eliminate the public benefits of competition commencing in 1935. The recent decline in the tire prices occurred about 14 months after the issuing of subpenas and at a time when the investigation was making progress."

It is pointed out that the price change occurred also at a time when there had developed a surplus of tires in excess of demand, and was accomplished in part by reductions in list prices and of dealers' discounts. The small business dealers alleged that they absorbed much of the price reductions.

The information charges for technical legal reasons that the conspiracy commenced in 1935 and that it has continued within the period of the statute of limitations. However, the investigation disclosed evidence that the violations continued during the period of governmental control.

Mr. Baecher added: "The suit should discourage agreements between the manufac-

turers to raise or stabilize tire prices with the result that prices to the independent tire dealer and the consumer will be on a competitive rather than artificial level, even after surplus stocks are gone. In view of all the evidence the Government could not consider the present prices as indicating that legal action should not be taken."

The case was prepared by Allen A. Dobey, special assistant to the Attorney General, and John A. Skiles, William H. Glenn, and C. Brooke Armat, special attorneys, under the supervision of Edward P. Hodges, Chief of the Small Business and Complaints Section of the Antitrust Division.

TECHNICOLOR FILM—ANTITRUST ACTION

Attorney General Tom C. Clark announced the filing today in the United States District Court for the Southern District of California at Los Angeles of a civil action charging Technicolor, Inc., and Technicolor Motion Picture Corp. with monopolizing the business of professional color cinematography, and with having conspired with Eastman Kodak Co. to restrain and monopolize that business, in violation of the antitrust laws.

Attorney General Clark stated:

"This case is a part of the Department of Justice's program aimed at breaking up monopoly power in industry.

"Motion pictures in color today represent from 15 to 20 percent of all feature-length pictures exhibited in theaters in the United States. The capacity of facilities for commercial color processing and other operations in the business of professional color cinematography has been inadequate to meet the demand for filming of motion-picture productions in color. The effect of the practices charged in the complaint has been to restrict the development of the art of professional color cinematography by others than the defendants, and to deprive the public of the benefits of competition in this business."

Assistant Attorney General John F. Sonnett stated:

"Technicolor does over 90 percent of all the business in professional color cinematography. Since 1934 Technicolor has produced the positive-film prints for all of the class A feature-length motion pictures and most of the short subjects and animated cartoons produced in color by the motion-picture industry of the United States.

"It has entered into a series of agreements with Eastman whereby patents, new developments, and technological information relating to color photography would be reserved for Technicolor's exclusive use in the professional field. In our view, Technicolor was thereby enabled to control and monopolize this business and was protected against potential competition from others."

Mr. Sonnett added: "Our suit asks that all the illegal arrangements and agreements be canceled and that the court order such relief with respect to patents and know-how as will dissipate the effects of the unlawful practices charged and permit the establishment of free competition in the industry."

The Government's case was prepared by William C. Dixon, special assistant to the Attorney General, and James M. McGrath, of the Los Angeles office of the Antitrust Division, Department of Justice, under the supervision of Robert A. Nitschke, Chief of the Cartel and Patent Section of the Antitrust Division.

FRICTION MATERIALS—ANTITRUST INDICTMENTS

Attorney General Tom C. Clark announced the indictment today by a Federal grand jury in the southern district of New York for violation of the antitrust laws of 20 friction materials manufacturing companies, a trade association of which they are members, and 53 of their officials, for conspiracies to fix the prices of replacement brake linings and clutch facings.

The defendant corporations are: Brake Lining Manufacturers' Association, Inc., of New York, N. Y.; American Brake Shoe Co., of Detroit, Mich.; Asbestos Manufacturing Co., of Huntington, Ind.; Bendix Aviation Corp., of Detroit, Mich.; Fibre & Metal Products, Inc., of Downey, Calif.; Firestone Tire & Rubber Co., of Akron, Ohio; Firestone Tire & Rubber Export Co., of Akron, Ohio; Gatke Corp. of Chicago, Ill.; General Motors Corp., of Detroit, Mich.; Grizzly Manufacturing Co., of Bell, Calif.; Johns-Manville Corp., of New York, N. Y.; Johns-Manville International Corp., of New York, N. Y.; Lasco Brake Products Corp., Ltd., of Oakland, Calif.; L. J. Miley Co., of Chicago, Ill.; Pharis Tire & Rubber Co., of Ridgway, Pa.; Raybestos-Manhattan, Inc., of Passaic, N. J.; Russell Manufacturing Co., of Middletown, Conn.; Scandinavia Belting Co., of Newark, N. J.; Southern Friction Materials Corp., of Charlotte, N. C.; Thermoid Co., of Trenton, N. J.; World Bestos Corp., of Paterson, N. J.

The individual defendants are: T. E. Allen, assistant to president, Thermoid Co.; B. Asper, vice president, Johns-Manville International Corp.; P. F. Baillet, export department, Gatke Corp.; H. C. Berkely, sales manager, General Motors Corp.; E. G. Berngen, secretary, Gatke Corp.; J. A. Blake, vice president, Fibre & Metals Products, Inc.; J. G. Brown, sales manager, Grizzly Manufacturing Co.; S. F. Brown, director of exports, American Brake Shoe Co.; H. C. Butterworth, export manager, Russell Manufacturing Co.; A. L. Campbell, sales department, Thermoid Co.; L. M. Cassiday, vice president, Johns-Manville Corp.; O. H. Cilley, vice president, Raybestos-Manhattan, Inc.; E. S. Crosby, president, Johns-Manville International Corp.; H. A. Davis, export manager, Thermoid Co.; Robert B. Davis, vice president, Raybestos-Manhattan, Inc.; J. S. Doyle, staff manager, Johns-Manville Corp.; William H. Dunn, comptroller, Raybestos-Manhattan, Inc.; H. G. Farwell, export department, Raybestos-Manhattan, Inc.; T. L. Gatke, president, Gatke Corp.; J. R. Glazebrook, Johns-Manville Corp.; H. Groendyke, manager, Raybestos-Manhattan, Inc.; F. C. Hepburn, brake lining department, Firestone Tire & Rubber Co.; J. R. Howie, manager, Russell Manufacturing Co.; C. M. Jorgensen, sales manager, Lasco Brake Products Corp., Ltd.; R. E. Keane, automotive division, Russell Manufacturing Co.; Fred J. Kelly, manager, American Brake Shoe Co.; L. G. Kersgard, manager, World Bestos Corp.; Norman Leeds, Jr., general sales manager, Raybestos-Manhattan, Inc.; E. W. Lenz, export division, Grizzly Manufacturing Co.; Furber Marshall, president, Pharis Tire & Rubber Co.; K. W. Nasholds, assistant sales manager, Bendix Aviation Corp.; W. Rahbeck, export department, Firestone Tire & Rubber Co.; G. M. Righter, export manager, Raybestos-Manhattan, Inc.; G. E. Ritter, sales manager, Pharis Tire & Rubber Co.; J. D. Roach, sales engineer, Raybestos-Manhattan, Inc.; A. J. Roemer, sales manager, Bendix Aviation Corp.; J. F. D. Rohrbach, vice president, Raybestos-Manhattan, Inc.; C. W. Sachs, manager, Raybestos-Manhattan, Inc.; H. T. Scheckler, Thermoid Co.; Fred E. Schluter, president, Thermoid Co.; Harry Seith, assistant manager, American Brake Shoe Co.; F. W. Shelton, Grizzly Manufacturing Co.; C. Q. Smith, assistant to president, American Brake Shoe Co.; J. B. Spencer, vice president, American Brake Shoe Co.; Donald H. Spicer, president, World Bestos Corp.; V. A. Spina, treasurer, Scandinavia Belting Co.; L. S. Sullivan, manager, Russell Manufacturing Co.; S. J. Synnott, manager, Raybestos-Manhattan, Inc.; Howard Snow, president, Southern Friction Materials Corp.; M. Steder, sales manager, L. J. Miley Co.; L. W. Tuttle, vice president, Asbestos Manufacturing Co.; G. M. Williams, president, Russell Manufacturing Co.; L. E. Wilson, secretary and treasurer, Asbestos Manufacturing Co.

Three indictments were returned, charging that the defendants conspired on prices, discounts, classifications of customers, terms and conditions of sales, and other related practices, for the purpose of eliminating competition. Two of the indictments involve domestic sales of friction materials, and the third, sales in foreign commerce.

The indictments further charge that Brake Lining Manufacturers Association, Inc., of New York was an agency through which the defendants made effective their fixing of prices and other illegal practices.

Attorney General Tom C. Clark stated:

"The indictments allege that the corporate defendants manufacture and sell approximately 96 percent of the Nation's replacement brake linings and clutch facings. Defendants' sales approximate $45,000,000 annually, and their pricing practices especially affect Federal and State governments and municipalities, and other operators of large fleets of automotive equipment. These cases are in line with the regular program of the Department of Justice to attack illegal price fixing."

It is pointed out that the present continuance in service of old automotive equipment makes replacement friction materials an essential to safety on the highways. It is also noted that the defendants through manipulated price and discount lists caused the materials to be sold abroad at prices cheaper than those demanded in the United States, though the articles were manufactured here.

John F. Sonnett, Assistant Attorney General in charge of the Antitrust Division, said:

"The annual sales value of replacement brake linings is five times that of new equipment. This is a national bill shared by every user of transportation facilities. These cases should promote safety on the highways by enabling the public to purchase brake materials at fair competitive prices.

"Cooperation in the presentation of this case was furnished the United States Government by John M. Murtagh, Commissioner of Investigation for the city of New York. Mr. Murtagh brought to us significant facts as to the cost to the public of these materials for ambulances, fire and sanitation equipment, police cars, and other essential public services."

The case was presented to the grand jury by J. Francis Hayden, Chief of the New York office of the Antitrust Division, Irving Glickfeld, Joseph T. Quinnan, and Emanuel S. Cahn, attorneys attached to the New York Antitrust Office, under the supervision of Holmes Baldridge and George B. Haddock, chief and assistant chief, respectively, of the General Litigation Section of the Antitrust Division, Washington.

Attorney General Tom C. Clark announced that a Federal grand jury in the District of Columbia today indicted the National Association of Real Estate Boards, with principal offices at Chicago, Ill., and the Washington Real Estate Board, Washington, D. C., for violation of the antitrust laws, and the filing by the Government of a civil antitrust suit against the same defendants, the executive vice president of the National Association of Real Estate Boards, and 15 members of the Washington Real Estate Board.

The grand jury charged that the National Association of Real Estate Boards and the Washington Real Estate Board have for many

years engaged in a criminal conspiracy to restrain trade in the housing field in the District of Columbia through fixing commission rates to be charged by realtors.

As a result of the conspiracy, the grand jury charges that competition has been eliminated with respect to fees for selling, exchanging, leasing, and managing real property in the District of Columbia, and that amounts paid for commissions to brokers for the sale of houses have increased by 25 to 50 percent.

The National Association of Real Estate Boards is a national trade association comprised of approximately 28,000 real estate brokers, and others affiliated with the real-estate business throughout the United States, and of about 800 local real-estate brokers associations throughout the United States. The national association is an Illinois corporation and maintains an office in the District of Columbia.

The Washington Real Estate Board, a corporation of the District of Columbia, also indicted today, is a trade association with a membership of about 250 real-estate brokers, and others affiliated with the real-estate business, all operating in the District of Columbia. The Washington Board and all of its members are also members of the national association.

In addition to the criminal prosecution of the associations, the Government's civil suit asks cancellation of the unlawful provisions of the constitution, bylaws, rules, and regulations of the national association and of the Washington Board, which fix uniform commission rates. An injunction is also sought to prevent the associations, the 16 individual defendants, and other realtors, from participating in any similar agreements in the future.

The individual defendants in the civil suit are Herbert U. Nelson, executive vice president of the National Association of Real Estate Boards, and the following members and directors of the Washington Board: J. Garrett Beitzell, Lewis T. Breuninger, Lewis F. Colbert, S. Dolan Donohoe, C. H. Hillegeist, Edward K. Jones, Willam L. Lebling, S. Miles Montgomery, F. Moran McConihe, William L. Orem, Jr., Thomas W. Sandoz, J. Hawley Smith, Raymond M. Taylor, DeVere R. Weedon, Carey Winston.

Attorney General Clark commented:

"Our inquiry into the housing field indicates that artificial restraints on competition, such as those involved in this matter, bears a definite relation to present high housing costs."

Assistant Attorney General John F. Sonnett, in charge of the Antitrust Division, stated:

"It is charged in these cases that in addition to the absence of competition among real-estate brokers with respect to commission rates, there have been uniform agreements and concerted action whereby realty commission rates have been substantially increased in recent years. Such practices in this field are especially burdensome, particularly in view of the heavy 'turn-over' in dwellings."

The cases were prepared by Victor H. Kramer and Herbert N. Maletz, special assistants to the Attorney General, and by Joseph N. Stanley, special attorney, under the supervision of Assistant Attorney General Sonnett and Edward P. Hodges, Chief of the Complaints Section of the Antitrust Division, Department of Justice.

OWENS-CORNING FIBERGLAS CASE

Attorney General Tom C. Clark announced the filing today in Toledo in the United States District Court for the Northern District of Ohio of an antitrust suit in the building material and fabric fields, charging Owens-Corning Fiberglas Corp. and Owens-Illinois Glass Co., both of Toledo, and Corning Glass Works, of Corning, N. Y., with monopoly and conspiracy to monopolize.

The complaint charges that Owens-Corning has a monopoly of United States production of glass fibers and glass-fiber products, and that Owens-Corning Fiberglas Corp. was formed jointly by Owens-Illinois Glass Co. and Corning Glass Works as part of a conspiracy to dominate and control the development of the fiber-glass industry. It also charges that the defendants entered into cartel agreements with the principal foreign producers in order to buttress their monopoly in the United States by dividing territories and getting exclusive rights to patents and technical information.

Mr. Clark stated: "The glass-fiber industry is a significant new industry in the United States. Glass fibers are threads of glass which are made into the form of glass wool, glass textiles, and glass-fiber mats. Among its important uses are insulation for housing, electrical materials, fireproof fabrics, such as draperies and curtains, and roofing construction. New uses are being discovered frequently. Accordingly, this industry should be opened to free competitive development."

The complaint requests the court to divest Owens-Illinois and Corning Glass Works of their stock interest in Owens-Corning, to enjoin future control, and to split up Owens-Corning according to a plan to be approved by the court, so as to establish independent and competitive business units in the glass-fiber industry.

Assistant Attorney General John F. Sonnett, in charge of the Antitrust Division, stated: "This action is in furtherance of the Department of Justice program aimed at unlawful concentration of economic power in national industry. The growing significance of this new product in the construction and fabrics fields is evidenced by the substantial increase in the sales of glass-fiber materials. Owens-Corning's net sales during its first year of business in 1939 amounted to $4,000,000 and have reached as high as $56,000,000 in 1 year. It does 98 percent of the national glass-fiber business in six plants, located in Newark, Ohio; Corning, N. Y.; Ashton, R. I.; Burlington, N. J.; Kansas City, Kans.; and Huntingdon, Pa."

The complaint also alleges that Owens-Corning is a jointly owned subsidiary of Owens-Illinois and Corning, two of the largest manufacturers in the glass industry. It was organized by them in 1938 for the purpose of consolidating their respective glass-fiber businesses in a single corporation which would dominate and control the development of this new industry.

It is further charged that the defendants strengthened their monopoly in the United States by means of various cartel agreements entered into with the principal foreign glass-fiber interests for the allocation of territories and the exclusive exchange of patent rights and technical knowledge. The following eight foreign corporations are named as coconspirators in the complaint: N. V. Van Deventer's Glasfabrieken, of Holland; Maatschappij tot Beheer en Exploitatie van Octrooien N. V., of Holland; Algemeene Kunstvezel Maatschappij N. V., of Holland; Societe Anonyme des Manufactures des Glaces et Produits, of France; Chimiques de St. Gobain, Chauny et Cirey of France; Chance Bros. & Co., Ltd. (Chance Bros.), and Fibreglass Ltd., of England; Societa Anonima Vetreria Italiana Balgaretti Modigliani of Italy; Fiberglas Canada, Ltd., of Canada.

It is alleged that such cartel agreements prevented importation of competing goods and hindered other potential domestic producers in getting access to foreign technology and patent rights.

Important glass-fiber products include various forms of thermal and accoustical insulation for building and industrial uses, various types of electrical insulation materials, air filters used in warm-air furnaces, and air-conditioning and ventilating systems, and decorative fabrics used in fireproof draperies, curtains, and the like.

Among the new uses recently discovered are filling for sleeping pillows for allergy victims, for interlining clothing, in frozen-food shopping bags, garment and blanket storage bags, ironing-board covers, lamp shades, and in wrinkle-resistant articles of clothing woven from glass fibers and other fibers. One of the most important potential fields is the use of glass fibers as a reinforcement in the manufacture of plastic materials.

The Government's case was prepared by George W. Wise and Frank W. Gaines, Jr., special attorneys, under the supervision of Robert A. Nitschke, Chief of the Cartel and Patent Section of the Antitrust Division.

FULL-FASHIONED HOSIERY MACHINERY

Attorney General Tom C. Clark announced the filing today in the United States District Court for the Southern District of New York of an antitrust suit charging the Textile Machine Works and Berkshire Knitting Mills, both corporations of Wyomissing, Pa., and certain of their officers and directors, with monopoly and conspiracy in restraint of trade, in the full-fashioned hosiery and hosiery machinery fields.

The complaint alleges that the Textile Machine Works is the major producer of full-fashioned hosiery machinery, and that Berkshire Knitting Mills is the largest manufacturer of full-fashioned hosiery in the United States, and that the two companies are owned and controlled by substantially the same individuals. Both companies, it is charged, have been engaged in a program designed to strengthen and insure the domination of each company in its respective field and to prevent small hosiery mill operators from obtaining second-hand machines which could produce lower-priced stockings and compete with the new higher-gage machines manufactured by the Textile Machine Works.

With the same object, it is alleged, Textile required veterans who are given priorities under the veterans' rehabilitation program, as a condition to their purchase of machines, to sign an agreement not to sublease or otherwise dispose of their machinery without first offering it to Textile for a repurchase.

Mr. Clark stated: "The monopolistic activities of Textile and Berkshire have created a shortage of hosiery machinery in this country and agreements between the two in restraint of trade have limited the supply of full-fashioned hosiery."

John F. Sonnett, Assistant Attorney General in charge of the Antitrust Division stated: "There are more than 400 companies in the United States engaged in the manufacture of full-fashioned hosiery, producing annually more than 40,000,000 dozen pairs of stockings having a value in excess of $300,000,000. Berkshire is the largest manufacturer of these stockings, producing over 2,000,000 dozen a year, which is almost twice as much as its nearest competitor.

A virtual monopoly of the manufacture of machines has been acquired by the Textile Machine Works, which has about 85 percent of the Nation's production facilities for full-fashioned hosiery machines. Berkshire has twice as many machines as any other hosiery manufacturer.

The Government seeks the separation of these two businesses, which are under common control, and to prevent further machine sales to Berkshire until the restraints on trade are fully removed.

The Government's suit asks specifically that an injunction be issued restraining the defendant from continuation of the illegal activities alleged in the complaint; that the

court order a separation of the two companies and a divestiture by each company and its officials of all interests in the other company, and that Textile be enjoined, for a period of 1 year and until the effects of the offenses have been fully eliminated, from furnishing machines to Berkshire.

The individuals named in the Government's complaint today are: Henry Janssen, president of Textile and vice president, treasurer, and a director of Berkshire; John E. Livingood, vice president of Textile and secretary and director of Berkshire, Ferdinand Thun, president of Berkshire and a director of Berkshire and also secretary-treasurer of Textile; Ferdinand K. Thun, assistant secretary of Berkshire and a director of Textile.

The case was prepared by Lester L. Jay, special assistant to the Attorney General, and John D. Leddy, and Francis R. Shields, special attorneys, under the supervision of J. Francis Hayden, Chief of the New York Office, all under the general supervision of Robert A. Nitschke, Chief of the Patent and Cartel Section of the Antitrust Division.

ANTITRUST SUIT IN CAST-IRON-PIPE INDUSTRY

Attorney General Tom C. Clark announced the filing today in the United States district court in New Jersey, at Trenton, of an antitrust suit charging five corporations with conspiracy to monopolize and restrain trade in the cast-iron pressure-pipe industry by the abuse of patent rights and lease-license agreements. The defendants are: United States Pipe & Foundry Co., Burlington, N. J.; James B. Clow & Sons, Chicago, Ill.; Glamorgan Pipe & Foundry Co., Lynchburg, Va.; Lynchburg Foundry Co., Lynchburg, Va.; McWane Cast Iron Co., Birmingham, Ala.

The complaint charges that the unlawful action was carried out through lease-license agreements relating to patents, which resulted in limiting the production, types, and dimensions of cast-iron pressure pipe, controlling selling prices in the United States, and maintaining for United States Pipe & Foundry Co. a dominant position in the industry.

The pipe involved in this suit is used principally in the transmission of water and gas under pressure and is the most commonly used material for this purpose. It is essential in the development of new and all large-scale housing areas which require gas and water systems. It is also used in the transmission of crude oil, gasoline, and other liquids and gases.

The suit seeks cancellation of the illegal agreements, and relief against patent abuses, including reasonable royalty licensing.

Attorney General Clark stated: "The complaint sets forth that the defendants together produce approximately 70 percent of all cast-iron pressure pipe made in the United States. The elimination of the restraints in this field should aid in the competitive development of the cast-iron pressure-pipe industry and should have a beneficial effect on the development of housing projects."

Assistant Attorney General John F. Sonnett, in charge of the Antitrust Division, stated: "The annual sales of cast-iron pressure pipe during 1946 amounted to over $35,000,000, which represented principally purchases by municipalities, other governmental agencies, and public utilities. The defendants, under patent license agreements, have restrained and effectively monopolized the greater portion of the domestic and foreign commerce in such pipe. Our purpose in this suit is to remove the restraints on competition which have resulted from the defendants' conduct over a period of years."

The case is being handled by Victor H. Kramer and Morton H. Steinberg, special assistants to the Attorney General, and Herbert N. Maletz, special attorney, under the general supervision of Edward P. Hodges, Chief of the Division's Complaints and Small Business Section.

DEPARTMENT OF JUSTICE

Attorney General Tom C. Clark announced the filing today in the United States District Court for the Southern District of New York of a civil suit charging the Investment Bankers Association of America and 17 investment banking firms with violation of the antitrust laws. The complaint alleges that the defendants have conspired to restrain unreasonably and to monopolize the securities business in this country by restricting, controlling, and fixing the channels and methods, the prices, terms, and conditions upon which security issues are merchandised.

Named as defendants are the following copartnerships: Morgan Stanley & Co.; Kuhn Loeb & Co.; Eastman, Dillon & Co.; Kidder, Peabody & Co.; Goldman, Sachs & Co.; Lehman Bros.; Smith, Barney & Co.; Glore, Forgan & Co.; White Weld & Co.; and Drexel & Co.; and the following corporations: The First Boston Corporation; Dillon, Read & Co., Inc.; Blyth & Co., Inc.; Harriman Ripley & Co., Inc.; Stone & Webster Securities Corp.; Harris, Hall & Co., Inc.; and Union Securities Corp.

All of the defendants have their principal place of business in New York City, except the Investment Bankers Association of America, the home office of which is in Chicago, Ill.

The complaint defines an investment banker as follows: "A corporation, firm, or person engaged in the securities business who performs primarily the services of (1) rendering advice to issuers concerning financial and business matters, and (2) purchasing security issues from issuers and selling them to security dealers and to investors.

Securities are defined in the complaint as including: "Any stocks, notes, bonds, debentures, or other interests, certificate, or instrument, commonly known as a security, issued (1) by any railroad or other common carrier, or any railroad terminal corporation, (2) by any public utility corporation, (3) by any public authority or agency, (4) by any industrial, financial, service, or other business corporation or organization, or (5) by any foreign government or foreign state or municipality. The term includes revenue bonds and debentures, but does not include any other obligations of the United States or any State or municipality thereof."

During the period from January 1, 1938, to April 30, 1947, according to the complaint, the 17 defendant investment banking firms managed securities sales in the sum of $14,357,000,000, which represented about 69 percent of the security issues handled by the syndicate method.

The complaint charges that the defendant firms have agreed:

1. To eliminate competition among themselves.

2. To eliminate competition of other investment bankers, and of other prospective purchasers of securities.

3. To prevent, restrain, minimize, and discredit the use of competitive bidding, private placements, agency purchases, and agency sales in the disposal of securities by issuers.

4. To eliminate competition for security issues offered at competitive bidding and to circumvent regulatory orders of Federal and State administrative agencies requiring competitive bidding.

5. To influence and control the management and financial activities of issuers.

6. To preserve their relationships with issuers for whom defendants act as financial advisers or from whom they purchase security issues.

7. To utilize their domination and control over securities business and their influence and control over issuers to encourage and promote consolidations, mergers, expansions, refinancings, and debt refundings in order, among other things, to create an increasing volume of security issues for merchandising by the defendants.

8. To concentrate the business of purchasing and distributing sceurity issues in a single market where sales are made to large institutional investors upon terms and conditions favorable to such buyers and with a minimum of risk to defendants.

Attorney General Tom C. Clark stated, "It is the Government's purpose in this suit to correct long-standing restrictive practices in the investment banking field, developed and followed by these 17 important firms, so as to strengthen and produce competition among this group and generally in the investment banking industry.

"The economic importance of the case is evident from the fact that since 1938 the 275 firms in the investment banking business have managed the sale of security issues having a value of over $20,000,000,000, and that the 17 firms named in this case managed groups which sold about 69 percent of that total."

Assistant Attorney General John F. Sonnett, in charge of the Antitrust Division of the Department of Justice, said: "This action follows an exhaustive inquiry, conducted for several years, into the methods and practices of the investment banking firms of the Nation, which indicated that the 17 firms here involved have handled during the past 10 years about 85 percent of the 'prime securities'—that is, those generally recognized as being of good investment quality with a minimum of speculative characteristics. The Government seeks in this case a court judgment which will effectively and practicably provide for fully competitive conditions in the business, free from existing restraints."

The complaint asks the following specific relief:

1. That each defendant banking firm be enjoined from occupying the dual function of adviser to an issuer and of purchaser for resale of the securities of the same issuer; that each defendant banking firm be required to elect which of these two types of business it will conduct for a particular issuer and to stay out of the business not elected for that issuer.

2. That each of the following defendant banking firms, to wit: Morgan Stanley & Co., First Boston Corp., Dillon Read & Co., Inc., Kuhn Loeb & Co., Blyth & Co., Smith Barney & Co., Lehman Bros., Harriman Ripley & Co., and Goldman, Sachs & Co., be enjoined from participating, directly or indirectly, in any buying group formed to merchandise a security issue in which any other of said defendant banking firms is a participant; and that participation by any of the following defendant banking firms, to wit: Glore Forgan & Co., Kidder, Peabody & Co., Eastman, Dillon & Co., Union Securities Corp., Stone & Webster Securities Corp., Drexel & Co., White Weld & Co., and Harris, Hall & Co. (Inc.), in buying groups formed to merchandise a security issue, be enjoined in such manner as the court may deem necessary in order to create actual competition in the investment banking industry.

3. That each defendant banking firm be enjoined from placing any officer, director, partner, agent, employee, or nominee on the board of directors of any issuer for whom it acts either as financial adviser or as a purchaser of securities.

4. That each defendant banking firm be enjoined from interfering with the right of any issuer to select both the method by which it will dispose of its securities and the outlet through which the issue will be sold.

5. That each defendant banking firm be enjoined from interfering with the right of any institutional or other investor from choosing freely both the methods by and the

agencies through which it will purchase securities.

6. That each defendant banking firm be enjoined from refusing to negotiate with or to compete for the purchase of securities of any issuer either because some other investment banker is or has been the traditional banker for such issuer, or because the business of such issuer might be in competition with the business of some issuer for whom one of the defendant banking firms acts as adviser or handles security issues.

7. That each defendant banking firm be enjoined from asserting any right to deal in the securities of a particular issuer merely because such firm has managed or participated in the merchandising of any security issue emanating from such issuer, or from recognizing or deferring to such a claim by any other defendant banking firm.

8. That each defendant banking firm be enjoined from creating, managing, or participating as an underwriter in a so-called stand-by account, that is, a buying group with continuous existence formed to merchandise the security issues of a particular issuer if and when issued.

9. That each defendant banking firm be enjoined from participating in any overly-large buying group, that is, a buying group which is larger than necessary to handle a particular security issue, for the purpose of defeating competitive bidding.

10. That each defendant banking firm be enjoined from acting with any other defendant banking firm or with any other concern engaged in the securities business, either to select jointly or to delegate to anyone the selection of the security dealers to participate in selling groups, or the institutional investors, including insurance companies and others, to whom any part of a security issue purchased by such defendant banking firm shall be sold.

11. That each defendant banking firm be enjoined from acting in concert with any underwriter in any buying group in which such defendant banking firm participates, or with any security dealer in a selling group, to maintain retail prices for securities, and to fix and maintain uniform dealer discounts or commissions, except where such activity is permitted by an act of Congress or by the rules and regulations of an appropriate administrative agency based upon such act of Congress, for the sole protection of investors.

12. That each defendant banking firm be enjoined from engaging in, or causing others to engage in, market operations of any kind designed to stabilize and maintain the market price of securities in any issue it purchases, except where such activity is permitted by an act of Congress or by the rules and regulations of an appropriate administrative agency based upon such act of Congress, for the sole protection of investors.

13. That the Investment Bankers Association of America be ordered dissolved and the defendant banking firms be enjoined from organizing or joining any other association engaged in similar practices and having similar purposes.

The case is in the immediate charge of Roscoe T. Steffen, Henry V. Stebbins, and J. Francis Hayden, special assistants to the Attorney General, assisted by Mervin C. Pollock, Joseph Tubridy, Robert S. Fougner, and Harry Sklarsky. The case is under the general supervision of Holmes Baldridge, who is in charge of general antitrust litigation.

ANTITRUST INDICTMENTS IN HOUSING FIELD

Attorney General Tom C. Clark announced today that a Federal grand jury in Kansas City, Mo., returned antitrust indictments today against the Greater Kansas City Chapter, National Electrical Contractors Association and certain of its members located in the Kansas City area and certain other of its members located in the Springfield, Mo., area. The defendants are charged with conspiracy to restrain trade in the installation of electrical systems in housing.

The Kansas City area defendants are: Evans Electrical Construction Co., the Squire Electrical Co., North Kansas City Electric Co., A. E. Smiley & Co., C. F. Miles, John St. Clair, Charles Owsley, Arthur E. Smiley, John C. Murray, Fred E. Geiss, and Harry Young.

The defendants in the Springfield area are: Aton & Luce, Inc., Mound City Electrical Engineering Co., O. F. Luce, W. B. Aton, F. S. Leidy, Victor L. Doris, C. W. Lamons, and O. M. Roper.

The Greater Kansas City Chapter, N. E. C. A. and its manager, J. W. Collins, were named defendants in both indictments. Eighteen other electrical contractors, who are members of the Greater Kansas City Chapter of the N. E. C. A., and who attended some of the meetings of the association, were named as coconspirators but not as defendants in the Kansas City area indictment.

The Kansas City area indictment alleges that the defendants and their coconspirators, in order to eliminate competition among themselves, agreed unlawfully upon escalator clauses in bids. They also agreed upon a uniform, minimum mark-up to be charged for labor when selling electrical contracting service and to include in their charges for work on prefabricated houses a sum which would represent the profit they would have made if the electrical materials already in these houses had been sold by them.

The Springfield area indictment charges unlawful agreements not to contract to supply the labor required in the installation, alteration, or repair of electrical systems unless the owner paid an additional sum representing a part of the profit the contractor would have made if the electrical materials had been supplied by him.

Attorney General Clark stated: "These cases are a part of the program of the Department of Justice to attack conspiracies in the housing field which contribute unlawfully to construction costs."

John F. Sonnett, Assistant Attorney General in charge of the Antitrust Division, stated: "The defendant contractors in the Kansas City and Springfield areas have, by means of unlawful practices, materially increased prices for electrical contracting work. Conspiracies such as these in the food, clothing, and housing fields will be vigorously prosecuted."

In charge of the cases for the Department of Justice are Edward R. Kenney, special assistant to the Attorney General, Donald P. McHugh and William E. Speer, special attorneys in the Antitrust Division, Washington, D. C. The cases are under the supervision of Edward P. Hodges and Victor H. Kramer, chief and assistant chief, respectively, of the complaints and small business section of the Antitrust Division.

ANTITRUST SUIT AGAINST VEHICLE AND INDUSTRIAL BRAKING SYSTEMS INDUSTRY

Attorney General Tom C. Clark announced the filing today in the United States District Court for the Southern District of New York of a civil action charging seven corporations with violating the antitrust laws in connection with the manufacture and sale of braking apparatus for motor vehicles and industrial equipment.

The defendants named in the Government's suit are Bendix Aviation Corp., South Bend, Ind.; Hydraulic Brake Co., Detroit, Mich.; Wagner Electric Corp., St. Louis, Mo.; E. I. du Pont de Nemours & Co., Wilmington, Del.; General Motors Corp., Detroit, Mich.; Bendix-Westinghouse Automotive Air Brake Co., Elyria, Ohio; Westinghouse Air Brake Co., Wilmerding, Pa.

Mr. Clark said: "The complaint charges the defendants, whose combined 1946 sales of braking systems and parts totaled approximately $76,000,000, were conspiring to monopolize the automotive and industrial brake business in the United States. The unlawful patent and other activities with which these defendants are charged have resulted in arbitrary prices which the American automobile owners have had to pay and are still paying for the braking systems of their passenger and commercial cars, trucks, and busses."

John F. Sonnett, Assistant Attorney General in charge of the Antitrust Division, said: "This suit charges that the defendants have utilized their ownership of hundreds of patents relating to braking systems to retain and extend their control of this field; to compel their customers to purchase unpatented along with patented parts of such systems; to suppress inventions and improvements in braking systems which might adversely compete with defendants' products; and to exclude competitors by threatening and conducting harassing and oppressive patent litigation."

The complaint, according to Mr. Sonnett, recites a series of corporate acquisitions and agreements among the defendants by which they are alleged to have divided the manufacture and sale of braking systems into separate fields allocated among themselves on an exclusive basis.

With respect to passenger cars, the complaint states that every automobile manufactured in the United States is equipped with hydraulic brakes on terms and conditions imposed by Hydraulic Brake Co., a wholly owned subsidiary of Bendix Aviation, which, in turn, is partly owned by General Motors; that Hydraulic Brake Co. requires passenger-car manufacturers to purchase all or, in a few cases, most of their hydraulic braking systems and parts from Bendix Aviation and Wagner Electric, the former supplying most of the brake assemblies and the latter most of the actuating equipment; and that almost all of the fluid used in the hydraulic brakes is manufactured by du Pont and sold by du Pont and Wagner Electric.

In the commercial motor-vehicle field the situation with respect to hydraulic brakes is alleged to be the same, and, in addition, the complaint states that Bendix Aviation manufactures and sells most of the vacuum boosters employed on heavier motor vehicles, such as large trucks and busses, to increase the efficiency of their hydraulic braking systems. Wagner Electric and Bendix-Westinghouse, which is jointly owned by Bendix Aviation and Westinghouse Air Brake Co., together sell almost all of the air brakes used in commercial motor vehicles in the United States.

Mr. Sonnett said: "The Government will seek to have the defendants enjoined from enforcing the patents which they have utilized to further their control. It will also seek to unscramble, through divestitures, the intercorporate stockholdings and company acquisitions in this field by the defendants. The Government will also ask the court for cancellation of the licenses, agreements, and understandings of the defendants necessary to dissipate the effects of their alleged monopoly and illegal activities, and to establish and maintain competition in the manufacture and sale of braking systems."

The complaint was filed by J. Francis Hayden, chief of the New York office of the Antitrust Division, who was assisted in its preparation by Irving B. Glickfeld and Mervin C. Pollak, special assistants to the Attorney General, and Joseph P. Quinnan, special attorney. The case is being handled under the supervision of Robert A. Nitschke, Chief of the Division's Cartel and Patent Section.

ANTITRUST SUIT AGAINST CELLOPHANE MONOPOLY OF DU PONT CORPORATION

Attorney General Tom C. Clark announced the filing today in the United States Dis-

trict Court for the District of Columbia, Washington, D. C., of an antitrust suit charging E. I. du Pont de Nemours, Inc., of Wilmington, Del., with unlawfully monopolizing the cellophane industry in the United States. Six foreign corporations though not defendants are named as coconspirators with the defendant du Pont Co. They are: La Cellophane, Société Anonyme, of France; British Cellophane, Ltd., of England; Canadian Industries, Ltd., of Canada; Kalle & Co., A. G., of Germany; Société de La Viscose Francaise, of France; Viscose Development Co., Ltd., of England.

The Government's complaint charges that by reason of its monopoly the du Pont Co. exercises control of the domestic market for cellophane products and has excluded others in the United States from that business. Du Pont acquired and supported its monopoly through various cartel agreements allocating world markets between it and leading foreign cellophane manufacturers and providing for the exclusive interchange of technical information between du Pont and its coconspirators. The illegal activities were carried out in part by the unlawful employment of patent rights, and the fixing of arbitrary and noncompetitive prices.

The relief sought by the Government would require du Pont to sell at reasonable prices such of its plants as may be necessary to permit others to enter the cellophane field. The court is also asked to appoint receivers and trustees to execute its orders requiring the disposal of such du Pont plants and factories.

Attorney General Clark stated: "This is a major case directed at a serious monopoly condition where avenues of competition are closed. For many years du Pont's cellophane plants have produced in excess of two-thirds of all of this commodity used in this country. This illegal monopoly power stifles free enterprise and should be eliminated."

Assistant Attorney General John F. Sonnett, in charge of the Antitrust Division, stated: "This action is filed as part of the continuing program of the Division aimed at the breaking up of the unlawful concentration of economic power in the United States. During 1946 the gross sales of the cellophane industry were approximately $62,000,000 of which the defendant du Pont Co. had over $46,000,000. The du Pont monopoly is more effective because of the absence of any foreign imports of cellophane, and du Pont's only competitor in this country operated under production restrictions imposed by it. The Department expects by this suit to create for the first time conditions that will result in competition in the manufacture and sale of this essential product."

The Government's case was prepared by James L. Minicus and George W. Wise, special attorneys, under the supervision of Robert A. Nitschke, Chief of the Cartel and Patent Section of the Antitrust Division.

ANTITRUST SUIT AGAINST SHOE MACHINERY MONOPOLY

Attorney General Tom C. Clark announced the filing today of a civil antitrust suit charging the United Shoe Machinery Corp., of Boston, Mass., with violating the Sherman Act by monopolizing the shoe-machinery industry of the United States.

The complaint was filed in the United States District Court at Boston. It seeks to compel United Shoe Machinery Corp. to sell all of its plants used in the manufacture of shoe-factory supplies and some of its plants engaged in the manufacture of shoe machinery and tanning machinery, and to offer to sell its machinery to shoe manufacturers instead of only leasing, as it does now, and to make available to its competitors all patents and know-how relating to shoe machinery.

Attorney General Clark said, "By reason of the defendant's monopoly it is impossible for an American shoe manufacturer to own most of his machinery. This is contrary to our tradition and principles of free private enterprise. We are seeking to end this monopoly which has destroyed the independence of the shoe industry of the United States."

The Government's complaint states that the defendant manufactures over 90 percent of most of the important types of shoe machinery, and is the only company in this country which can completely equip a shoe factory with all necessary machinery. It charges that for many years the defendant has violated the antitrust laws by monopolizing shoe machinery, shoe-machinery parts, shoe-factory supplies and tanning machinery.

The complaint alleges that United has accomplished its illegal monopoly by the following methods:

1. Eliminating and disabling its actual and potential competitors engaged, or proposing to engage, in the development, manufacture, and distribution of shoe machinery, by acquiring their assets and employing their key men.

2. Inducing companies engaged in the manufacture and distribution of shoe machinery and shoe-repair machinery to confine their operations to certain machines, to distribute their machinery to shoe factories exclusively through United, and to refrain from selling shoe-repair machinery to shoe factories.

3. Pursuing a manufacturing and marketing policy designed to prevent the installation in shoe factories of all competitive shoe machinery and to displace with United machinery all competitive shoe machinery installed in shoe factories.

4. Engrossing patents and inventions relating to the manufacture of shoe machinery and using such patents and inventions to prevent competitors from manufacturing and distributing shoe machinery in the United States.

5. Preventing the distribution of second-hand shoe machinery.

6. Requiring lessees to purchase from United all parts for shoe machinery leased by it.

7. Acquiring the capital stock of corporations engaged in the manufacture and sale of shoe factory supplies.

8. Inducing manufacturers engaged in the manufacture of shoe factory supplies to market such supplies to the shoe trade exclusively through United.

9. Using its monopoly of shoe machinery as an instrument to monopolize the distribution of shoe factory supplies.

10. Acquiring the capital stock and assets of tanning machinery companies.

The complaint further alleges that defendant United Shoe Machinery Corp. acquired the assets of its principal competitor, General Shoe Machinery Co., by subterfuge to hide the fact that United was acquiring the assets of a competitive shoe machinery company. This was done by inducing International Shoe Co., General's largest stockholder, to purchase General's assets and simultaneously to transfer them to United, thus making it appear that United had acquired the assets of a company producing shoes instead of a competitor producing shoe machinery. As a consequence of the transaction, General was dissolved and ceased doing business.

The complaint charges that in furtherance of its monopoly United acquired some or all of the assets of 14 other competitors, namely: Reece Shoe Machinery Co., C. C. Blake, Inc., Littleway Process Co., Northern Machinery Co., Monfils Shoe Machinery Co., Brauner Manufacturing Co., General Machine Sales Co., Barge Electric Shoe Cement Press, Fitchburg Engineering Corp., Barlor Welting Co., Safety Utility Economy Co., Standard Shoe Tying Machine Co., Naumkeag Buffing Machine Co., and Gimson Shoe Machinery Co.

Other monpolistic devices used were restrictive agreements between United Shoe Machinery Corp. and other competitors, including Singer Manufacturing Co., Lamson Co., Tubular Rivet & Stud Co., Breuer Electric Manufacturing Co., and Landis Machine Co. Among these agreements was one whereby United would refrain from manufacturing or distributing upper fitting shoe machinery of the kind manufactured by a competitor and the latter would not engage in the manufacture and distribution of any other type of shoe machinery.

The complaint also states that United's monopoly has been materially strengthened by its machinery leasing system. Of the 123,000 United machines in shoe factories over 80 percent are leased instead of sold. The terms of the leases make it highly impractical for shoe manufacturers to substitute competitive machinery for United machinery.

United, it is charged, has also gained control of all patents of importance in the shoe machinery industry, and has used this control to maintain its monopolistic position.

Assistant Attorney General John F. Sonnett, in charge of the Antitrust Division, observed in this respect: "The abuse of patent rights has been a principal means whereby United has achieved and maintained its monopoly. It has acquired 4,172 patents since 1930. It uses only 363 of these in machines introduced since 1930. Most of its patents have been laid away on the shelf. United has compelled manufacturers to use obsolete shoe machinery, thus retarding the introduction of mass-production techniques in the manufacture of shoes and preventing reductions in shoe manufacturing costs by the use of modern machinery. We seek to put an end to the use of patents by United to monopolize an entire industry."

In charge of the case for the Department of Justice is Grant W. Kelleher, Chief of the New England Antitrust Office, at Boston, Mass., assisted by C. W. Rowley, Alfred Karsted, Edward M. Feeney, Jr., and Roy N. Freed, special attorneys in the Antitrust Division office at Boston. The case is under the supervision of Holmes Baldridge, Chief of the General Litigation Section of the Antitrust Division.

ANTITRUST DIVISION SUIT AGAINST ARTIFICIAL ABRASIVES INDUSTRY

Attorney General Tom C. Clark announced today the filing in the United States District Court, Buffalo, N. Y., of a civil antitrust suit charging the Abrasive Grain Association and five corporations with fixing prices for artificial abrasive substances in violation of the Sherman antitrust law.

The defendants are Abrasive Grain Association, of Worcester, Mass.; Norton Co., of Worcester, Mass.; The Carborundum Co., of Niagara Falls, N. Y.; American Abrasive Co., of Westfield, Mass.; The Exolon Co., of Tonawanda, N. Y., and General Abrasive Co., Inc., of Niagara Falls, N. Y.

All of the defendant manufacturers are members of the association. Five other members of the association are named as coconspirators but not as defendants. They are, Washington Mills Abrasive Co., of North Grafton, Mass.; Abrasive Products Co., of Lansdowne, Pa.; The John W. Higman Co., of New York, N. Y.; Wisconsin Abrasive Co., of Milwaukee, Wis., and Simonds Abrasive Co., of Philadelphia, Pa.

The defendant manufacturers and coconspirators produce approximately 98 percent of all artificial abrasive grain manufactured in the United States.

Attorney General Clark said, "The artificial abrasives involved in this suit are of basic importance to United States industry. They are widely used in the manufacturing processes of the construction, automotive, plumbing supply, hardware, glass, and optical industries as well as in the polishing and finishing of stone and gems. Restrictive practices in the production and sale of this material have a direct effect upon costs in a large number of our basic industries."

John F. Sonnett, Assistant Attorney General in charge of the Antitrust Division, stated, "This industry has annual sales in excess of $18,000,000, of which the five defendants in this case do in excess of $16,000,000. The complaint charges that the defendants and their coconspirators have continuously planned and acted together through the association to eliminate price competition and have agreed upon uniform price policies, terms, and conditions of sale for artificial abrasive grain. It also charges that they have adopted a price filing program which has resulted in substantial identity of price among all the members of the association.

"The complaint seeks to have the association dissolved, to enjoin the defendants from further agreements fixing prices, terms or conditions of sale, and to prevent the defendant manufacturers from exchanging current and future price lists among themselves or with other manufacturers of such artificial abrasives."

The case was prepared by Grant W. Kelleher, chief of the Antitrust Division's Boston office, with the assistance of Special Assistant to the Attorney General Richard B. O'Donnell, and James F. Burns and Alfred M. Agress, special attorneys, under the supervision of Robert A. Nitschke, Chief of the Cartel and Patent Section.

ANTITRUST INDICTMENT OF NEW ENGLAND EGG DEALERS FOR PRICE RIGGING

Attorney General Tom C. Clark announced the indictment today by a Federal grand jury in Boston, Mass., of the Boston Fruit & Produce Exchange and 12 egg dealers in Boston for conspiracy to fix and stabilize egg prices throughout New England.

The defendants are as follows: Boston Fruit & Produce Exchange, of Boston, Mass.; H. P. Hood & Sons, Inc., of Boston, Mass.; Armour & Co., of Chicago, Ill.; Berman & Co., Inc., of Boston, Mass.; Bartlett Varney Co., of Boston, Mass.; Chapin & Adams Corp., of Boston, Mass.; E. F. Deering Co., Inc., of Boston, Mass.; H. A. Hovey Co., of Boston, Mass.; Kennedy & Co., Inc., of Boston, Mass.; A. E. Mills & Son, Inc., of Boston, Mass.; Beatrice Foods Co., of Chicago, Ill.; Brockton Cooperative Egg Auction Association, Inc., of Avon, Mass.; and New Hampshire Egg Auction, Inc., of Derry, N. H.

Attorney General Clark stated: "This indictment has been returned by the grand jury in connection with the program of the Antitrust Division to prosecute illegal conspiracies which increase or maintain the price of food. The indictment charges that the Boston Fruit & Produce Exchange is not a bona fide commodity market for the actual purchase and sale of appreciable quantities of agricultural products. The grand jury found that the exchange was being used by the defendant dealers to fix collusively egg prices throughout New England, in violation of the antitrust laws."

The indictment charges that the defendants have conspired to use the exchange as an instrumentality to determine among themselves and to establish fictitious official wholesale prices for each grade of eggs, and to purchase eggs from farmers and to sell eggs to retailers and other distributors at prices based upon and related to the so-called official price.

The indictment recites that the transactions on the exchange are only token transactions among the defendants and account for less than 1 percent of the actual volume of purchases and sales of eggs by members of the exchange. However, it is charged that the defendants agreed to revise or adjust their actual buying and selling prices each day by the amount of the changes, if any, in the rigged official prices.

The official price quotations circulated by the exchange are not the actual prices at which most eggs are being sold at wholesale, and farmers who sell their eggs on the basis of those quotations are misled, according to the indictment.

The conspiracy, the grand jury found, also had the effect of increasing retail prices of eggs to consumers throughout New England, and of stabilizing and pegging wholesale prices.

In this connection, John F. Sonnett, Assistant Attorney General in charge of the Antitrust Division of the Department of Justice, observed:

"By means of the conspiracy, prices for eggs throughout New England have been maintained at levels even above the high prices prevailing in New York and Philadelphia. In addition, during August of this year, the indictment alleges that the defendants, through the exchange, raised wholesale prices of eggs from 61 cents to 73 cents per dozen. Thus, the grand jury investigation which led to this indictment has disclosed that the exceptionally high prices for eggs prevailing in New England in recent months are the result in part at least of price-fixing activities among dealers in violation of the antitrust laws. Such unlawful practices are particularly reprehensible in the present period of inflationary high prices."

In charge of the case, with the active cooperation of William T. McCarthy, United States attorney at Boston, is Grant W. Kelleher, chief of the Boston office of the Antitrust Division. The case was presented to the grand jury by James M. Malloy, Richard B. O'Donnell, and Alfred M. Agress, attorneys in the Antitrust Division Office at Boston. The case is under the general supervision of George B. Haddock, in charge of the Food Section of the Antitrust Division.

Mr. LANGER. Mr. President, would the Senator object to having the clerk read the list? I am interested in knowing what the Attorney General has done.

Mr. BARKLEY. The compilation is quite a lengthy one, and I would not wish to detain the Senate for the considerable time which would be required to have it all read. It will be available in the RECORD so all Senators may read it.

Mr. LANGER. Could we have the titles read by the clerk?

Mr. BARKLEY. I think I might satisfy the Senator by reading the first paragraph in connection with one of these cases.

Attorney General Tom C. Clark announced the filing today in the United States District Court for the Southern District of New York of an information charging the entering into agreements to fix the prices of tires and tubes in violation of the antitrust law by eight manufacturing companies of tires and tubes, eight of their officers, a tire manufacturers' trade association, and two of its officers.

The defendant corporations are: Rubber Manufacturers Association, Inc., of New York City; the Dayton Rubber Co., of Dayton, Ohio; the Firestone Tire & Rubber Co., of Akron, Ohio; the General Tire & Rubber Co., of Akron, Ohio; the B. F. Goodrich Co., of Akron, Ohio; the Goodyear Tire & Rubber Co., of Akron, Ohio; Lee Rubber & Tire Corp., of Conshohocken, Pa.; Seiberling Rubber Co., of Akron, Ohio; U. S. Rubber Co., of New York City.

Then follow the names of individuals. In each of the cases that sort of information is provided.

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

Mr. BARKLEY. I yield.

Mr. AIKEN. I shou'd like to have some things made clear. Of course I am opposed to strengthening monopolies at any time. I should like to ask the Senator from Kentucky if in offering his amendment to strike out section 2 of the joint resolution it is his contention that no agreement could be entered into looking to a better distribution of materials without inevitably strengthening monopolies?

Mr. BARKLEY. I will say to the Senator from Vermont that I think it very questionable whether agreements can be entered into between private corporations in regard to allocation of goods or priority in the distribution of goods without to some extent strengthening monopoly. I think the balance between good and evil must be found in such cases. I do not mean to say that it might not be desirable to have some understanding with the manufacturers or distributors of certain commodities with regard to a more equitable distribution, and it may be that an agreement would cover that. But I think the possibility of evil under section 2, which I seek to eliminate, is much greater than the possibility of good that may accrue by reason of it, and having in mind what are the advantages and disadvantages, it seems to me the disadvantages are greater than the advantages resulting from retaining section 2 in the joint resolution.

Mr. AIKEN. I had felt that the section was properly safeguarded, and wanted to be sure of it. I felt it was properly safeguarded by requiring the President to approve such agreements, and I felt that he would not approve any agreement relating to the distribution of materials without the advice and approval of the Department of Justice. If the section is not properly safeguarded I desire to know it.

Mr. BARKLEY. I think it is proper to assume that no President would approve an unconscionable agreement if he knew it to be such. But the trouble about the whole section is that the agreements it contemplates, whether after or without consultation with the President, are put up to him.

I want to say to the Senator from Oregon [Mr. MORSE] that I appreciate his suggestion about putting the President on the spot. None of us want to do that. But far beyond that, I do not want to put the American people on the spot by approving a provision which may result in their damage and their injury, after an agreement has been put up to the President with respect to which he must decide whether it shall go into effect, with all the proposed relaxation of all the antitrust laws, the Clayton Act, the Federal Trade Act, and all the others, or disapprove it, with the possibility that he will be accused—and we are all human—after consultation with certain elements of business, of having destroyed an agreement in order that he might preserve the antitrust laws, which

would be relaxed in the event the agreement were entered into. So I think the advantages in this section are far less than the disadvantages, if the language is kept in the bill.

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

Mr. BARKLEY. I yield.

Mr. TAFT. I think the discussion would be clearer if I were permitted to offer an amendment to perfect the section before further discussion takes place.

Mr. BARKLEY. I have finished what I have to say. The Senator may proceed.

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

The PRESIDENT pro tempore. The amendment offered by the Senator from Ohio will be stated.

The CHIEF CLERK. On page 2, it is proposed to strike out line 25 and lines 1 to 6 on page 3 and insert the following:

(c) Whenever a governmental officer or agency determines that a plan of voluntary action with respect to any material, commodity, or facility is practicable and is appropriate to the successful carrying out of the policies set forth in said act, that agency or official may request in writing compliance by one or more persons with such plan of voluntary action as may be approved by the Attorney General. Any act or omission by such person or persons in compliance with a written request made pursuant to this section and with a voluntary plan promulgated thereunder shall not be the basis at any time for any prosecution or any civil action or any proceeding under the antitrust laws of the United States or the Federal Trade Commission Act.

(d) Such written request may, in the discretion of the governmental officer or agency which made the request, be withdrawn at any time by said governmental officer or agency, by written notice from said governmental officer or agency of such withdrawal to the Attorney General, and after publication of notice of such withdrawal in the Federal Register as provided in subsection (c), the provisions of this act shall not apply to any subsequent act or omission by reason of such request or voluntary plan.

(e) The Attorney General shall transmit to the President pro tempore of the Senate and to the Speaker of the House of Representatives, and shall order published in the Federal Register every such request, and any withdrawal thereof, and any plan, program, or other arrangements promulgated under, or which is the basis of, any such request.

(f) The power to make requests conferred by this act shall expire upon expiration of section 3 of this act, and any requests made and voluntary plans adopted under this act shall have no force or effect 6 months thereafter.

Mr. TAFT. Mr. President, what this amendment does is to substitute for paragraph (c) of section 2, at the bottom of page 2 and top of page 3, the provisions of the Harriman bill submitted by the Department of Commerce, dealing with the subject of antitrust legislation I think there can be no objection to making that substitution. After that I should like to argue the general question raised by the amendment of the Senator from Kentucky.

Mr. BARKLEY. Mr. President, the language offered by the Senator from Ohio, which is taken from a part of the so-called Harriman bill, is an improvement over the language of the joint resolution, but it is not the language of the Harriman bill as it was submitted. The Harriman bill provided for mandatory controls on the part of the President, and provided also for certain relaxations in the antitrust laws where the President had exercised such mandatory control.

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

Mr. BARKLEY. I yield.

Mr. TAFT. The only change made is this: The Harriman bill read in this way: "Whenever a governmental officer or agency which is authorized to and could exercise mandatory power determines that a plan of voluntary action is necessary and desirable," then the antitrust law is suspended. The only difference is that the Harriman bill in other sections provided for mandatory control, and then provided, with respect to any field where the power was given, even though it was not exercised, that a voluntary agreement could be entered into, suspending the antitrust laws. So I think I am making a fair statement in saying that, so far as voluntary agreements are concerned, this is an exact copy of what Secretary Harriman's bill provided.

Mr. BARKLEY. That is correct; but the impression that is likely to be left by the Senator's statement of a moment ago is that the language which he offers taken from the Harriman bill is the whole story of the Harriman recommendations.

Mr. TAFT. No. I do not wish to leave that impression. I am simply applying to this measure the same provision with respect to exemption from the antitrust laws that Secretary Harriman applied to voluntary agreements in his bill. Of course his bill also imposed general mandatory powers.

Mr. BARKLEY. The bill authorized the President to designate the agency or departments for the exercise of such mandatory power and control. This language simply says that when any department decides that there is a field in which voluntary agreements might operate, this language shall apply; but the Harriman bill did not eliminate the over-all mandatory control power given to the President of the United States, which he might delegate to some department or agency which he might name.

Mr. TAFT. In any event, as I understand, the Senator has no objection to my substituting this language.

Mr. BARKLEY. No. I think the suggested language is an improvement over that now contained in the joint resolution. Nevertheless, with that language in, I still wish to maintain my position as to the elimination of section 2 as it will thus be amended.

The PRESIDENT pro tempore. The question is on agreeing to the perfecting amendment offered by the Senator from Ohio [Mr. TAFT].

INTERIM REPORT OF SUBCOMMITTEE ON OIL SUPPLY AND DISTRIBUTION PROBLEM (REPT. NO. 806)

Mr. IVES. Mr. President, I do not wish to go into the technicalities of the discussion now under way. However, there is one matter which I should like to bring to the attention of the Senate, which may not have received much emphasis up to the present time. I refer to the dire need of something of this nature being done immediately.

It is all very well to enter into a discussion of the over-all controls which have been contemplated in the amendments offered by the senior Senator from Kentucky; but the controls which have been suggested by way of amendments will not meet the situation to which I refer. I am speaking about the oil situation and the fuel oil shortage. At the present time if all the controls in kingdom come were granted the President of the United States and the Government of the United States to solve the question of fuel-oil distribution through rationing or any other process of distribution by the Government, action could not be done in time to avert a serious situation this winter.

The only way this can be done practically is through voluntary agreements among the oil companies. I happen to know whereof I speak, because the Subcommittee on Oil Supply and Distribution Problems of the Special Senate Committee to Study the Problems of American Small Business has been going into this matter quite thoroughly during the past several months.

One of the great difficulties which has confronted this subcommittee in reaching a satisfactory solution to this problem has been the fear of the oil companies themselves that they would be violating the antitrust laws. When we are considering the question of a violation of the antitrust laws, I think we should bear in mind the basic purpose of the legislation which we are now considering. Presumably the antitrust laws and the antimonopoly laws are aimed at avoiding any action which would restrain trade and fix prices contrary to the welfare of the consumers—the general welfare. That is quite different from what we have here in mind. What we are trying to do in this instance is to devise a plan, whereby through the voluntary approach, there can be greater and better distribution, and under which, because of the protection given in this section through the operation of the Government itself, there will be no price manipulation. There is no reason why a condition should thus arise, under which there would be any form of price manipulation whatever.

Because this question happens to arise at this particular time in the discussion, and because I should like to have it before Members of the Senate and the House prior to the adjournment of the present session, in the absence of the Chairman of the subcommittee, the Senator from Nebraska [Mr. WHERRY], who is unavoidably detained, I desire at this time to submit the report of the Oil Supply and Distribution Problem Subcommittee of the special Senate committee, to which I have previously referred. In doing so I point out that minority views will be presented by the Senator from Iowa [Mr. WILSON], who in one particular does not quite agree with the report. Therefore at this time I ask unanimous consent to submit the report.

The PRESIDENT pro tempore. Without objection, the report will be received.

DISCRIMINATORY TAXES AND LICENSING FEES IMPOSED ON OLEOMARGARINE

Mr. FULBRIGHT. Mr. President, since the joint resolution under consideration is concerned with the control of inflation, although rather remotely, I think it is appropriate to say a few words about a related matter which deals directly with the high cost of living. That matter is the repeal of the discriminatory taxes and licensing fees on margarine. I believe these restrictions are, under present conditions, wholly unjustifiable.

I am today introducing a bill which would repeal the Federal taxes and Federal license fees on oleomargarine.

This measure is similar in some respects to a bill introduced in the Seventy-eighth Congress, although that measure did not completely repeal all taxes and license fees. However, it was the subject for comprehensive hearings before a Subcommittee of the Senate Committee on Agriculture and Forestry. I have read the hearings and feel that they brought out almost all the pertinent facts with regard to this controversial question.

To those Senators who are interested in this subject and who have not read the record of the hearings referred to, I suggest that they take time to find out what was said about margarine and the margarine laws at the time.

Both points of view were brought out. The witnesses by no means were all witnesses favoring margarine. The butter interests presented their case and presented it well, and at great length.

Nevertheless, I strongly feel that the record developed before the Senate subcommittee clearly indicates that the discriminatory margarine laws have no place in the United States. They are foreign to our outlook. They are directly opposed to the spirit of free enterprise. They constitute the only case where a Federal tax is levied on one domestic product for the benefit of another competing product. There is no sound reason for them. They are inflationary. Because of them the housewife has to pay more for margarine and to waste time and food in preparing it for use.

The repeal of these taxes will act directly in two respects: One, in connection with the waste of fats and oils, which are the scarcest commodities in the world today. It has been estimated that because of the requirements regarding the coloring of margarine it, in effect, forces the housewife to color it herself, and at least 11,000,000 pounds of margarine is wasted each year. The other effect of this ridiculous requirement which forces the housewife to color her own margarine is the waste of time involved, which runs into astronomical figures when one considers the number of people why buy uncolored margarine and color it in their own homes.

The first Federal law regulating the sale and manufacture of margarine was enacted in 1886. This law imposed a 2-cent Federal tax on all margarine.

From one standpoint, there may have been some justification for the first margarine laws. At first, the product lacked flavor and appearance. It was something entirely different from the food under the same name which is made and sold today. At that time the manufacturer was unable to purify, concentrate, or make vitamin A. There were no pure food laws at the time, and unscrupulous makers of many food products victimized the public. This was not confined to margarine. Some margarine makers tried to sell their product as butter. Only the very-low-income groups used margarine in any quantity. Consequently when the butter industry demanded protection from margarine, there were few defenders for the latter. I call attention to the Pure Food and Drug Act of 1906 and to the Federal Trade Commission Act of 1914.

It will be noticed in the hearings in 1944 that the Butter Institute and its representatives placed great emphasis on what went on prior to the pure food law of 1906, in other words, in the early days around 1886. That still seems to be the criterion which they desire us to use in judging the fairness and equitable nature of the present laws.

Nowadays, the Federal and State pure food laws guarantee the proper labeling and standard of purity of food products, including margarine. The consumer is given adequate protection by the pure food laws. An official definition and standard of identity has been adopted for modern margarine. Margarine, under it, has a minimum fat content of 80 percent, the same as butter. The standard requires fortified margarine to contain a minimum of 9,000 U. S. P. units of vitamin A per pound. But 99 percent of all margarine now is fortified with 15,000 units of vitamin A, the content always being shown on the label. The only basic difference between margarine and butter is that the first is made from vegetable fat, the second from animal fat.

This is what the report on margarine by the New York Academy of Medicine states:

> From a nutritional viewpoint, when it is fortified with vitamin A in the required amount, oleomargarine is the equal of butter, containing the same amounts of protein, fat, carbohydrates, and calories per unit of weight. Moreover, since the minimum vitamin A content of enriched oleomargarine is fixed, and the amount of this vitamin in butter may range from 500 to 20,000 units per pound, enriched oleomargarine is a more dependable source of vitamin A than is butter. Since it is a cheaper product than butter, fortified oleomargarine constitutes a good vehicle for the distribution of vitamin A and fats to low-income groups and should therefore be made available to them. Under the standards set by the Food and Drug Administration, oleomargarine is as clean and sanitary a food as butter. The two products are likewise equal in digestibility. Their relative palatability is a matter of individual taste.

A report on margarine by the Food and Nutrition Board of the National Research Council says:

> The present available scientific evidence indicates that when fortified margarine is used in place of butter as a source of fat in a mixed diet no nutritional differences can be observed. Although important differences can be demonstrated between different fats in special experimental diets, these differences are unimportant when a customary mixed diet is used. The above statement can only be made in respect to fortified margarine, and it should be emphasized that all margarine should be fortified.

Over the years the butter industry has agitated for additional Federal legislation to restrict margarine. The principal basis for renewed attack was that margarine was colored yellow to look like butter. In 1902 the law was amended and the tax on colored margarine raised to 10 cents a pound. The tax on margarine free from artificial color was fixed at ¼ cent a pound.

In this connection I might say that only butter is exempt from certain labeling requirements of the Federal Food, Drug, and Cosmetic Act. Artificial color may be and is added without stating this fact on the label. Special dairy interests that put through the legislation on margarine were able to prevent butter from having to be labeled as margarine must be labeled. Likewise, the butter label states no grade or other standard by which the contents—a pound of butter—may be judged by the consumer.

A dairy organization cites six cases of the fraudulent sale of margarine as butter. It thus attempts to stigmatize the entire margarine industry because of the isolated actions of a handful of individuals over a period of from 20 to 30 years. The amount of margarine involved in the six cases was infinitesimal by comparison with the amount of the product which was manufactured. The records of judgments under the Federal Food, Drug, and Cosmetic Act, published by the Food and Drug Administration, show that between 1933 and June 1947 butter was seized, for various violations, 2,292 times. Margarine was seized only 21 times during this period. At no time was margarine seized for contamination, filth, addition of foreign matter, decomposition, or similar reasons, as was butter. Margarine's 21 seizures under the Food and Drug Administration have been only because of slightly less than 80 percent fat content.

During the period mentioned, butter volume was four to five times that of margarine. But the seizures were at a ratio for butter of 100 to 1 for margarine.

Today, the butter industry, when hard pressed, falls back on the contention that butter has some sort of monopoly on yellow. The contention is made that margarine is colored yellow only to imitate butter. With that assertion the butter interests seem to feel they have proved their case for the continuation of discrimination against margarine.

The color argument falls to pieces on close examination. It is as artificial as the coloring used in most butter.

In the first place, if butter has some sort of preemptive right to yellow as a color, margarine should not be allowed to use yellow at all. There should even be a prohibition against the mixing of color into margarine in the home. The Congress is inconsistent when it allows margarine to be colored on the payment of an extra 10 cents a pound. Certainly, also, there is little rhyme or reason in the license taxes which force wholesalers and retailers to pay sizable fees for the privilege of selling margarine. If butter has an inherent right to use yellow to the exclusion of any competitor, why permit wholesalers and grocers to sell yellow margarine at all?

And why is it that, under many of the State laws, it is insisted that a hospital—for example, one in New York—which colors its own margarine must pay the manufacturer's license fee of $600 a year for that privilege? That whole approach is entirely inconsistent. If the coloring of margarine yellow is intrinsically bad and fraudulent, then it should be prohibited and outlawed, and a penalty should be put on it. It is perfectly ridiculous to approach the matter by means of taxes and license fees.

Of course, the objective of the butter organization is to outlaw entirely the production of margarine. I quote now from their own statement, as contained in the Dairy Record of June 18, 1941. This is what the butter industry said about it:

> We must now all recognize that we are dealing with an implacable enemy who is never satisfied and who will seek to encroach as long as he exists. * * * The dairy industry must set as its goal the complete extermination of oleomargarine. It must never rest until the manufacture and sale of oleomargarine has been outlawed in this country.

So, Mr. President, that is the real objective. But the approach is through this indirect method of taxing margarine and making its distribution so inconvenient that it cannot be distributed to the great mass of the lower income group who really need it most, and particularly at this time.

Both butter and margarine are colored yellow to meet our food habits. Perhaps there is something instinctive in our liking for naturally yellow butter. It is the spring butter made from grass that the sun has filled with vitamin A and which, in turn, fills the butter. But, as farmers and butter makers know, not all butter is yellow. There is a lot of white butter, butter whose vitamin A content is much less than that of spring butter or margarine, and whose looks show it. The butter industry has a remedy for this situation. As I have said before, it simply adds artificial yellow coloring—the same as the manufacturers of margarine would like to do.

Why should margarine be penalized for adding artificial coloring when butter is permitted to add artificial yellow coloring, the same color, without penalty?

Of course, margarine looks like butter. Furthermore, it imitates and is a substitute for butter. But what is wrong with that? If we are to levy a tax on all products which imitate the original in color and other characteristics we are going to wreck our entire economy. The very essence of competition is to develop new products which are like the old but are better and cheaper.

If we examine the butter industry's arguments, we find they parallel the arguments of the workmen who tried to destroy the first looms, and the arguments of the wool makers who tried to prevent the manufacture of calico in England, and the arguments of the old canal operators and toll-road operators who were against the railroads. In yesterday's newspaper, in one of Ripley's "Believe It or Not" articles, I noticed that in the early days of the automobile, or, as it was then called, the "horseless carriage," at Battle Creek, Mich., there was constructed a horseless carriage which had fastened on the dashboard a mounted horse's head, so that that horseless carriage could be disguised to look like a horse-drawn carriage. No doubt that was done for various reasons, among them to prevent the frightening of horses. But I suppose the buggy manufacturers could have argued that buggies had a permanent right to the use of four wheels, and that, therefore, automobiles would have to have either three wheels or five wheels. All such arguments parallel the arguments the butter manufacturers have used about the right to the use of the yellow color, and they parallel the arguments that have been used through the years against every new invention. We can imagine what would happen in this country today if every new development were placed under a similar restriction. Patent rights, which last only 17 years, are granted for the purpose of developing new technology and new products which will increase production and improve quality. Within a comparatively short time the patent becomes common property, but such is not the case with butter, for it claims an unending right to prevent margarine from meeting consumer preferences by the use of yellow coloring.

If the principle embodied in margarine legislation is carried to its ultimate conclusion, vegetable cooking fats would be taxed if they are colored white like their competitor lard. Mr. Howard L. Roach, vice president of the American Soybean Association, Plainfield, Iowa, in hearings before the subcommittee of the Senate Committee on Agriculture and Forestry in the Seventy-eighth Congress, second session, on Senate bill 1744, at pages 72–73, discussed this matter, as follows:

> I would like to just make this statement that a number of years ago—in fact, it has only been a short number of years ago that this hydrogenated soybean oil was developed as a cooking fat; also, cottonseed oil was developed as a cooking fat along about that same time.
>
> We became quite worried, since we were producers of hogs, we became quite worried and concerned about that cooking fat taking the place of lard. There was some talk about enacting types of legislation barring the use of that particular cooking fat because it was going to ruin our hog industry.

That is exactly the same approach, I may say, as the approach of the butter industry.

I quote further from the statement by Mr. Roach:

> We gave the thing rather careful attention and finally decided that if there were a more efficient way to produce cooking fat, that we had better keep still about it and develop our interests to produce things that could only be produced on the farm, Senator, such as meat. We did see a definite change in the size and shape of our hogs. We have been developing a much finer and better meat hog, and the meat itself is of a much better quality.

Mr. President, the butter industry apparently has never taken the long-range, statesmanlike viewpoint that was taken by the hog raisers when the vegetable shortening threatened their market.

Suppose, for example, the cotton and woolen manufacturers in the United States took the same view that the butter industry does. Undoubtedly we would have them before the Senate committees urging that rayon be colored red, or not colored at all, or that nylon be colored black, and that no other colors be permitted. In this way the wool and cotton manufacturers might be protected from competition, unless the public wished to dye the materials after purchasing them. If we force housewives to color margarine if they want it yellow, should we not force them to color rayon and nylon as well?

We could go on indefinitely along this line. Consider the whisky manufacturers, who have developed a certain color for whisky. I suppose they might complain that Coca Cola is colored like it, and that henceforth Coca Cola must be colored some strange and exotic color. Of course, these ridiculous, illogical applications have not been followed out except in the butter industry.

To bring the matter nearer home to the butter industry, there has been developed a new fabric called aralac, which primarily competes with wool. This fiber is made from skimmed milk. If the wool producers followed the same theory as that followed by the butter industry, they would now be before the Congress urging a tax on aralac. The wool producers might also want the law to specify that only a very pale blue color could be used.

Other domestic industries have never raised the color issue against their competitors that is raised by the butter industry. Many of them have just as much justification. Why do we permit a special case to be made of margarine with regard to color?

There is no justification for the tax on colored margarine, just as there is no justification for the other punitive restrictions against a perfectly healthy, legitimate food product.

No other producer of goods in the United States demands the protection against other domestic goods that is demanded by the butter industry for butter.

The Federal taxes and license fees on margarine amounted to $4,932,107 in 1946. Obviously the margarine tax is not a revenue-raising measure. Yet this $4,900,000 is a direct tax on the consumer, at a time when one of our principal worries is inflation and the high cost of living.

State taxes and license fees amounted to another $1,257,000 in 1946, but they are only a small part of the cost levied by the antiquated margarine laws.

In 1946 less than one-half the retail food stores of the country sold white margarine, and only a few years ago the figure was much smaller than that. In thousands of communities margarine was not available at all.

I might add, in explanation, that, out of approximately 600,000 retail food outlets, only about 5,000 are licensed to sell colored margarine.

There is no way to estimate what the restrictions on margarine have cost consumers. One can only say that the margarine industry has not been allowed to expand for its natural market as other industries have been allowed to expand and compete. Every day in millions of homes there is extra work in coloring

margarine, and unnecessary loss of food every time the process is gone through with.

As I said before, it is estimated that approximately 2½ percent of all the uncolored margarine that is sold is wasted in the process used by housewives in adding color after they buy margarine and take it home. This would figure out, roughly, 11,000,000 pounds of this very highly nutritious food destroyed in a year.

The world today needs food more, probably, than it ever needed it before. Restrictions upon the production of margarine are restrictions upon the production of food.

Soybean meal is a byproduct of soybeans. It contains more than 40 percent digestible protein, and today sells at approximately the same price per pound as wheat or corn. But a pound of soybean oil meal will replace from 3 to 4 pounds of corn in the livestock ration. Soybean meal is one of the basic feeds that help produce eggs, meat, and dairy products.

Ersel Walley, president of the American Soybean Association, with headquarters at Hudson, Iowa, pointed out in a recent statement that the ability of the soybean industry to produce protein meal in substantial quantities and at reasonable prices depends upon a profitable market for soybean oil. The margarine industry is affording that outlet. Yet it is obvious that the restrictions upon the use of margarine are restrictions upon the use of soybean oil and, in turn, upon the production of soybeans.

Mr. Walley pointed out something that has not been generally realized. In addition to Europe's need, the population increase in the United States during the past 10 years is almost equal to Canada's total population. This population increase probably will continue for several years. Furthermore, Americans today are nutrition conscious. With 60,000,000 employed, they are eating more and better foods than ever before.

In attempting to curtail the production of margarine, the butter industry is thinking in terms of scarcity economics. The real interest of the dairy industry lies in the expansion of the production and consumption of fluid milk.

The price received for fluid milk is higher than that received for butter and other dairy byproducts such as cheese and casein. Farmers realize this. Given the opportunity, they sell their product as fluid milk.

During the past few years there has been a steady decline in butter production. Butter, including farm-churned butter, declined from a prewar annual average in 1937–41 of 2,200,000,000 pounds to 1,500,000,000 pounds in 1946. At the same time milk production rose from a prewar—1937–41 average—of about 108,000,000,000 pounds to about 120,000,000,000 pounds in 1946.

Recently in my own State a plant has been established by the Avoset Co., which has developed a new method of preserving fresh cream which will enormously enlarge the market for that product, and I think will result in a much greater profit to the producers of milk and cream than its sale for the purpose of making butter.

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

Mr. FULBRIGHT. I yield.

Mr. MAYBANK. I wanted to ask, since I was a little late coming into the Chamber, whether he had mentioned the large quantities of raw milk which are also used in the preparation of margarine and similar products?

Mr. FULBRIGHT. No; I had not mentioned that, but roughly 16 percent of margarine is skimmed milk, which therefore provides a very large market for milk itself. I think that is analogous to other uses that have grown up. The Butter Institute has been a dominant factor in the dairy industry, but it has refused to develop other outlets which would really be more profitable to milk producers than the sale of butter.

Mr. MAYBANK. Mr. President, I want to congratulate the Senator upon his statement. Some 3 years ago, after there had been a failure to get a bill reported by the committee, I offered an amendment to a tax bill to remove taxes on oleomargarine. The Finance Committee held extensive hearings at a time when the present President of the Senate was one of its members. After a long debate on the floor the amendment was lost, as the result of pressure by the so-called dairy interests, who seemed to be more concerned with butter than with skimmed milk and other milk products which themselves enter into the production of oleomargarine, Nucoa, and other types of fat.

Mr. FULBRIGHT. I will ask the Senator, Is it not his opinion that, if other natural markets were developed, they would be found more profitable not to the butter manufacturer but to the farmer in whom the dairy interests, so-called, pretend to be greatly interested?

Mr. MAYBANK. The Senator is absolutely correct in my opinion. If oleo and Nucoa and the other types of margarine were developed to a large extent, it would not only bring down the price of butter, but it would help to maintain the price of skimmed milk and other milk products which the farmer can easily produce. As the Senator knows, in the backwoods, most of the skimmed milk is fed to the chickens and hogs. It could be used for human consumption and thus help to reduce the cost of living. At the same time it would help the dairy industry. The only group that would be adversely affected, as the Senator has so ably said, is the butter group itself.

Mr. FULBRIGHT. I appreciate the Senator's comments. This effort on my part is certainly not original. The Senator from South Carolina has carried on the fight, and he therefore knows the power of the organization which has maintained the special position of the butter industry. I myself realize it is not an easy matter to change the present situation. I am introducing the bill largely because of changed conditions, together with the education of the public on the subject, without which I would concede the hopelessness of the effort. We now have dollar-a-pound butter, representing a great spread between the prices of butter and margarine, the latter selling for from 35 to 40 cents a pound. The public in recent years has become aware of the development in purity and of such things as vitamin A, which are now being added to margarine. Because of these facts, I feel that we may be able at this time to right this ancient wrong.

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

Mr. FULBRIGHT. I yield.

Mr. MAYBANK. I join with the Senator wholeheartedly, and I shall assist him in every way possible to obtain passage of the bill. I think the changed conditions may help in getting a larger measure of support for the bill during the coming year. However, if we should fail in obtaining passage of an appropriate bill, does the Senator think that when the new tax bill, involving community-property tax discrimination and certain other iniquitous taxes, comes before the Senate we could obtain favorable action through the Finance Committee on remedial tax legislation affecting oleomargarine?

Mr. FULBRIGHT. I agree with the Senator 100 percent. The subject under discussion reminds me of the community-property discrimination. That is a discrimination against the great majority of citizens, for which the individual States were responsible. It did not arise through Federal action. The situation we are now discussing arises from affirmative restrictions, tax laws, and license acts, enacted by Congress itself. In regard to community property, the argument was made that a remedy should be sought in the States themselves. In the matter under discussion, the full responsibility rests upon Congress. Congress is the only legislative authority that can do anything about these particular discriminations.

In connection with the proper role to be played by the milk producer, I may say that even under the changed condition represented by the large increase in production in 1946, much more milk is needed today. The United States Department of Agriculture reports that approximately 657 pounds of milk or its equivalent is needed, in comparison with the estimated 1947 supply of 430 pounds, of which 403 pounds is fluid milk or cream. To state it another way, this country should be producing more than 32,000,000 pounds more milk annually. This is 227 pounds per capita and we would need approximately 5,800,000 additional dairy cows if production were at the high 1946 rate.

The dairy industry, in my opinion, has nothing to fear from the expansion of the margarine industry. I refer to the producers of milk. If we maintain our economy in a stable and prosperous condition, the dairy industry will expand steadily. There is room for both butter and margarine, for there is a fat deficit in this country, and in the world, I may say, just as there is a deficit of fluid milk.

The butter industry has attempted to make it appear that the fight over margarine is simply a fight between the cotton-producing South and the dairy in-

dustry. The interests of the consumers have been ignored, largely because the consumers are unorganized.

It is no longer a fight between the cotton South and the butter interests even if we do not take the vital interests of consumers into account. The soybean producers, many of them living in the Middle West, want the margarine laws repealed or modified.

Mr. Walley put the American Soybean Association on record with a recent statement in which he said:

> Modern margarine is a clean, nutritious, widely accepted product of American farms. It is the only food product on the American market upon which specific discriminatory taxation has been levied. This discrimination should be removed as quickly as possible.

In the 10-year period between 1936 and 1946, soybean production in the United States has risen from 33,000,000 bushels to 196,000,000 bushels, a sixfold increase.

In 1946, the value of soybeans harvested for beans is estimated at $520,000,000. This year the value will be even higher.

In Iowa, a leading dairy State, cash receipts for soybeans produced in 1946 were two-thirds of dairy products. The Iowa crop of harvested soybeans sold for $82,182,000; all Iowa dairy products including butter, sold for $123,752,000.

The value of soybeans produced in Illinois in 1946 amounted to $183,243,000; dairy products to $146,022,000.

The Indiana soybean crop was valued at $56,897,000.

Even if the consumers had no stake in this matter; even if the soybean producers had no interest in it, the margarine laws should be repealed. They violate our sense of fair play. They restrict competition. They are barriers to free trade among the States. How can we expect the States themselves to repeal their margarine laws when the example has been set by the Federal Government?

I know what is going to happen to these margarine laws. They are going to be repealed. They have written a principle into law which is repugnant to all that has made America great. These laws rest heaviest upon the lowest income groups. The facts about this controversy are becoming too well known. The result will be a blow at discrimination and the righting of an all too ancient wrong.

I am hopeful that Members of both parties will join in the coming session of Congress to do away with the discriminatory, repressive, and unjust Federal margarine laws.

Mr. President, at a later time I intend to present for the Senate's consideration a much more detailed development of the facts regarding the nutrition of margarine, regarding its healthfulness and purity, regarding the sanitary conditions under which it is produced, and also the provisions for inspection which already exist under the Pure Food and Drugs Act, and to show in much greater detail what I believe to be the unjustifiable discrimination which now exists.

Mr. President, I ask unanimous consent to have printed at this point in my remarks an editorial entitled "Margarine Tax," published in the Washington Post on December 8, 1947.

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

MARGARINE TAX

Time was when producers of margarine had to struggle against the handicap of consumer prejudice as well as tax discrimination. Wartime butter shortages that forced many butter-eaters to turn to margarine did much to dissipate a prejudice that was based partly on ignorance and partly on occasional sampling of inferior kinds of margarine. Soaring prices for butter, now approaching a dollar a pound in some cities, are daily making new friends for the no longer despised, lower-priced substitute.

Secretary of Commerce Harriman, who has been eating margarine instead of butter ever since the war, voiced the sentiment of millions of Americans when he declared that he couldn't tell the difference between margarine and butter and was surprised that people would pay a dollar a pound for butter. Since the Secretary of Commerce is one of America's wealthiest men, his favorable opinion of margarine is plainly not based on its comparative cheapness. His endorsement merely provides further evidence that the producers of margarine are winning the battle for acceptance of their product because it has proved its worth.

However, the margarine manufacturers have scored only minor victories so far in their long fight for removal of discriminatory Federal and State taxes and hampering regulations. The Federal tax of 10 cents a pound on colored margarine has heretofore been one of the chief targets of attack. But now that millions of housewives have discovered how easy it is to introduce coloring matter into uncolored margarine we doubt whether this particular tax is very much of a deterrent to an expansion of margarine sales. Much more obstructive are the Federal and State licenses, fees, and other restrictions that have made it unprofitable for many wholesalers and retailers to carry margarine. The revenue obtained from discriminatory excises is negligible; in fact, tax returns would doubtless be greater, if margarine production were encouraged by removal of these taxes, whose only purpose is to protect the dairy industry from the competition of a cheaper substitute product.

The inequity of the margarine excises from the viewpoint of the industry is obvious. The consuming public is likewise an interested party since taxes imposed on margarine are shifted to consumers. Furthermore, to the extent that such taxes hamper the production and distribution of margarine, the consumer pays the higher prices resulting from a restricted supply. Since the Government professes to be concerned about the high cost of living, there appears to be no legitimate excuse for retention of a system of discriminatory excises and license fees that add to the cost of a wholesome butter substitute. If Congress were to take the lead in abolishing restrictive Federal taxes on margarine, as Senator FULBRIGHT has suggested, the drive to eliminate similar levies and nuisance regulations imposed by various States would be greatly strengthened.

Mr. FULBRIGHT. Mr. President, I should also like to say that I have received a great many letters in connection with the subject of margarine and the margarine tax, which I will submit to the Senate for its consideration at the next session of Congress.

Mr. President, I now ask unanimous consent to introduce for appropriate reference a bill providing for the repeal of the margarine tax law.

There being no objection, the bill (S. 1907) repealing certain provisions of the Internal Revenue Code, relating to the tax on oleomargarine, and for other purposes, was received, read twice by its title, and referred to the Committee on Finance.

FUEL-OIL SHORTAGE PROBLEM

Mr. TOBEY. Mr. President, 10 days ago a subcommittee of the Committee on Interstate and Foreign Commerce was appointed to consider the fuel oil shortage problem. The subcommittee consisted of the Senator from New Jersey [Mr. HAWKES], the Senator from Oklahoma [Mr. MOORE], the Senator from Pennsylvania [Mr. MYERS], the Senator from Connecticut [Mr. MCMAHON], and myself as chairman. This subcommittee was to consider the emergency in the fuel-oil situation in the eastern Atlantic States and throughout the country. The subcommittee met and had an all-day session, with about 150 producers and distributors present. Then there was appointed a committee representing the oil industry, consisting of the following: R. G. Dunlop, president, Sun Oil Co., Philadelphia, Pa.; B. Brewster Jennings, president, Socony-Vacuum Oil Co., New York, N. Y.; M. J. Rathbone, president, Standard Oil Co. of New Jersey, New York, N. Y.; Clyde G. Morrill, executive director, Independent Oil Men's Association, of New England, Boston, Mass.; Reid T. Westmoreland, Jr., Lampson Oil Co., Providence, R. I.; John W. Scott, Buckley & Scott Utilities, Watertown, Mass.; John P. Birmingham, president, White Fuel Corp., South Boston, Mass.; J. C. Richdale, chairman, junior vice president, Colonial Beacon Oil Co., Boston, Mass.; James P. Patterson, Pan-American Petroleum & Transport, New York, N. Y.; Martin Ryan, Esq., Bridgeport, Conn.

This committee has been meeting for a week and considering the problem very earnestly, and made its report today through Mr. Rathbone, president of the Standard Oil Co. of New Jersey.

Because of its timeliness and the great importance of the subject to the whole eastern Atlantic States, as well as to many of the States of the Middle West, I ask unanimous consent to insert in the RECORD the letter from the committee and its complete report.

The report speaks for itself. It is a comprehensive study of the oil situation, and makes very earnest and definite recommendations for action—I hope it will be noted—on a voluntary plan.

The subcommittee of the Committee on Interstate and Foreign Commerce will continue to function, as will the committee of oil producers and distributors. They will keep in touch with each other, and report progress, and with the help of all the persons interested, the committees hope to make a distinct contribution toward alleviating suffering in this country during this winter.

Mr. LODGE. Mr. President, will the Senator permit me to ask a question?

Mr. TOBEY. I yield to the Senator.

Mr. LODGE. Does the report hold out any real hope that the interests of the New England section will be better taken care of?

Mr. TOBEY. It holds out a great deal of hope.

Mr. LODGE. I am glad to hear that.

Mr. TOBEY. If the machinery set up in the report is employed, I believe it will produce real results. It is important to point out that success in this endeavor must come from the voluntary efforts of people working together. If the plan does not work, the obvious alternative is something drastic in the way of controls, and God permit that we may keep away from such things in this country. Through this forward-looking effort, with the governors of the States cooperating, and with publicity through the press and radio, and possibly a statement by the President himself, I believe we can bring order out of chaos in the oil field and assure relief from threatened shortages and suffering.

Mr. BALDWIN. Mr. President, will the Senator yield.

Mr. TOBEY. I yield.

Mr. BALDWIN. As I understand the Senator's statement, it will be very helpful in carrying out the program, if not essential, that we adopt some formal legislation which will permit voluntary agreements, as proposed in the joint resolution we are now discussing in the Senate.

Mr. TOBEY. The committee which has been considering the matter does not think any legislation is necessary. If the report of the committee is followed out, there will be no violation of the antitrust laws.

Mr. BALDWIN. In other words, that situation has already been taken care of?

Mr. TOBEY. We feel so. I renew my request that the letter and report of the committee appointed by me be printed in the RECORD.

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

DECEMBER 17, 1947.

Hon. CHARLES W. TOBEY,
United States Senator from
New Hampshire,
Senate Office Building,
Washington, D. C.

DEAR SENATOR TOBEY: I am transmitting herewith the report of the committee formed by you to consider the fuel-oil shortage problem during the present winter in the New England and Atlantic seaboard area.

For your convenience I would like to summarize the more important points brought out in this report.

1. From a study of the best figures available, the committee concludes that there is a gap of approximately 15 percent between the supply and demand for distillate fuels in the area under study over the period December 1947 through March 1948. Even though the supply of distillate fuels has increased very materially from last year, the demand has increased much more rapidly and has outstripped the increased supply by approximately the amount indicated above. In respect to heavy residual fuel the same situation exists except that the deficit in supply for this product is estimated to approximate 10 percent rather than 15 percent for the distillate fuels.

2. It is the opinion of the committee that this deficit in supply of distillate fuels can be wiped out if all the steps outlined in the report are taken and adequate cooperation and action secured, where necessary, on the part of the consuming public, the oil industry, and the various governmental agencies (both Federal and State) involved.

3. The committee believes that the indicated deficit in supply of heavy residual fuel will be much more difficult to make up although it is hopeful that at least some progress can be made in this direction.

4. Consumer cooperation in reducing fuel oil consumption probably constitutes the most important factor in closing the gap between supply and demand for distillate fuels during the current winter. It is believed if all consumers cooperate wholeheartedly in effecting savings in their oil consumption that an over-all saving of 15 percent in distillate fuel-oil requirements may be attained. It is highly important that widespread and aggressive action by all segments of the oil industry and local government agencies be taken to outline the situation to oil consumers and enlist their cooperation in saving fuel.

5. Immediate and abnormal adjustment of refinery yields to maximize the production of distillate fuel oils at the expense of gasoline should be made generally in the oil industry for the next 2 or 3 months. This will add immediately to the supply of fuel oils in the shortage areas as far as local refineries are concerned. On the Gulf coast where the major part of the refining activity is located, this increased distillate fuel production will necessitate additional transportation to become available to the shortage areas. This adjustment of refinery yields towards increased fuel oil production has already started in the industry but should be accelerated. It is believed that an increase in distillate fuel supply of 5 to 7 percent is feasible over the next few months, which would aid materially in closing the gap between supply and demand. It is recognized that this adjustment in normal refinery yields may cause some spot shortages of gasoline but it is thought that adequate heating oil supply is the more pressing and immediate problem.

6. The Maritime Commission should expedite in every way possible the release from tie-up and the repair of idle tankers. It is felt to be of secondary importance whether these idle tankers are placed in service directly by the Maritime Commission, or are sold to American or foreign buyers, since they will add to the world-wide tanker transportation availability and the American supply situation should be directly benefited by such over-all increased tanker availability.

7. As increased tankers become available, increased crude oil production in the Gulf oil-producing States is essential to fill presently idle refining capacity and the Bureau of Mines and various State Commissions should carefully review present crude production rates for the purpose of permitting increased production rates for the next 2 months to meet increased transportation availability and presently idle refining capacity.

8. The United States Government should limit its oil requirements for the first quarter of 1948 to the minimum operating requirements and seek to attain any desired stock levels later on in the year. It should also release for civilian use any stocks which it may have and which can be released without hampering military or other essential Government operations over the current winter.

9. The United States Department of Commerce which exercises export controls over oil products should make sure that only minimum export requirements are met during the next 2 or 3 months. It is recognized that some exports of oil products are essential to maintain the economies of certain foreign nations, but these should be at minimum essential levels during the present period of shortage in this country.

10. While it is believed the over-all supply and demand situation on distillate fuels can be balanced this winter by the above steps, it will at best be a close balance and distribution of available supplies is an important problem. The committee feels that this can best be handled on a local basis through the establishment by the governor of each State, where shortages appear, of an emergency fuel coordinator and adequate staff. The coordinator would first attempt to secure an undertaking from each fuel-oil supplier to supply an equitable proportion of his supplies, whatever they may be, to all his customers in the previous (1946–47) heating season. Most of the larger oil companies have already announced such a policy and it is believed that the efforts of the State emergency fuel coordinators backed up by the governors will be effective in converting most other companies and wholesale distributors to a similar policy.

This should take care of most cases. In those where no previous supplier can be identified or where previous suppliers cannot supply the necessary oil, the emergency fuel coordinator would, after carefully examining the facts, recommend to cooperating oil companies that they supply the "hardship" case. This plan contemplates that each oil company who had indicated a willingness to cooperate in such a plan would advise the fuel coordinator in each State the amount of fuel they were willing to sell to noncustomers whom the coordinator might designate. A quite similar plan has already been placed in effect in some of the New England States and could be set up very promptly in all necessary areas. The committee believes that the great majority of oil companies and wholesale distributors will recognize the need for voluntary action on their part in meeting this most pressing problem and that the problem can best be solved through the means suggested above.

In conclusion, your committee wishes to repeat its findings and beliefs that:

1. A problem definitely exists with respect to meeting distillate fuel-oil demands this winter in the New England-Atlantic seaboard area.

2. This problem can be solved by—

(a) Reduction in consumer demand by cooperation of consumers in conserving the use of fuel oil;

(b) By a temporary abnormal shift in refinery yields to increase distillate fuel-oil production;

(c) By securing increased tanker transportation as soon as possible;

(d) By increased crude production in the oil-producing States over the next few months; and

(e) By instituting local State emergency fuel organizations to insure, through voluntary action on the part of the various oil companies and fuel distributors, the equitable distribution of available supplies and the relief of bona fide hardship cases.

3. With respect to heavy residual fuels a shortage also exists which will be more difficult of solution than the distillate-fuel shortage, and while it is expected that some of this heavy-fuel shortage will be made up through increased tanker transportation and increased refinery crude runs, it is probable that there will be some shortage of this latter product all through the current winter.

If there are any points in connection with the attached report which you wish further developed or clarified, the committee will be glad to do so upon your request, otherwise it will consider that it has fulfilled its commission and is discharged.

Respectfully submitted.

M. J. RATHBONE,
For the Committee
Appointed by Senator Tobey.

REPORT

INDUSTRY COMMITTEE APPOINTED BY SENATOR C. W. TOBEY TO STUDY THE FUEL OIL SITUATION FOR THE CURRENT WINTER IN THE NEW ENGLAND-ATLANTIC SEABOARD AREAS

The Oil Industry Committee, appointed by you in letters sent to the various members on December 10, has had a number of meetings and has secured the advice and assistance of a number of qualified persons connected with the oil industry in various phases.

In a discussion of the assignment of the committee, it was felt that the first step should be to attempt to ascertain the actual situation with respect to supply and demand of various fuel-oil products in the New England-Atlantic seaboard areas. A subcommittee was appointed, consisting of three well qualified statistical experts in the oil industry. The subcommittee was asked to determine the following information:

Consumption of various fuel-oil products during the heating season 1946–47, particularly with reference to the New England-Atlantic seaboard areas.

Additional demand expected to accrue during the current (1947–48) heating season because of increased installations of oil burners and other oil-consuming devices, and also based on the assumption that this will be a normal-temperature winter rather than a warmer-than-normal one as was the case last year. A recent survey by the Oil Heat Institute has shown that new oil-burner installations in certain areas under study have run as high as 30 percent above the installations in use last year.

The total of these figures, with such other corrections and adjustments as the subcommittee felt it was essential to make, would indicate the total demand for fuel-oil products which might be expected during the current winter.

In an attempt to estimate available supply to meet these increased demands the subcommittee was unable to present any figures covering the district I area alone since such regional supply figures are not available. It was, however, possible to review supply figures covering districts I, II, and III together, since these three areas have practically a self-contained supply picture except for exports, which are readily identifiable. In the three districts over-all the subcommittee estimated that there would be, through the December 1947–March 1948 period, a shortage of approximately 10 percent in meeting the estimated demand for heating distillates. For heavy residual fuel the shortage was estimated to be a little below 5 percent for the same period. The estimates of supply were based on the current refining rates, current refining yields, and presently available transportation.

An over-all deficit of 10 percent in the distillate-fuel supply in districts I, II, and III (which districts cover the Midwest, Southwest, Gulf, Southeastern, Middle Atlantic, and New England States) is a serious one, but it is the committee's opinion that the deficit in supply of distillate fuel for the New England-North Atlantic seaboard States is appreciably greater than the average for the whole area studied and that a deficit figure of 15 percent for the New England-North Atlantic area distillate-fuel supply is a realistic one to use. With respect to residual fuel, it is felt that a 10-percent deficit in supply in this seaboard area over this winter is the minimum which should be figured on since the consumption of this product is predominantly in the seaboard area for industrial and ships' bunker purposes.

It is apparent from these supply-deficit figures that a serious situation will exist in the New England-North Atlantic seaboard areas this winter unless the gap between supply and demand is closed. This, of course, is accomplished by reducing demand or increasing supply, or both.

1. Discussing, first, reduction of demand, the committee feels that it is entirely possible for a sizable reduction in distillate-fuel demand to be accomplished by the application of simple oil conservation measures on the part of the public. The effect of these consumer conservation measures are immediately felt and are completely independent of all other factors. The crucial period in home consumption of distillate fuels will fall between the date of this report and February 1. During this period the committee recommends that all consumers of heating-oil distillates be urged to effect a reduction of 15 percent in their heating oil requirements. It is felt that this saving in oil can be readily achieved and will not impose any unreasonable hardship on consumers. During the latter part of the heating season it is believed that the effect of increased transportation and other corrective factors will permit a less drastic economy on the part of the consumer. It is estimated that an average reduction of 5° in thermostat settings will effect the desired 15-percent reduction in heating-distillate consumption, and assuming an average house temperature of 73°, the temperature need only be reduced to 68°, which is considered to be a healthful and satisfactory temperature for living quarters.

In order to secure consumer cooperation in saving fuel oil, widespread publicity must be given to the need for conservation and the ways in which it can be secured. Numerous efforts in this direction are presently under way; the most comprehensive probably being that under the sponsorship of the American Petroleum Institute. The committee believes, however, that this program should be augmented to the fullest extent possible by individual oil companies, and, most particularly, by the efforts of individual distributors of fuel-oil products in local areas, since it is felt that the efforts of local distributors would be much more convincing to the consumer than programs of more general and widespread application. There are numerous ways in which consumer cooperation can be solicited. The issuance of paid newspaper advertisements by the various oil companies and appropriate publicity by the various local governmental authorities in the shortage areas will be helpful. Each fuel-oil distributor should contact directly its fuel-oil customers through the medium of letters, tank wagon drivers' contacts, district salesmen contacts, appropriate stickers or notices on invoices and bills, radio broadcasting, and any other available means outlining the fuel situation and soliciting the customers' help in conserving fuel. Distribution of booklets specifically outlining ways for customers to save fuel oil should be a part of this program. In addition, all oil companies and fuel-oil distributors should solicit the aid of their employees in a word-of-mouth campaign for oil conservation.

2. Wide publicity should be given to the necessity for discontinuing the sale of oil burners in converting heating plants from coal or other alternate fuels during this period of short oil supply. Conversion of other coal-consuming equipment, such as locomotives, utilities, boiler plants, space heaters, etc., to oil should also be delayed during this temporary period of short oil supply, since it is obvious that when the over-all supply of oil is short during this coming winter the placing of additional demands against the industry by additional conversions to oil from alternate fuels cannot fail to aggravate an already unsatisfactory situation. In addition, restraint should be exercised in selling new oil-consuming devices which do not involve conversion from alternate fuels to oil. The committee recognizes that new homes represent an additional demand for fuel against all the fuel-supplying industries, and that all will undoubtedly have to bear a portion of this additional requirement; but it also appears obvious that efforts should not be made to add more than a minimum fair share of this additional new fuel requirement to the oil industry's picture during the present winter.

3. All oil companies and distributors of fuel oil should urge customers who have alternate or stand-by coal-burning equipment to use the same and minimize or eliminate their use of fuel oil during this winter.

4. The military and other Government agencies should be requested to reduce their fuel-oil requirements during the next 3 months to the minimum levels necessary to maintain operations and to attain such desired stock levels as they may be aiming at later on in the year. Notification by Government agencies of whatever they can do along this line should be given to contract suppliers of the Government so that they will know how much stock they formerly had allocated to Government agencies, would be available for civilian consumption. In addition, the Government should release from present stocks, wherever possible, any excess quantities of oil they may have over current needs.

5. The Department of Commerce should be requested through its exercise of export controls to make sure that no stock build-ups are made in foreign countries during the coming winter and that only minimum export requirements are met during this period. It is recognized that some exports of oil products are essential to maintain the economies of certain foreign nations, but these should be at minimum essential levels during the present period of shortage in this country.

With respect to increased product supply, the committee feels that the following factors present ways of increasing supply:

1. All tankers presently inactive should be gotten into service as quickly as possible. Information available to the committee indicates that there are presently 96 T–2 tankers and 37 converted Liberty ships owned by the Maritime Commission not in active operation. Of these 96 T–2's, 50 are presently undergoing repairs—26 under supervision of the Navy and 24 under supervision of the Maritime Commission. Of the group of 26 being repaired under supervision of the Navy, 2 have recently entered service and it is understood repairs have been completed on 4 others, which should enter active service promptly. On the remaining 44, presently estimated completion dates range from December 15 to January 24, with anticipation that 15 will be placed in service during the remaining part of this month and the other 29 being scheduled to come into service between January 1 and 24. All 50 of these ships as they come into service will be taken over by the United States Navy and it is understood that the Navy will release, in turn, for civilian use an equivalent amount of tanker tonnage. In this connection, however, the transfer of these tankers should be carefully laid out, so that there will be no lost time due to cross-ballast voyages, possibly losing considerable valuable pay-load time. If necessary, the 50 reconditioned tankers should be kept in Gulf coast-Atlantic service by the Navy until the present emergency is over. Therefore, it will be seen that the world-wide tanker transportation picture should be improved to the extent of 44 ships between now and the 24th of January. This number of additional ships in operation will more than take care of the present backed-up stocks and current supplies of crude and products available for movement to the New England-Atlantic seaboard area. On the other hand, the committee has just received reports that it has been decided by the Navy and the Maritime

Commission that it is essential to install seam strappings on the ships under repair before they are released for service in order to strengthen the hulls. This decision, however, should not delay each ship over 7 days at the maximum, and in those cases where the ordinary repairs are not far advanced, there should be no delay.

The committee urges that the Navy and the Maritime Commission be urged to expedite completion of repairs on these 44 ships with the utmost dispatch. The remaining 46 ships in the tied-up fleet have been scheduled for sale to noncitizen purchasers, but there has been considerable delay with respect to effectuating these sales due to questions regarding the legality of such sales to noncitizens. The office of the Attorney General has, within the last few days, advised the Maritime Commission that the proposed sales have met the legal requirements of the Merchant Ship Sales Act of 1946 and that the Commission has legal power to proceed with the sales. Now that the Maritime Commission has announced the completion of its sales program, it is felt that whether these ships are sold to noncitizen or American-citizen buyers, the result will be an increase in available tanker tonnage in the world-wide tanker fleet, and that this, in turn, immediately will have the direct effect of making additional tanker tonnage available to the United States for coastwise and import service.

The committee recommends that immediate steps be taken so that the time required at present to process tankers for sale to private purchasers be shortened by the elimination or modification of certain procedures now inherent in such transactions. Under the Merchant Ship Sales Act of 1946, the Maritime Commission is called upon to deliver the vessel to the purchaser in class (American Bureau of Shipping and Coast Guard) with armament removed, so the vessel is ready for commercial operation. All expenses to accomplish this are payable by the Commission. The administrative process calls for competitive bids for such repairs, and while this was appropriate at the beginning, sufficient data has been accumulated by the Commission and industry on costs necessary to do the Commission repairs, so that a quick agreement should be reached between the parties. Under this agreement, an allowance made by the Commission to the buyer will permit the repairs for both parties to be rushed through under ordinary commercial practice, with a saving that has been estimated at from 15 to 30 days per ship.

The committee recommends that inasmuch as certain tankers now approved for sale, or named for sale in the future, may not be in the status of processing by February 28, 1948, which is the present legal date for the discontinuance of Maritime Commission operation of tankers, that the authority of the Maritime Commission be extended to permit them to operate such tankers until title is changed.

Further in connection with the tanker situation, the committee suggests that the appropriate Government agency inaugurate at once negotiations with other foreign governments who are parties to the international load-line agreement, aimed at increasing the load limit on tankers for a limited period. This step has already been taken by the United States Government with respect to American-flag ships, and it would be helpful to have similar action taken with respect to foreign-flag ships. Through this means an automatic increase in tanker availability of approximately 3 percent would be secured at once.

The committee further recommends that immediate steps be taken by all tanker operators to increase rates of loading and discharging by close check with shore plants, throughout both operations.

Comments have been made at various committee hearings and in the public press that the American-flag tanker owners have not purchased sufficient tankers to take care of the American economy.

In this connection, we would point out that the maximum needs for the next 4 months for crude and products from the Gulf coast to the Atlantic coast ports would require 212 T-2-type tankers. An additional 48 tankers would be required for the movement of imports from Caribbean ports. This is a total of 260 tankers. With approximately 12 tankers needed for west coast service, this would require a total of 272 tankers. As of the last report, the American-flag tanker fleet consists of 273 equivalent T-2 tankers, with a large number of applications before the Commission to be processed. Some of these applications have already been approved, but ships have not passed title.

As of Wednesday, December 17, 1947, the United States Maritime Commission has announced that they have sold every tanker, aside from the T-1's, that is under the United States Government ownership. This, of course, means that they have merely approved applications to the extent that ships are available. However, in this connection, as of Wednesday, December 17, 1947, there are still 47 T-2 tankers in tie-up and 37 Liberty-type tankers in tie-up. Reducing these to a T-2 equivalent, this means that there are 64 tankers in tie-up, which should be immediately withdrawn and placed under inspection survey for sale to the approved owners.

2. Another important factor with respect to increasing supplies of fuel oils during the present winter is in connection with the abnormal adjustment of refinery yields to maximize production of the various fuel products at the expense of gasoline. It is impossible, due to the variety of refining equipment and different crude run, to estimate just how far each refiner can go in this direction, but it is definitely a fact that an appreciable contribution to the fuel-oil-supply shortage can be made through this means. The committee urges that each refiner give immediate study to this matter and immediately adjust his yields to increase the production of the various fuel oils as far as possible and practicable. Figures available from certain refiners indicate that it is readily possible to increase the yield of distillate fuels from crude-oil run. Depending on how far certain refiners can go in this direction, the increased over-all production of distillate fuels might be increased by 5 to 7 percent. The means by which this shift in yields can be accomplished are well known to all refiners and it is felt that when the refiners who supply products to this area have clearly before them the necessity for abnormally increasing yields of distillate fuels this winter, important results may be expected along this line. As a matter of fact, the most recent figures indicate that a definite shift in this direction is already taking place in refinery yields, but the committee believes that this trend should be accelerated. It is appreciated that this abnormal adjustment of refinery yields increases distillate fuel production at the expense of gasoline and may cause spot shortages of gasoline this winter, but this is not felt to be a serious problem and the meeting of heating-oil requirements this winter is considered to be the most immediate and pressing problem. The committee recommends that the motoring public be urged to economize in every reasonable way in the consumption of motor gasoline during these months to assist in meeting the critical heating-oil problem, without developing any gasoline supply problem. This abnormal adjustment in refinery yields probably needs only continue for the next 2 or 3 months.

3. Increased availability of tank cars should assist in making additional supplies available to the shortage areas during the next few months. There are presently stocks of crude and products, principally crude oil, backed up in the United States Gulf due to the current shortage of tankers and while it has been anticipated that most of these stocks would be moved by tankers, as soon as the additional ships previously referred to in this report became available, the possible delay in commissioning idle ships causes the committee to feel that additional tank-car movements of products from the Gulf coast to the east coast area should be contemplated as a safety factor. Also, there are appreciable stocks of crude oil backed up in some of the inland areas in the oil-producing regions which cannot be handled to deep-water loading ports in the Gulf by pipe lines. Additional tank cars would be helpful in moving these stocks to deep-water ports for tanker loading, when tankers are available.

It is felt that additional tank cars can be made available through improved loading and unloading operations of present users, including 6- or 7-day loading and unloading schedules, and also by adopting the wartime practice of loading additional oil into the domes of tank cars. Additional trucking movements in lieu of tank-car movements, particularly for the shorter hauls, can be resorted to in many areas. It should be pointed out, however, that the full cooperation of the railroads is essential in order to capitalize on additional availability of tank cars; this being particularly true in connection with crude-oil movements from the interior oil fields to the tanker-loading ports and in connection with the movement of trainload lots of products from the Gulf coast area into the Atlantic seaboard area.

4. It has been general practice in the industry to accumulate gasoline stocks during the winter against increased demand for gasoline in the spring and the summer and the committee believes that gasoline-stock accumulations in the New England-North Atlantic seaboard area should be minimized as far as practicable during the next few months and tanker transportation so saved utilized for the movement of fuel products from the Gulf coast.

5. The committee feels it should point out the likelihood that as additional transportation, both tanker and tank car, becomes available a limitation on supplies of crude oil and products in the Gulf coast available for movement to the east coast may become apparent. In this connection the committee suggests that the Bureau of Mines and the various State commissions in the oil-producing States give consideration to permitting increased production of crude oil for the next few months up to the extent that transportation and refining capacity are available for its utilization. As the situation stands, it appears that the immediate limitation on supplies for the east-coast area is the shortage of transportation. If this should cease to be a limitation, it is anticipated that a temporary shortage of crude and products in the Gulf coast area would rather promptly then become a limitation. Refining capacity is not anticipated to be a limitation within the next several months, since it is believed that the refining capacity in the east coast and Gulf coast areas is adequate to process all of the crude which can be produced and transported through the present winter. The east-coast refineries have run about 100,000 B/D more crude earlier this year, before tankers became a limitation, than the present operating level.

The committee believes that the sum total effect of the above-outlined methods of reducing demand and increasing supply, if fully carried out, will be adequate to effect an over-all balance between supply and demand for distillate fuels during the present winter. However, it is likely that even under the best conditions it will be a very close balance and this will be particularly true if the present winter should prove to be abnormally cold. In a situation where there

is a close balance between supply and demand, distribution becomes a very important factor to avoid temporary shortages in various areas. The solution of this distribution problem presents the most difficult aspects of the whole question and commanded the major part of the committee's deliberations. After considering all aspects of the matter, the committee feels that the following recommendations are the most practicable and believes that the situation can best be met through the following voluntary actions on the part of the industry in cooperation with the local State governments:

1. Every supplying oil company should adopt the policy of distributing equitably to all its customers of record in the 1946–47 heating oil season, its available fuel oil supplies. If this procedure is followed, every fuel oil distributor who was a customer of a supplying oil company in the previous heating season will receive an equitable portion of the available supplies and the only distributors who will be entirely without supplies under this arrangement, would be those who had bought from brokers or a supplying company who had since gone out of business.

2. To take care of distributors where no regular supplier can be established, the governor of each State where shortages develop should appoint an emergency fuel coordinator. This fuel coordinator would receive requests for aid from distributors who are insufficiently supplied. The fuel coordinator would first contact the distributor's previous supplier or suppliers who were not giving him an equitable share of their available supplies and endeavor to persuade the supplier to make an equitable allocation to the distributor. In the event that no previous supplier of a distributor could be identified, or failing to secure an equitable distribution of supplies, the fuel coordinator would request one of such oil companies as had indicated willingness to cooperate on this plan to make a certain quantity of fuel oil available to the "have not" distributor. The fuel coordinator should assure himself that such distributor, should he receive these emergency supplies, was cooperating fully in attempting to limit his customers' demands and was in turn distributing his supplies equitably and to the best advantage.

Cases of entirely new demand, such as veterans housing projects, new homes, and present consumers where no previous supplier can be identified would be handled by the emergency fuel coordinator in the same way.

An essential part of this plan is, of course, for as many oil companies as possible to allocate to the fuel coordinator a certain quantity of fuel oil in each area for allocation by the coordinator against hardship cases. Sales would be made direct by the supplying company to the distributor certified by the coordinator as a hardship case, and the coordinator would be notified of the delivery. The receiving distributor would not be considered a customer of the supplying company in the future and separate transactions would be made direct between the supplying company and the "have not" distributor at the suggestion of the fuel coordinator, with no collective action between any of the supplying companies.

It is understood that such a program would necessitate the various oil companies in the area withdrawing from their own supply picture a certain quantity of fuel oil to take care of these hardship cases. It is believed that sufficient cooperation on such a plan can be secured from the industry to take adequate care of these hardship cases. It is recognized that each company would penalize itself in connection with its efforts to take care of its own customers to the extent of the oil made available for these noncustomer hardship cases, but no other practicable solution seems possible to the committee, which again wishes to reiterate its belief that the matter can best be solved on a voluntary local basis and that any attempt to work out a broad Government allocation or rationing system would do more harm than good in solving the supply problem this winter.

The situation with respect to residual heavy fuel is more difficult to solve since relatively little effect on demand can be expected through consumer conservation. By far the greatest part of the heavy residual fuel is consumed in industrial and utility plants and as ships' bunkers. In these uses full economy of utilization is usually practiced. Saving can be made by hotels, apartment houses, Government buildings, and so forth, where heavy fuel is used solely for heating purposes and this should, of course, be strongly urged. The committee again emphasizes the need for industries and utilities who have coal-burning installations in addition to oil facilities utilizing the coal faciliities to the maximum.

It is also true that increased refinery yields of heavy fuel can only be obtained at the expense of distillate fuels which themselves are in short supply, so little or no relief can be expected from adjustment of refinery yields in connection with meeting the heavy fuel oil shortage. The principal way in which the heavy fuel oil deficit can be made up is by increased crude oil runs at refineries, and these increased crude runs are dependent on several uncertain factors previously discussed.

In conclusion, your committee would like to reiterate its belief that the distillate fuel oil situation in the New England and Atlantic seaboard areas can be met:

1. If a widespread and aggressive publicity campaign is inaugurated immediately and consumers respond to this campaign by conserving the use of fuel oils. It is believed that it is quite possible through consumer cooperation to reduce the demand for distillate fuels by as much as 15 percent.

2. If refinery yields of distillate fuels are immediately maximized and continued on that basis for the next 2 or 3 months. It is believed that it is possible to increase distillate fuel oil supply through the temporary adjustment of refinery yields by as much as 5 to 7 percent over-all for the industry.

3. If every effort is made by the Government to place in active service at the earliest possible moment tankers now in tie-up or undergoing repair.

4. If increased production of crude oil to the extent that transportation is available can be secured over the next 2 months to fill up idle refinery capacity.

5. If voluntary action on the part of the industry to achieve the most equitable possible distribution of all available supplies in the shortage areas can be secured, in cooperation with local State emergency organizations.

With respect to heavy residual fuel, the committee expects a deficit in supply over the current winter of approximately 10 percent and while it is probable some of this deficit will be made up through increased crude runs the outlook for eliminating this deficit is less favorable than is the case with respect to distillate fuels.

The committee feels that the uncertainties with respect to realizing fully the benefit of all the corrective measures outlined are such that all corrective measures bearing on reducing demand and increasing supply and equalizing distribution should be taken as insurance against the failure of certain factors to materialize as planned and against the possibility of an abnormally cold winter occurring this year.

DECEMBER 17, 1947.

REDUCTION OF POSTAGE RATES ON CERTAIN PARCELS—REPORT OF COMMITTEE ON CIVIL SERVICE

Mr. LANGER. Mr. President, from the Committee on Civil Service I ask unanimous consent to report favorably with amendments the bill (S. 1813) to reduce postage rates on parcels containing food, clothing, or medicines mailed to certain foreign countries, and I submit a report (No. 807) thereon.

It is a unanimous report of the committee. I desire to make a general statement in connection with the bill I have just reported.

Senate bill 1813 was considered by the full committee as a result of a series of hearings which were attended by responsible representatives of various departments and agencies concerned with administering the provisions of the bill.

The bill (S. 1813) is a composite measure including features proposed in S. 1760 by the Senator from Minnesota [Mr. THYE], S. 1761 by the Senator from Rhode Island [Mr. GREEN], S. 1772 by the Senator from Connecticut [Mr. MCMAHON], and S. 1776, by myself, all designed to facilitate the transmittal of parcels containing foods, medicines, clothing, and other necessities abroad.

The Post Office Department being the pivotal branch in carrying out the program described in some detail what would be necessary to facilitate the administration of S. 1813. It was noted that in some instances additional personnel would be required, though such increases would not include employment in the railway mail service. Officials of this service were of the belief they could carry the additional load at the present personnel level.

I may say that the bill provides for reducing the postage rates to 25 percent of the present rate for mailing clothing, food, or medicines as gifts for relief purposes to Belgium, Denmark, Korea, France, Greece, Iceland, Eire, Great Britain and northern Ireland, Italy, Luxemburg, Netherlands, Norway, Free Territory of Trieste, Portugal, Sweden, Switzerland, Turkey, China, Japan, and the American, French, and British occupied zones of Germany and Austria, for a period of 18 months from the effective date of the act. I mention that so that Members of the Senate may be familiar with the purposes of the bill.

It was conceded that more carriers, post office clerks, and mail handlers in general would be required, and that these would be employed on a temporary basis the same as persons who are hired for Christmas rush seasons or at other times.

Senate bill 1813 originally contained a stipulation that the program would continue for 2 years after enactment of the bill, but this time feature was reduced to 18 months on the grounds that the Congress would be in session at the expiration of the act and would be in position to determine the advisability and feasibility of its continuance.

The Department of State previously had expressed some hesitancy in endorsing the general program in its original form, but added its support on the final hearing day, though its representative did point out what he felt would be the need for itemizing what were necessities—foods, medicines, clothing, and so forth—and what actually were in the luxury class—cosmetics, and so forth. All witnesses from whatever department refrained from suggesting what recipient

countries should be included under the program. Because of this fact, the Committee on Civil Service voted to sanction S. 1813 with the limitation that the actual scope of the plan be geared to the overall opinion of the Committee on Foreign Relations, whereupon a letter was sent to the chairman of that committee, the Senator from Michigan [Mr. VANDENBERG], which reads as follows:

The Committee on Civil Service transmits to the Foreign Relations Committee of the United States Senate, Senate bill 1813 with a request for advice.

This bill proposes to grant a special postage rate for a period of 18 months for the transmission of packages bearing food to needy persons in Europe. Section 1 of the bill sets forth by name the countries to which this special postage rate will apply. It does not include Yugoslavia, Bulgaria, Czechoslovakia, Finland, Poland, Lithuania, Latvia, Estonia, or Spain. The Committee on Civil Service desires to be advised as to whether or not any or all of these countries should be included, and whether or not in the opinion of the committee any other country not herein specifically named should be included.

This bill is essentially a relief bill, and our problem is not involved with intentions, but rather with facilities and the practicability of getting relief packages by special postage rates into countries that are now within the Russian sphere.

Following is the text of the letter dated December 11 from the Senator from Michigan [Mr. VANDENBERG], chairman of the Senate Foreign Relations Committee, in response to the above communication:

This will acknowledge your letter of December 2 requesting the advice of the Senate Committee on Foreign Relations regarding S. 1813.

You raise an important point in this connection which really involves the entire basic philosophy of the proposed legislation. I frankly doubt whether the Committee on Foreign Relations would be willing to take partial jurisdiction of the bill by attempting a formal decision in response to your inquiry. Perhaps it would be preferable to transfer the bill completely to the jurisdiction of the Foreign Relations Committee. On the other hand, I want always to cooperate with you in any way I can; and if you prefer to keep this jurisdiction in your own Committee on Civil Service, I will be glad to make an inquiry into the particular phase covered by your letter of December 2 and to advise you later as soon as I can get the necessary information.

The essentials of the program under S. 1813 include a considerable reduction in the postage rates for parcels to a maximum of one-fourth of the permanent rates prevailing for mailing such matter; continued and complete observance of customs laws by filing a declaration of contents and by describing such contents with a label or uniform statement on the outside of packages declaring they are gift parcels.

It is the opinion of the Committee on Civil Service that regardless of whatever other countries are included under the program, that none behind the so-called iron curtain shall benefit in any degree.

The committee gave sympathetic thought to the fact that the Post Office Department recommended that 90 days elapse before the effective date of the act. It was the consensus, however, that the Department will be on unofficial notice of the oncoming program and that the same type of augmented operation as is used for holiday rush periods can be devised in a shorter time in view of the emergency character of the needed legislation.

Mr. Robert L. Tracy of the Budget Office, Department of the Army, described the method by which the Post Office Department would be reimbursed for additional expenses incurred under the program. He explained that necessary funds should be appropriated to the Department of the Army which thereupon would disburse amounts to the Post Office Department rather than the appropriations be made directly to the Post Office Department for sums not determined at the time of the appropriation.

Several of the original bills previously mentioned included provision for 100 percent reduction in parcel post rates under the program. On the advice of witnesses representing interested organizations and persons, it was deemed proper to reduce the postage fees drastically, though not entirely. This is on the grounds that some declaration of value needs to be placed upon the contents of such parcels both by the sender and by the beneficiary, otherwise there could be a general emptying of attics and far recesses of great quantities of no longer wanted raiment and other castoffs which would be dumped into the mail channels, though practically useless to the recipients.

The volume of international parcel post has increased tremendously within a few years. During the fiscal year 1939, according to figures supplied by the Post Office Department, such parcel post totaled nearly 26,000,000 pounds. For the fiscal year 1947, the same branch of the postal service reported the unprecedented total of nearly 402,000,000 pounds, or 16 times the volume for fiscal year 1939.

There are certain hidden cost factors in carrying out the details of the general program, for instance, the Post Office Department immediately will require additional supplies including mail bags, labels, seals, and so forth. The cost of mail bags is approximately $2.32 each if manufactured in the Government's own mail equipment shops. On the other hand if they are purchased in the open market the cost ranges from $3.18 to $5.50 each. The item of time and place utility will be important according to the number of countries which will be served under the legislation, and also the volume of parcels to be dispatched and the life of the program.

Mr. President, I am going into this subject fully at the unanimous request of the Civil Service Committee because we have adopted the unusual course of asking that this bill, after it is reported, be referred to the Committee on Foreign Relations for its action. However, I wished to make the position of the Civil Service Committee clear.

On the broad cost discussion, the Post Office Department estimates that under S. 1813, assuming the volume of international mail doubles, the postage revenues will approximate $144,000,000 annually, and that the cost of handling would be a like amount, thus representing an increase of $72,000,000 annually attributable to enactment of the bill.

I want the Senate to understand that, according to the Post Office Department, the cost will be at least $72,000,000 a year more. Thus, on the assumption that the present prevailing costs of 14 cents per pound will not be materially increased, as a result of a study being conducted and by the necessity for the sudden expansion of necessary requirements in equipment, housing, and personnel to handle the increased volume, it should be noted that the representatives of the Department of the Army expressed the view that any cost attendant upon carrying out the program under this legislation be not charged in any way to the appropriations granted that Department. The reason given is that it is desired to avoid any deprivation to any beneficiaries under the general operations of the Department of the Army abroad, and that the caloric values not being supplied through this medium be not in any degree lessened under the prevailing 150,050 units daily. The prime purpose of the bill legislation is to augment such caloric values rather than to detract from them.

The Committee on Civil Service having given full consideration to the provisions of S. 1813 recommend that the bill as amended do pass, with the provision that the bill be now referred to the Committee on Foreign Relations, with the request that it consider it at the earliest opportunity. The Civil Service Committee unanimously expresses its desire to cooperate fully and completely, realizing that whether or not these postage rates should be reduced to certain foreign countries is a question of such grave importance that the Committee on Foreign Relations, being more familiar with the facts and more familiar with conditions in foreign countries than is the Civil Service Committee, should consider the subject, and we should defer to the judgment of the Committee on Foreign Relations as to what countries should be included in the bill.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be referred to the Committee on Foreign Relations as requested by the Senator from North Dakota.

INVESTIGATION OF IMMIGRATION SYSTEM—EXTENSION OF TIME FOR COMMITTEE REPORT

Mr. REVERCOMB. Mr. President, at this time I desire to make reference to Senate Resolution 137, which was passed in the closing days of the first session of the present Congress. That resolution authorized the Senate Committee on the Judiciary, or any duly authorized subcommittee thereof, to make a full and complete investigation of our entire immigration system, and directed that a report be made to the Senate not later than March 1, 1948.

There was also a provision that, with respect to findings and recommendations on the subject of displaced persons, a separate report should be made on or before January 10, 1948.

The chairman of the Judiciary Committee appointed a subcommittee consisting of the Senator from Missouri [Mr. DONNELL], the Senator from Kentucky [Mr. COOPER], the Senator from Nevada [Mr. MCCARRAN], the Senator from Rhode Island [Mr. MCGRATH], and myself. That subcommittee has collected a great deal of information and data upon the subjects involved in the resolution. The majority members of the subcommittee went to Europe. The staff has collected a great deal of pertinent data upon the general subject. Meetings have been held, and we have considered the evidence and information which we have.

It is the unanimous conclusion of the subcommittee that more time is needed to make the report called for in the resolution by January 10. On behalf of the subcommittee we are seeking an extension of time to February 10, 1948.

This subject has been brought to the attention of the Senator from New Jersey [Mr. SMITH], who, under the terms of the resolution, is an adviser to the subcommittee from the Committee on Foreign Relations. He concurs in the view and conclusion of the subcommittee that the time should be extended. I have also brought the matter to the attention of the Senator from Michigan in connection with the question of the extension of time.

I therefore submit a resolution and ask unanimous consent for its immediate consideration, so that this question can be disposed of.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The resolution (S. Res. 178) submitted by Mr. REVERCOMB was read, as follows:

Resolved, That Senate Resolution 137 of the Eightieth Congress, first session, is amended by striking out the word and figures "January 10, 1948", on page 2, section 2, line 12, and inserting in lieu thereof the following word and figures: "February 10, 1948."

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

Mr. HILL. Mr. President, reserving the right to object, I did not understand the purpose of the resolution.

The PRESIDENT pro tempore. The purpose of the resolution is to extend the time for a report by a committee of the Senate.

Mr. HILL. I have no objection.

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

There being no objection, the resolution was considered and agreed to.

PROVISIONS OF NEW TAX BILL

Mr. MCCLELLAN. Mr. President, I have just learned that a new tax bill has been introduced today in the House of Representatives. I am much gratified with two provisions of the new tax bill introduced today by Representative KNUTSON, chairman of the Ways and Means Committee of the House of Representatives. The raising of personal exemptions and the extension of the split-income principle to husbands and wives of the 36 common-law States are essentially vital in any fair and equitable general tax measure.

The Republican leadership refused to accept either of these provisions in amendments which I offered to the two former tax-reduction bills, which they attempted to pass over a Presidential veto earlier this year. I am glad, indeed, that strong public sentiment supporting those provisions has compelled them to change their views. It now appears the majority party is willing to make the right approach to tax revision and tax reduction by granting tax relief to those in the lower-income brackets, who need it most, and by placing all married couples, irrespective of State citizenship, on an equal basis under the law for income-tax purposes.

The remaining issue for determination is whether the Government can stand the loss of some $5,300,000,000 of revenue that the bill entails. That will have to be weighed in the light of conditions that obtain at the time of vote on final passage.

Mr. President, a few days ago on the floor of the Senate I urged that in any tax bill which might be offered, the two provisions to which I have referred be included; and I hope that if the Congress should enact a tax law at the next session those two provisions will be a part of the new law.

DISMANTLING AND REMOVAL OF PLANTS IN GERMANY

Mr. EASTLAND. Mr. President, the distinguished Senator from New Hampshire [Mr. BRIDGES] and I have introduced a joint resolution which will require the approval of the Congress of the United States before industrial plants can be dismantled and shipped as reparations out of the American zone of Germany.

The joint resolution also provides that any dismantlings or removals now being undertaken shall be discontinued immediately. Section 2 of the resolution requests the President, acting through the Secretary of State, to confer with the British Government with a view to the adoption by such Government of a similar policy with respect to plant dismantlings and removal in the British Zone of Germany.

This policy of dismantling peacetime industrial plants, capital equipment, and shipping them out of Germany as reparations is done by virtue of agreements negotiated by administrative officials. This policy is illegal. It is wrong and injurious to our best interests. Under the Constitution of the United States, the executive branch of this Government does not have the power to grant reparations, or to fix the boundaries of countries as it has done in the case of Germany. The extent of its power is purely to negotiate. It can negotiate agreements of this character and then submit them to the Senate of the United States for ratification. We have here a classic example of the congressional "run-around," of the usurpation of congressional authority, and of the violation of the plain mandate of the Constitution.

The peacetime industrial plants of Germany should be held in status quo. If there are to be capital reparations, or reparations out of current production, or the plan for reparations, whatever it is, it should, before taking effect, be submitted to the Senate of the United States for ratification or the Congress should by legislation determine these questions. We alone are the policy-making branch of the Government. We alone have the power in the premises. Reparations are one of the subjects of the peace treaty and they have been handled in the peace treaties after every other war in which this country has participated.

I note in the public press that a group of bureaucrats representing our War and State Departments have met with certain other lesser bureaucrats from other countries and decided that the western zones of Germany shall permanently have an industrial production of peacetime civilian goods equal to their industrial production level of these goods in 1936. In other words, the western zones, with millions more inhabitants, due to the Russian terror, than they had in 1936, will be permanently held down to an industrial production equal to the production that year. This is high policy, Mr. President. This is a permanent program which will greatly affect the economy of this country and the entire fabric of world peace. The solution of the problem of Germany is of the utmost importance to every man, woman, and child in America for generations to come. Where did General Clay get this power? Where did the State or War Departments get such authority? It is beyond my comprehension that the Senate should permit employees in the executive departments of the Government to usurp authority and claim the right to set a permanent level of production in a foreign country. No one has the legal authority to set the limit of German peacetime industry except that it be ratified by the Senate through a treaty of peace.

Mr. President, it is the duty of the Congress of the United States to zealously guard and protect its powers and prerogatives. I feel that we are derelict in our duty when we permit the Federal departments to exercise such vast power to make policy and to set the pattern for the future Germany without coming to us for approval. Mr. President, if the American Congress does not stop this program in Germany until it is approved as provided in the Constitution, or until there is legislation, then we have sacrificed public esteem for the United States Senate and for the Congress. We have failed to preserve our powers and not only do great harm in this instance but through precedent we greatly impair the future usefulness of the Senate and permit the powers of the Senate to be whittled away by these unconstitutional encroachments.

Mr. President, the question of the future of Germany as an industrial nation is a question of the utmost importance to the United States. If heavy industry in western Germany is to be greatly limited then its swollen population, which cannot grow over one-half of its food supplies within its boundaries will have to concentrate on light consumer goods industries to make a living and survive as a people. That would make fierce competition—unnaturally fierce competition—for world markets with the light-goods industries of the United States.

We have millions of people, Mr. President, who work in these industries in this country today. Germany has historically purchased more American products than all of Latin America combined. It is historically one of our best customers. It has been a particularly good customer for the American farmer. If permitted to produce the goods of peace unhampered by restrictions, Germany in the future will be one of the best customers of the farmers of America. The people of this country have a great stake in the future of a prosperous Germany. If Germany is to be poor and unable to support herself she will continue to be a drain upon our Treasury and a menace to world order. These questions, fraught with serious implications to the people of this country, should be determined and settled in a legal way. The American Congress should not permit subordinate officials in the bureaus to wield the power of life or death over the future of Germany. The Senate should make the policy regarding dismantling the plants; the Senate should decide on the amount of reparations; the Senate should determine what country shall secure them, whether friend or foe, and then when the peace treaty is presented to the Senate for ratification we shall not be powerless and shall not be faced with a fait accompli. When the plants are gone and the people are deprived of a means to support themselves we are asked for an appropriation to prevent starvation. The Congress has no alternative except to comply.

Mr. President, it is interesting to note that in spite of the anti-Russian statements which originate from the army of occupation in Germany, in granting reparations, our officials have been definitely partial to and have favored the Soviet Union and its satellites over friendly countries. Of the 90,000 tons of reparations which have been shipped out of the American zone of Germany, more than 80 percent have gone to Russia and the countries in its sphere. In fact, Russia has received over three times her proportionate share of German reparations shipped from our zone to date. That would not have happened if constitutional mandates had been followed.

In addition, according to testimony before the Senate Appropriations Committee, authorities in charge of this program are contemplating giving substantial reparations from the German economy to Tito's Yugoslavia. There is a country, Mr. President, which in the maelstrom of postwar events has emerged as a world outlaw. In violation of her pledge to the United Nations covenants, she has armies posed on the boundaries of friendly, though weaker, neighbors. Through her actions she has already forced our Nation in pursuit of its aim of world stability to pour out its treasure, and has compelled greater sacrifices on the part of the American people. There is a nation which shot down and murdered in a most dastardly fashion five American flyers who were on a friendly mission over that country—a nation which has suppressed every individual right of its citizens, and which today stands as a great menace to world peace. It is to that nation that the bureaucrats now say we must hand over German plants and further impoverish Europe and entail further sacrifices upon the American people through our great desire to ameliorate the deadening consequences of 5 years of devastative war. Would the Senate permit this; would two-thirds of the Senate concur in such an unjustifiable program? Would two-thirds of the Senate further encourage Tito's acts of vandalism and murder, and further build up his terror?

Mr. President, the resolution provides for the creation of a joint congressional committee, to be composed of five Members of the Senate and five Members of the House of Representatives, to carry on a continuing review of the entire subject of the dismantling of plants in the occupied sections of Germany, and to report their studies and findings to the Congress for action.

The subject matter is one which presents considerable complications, and it will require considerable time and study to keep the Congress fully advised; but it is a matter of such importance that I think the creation of this special committee is justified at a time when we are considering the rehabilitation of Europe at such large cost to this Nation. It is doubtful whether any industrial plant moved from the location where it has been successfully operated to a new location can ever become a going concern. It would be senseless to move a plant from western Europe to eastern Europe unless the raw material and the skilled labor necessary for its operation were available at the new location. Why should western Europe, which now is receiving such largess at our hands, be deprived of an industrial plant merely because another nation might desire it, without giving any proof that it can be integrated into the economy of Europe in its new location? It would be the sheerest folly to say that 682 plants can be moved from the western zone of Germany to any other portion of Europe and that all 682 of those plants could be profitably operated in the new locations—to say nothing of the time spent in dismantling the plants and to say nothing of the technological loss that is always incurred in the wholesale removal of industrial plants.

If it is a matter of reparations, Mr. President, then it is almost axiomatic that it is folly. If the removal of the plants is for the purpose of reducing the industrial production of Germany to the production of 1936, then it is a matter to be handled in the peace treaty. I am certain that the Congress has not yet been convinced that the advisers to our military authorities in Germany have made so sufficient a study of this problem that we can afford to be guided solely by their decisions.

I think it imperative that such a committee be created, or, in lieu of the creation of such a committee, that the Foreign Relations Committee of the Senate arm and equip itself with experts, and take over the job itself.

Russia has breached all her agreements made with the United States and other powers. From her every action, she seems to be a nation bent upon the domination of Europe and bent upon world conquest. Since the failure of the Foreign Ministers Conference held in London, it is evident that she is committed to the creation of strife and discord and the perpetuation of starvation and suffering throughout western Europe, in the hope of achieving her aim of domination either through war or internal revolution.

It is becoming increasingly evident, Mr. President, that when she becomes industrially strong, her plans for world domination will be put into effect through aggressive warfare, with the ultimate aim of the destruction of our country and the enslavement of all like-minded people. She has checked the matter up to us. We have no alternative. Russian expansion must be stopped or the light of civilization will be extinguished in the world, to come again when no one can foretell.

In our own self-interest, this country must speedily pass the Marshall plan for the rehabilitation of western Europe and, in addition, must build up our armed forces to such an extent as to make us impregnable. We must build immediately and maintain consistently an air force large enough and strong enough to wreak havoc upon any aggressor.

From the failure of the London Conference, it is obvious that the split between eastern and western Europe has doomed the United Nations as an overwhelming factor for peace along the lines for which it was originally created, and we can no longer afford to rely upon that organization for the maintenance of either peace or our preservation.

Today the road to peace will be found only in strength. If we are strong and if western civilization is made strong, communism and the Russian imperialism will be confronted with superior forces at every point. This, Mr. President, is the only sure road to peace.

STABILIZATION OF COMMODITY PRICES AND THE NATIONAL ECONOMY

The Senate resumed the consideration of the resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

Mr. MAYBANK obtained the floor.

Mr. TAFT. Mr. President, will the Senator yield to me for a moment?

Mr. MAYBANK. I yield.

Mr. TAFT. I simply wish to call the attention of Senators to the fact that if this joint resolution is to be passed at all, it should be passed at the earliest possible moment in order that it may reach the House of Representatives before the House adjourns, if it is to be passed by the House of Representatives tomorrow. I certainly would greatly appreciate it if Senators would refrain from making speeches on extraneous subjects. I have no desire to limit the debate on this joint resolution; but if anything is to be done about it, it should be done as soon as possible.

So I hope very much that Senators will refrain from making speeches on extraneous subjects.

Mr. MAYBANK. Mr. President, I wish to address myself to the Senator from Ohio. I shall be only too pleased to relinquish the floor and take it later to make the remarks I wish to address to

the Senate. As the distinguished Senator knows, I asked if I might be recognized, and was told that I could be. I should like to say to the Senator from Ohio that so far as I am concerned, if the Senate is ready to go forward with the business in hand, I shall be only too glad to take my seat, with the request that after the pending measure shall have been disposed of, I may be recognized.

The PRESIDENT pro tempore. In the opinion of the Chair, the suggestion made by the Senator from South Carolina has supporting validity, and the present occupant of the Chair will undertake to recognize the Senator.

Mr. MAYBANK. I thank the President pro tempore, because I am a member of the committee which considered the measure now before the Senate, and, like the Senator from Ohio, I should like to see some measure relating to the subject passed before we adjourn.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Ohio.

The amendment was agreed to.

Mr. BALDWIN. Mr. President, a short time ago the distinguished Senator from New York——

The PRESIDENT pro tempore. The Chair will advise the Senator from Connecticut that the Senate has not yet concluded consideration of the phase of the bill to which the pending amendment refers. The question now recurs on the amendment of the Senator from Kentucky [Mr. BARKLEY] to strike from the joint resolution section 2, as amended. Does the Senator from Connecticut desire to be recognized before the vote is taken?

Mr. BALDWIN. I do not.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Kentucky to strike out section 2, as amended.

Mr. MAYBANK. A parliamentary inquiry. After the pending business has been transacted, will I be recognized?

The PRESIDENT pro tempore. The Chair understands that the Senator from South Carolina wishes to be recognized after the joint resolution has been passed.

Mr. MAYBANK. In case any Senator should take the floor to make a speech on some extraneous subject, I should desire to be recognized, because I have relinquished the floor for the transaction of the pending business. Of course, any speeches which have to do with that are perfectly proper, but I think in justice to me no Senator should be recognized to make a speech on an extraneous matter.

The PRESIDENT pro tempore. The situation is entirely in the hands of the Senator from South Carolina. If he shall be on his feet first, he will be recognized by the Chair.

The question is on agreeing to the motion of the Senator from Kentucky to strike section 2 from the joint resolution, as amended.

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

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

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

Aiken	Hatch	Morse
Baldwin	Hawkes	Murray
Ball	Hayden	Myers
Barkley	Hickenlooper	O'Conor
Bricker	Hill	O'Daniel
Bridges	Hoey	O'Mahoney
Brooks	Holland	Overton
Buck	Ives	Reed
Bushfield	Jenner	Revercomb
Butler	Johnson, Colo.	Robertson, Va.
Byrd	Johnston, S. C.	Robertson, Wyo.
Cain	Kem	Russell
Capehart	Kilgore	Saltonstall
Capper	Knowland	Sparkman
Chavez	Langer	Stennis
Connally	Lodge	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thomas, Utah
Downey	McFarland	Tobey
Dworshak	McGrath	Tydings
Eastland	McKellar	Umstead
Ecton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Malone	White
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
Green	Millikin	Wilson
Gurney	Moore	

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

The question is on agreeing to the motion by the Senator from Kentucky to strike out section 2, as amended.

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. REED. I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the Senator from Maine [Mr. BREWSTER] and will vote. I vote "nay."

Mr. WHITE. I announce that the Senator from Minnesota [Mr. THYE], who is necessarily absent, is paired with the Senator from Illinois [Mr. LUCAS]. The Senator from Minnesota, if present and voting, would vote "nay," and the Senator from Illinois, if present and voting, would vote "yea."

The Senator from Maine [Mr. BREWSTER], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER]. The Senator from Maine, if present and voting, would vote "nay," and the Senator from New York, if present and voting, would vote "yea."

The Senator from Nebraska [Mr. WHERRY] is absent by leave of the Senate.

The Senator from North Dakota [Mr. YOUNG] is unavoidably detained and is paired with the Senator from Florida [Mr. PEPPER]. The Senator from North Dakota, if present and voting, would vote "nay," and the Senator from Florida, if present and voting, would vote "yea."

The Senator from New Jersey [Mr. SMITH] is detained on official committee business. If present and voting, he would vote "nay."

Mr. HILL. I announce that the Senator from Georgia [Mr. GEORGE] and the Senator from Illinois [Mr. LUCAS] are absent by leave of the Senate.

The Senator from Florida [Mr. PEPPER] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from Illinois [Mr. LUCAS] is paired with the Senator from Minnesota [Mr. THYE]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Minnesota would vote "nay."

The Senator from Florida [Mr. PEPPER] is paired with the Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from Florida would vote "yea," and the Senator from North Dakota would vote "nay."

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Maine [Mr. BREWSTER] has been previously announced by the Senator from Kansas. If present and voting, the Senator from New York would vote "yea," and the Senator from Maine would vote "nay."

The result was announced—yeas 42, nays 44, as follows:

YEAS—42

Barkley	Johnson, Colo.	Myers
Byrd	Johnston, S. C.	O'Conor
Chavez	Kilgore	O'Daniel
Connally	Langer	O'Mahoney
Downey	McCarran	Overton
Eastland	McClellan	Robertson, Va.
Ellender	McFarland	Russell
Fulbright	McGrath	Sparkman
Green	McKellar	Stennis
Hatch	McMahon	Taylor
Hayden	Magnuson	Thomas, Okla.
Hill	Maybank	Thomas, Utah
Hoey	Morse	Tydings
Holland	Murray	Umstead

NAYS—44

Aiken	Dworshak	Millikin
Baldwin	Ecton	Moore
Ball	Ferguson	Reed
Bricker	Flanders	Revercomb
Bridges	Gurney	Robertson, Wyo.
Brooks	Hawkes	Saltonstall
Buck	Hickenlooper	Taft
Bushfield	Ives	Tobey
Butler	Jenner	Vandenberg
Cain	Kem	Watkins
Capehart	Knowland	White
Capper	Lodge	Wiley
Cooper	McCarthy	Williams
Cordon	Malone	Wilson
Donnell	Martin	

NOT VOTING—10

Brewster	Smith	Wherry
George	Stewart	Young
Lucas	Thye	
Pepper	Wagner	

So Mr. BARKLEY's motion to strike out section 2, as amended, was rejected.

Mr. FERGUSON. Mr. President, I move the reconsideration of the vote just taken.

Mr. TAFT. Mr. President, I move that the motion of the Senator from Michigan be laid on the table.

The motion to reconsider was laid on the table.

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

The PRESIDENT pro tempore. The amendment offered by the Senator from Kentucky will be stated.

The CHIEF CLERK. At the proper place in the joint resolution it is proposed to insert the following:

Notwithstanding any other provision of law, in order to alleviate and prevent shortages in foods, agricultural commodities, and products thereof, Commodity Credit Corporation is authorized to carry out projects to stimulate and increase the production of

foods, agricultural commodities, and products thereof, in non-European foreign countries. Such projects may include procurement, the making of advances and price guaranties, the furnishing of technical information and assistance, the furnishing of seed, fertilizer, machinery, equipment and other materials, and such other actions as are necessary or incident to the carrying out of such projects: *Provided*, That any such program is first submitted to Congress by the Secretary of Agriculture, and is not disapproved by concurrent resolution of Congress within 60 days thereafter.

Mr. BARKLEY. Mr. President, with the modification which has been inserted after consultation with the Senator from Ohio [Mr. TAFT], and which incorporates the proviso with respect to submitting any such program to Congress to be acted upon within 60 days, this is the joint resolution which I introduced a few days ago, providing that the Commodity Credit Corporation might promote the production of food and feeds in non-European foreign countries in order to avoid the food shortages which are so bedeviling the world today.

Mr. TAFT. Mr. President, this authorization relates to point No. 6 of the President's program. It was not included in the joint resolution only because in our opinion this program can already be undertaken. It was undertaken in the case of the Philippine Islands. Under the general program agreed to with the House, the necessary funds were to be included in the appropriation bill. This authorization was considered to be unnecessary. However, if there is any doubt about it, I am perfectly willing to have such authorization go into the pending joint resolution.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY].

The amendment was agreed to.

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

The PRESIDENT pro tempore. The amendment offered by the Senator from Kentucky will be stated.

The CHIEF CLERK. At the proper place in the joint resolution it is proposed to insert the following:

(a) In order to alleviate shortages in foods and feeds, and to assist in stabilizing prices, the President shall carry out a program for the conservation of food and feed. In carrying out such program, the President is authorized, through the dissemination of information, educational and other campaigns, the furnishing of assistance, and such other measures as he deems necessary or appropriate, to encourage and promote the efficient utilization, care, and preservation of food and feed, the elimination of practices which waste food and feed, the control and eradication of insects and rodents, the consumption of less of these foods and feeds which are in short supply and more of those foods and feeds which are in abundant supply, and other conservation practices. The authority herein conferred may be exercised by the President through such departments, agencies, independent establishments, and officials of the Federal Government and such State, local, and private agencies as he may determine.

(b) There is hereby authorized to be appropriated to the President such sums as may be necessary to carry out this section. To enable the President to carry out this section for the remainder of the fiscal year ending June 30, 1948, there is hereby made available not to exceed $1,000,000 from any funds made available by the Congress for carrying out Public Law 84, Eightieth Congress, or from any funds made available by the Congress for interim foreign aid. Funds made available for the purpose of this section may be used for necessary administrative expenses, including personal services in the District of Columbia and elsewhere, purchase or hire of motor vehicles, temporary or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract, without regard to the civil-service and classification laws (the compensation of any such individual not to exceed $50 per day). Funds made available for the purposes of this section may be allotted for any of the purposes of this section to any department, agency, or independent establishment of the Government, or transferred to any other agency requested to assist in carrying out this section. Funds allotted to any department, agency, or independent establishment of the Government shall be available for obligation and expenditure in accordance with the laws governing obligations and expenditures of the department, agency, or independent establishment, or organizational unit thereof concerned, and without regard to sections 3709 and 3648 of the Revised Statutes, as amended (U. S. C., title 41, sec. 5, and title 31, sec. 529).

Mr. BARKLEY. Mr. President, this is an authorization for a general food-conservation program to be inaugurated by the President. I think we all agree that such a program is desirable in order that we may coordinate all the efforts of our people and the Government to prevent the wastage of food and promote the conservation of food and feeds.

The amendment authorizes an appropriation which hereafter shall be determined by Congress in carrying out the provisions of the amendment, except that for the remainder of this fiscal year not to exceed $1,000,000 shall be allocated from the funds made available under Public Law 84, which is the post-UNRRA relief bill which we passed at the last session of Congress.

I hope the Senator from Ohio and the Senate will accept this amendment as a step in the direction of trying to concentrate all our efforts in the saving of food and the prevention of waste, either of food or feeds, or other materials necessary in the crisis in which we find ourselves.

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

Mr. BARKLEY. I yield.

Mr. KNOWLAND. Does the amendment which the Senator from Kentucky has offered in any way, directly or indirectly, give the President power to ration under this conservation policy?

Mr. BARKLEY. I cannot conceive of any such interpretation. It is certainly not my intention to include language which would do that. I do not think it does.

Mr. TAFT. Mr. President, this question was not included because of our feeling that the President already had authority to do what is provided by the amendment. In fact, he has been doing it. The Department of Agriculture has been doing exactly this, without any express authorization.

Senators will find in the current appropriation bill, which is now being considered by the committee, and which will be before us tomorrow, a provision that the Secretary of Agriculture is authorized to utilize not to exceed $2,750,000,000 for various things, including any programs approved by the President under existing laws to encourage conservation practices. I suggest that if we include in the joint resolution a provision appropriating $1,000,000, perhaps the Appropriations Committee should reduce the amount in the appropriation bill. I think the suggested authorization is probably desirable, although I think perhaps we might omit the second paragraph and let the appropriation bill go through as it is, to take care of the money.

Mr. BARKLEY. Mr. President, while it is true that the President did carry on a conservation program in recent months under the direction of Mr. Luckman, a program with which we are all familiar, that program was carried on, in a sense, without specific authorization of law. This amendment contemplates a program more in the nature of a permanent program—at least for a longer period of time.

Mr. TAFT. I entirely agree with the first section, but I wondered whether the second section was not a duplication of what the Appropriations Committee is doing.

Mr. BARKLEY. The appropriation bill has not yet come to the Senate. I do not know what it will contain when it comes here. If this amendment should be agreed to, I should be perfectly willing to eliminate that much of the appropriation when it reaches the Senate. However, I dislike to eliminate it now, and run the chance of its not being in the appropriation bill when it reaches the Senate for consideration.

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

Mr. BARKLEY. I yield.

Mr. KNOWLAND. Would the Senator from Kentucky have any objection to inserting in line 9, before the word "measures," the word "voluntary"? The wording appears to me to be a little broad.

Mr. BARKLEY. Mr. President, I have been talking all day and part of yesterday against the voluntary theory of legislation in regard to price controls and things of that sort. I do not think the amendment would carry the implication that the President might impose any restrictions as a result of this program, because the law does not authorize him specifically to do so.

Mr. KNOWLAND. Let me say to the able Senator from Kentucky that one of the great problems we encounter in foreign affairs is the nature of some of the fuzzy agreements which we have to consider. One of the troubles we encounter in legislating is having the legislation which is enacted subject to interpretation both ways. I understand the Senator to say that in his judgment this amendment would not confer the power of rationing. Nevertheless, I can see no harm in adding at that point the word "voluntary," because if the Senator cares to construe it so that the President, by other than voluntary means, may do thus and so, it looks as though his amend-

ment is wide enough to give someone the chance to interpret it that way. It reads as follows:

In carrying out such a program the President is authorized through the dissemination of information, educational, and other campaigns, the furnishing of assistance, and such other measures as he deems necessary or appropriate.

I say that is as wide as a barn door.

Mr. BARKLEY. Would the Senator agree that instead of the word "voluntary" the words "cooperative measures" be used?

Mr. KNOWLAND. Why not use the words "voluntary cooperative measures"?

Mr. BARKLEY. That would be tautology.

Mr. KNOWLAND. I would feel a little better with that language in the measure, because we have had considerable experience.

Mr. BARKLEY. I will agree to insert the words "other voluntary and cooperative measures."

Mr. KNOWLAND. Mr. President, I offer that as an amendment.

The PRESIDENT pro tempore. Without objection, the amendment to the amendment is agreed to.

The question is now on agreeing to the amendment as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The joint resolution is open to further amendment.

Mr. BARKLEY. I have no further amendment to offer. I have no desire to delay a vote on the passage of the resolution.

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

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

Mr. FLANDERS. Mr. President, the Senator from Connecticut [Mr. BALDWIN] and I offer an amendment to Senate Joint Resolution 167, which I desire to read.

On page 4, between lines 21 and 22, it is proposed to insert a new section as follows:

CRITICAL SHORTAGES—RECOMMENDATIONS BY THE PRESIDENT

SEC. 6 (a). Whenever the President shall determine that there is or threatens to be a critical shortage of any raw material, commodity, or product which jeopardizes the health or safety of the people of the United States or its national security or welfare and that there is no prospect that such critical shortage may soon be remedied by an increase in the available supply without additional governmental action, and that the situation cannot be solved by voluntary agreements under the provisions of this joint resolution for conserving such raw material, commodity, or product, he shall submit to the Congress in the following form:

(1) A statement of the circumstances which, in the President's judgment, require the proposed conservation measures.

(2) A detailed procedure for the administration of the proposed measures, including an additional budget and additional personnel required for their enforcement.

(3) The proposed degree of curtailment in current and prospective use of each such raw material, commodity, or product by each processor and/or user thereof, including all specific formulae proposed for such curtailment with respect to each class or classes of processors or users, and the criteria used in the establishment of such formulae.

(4) A complete record of the factual evidence upon which his recommendations are based, including all information provided by any agency of the Federal Government which may have been made available to him in the course of his consideration of the matter.

(b) Within 15 days after the submission of such proposed conservation measures, the Joint Committee on the Economic Report shall conduct public hearings thereon and shall make such recommendations to the Congress for legislative action as in its judgment the recommendations of the President and any additional information disclosed at the public hearings may require.

On page 4, line 23, it is proposed to strike out "SEC. 6," and insert in lieu thereof "SEC. 7."

I can state the purpose of the amendment in a very few words. It is to place in the joint resolution definite provision for the initiative of the President in acting in these matters and to provide a procedure which will assure prompt action.

Mr. President, I move the adoption of the amendment.

Mr. BARKLEY. There are no copies of the Senator's amendment available, and it has been difficult to follow it while the Senator read it, due to interruption, lack of order, and for other reasons. I wonder if the Senator could give the Senate a word of explanation of what it attempts to do.

Mr. FLANDERS. Yes. In a word, or in 15 or 20 or 40 words, it attempts to do this——

Mr. BARKLEY. The Senator had better make it 100 words.

Mr. FLANDERS. It gives the initiative to the President in the field of this particular legislation whenever voluntary methods are not adequate to meet an existing critical situation. It requires that the President shall prepare legislation, shall document the case with full information as to the data which he took into consideration in recommending the legislation, and that thereupon, on receipt of it by the Congress, it shall be turned over to the Joint Committee on the Economic Report, and that the Joint Committee on the Economic Report shall within 15 days hold hearings on the subject, and thereafter report to the two Houses of Congress recommended action based on the President's recommendations and on any additional information which may have been gained in the hearings.

Mr. BARKLEY. May I ask the Senator this question? The Joint Committee on the Economic Report is not a legislative committee. Bills cannot be referred to it. It may hold investigations and make reports, but it cannot consider bills. Is it the Senator's idea that we are hereby directing the President, when he finds that the voluntary system which has been voted for here on a number of roll calls is not working with respect to any particular commodity in a particular section, having in mind, no doubt, fuel in New England, he shall prepare legislation and submit it to the Congress? Is it a mandatory command that he shall prepare a bill and send it here and that the Joint Committee on the Economic Report shall hold hearings and report to the two Houses, before a bill can be introduced, and referred to the appropriate committee to take action on it? Is that what the Senator has in mind?

Mr. FLANDERS. The wording is not quite what might have been gathered from my freehand explanation. The wording is.

He shall prepare proposed measures.

That does not necessarily put it in the form of a bill. I think the Senator would be correct in saying that bills cannot be referred to the Joint Committee on the Economic Report.

Mr. BARKLEY. In other words, the Senator makes the President of the United States a member of the legislative drafting service of the Congress, to prepare bills and send them here for our consideration. The amendment would command the President to do what we have been seeking to authorize him to do during the consideration of this joint resolution, namely, that when he finds the voluntary system is a failure, to take such steps as may be necessary to bring about a compulsory regulation or order which will do the very thing the Senator has in mind. But the Senator proposes a long delay by requiring that when the President finds a failure of the voluntary system he shall prepare legislation and send it here and it shall then be referred to the Joint Committee on the Economic Report, which committee shall hold hearings. By the time winter is over and there is no longer any need for the relief which the Senator no doubt has in mind, Congress might get around to giving the President authority to impose regulations.

Mr. FLANDERS. I will say to the distinguished Senator from Kentucky that the intention of this amendment to the joint resolution is to speed action and not to delay action. From my slight experience in this body I am assured that the winter of discontent, or two winters of discontent, may easily pass by on any proposals of the President, and that the short interim of 2 weeks before hearings is a desirable improvement on what may otherwise happen to any recommendations of the President.

Mr. BARKLEY. I may say to the Senator, with the greatest respect and admiration, because I entertain for him the highest personal admiration and respect, that he could have accomplished the purpose he now has in mind more rapidly and certainly by voting for the amendment I offered earlier today.

Mr. BALDWIN. Mr. President, I rise to support the amendment which has been offered by the Senator from Vermont [Mr. FLANDERS], and I join with him in offering it. It seems to me that what we have already voted for provides a method of working out voluntary allocations. But if voluntary allocations fail, then there will be no available method other than to have the President send to Congress a general recommendation, such as was contained in his message at the beginning of this session.

The purpose of this measure, Mr. President, is to carry out and put into legislative form the spirit which the President himself expressed in his message to the Congress at the beginning of this session. He spoke of rationing and price ceilings, and then he said:

> This does not mean that price ceilings should be imposed on all items within the classes I have mentioned.
>
> To wit, food and fuel and clothing and housing.
>
> For example, price ceilings would not be necessary for staple food and clothing items not in short supply or for any delicacies or luxuries. The same principle of selective treatment would apply to industrial items. This selective treatment of a relatively few danger spots is very different from over-all wartime price controls.

Mr. President, the amendment proposed by the distinguished Senator from Kentucky was a proposal for over-all wartime price controls. It ran the gamut of the whole field of the American economy.

The distinguished Senator from Vermont and myself are trying to take the President at his own suggestion and provide the legislative machinery necessary to enable him to do what he said in that message he thought was a desirable thing to do, to wit, impose rationing and price controls on selected items.

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

Mr. BALDWIN. I yield.

Mr. BARKLEY. I do not wish the Senator from Connecticut inadvertently to make a misstatement, and I am sure he would not intentionally do so. None of the amendments I offered carried provision for any price controls or any authority to fix prices. They did carry authority for the President to impose allocations of materials and priorities in the supplying of materials, but nowhere was there any implication that the President was given authority to fix prices.

Mr. BALDWIN. Let me say in response to the Senator's statement that I was somewhat at a loss when the distinguished Senator from Kentucky and the distinguished Senator from Wyoming [Mr. O'MAHONEY] apparently were in disagreement on that very point; and as I read the RECORD, that disagreement, in my humble judgment, has not been resolved, at least not to my satisfaction. I remember that the distinguished Senator from Kentucky did say that this did not permit the interposition of price controls, and I remember that the distinguished Senator from Wyoming differed with him.

Mr. BARKLEY. No, Mr. President; the Senator from Connecticut is mistaken.

Mr. BALDWIN. As a matter of fact, Mr. President, when we get right down to this matter I hold the opinion that in this country some food items will be in such short supply that we must do something further. I am afraid that the matter passes the point of voluntary controls. However, until that time comes I think we should give this voluntary method a fair trial; and in the meantime we should begin to prepare legislation for rationing and possibly for price control. That is our purpose here.

Mr. BARKLEY. Mr. President, if my good friend will allow me, I should like to set him straight again. There was no disagreement between the Senator from Wyoming [Mr. O'MAHONEY] and me in regard to the question of price fixing in connection with the amendments I offered. During my attempt to explain one of the amendments, the Senator from Massachusetts [Mr. LODGE] asked me whether I interpreted the amendment as meaning that the President would be allowed to ration goods. I replied by stating that the word "allocation" might be interpreted as "rationing," but that nowhere in the amendment was there any authority to fix prices.

Later on, the Senator from Wyoming, in his own time stated that he agreed with me in regard to the question of price-fixing, but that in his judgment the amendment might allow the rationing of commodities, which was another way of defining the word "allocation."

I stand by that, and there is no fundamental difference between the Senator from Wyoming and me on either of these two propositions.

Mr. BALDWIN. Mr. President, I dislike to find myself at variance with the distinguished Senator from Kentucky, except on very fundamental issues of party policy.

Mr. BARKLEY. Of course, Mr. President, I did not know that yesterday the colloquy between the Senator from Massachusetts and myself or the colloquy between the Senator from Wyoming and myself involved any fundamental question of party policy. I thought it was a matter of interpretation of an amendment which I had offered, and which I did not consider to have any political flavor to it.

Mr. BALDWIN. Mr. President, in the RECORD I find the remarks made yesterday by the distinguished Senator from Kentucky to be as follows:

> Mr. LODGE. Would the Senator say that his amendment would authorize the rationing of meat, for example?
>
> Mr. BARKLEY. I do not think so.

Mr. BARKLEY. Mr. President, if the Senator is to get the real statement, he must read the entire colloquy, in which I stated that the word "allocation" might be interpreted in the sense of rationing, but that it was ordinarily referred to or thought of in a higher bracket than the retail rationing of foods, although it might be so interpreted.

Mr. BALDWIN. Mr. President, I think we are arguing about something that is not of great concern to us here.

Mr. HAWKES. Mr. President, will the Senator from Connecticut yield to me, because I think what we are talking about is of great concern.

Mr. BALDWIN. I yield.

Mr. HAWKES. I think the Senator from Connecticut has confused the remarks of the Senator from Wyoming and the remarks of the Senator from Kentucky with the statement I made yesterday on the floor of the Senate. I said, "Why not call things by their right names?" I said that if anyone in this Chamber thinks we can give the President of the United States the power to ration, control, allocate, and control inventories, and so forth, and that there is no price control in all that, then his experience in the United States of America has been different from mine.

Mr. President, if I am given that power, I say to you and to the Senator from Connecticut, as I said yesterday, I will show you price control.

So I think the Senator from Connecticut it talking about something very important in his amendment and I am very deeply interested in it, because it does not go to absolute arbitrary price control.

Mr. BALDWIN. Mr. President, pursuing that point further——

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. BALDWIN. I shall yield in a moment.

Mr. O'MAHONEY. The Senator from Connecticut has quoted me incorrectly. I ask him to yield to me now.

The PRESIDENT pro tempore. The Senator from Connecticut has the floor. Does he yield?

Mr. BALDWIN. I do not yield at this time. I wish to say something further before I yield.

Mr. O'MAHONEY. Mr. President, I rise to a point of personal privilege.

Mr. BALDWIN. Mr. President, have I the floor?

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

Mr. O'MAHONEY. I rise to a point of personal privilege.

The PRESIDENT pro tempore. The Chair must say that the Senator cannot obtain the floor in that fashion. The Senator from Connecticut has the floor.

Mr. BALDWIN. Mr. President, I shall be very glad to yield to the distinguished Senator from Wyoming just as soon as I have read his remarks in yesterday's CONGRESSIONAL RECORD:

> Mr. LODGE. Does the Senator from Wyoming feel that the amendment offered by the Senator from Kentucky would authorize the President to put price control into effect?
>
> Mr. O'MAHONEY. I think it would not authorize price control; I think it would authorize rationing.

Mr. President, the point I made in the first part of my remarks was that there seemed to be some differences of opinion—and I take them to be honest differences of opinion—as to just how far the power and authority purported to be granted in the amendment offered by the Senator from Kentucky would eventually go. My good friends on the other side of the aisle were apparently in some disagreement and some misunderstanding about it.

Now I am glad to yield to the Senator from Wyoming.

Mr. O'MAHONEY. I thank the Senator. The misunderstanding and the confusion, I may say to the Senator, are altogether on his side of the Chamber, as I shall now demonstrate by reading the RECORD. I read from page 11518, in the next to the last paragraph of the first column, the last two sentences of

the question propounded to the Senator from Kentucky by the Senator from Massachusetts [Mr. LODGE]. These are the words of the Senator from Massachusetts:

So I ask the Senator—

Meaning the Senator from Kentucky—

simply as a matter of information, whether his amendment actually does not authorize price control. Perhaps we should have it, but we should know what we are doing.

Mr BARKLEY. I do not think so.

If the Senator will now turn to page 11519, at the middle of the second column on the page, when the Senator from Massachusetts interrogated the Senator from Wyoming, he will find that the Senator from Massachusetts asked me:

Is the Senator in favor of rationing meat?

Mr. O'MAHONEY. The Senator is, if conditions arise which make it seem that unless we ration meat the people in the lower-income brackets will be unable to obtain it. Certainly, I know that the time is coming when a substantial portion of the people of Massachusetts will be begging for meat and for milk unless the Congress undertake now to do something about it.

And the Senator from Massachusetts responded:

I heartily agree with the Senator from Wyoming in that respect, and I am myself very strongly inclined to the rationing of meat. That is why I am trying to find out what the amendment means. The Senator from Wyoming says it does mean rationing, and the Senator from Kentucky says it does not

Whereupon I stated:

I think the Senator from Massachusetts mistakes the statement of the Senator from Kentucky.

Mr. BARKLEY. The Senator from Kentucky did not say that. He said that insofar as allocations may be considered as rationing, it would authorize it. Ordinarily allocation is regarded as on a higher level than is rationing.

I submit to the Senator that the record makes it clear that two matters were discussed—price control and rationing. The Senator from Massachusetts asked the Senator from Kentucky if his amendment provided price control. The Senator from Kentucky said it did not. The Senator from Massachusetts asked me if the amendment provided for rationing. I said it did, and the Senator from Kentucky agreed that it did. Now the Senator from Connecticut is telling the Senate that the Senator from Kentucky was calling for price control in the amendment which he offered yesterday, and that is simply not the fact.

Mr. LODGE. Mr. President, will the Senator from Connecticut yield?

Mr. BALDWIN. I yield.

Mr. LODGE. The conflict does not occur on the words "price control." The conflict is on the question of rationing.

Mr. O'MAHONEY. Oh, no; the conflict arises on the matter of price control.

Mr. LODGE. I shall be very brief, and I should like to conclude my statement. The Senator from Wyoming, in response to my question, said the amendment authorized rationing. The Senator from Kentucky [Mr. BARKLEY] said it did not, and I quote these two sentences the Senator from Wyoming omitted:

Mr. LODGE. Would the Senator from Kentucky say that his amendment would authorize the rationing of meat, for example?

Mr. BARKLEY. I do not think so.

Therefore, the statement is correct that the Senator from Wyoming and the Senator from Kentucky are at complete loggerheads on the question of whether the amendment authorized rationing or whether it did not. It is proven in the RECORD incontrovertibly.

Mr. BARKLEY. I am very happy that the Republican majority has at last found an issue which will be no doubt major in the next Presidential campaign, as to whether the Senator from Wyoming and I agreed on the question of allocations.

Mr. LODGE. This is not a political question. It is a very serious matter in the section of the country where I live. I was not looking at it politically. I was asking questions in order to ascertain whether there was some hope in the amendment for the consuming public.

Mr. O'MAHONEY. Mr. President, will the Senator from Connecticut yield?

Mr. BALDWIN. I said at the beginning of my remarks that I was confused as to what the meaning of the amendment offered by the distinguished Senator from Kentucky was, and I submit that I am still confused, and there seem to be other Senators who share my confusion.

Mr. O'MAHONEY. Will the Senator yield?

Mr. BALDWIN. I yield.

Mr. O'MAHONEY. The confusion arises only from the fact that the Senator from Connecticut said within the last few minutes that the Senator from Kentucky had offered an amendment for price control. He did not say that the Senator from Kentucky had offered an amendment on rationing. His charge was that the amendment of the Senator from Kentucky was one which would restore wartime price controls. That is not the fact, as the reading of the amendment itself will demonstrate, and as the reading of the debate will demonstrate.

It makes no difference that the Senator from Massachusetts [Mr. LODGE] wishes to talk about rationing instead of price control. The fact is that the amendment which was voted down by the Republican majority yesterday, with the assistance of the Senator from Connecticut and the Senator from Vermont, did not provide for over-all price control.

Mr. BALDWIN. Then it did provide for over-all rationing.

Mr. O'MAHONEY. It provided authority for rationing, in my judgment.

Mr. BALDWIN. The amendment which we have now offered makes it possible for the President of the United States to lay specifically before the Congress his request and his recommendations that rationing be applied to a particular commodity, or to a series of commodities, which might be in short supply. It makes it possible for him to state a case and to lay out a program dealing with those commodities. Then it requires a committee of the Congress to hold hearings and take action by way of recommendation to the entire Congress within a period of 2 weeks.

It seems to me that is an efficacious way of dealing with what the President himself in his message said he wanted to deal with, that is, the selective rationing of some items or the selective price control of some items in short supply.

Our purpose in presenting the amendment is to add something to the joint resolution other than voluntary allocations. We believe in voluntary allocations, we believe that Government and business in this country can get together in a fair and square way and work these matters out.

Furthermore, we believe that that is a thing which can be done with the most speed. The President himself said that if we were to undertake a comprehensive system of rationing and price controls it would take months to work out the details. We cannot wait months; we must act now, provide the legislation now, and proceed by the voluntary method, which can be done immediately, as witness what has already been done by a committee of the Congress in dealing with the shortage of oil.

The amendment adds something to the measure which will make it possible for the President to pick out a specific item or a series of items and lay his specific recommendations before the Congress. In my opinion, Mr. President, the amendment adds great strength and effectiveness to the joint resolution and should be agreed to.

Mr. FLANDERS. Mr. President, the senior Senator from Kentucky [Mr. BARKLEY] has called my attention to one particular in which I shall be glad to change the amendment. He referred to the mandatory terms of the amendment, where it states that the President "shall prepare proposed measures." We shall be glad to change that to read "he may prepare proposed measures."

Mr. BARKLEY. Of course, that would improve the language, but it would still only carry out the Constitutional duty of the President with respect to recommending legislation to the Congress. I think the word "may" is preferable to the word "shall."

Now, just one further word. I think it was Hancock who said that the tariff is a local issue. It seems that allocations and compulsory allocations and mandatory regulations of the President also present a local issue, depending on the geographical section which needs them. The amendment which is now offered is in harmony with the whole theory of the amendments I offered yesterday, providing that the President should have the power to impose regulations and restrictions and allocations and priorities in respect to articles generally. The Senators from Connecticut, Vermont, and Massachusetts voted against that general authority, but now they are very enthusiastic not only about giving him the power but requiring him to exercise jurisdiction, as proposed in the legislation which was introduced authorizing him to do the very same thing. I shall

not belabor the point. I am anxious that the Senate dispose of the joint resolution one way or the other, and I submit the matter so far as I am concerned with these observations.

I wish only to add one statement which I overlooked, and I should like to have the attention of the Senator from Massachusetts. The word "allocation" in the amendment I offered yesterday was no different in its meaning or its interpretation from the word "allocation" as used in the joint resolution which has been reported by the committee. It is the same kind of allocation and the priorities are the same as contemplated in the so-called voluntary agreements, the difference being that the President could impose allocations and priorities upon the country or industry if he found it necessary to do so, in the absence of success in the voluntary scheme, so that whatever interpretation can be placed upon the word "allocation" in the bill as it now is would be applicable to the amendment which I offered, with the interpretation——

Mr. TAFT. Mr. President, I merely wish to say that the Senator——

Mr. BARKLEY. I had the tail end of the last sentence, there, that I wanted to add.

Mr. TAFT. Excuse me.

Mr. LODGE. I should like to hear the tail end of the Senator's last sentence.

Mr. BARKLEY. If the joint resolution may now be interpreted as giving the President authority to approve rationing, under the name of "allocation," then it would be possible to interpret the amendment I offered yesterday in the same sense.

Mr. LODGE. Does the Senator think the pending amendment could reach to the rationing of meat and similar scarce necessities of life?

Mr. BARKLEY. I am not so sure that the amendment offered by the Senator from Connecticut refers to meat. I do not have a copy of it, and it has been a little difficult, in my memory of its wording, to know exactly what it means. I do not know whether it has meat in mind, or fuel, but I assume all he is attempting to do is to provide that the President shall recommend legislation that would give him authority to do that.

Mr. TAFT. Mr. President, the Senator from Vermont showed me the amendment some time ago. I have no objection to it. It seems to me to be in accord with the entirely voluntary character of the bill, in this field. As I understand, it simply authorizes the President, if he has some particular matter that he thinks necessitates control, to submit a detailed program regarding that particular control, accompanying it with information as to the amount of money it may cost and the general character of the control, so the Congress may determine whether it will grant the specific control.

I stated before that if such a problem should arise, I think Congress should then consider the granting of compulsory controls; but it ought to be limited to the particular field. It seems to me this carries out the general philosophy which I have heretofore expressed.

Mr. O'MAHONEY. Mr. President, I shall support the amendment of my good friends from Connecticut and Vermont, but I hold the amendment in my hand, and I cannot refrain from making one or two brief and I think kindly comments with respect to it. I read, "Whenever the President shall decide that there is, or threatens to be, a critical shortage." The Senator from Vermont and the Senator from Connecticut have been traveling over the length and breadth of a substantial portion of the country since the recess or adjournment of the first session of the Eightieth Congress, and I judge from the report filed with the joint committee, by the very able and very amiable Senator from Vermont, that his committee was unanimous in its belief that there is now a critical shortage. The evidence before the Small Business Committee makes it clear that there is a critical shortage of steel and a critical shortage of oil, even fuel oil to heat the homes of New England. It is now here, and the Senator from Connecticut, just a few moments ago said "We cannot afford to wait months, we ought to act now." The opportunity was given to him to act now, just a moment ago, when the motion by the Senator from Kentucky was before the Senate for action.

Mr. BALDWIN. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I am glad to yield.

Mr. BALDWIN. I want to make it perfectly plain that when I said we must act now, I said also that the voluntary method was the one that would get the speediest action, and that methods of rationing and price control on the President's own word would take months to put into effect. That is the point I tried to make. I thank the Senator for this opportunity of stating it again.

Mr. O'MAHONEY. I thank the Senator, but the records before the Senator show that various committees, particularly the Small Business Committee, have been endeavoring to secure some kind of voluntary action, and they have been unsuccessful. The Department of Commerce has been endeavoring to secure voluntary action, but they have not been successful. Let me read, however, the next part of the sentence. I stopped with the words "critical shortage." It continues, "of any raw material, commodity, or product which jeopardizes the health and safety of the people of the United States." For what raw material, what commodity, what product does the author of the amendment ask the President to provide a plan? What raw material, commodity, or product jeopardizes the health or safety of the people? Or does the Senator mean critical shortage? If he means that critical shortages jeopardize the health and safety of the people, let me say to the Senator that critical shortages exist now, the lack of housing because of the lack of steel, the lack of many of the other commodities, are at this moment creating conditions which jeopardize the health and security of the people of the United States. The Senator's amendment merely postpones action that ought to be taken now.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Vermont [Mr. FLANDERS] for himself and the Senator from Connecticut [Mr. BALDWIN].

Mr. MORSE. Mr. President, I wish to make just a comment or two in opposition to the amendment. I think the Senator from Vermont and the Senator from Connecticut have greatly improved the amendment by the substitution of the word "may" for the word "shall", but I do not think they have in any way changed the fact that the real objective of the amendment is to pass the responsibility for legislative proposals for the control of inflation from the Congress where it belongs to the President where it does not belong. This certainly is not a desirable legislative precedent for the Senate of the United States to set. I venture the suggestion that one will look in vain for very many precedents, if any, that will support this legislative proposal, whereby the Congress of the United States attempts to give instructions to the President of the United States to draft legislation if and when Congress fails to check inflation by so-called voluntary methods. I do not care whether such a suggestion is made to a Democratic President or a Republican President, I still say it is unsound legislative procedure. I think that, after all, we ought to keep distinctly separate the respective functions and duties of the three branches of government.

Mr. TAFT. Will the Senator yield?

Mr. MORSE. I am very glad to yield.

Mr. TAFT. Did I understand the Senator to modify the amendment by substituting the word "may" for the word "shall"?

Mr. FLANDERS. I did.

Mr. TAFT. I agree with the Senator from Oregon that we cannot order the President to do this or that.

Mr. MORSE. I thank the Senator from Ohio. I think the proponents of this amendment have improved the amendment by making the change of "shall" to "may" but I do not think that in fact it really changes the ultimate objective or purpose of the amendment. I want to speak to that objective. First, I want to say that I think we need to be very careful in our legislative proposals that we do not justify the criticism so commonly heard that we are playing partisan politics with inflation. The fact that there is one party in control of the White House and another party in control of the Congress should cause us to be very careful in seeing to it that we in no way jeopardize the separation of powers vested in the three branches of our constitutional Government. The doctrine of separation of powers is fundamental to our system of government by checks and balances. I think, even with the word "shall" changed to the word "may," the amendment has the effect of infringing upon the prerogatives of the President. At least I sense in it an attempt to pass a responsibility for proposing anti-inflation legislation to the White House that I think is the primary responsibility of the Congress and not of the White House in the first instance.

The American people at this hour are confronted with a great inflation in prices, which is working tremendous

cruelties and hardships upon them. I think they are entitled to look to their elected representatives in the Congress for action in resolving that crisis. They are entitled to legislation with some teeth in it that can be used against the profiteers of the country.

It was not so many minutes ago that I believe I cast the only vote on this side of the aisle for the first amendment offered by the distinguished Senator from Kentucky [Mr. BARKLEY], I certainly offer no apologies for that vote, because I think, Mr. President, that in our system of representative self-government we certainly can trust the elected representatives of the people, including a President of an opposition party, to carry out, within the framework of our form of government, those policies which need to be carried out to protect the people from the ravages of this inflation.

As a Republican I think it is a great mistake, when everyone knows that action, and immediate action, needs to be taken to check this inflation, to spend precious weeks, because that is what it will add up to, in a so-called voluntary approach to the problem, when even before we get through voting on the program here today there is expressed on the floor of the Senate by the proponents of the pending amendment the fear that in all probability the voluntary approach will not work, at least, in some respects. So, they say, in effect, if that time comes, then they want to have some such amendment as the pending one available which will then place the responsibility on the President of the United States at that time to take action. I say, Mr. President, it is the responsibility of the Congress of the United States to take action now, not 90 days from now. It is the responsibility of Congress to act in the interest of all the people and not try to pass the political buck to the President of the United States.

I think that in the matter of the allocation of basic materials, in the matter of placing reasonable limits on the distribution of basic materials in short supply, we, the elected representatives of the people under our system of self-government, ought to assume responsibility by enacting such legislation as will insure immediate action on the part of the Government in checking inflation. I think the proposal of the Senator from Kentucky [Mr. BARKLEY] will come nearer to doing that than the proposals of the pending bill and amendment.

Why fool ourselves, Mr. President, as to what is part of the undertow of the controversy which is going on in the Congress of the United States? I may be wrong, and my criticism may be unjust, but I think not. I think there are millions upon millions of American people who are going to agree with me when I say that unfortunately too much of the present debate is characterized by principles of political strategy, because of an oncoming Presidential campaign. The pending bill fails to carry out a clear duty of the Congress to proceed now to take those steps which I think we, as individuals, know we could take to check inflation, if we wanted to get above the level of partisan politics.

I deplore what I believe to be partisan politics in the debate. I deplore the political jockeying which I think has shown itself on this floor. Jockeying to see whether or not the Republicans are going to be left with the ball of responsibility for doing nothing effective about checking inflation or the President is going to be left with the ball. I repeat that it is true that there are fears entertained in the minds of the proponents of the amendment that perhaps the voluntary system we are supposed to be putting into law in the present session may not work. At least I so understand their remarks. We ought to resolve those fears now, Mr. President. We ought to come to grips over whether or not there is any justification for those fears. I think we must agree that there are plenty of grounds for fearing that the pending bill will not check inflation. If that is true then all the pending amendment does is try to take the blame off the shoulders of Congress and place a future responsibility for anti-inflation legislation upon the President. I do not like it.

I do not want to dig up a horse which has been buried earlier this afternoon, but I want to reiterate what I said at an earlier hour this afternoon about setting aside the antitrust laws under so-called voluntary agreements. The great antitrust policy of our Government, much of which came out of the Republican Party, is now going to be waived or set aside by the action the majority took this afternoon if certain powerful industrial interests of the country see fit to enter into a voluntary agreement to set it aside. Oh, yes, the President must approve of the agreement, but there again we seek to pass the buck to the President. All I can say is that I want to express my deep regrets over the program. I think it represents a great mistake on the part of the Republican Party.

Mr. President, I may feel the pulse of America incorrectly, but wherever I go—and I appear on many platforms in this land—I find that the American people think that we as a Senate ought to put a stop to what I believe characterizes most of the debate on the issue before us, namely, strategic moves for political position. We ought to recognize that the American people are entitled to look to us, their elected representatives, to pass some compulsory legislation which is really going to check inflation, by getting after the price structure, by getting after the profit structure, and by getting after, of course, the wage structure also. Why do we not measure up to what I think is expected of us, and, that is, to pass some legislation which in effect freezes prices, freezes wages, and reduces exorbitant profits. We need legislation which will make it perfectly clear to industry that it cannot continue, in the public interest, to make the type of profits that the figures placed in the RECORD day before yesterday by the Senator from Wyoming [Mr. O'MAHONEY] show that the great business combines of the country are making at the present time.

Does any Senator think we are going to change human nature by the adoption of legislation which says, in effect, by way of a slap on the wrist, to industry, "Now, boys, just stop making such great profits. Now you get busy and lower the prices"; and to labor, "Don't start another round of wage-increase demands." If we really think that such legislation is going to work, or if we really think the American people are going to swallow it, I think we have another thought coming.

Of course, I do not believe the pending amendment advances very far the real job we have to do with regard to control of inflation. I am not going to vote for it, because I think it is but an empty gesture.

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

Mr. MORSE. I yield.

Mr. KILGORE. I wish to ask the Senator from Oregon a question. First, I wish to say that I agree with him in his theory respecting the subject matter under discussion. Does not the Senator from Oregon think that the proposed voluntary action would represent the second voluntary step which industry has proposed to take? Is it not the recollection of the Senator from Oregon that in the earlier days of the present session of the Congress, when price controls were repealed, the leaders of big industry and other organizations promised to the Congress of the United States and promised the people of the United States a voluntary reduction of prices in a very short time—I think some said within 3 months?

Mr. MORSE. Of course, that is true.

Mr. KILGORE. So the voluntary program now proposed is really the second voluntary step.

Mr. MORSE. I think that is true. I think the CONGRESSIONAL RECORD will show that many of us warned as to what would happen if we followed such a course of action, and I think our warning has proven to be justified by the soaring prices and profits which characterize this inflation. But I may say to my good friend from West Virginia that, although I think we went too far in the releasing of Government controls and checks, on the other hand I think much of the difficulty could have been avoided, and I say this most kindly, if Members on both sides of the aisle could have gotten together in the matter of correcting some of the gross abuses which had developed under price control and other Government controls. The Senator from West Virginia will recall that for months I frequently pleaded on the floor of the Senate that the appropriate Senate committee report out a resolution I had submitted for an investigation of the abuses of OPA. I felt then that, if we could have that resolution brought to the floor and acted upon providing for needed review of OPA orders by local judicial review boards, we would be able to check the arbitrary and capricious action which had come to characterize OPA in many of its functionings throughout the country. I felt then that we could avoid what ultimately came to pass. I must say in all kindness that many Senators on the other sde of the aisle would not even permit an investigation of OPA in those days.

Senators on the other side of the aisle are not free from blame in preventing action on sound proposals that sought to correct abuses that had crept into the

price control program. There was need for checking the abuses which had developed under the price control system of the Government. I think it was the obligation of Senators on both sides of the aisle to clean up that situation, because great injustices were being done to many people in this country in business, as well as to consumers, by arbitrary practices which had developed. Then too, I think we should have taken off controls much more gradually than we did and we should have permitted of the automatic reimposition of needed controls whenever prices went up unjustifiably.

All I am trying to say this afternoon in these remarks is that I do not think we can solve the problem of inflation by adopting controls which go so far that clearly the arbitrary and capricious actions which developed under the old OPA could be reestablished. I do not think we can solve the problem by washing our hands of the whole thing and saying, "We are going to pass it over to industry and ask industry most respectfully to be good boys about the whole inflation problem." Human nature does not work that way. The only thing that those who are guilty of causing inflation understand is checks by a government which moves to take whatever steps are necessary in the interest of all the people of the country.

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

Mr. MORSE. I yield.

Mr. CAPEHART. It is not quite clear to me exactly how the Senator would stop the inflation spiral.

Mr. MORSE. I know it is not clear to the Senator, as evidenced by our differences in vote when we did not join on the amendments offered by the Senator from Kentucky. Let me say that in contrast to the program which is being offered on this side, the program offered by the Senator from Kentucky is far superior to ours, in my judgment.

Mr. CAPEHART. Let me ask the Senator a further question. I introduced Senate bill 1873, the Price Moratorium Act of 1947, to freeze prices as of last Saturday night at their high point. This morning the Senate Committee on Banking and Currency, in executive session, voted—I believe unanimously—to hold hearings on the proposed legislation at the earliest possible moment. The committee felt that perhaps it should not report the bill today, in view of the fact that the American people have not been given an opportunity to be heard. Does the Senator feel that the committee took a wise position in saying that the American people should be heard on legislation as far reaching as this?

Mr. MORSE. I hope I am a good enough lawyer not to render a curbstone opinion on a question before I have seen the record. If what the Senator wants to ask me is whether or not I think we ought to proceed without delay to consider the principle of the Senator's proposed legislation, the answer is in the affirmative. I think we shall probably have to go much further than that. Of course, in proceeding we must secure the necessary facts on which to base a judgment as to the merits of his legislation before we vote.

Mr. CAPEHART. Does the Senator feel that I would be justified, in the absence of hearings, in offering this bill as an amendment to the pending measure, in the absence of giving the American people an opportunity to be heard?

Mr. MORSE. If the Senator thinks he has all the data which the Senate would need to vote intelligently on his proposed amendment, I think he would be justified in offering it.

Mr. CAPEHART. I have admired the able Senator from Oregon from time to time as he has risen on the floor of the Senate to object to the Senate voting without due deliberation. I have noticed that he has objected to taking up many things by unanimous consent. I wonder if he now feels that the Senate should vote upon a measure as controversial as the return to OPA, or the freezing of prices, without holding public hearings.

Mr. MORSE. As I say, I would not want to vote until I thought we had been presented, either by the Senator from Indiana or by a committee, with all the data which we should have in order to make possible an intelligent vote. I assure the Senator that I would not wish to give a curbstone opinion on the merits of the Senator's proposal. I do not vote that way.

Mr. CAPEHART. I think it is unfortunate, and has been unfortunate, that there has not been a bill before one of our standing committees for the past 2 or 3 weeks, so that that committee might have held hearings and taken testimony, which could have been before the Senate this very day for some sort of action. I think it is unfortunate that there has been nothing specific upon which we could act. We have been dealing in generalities.

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

Mr. MORSE. I yield.

Mr. COOPER. I should like to address myself to the point which the Senator from Indiana [Mr. CAPEHART] has just mentioned, to indicate that hearings have been held upon a part of the program submitted by the President, and further to refer to the statement of the Senator from Oregon upon responsibility for legislation.

Several weeks ago there came before a subcommittee of the Committee on the Judiciary a bill to extend title III of the War Powers Act and the Export Control Act, acts which in their nature permit amendments which could carry into effect the allocation and priority points made in the President's message.

We began hearings, and in the course of the hearings heard representatives from agriculture and commerce. We discontinued hearings because the introduction of the measure which we now have under consideration raised a question as to the jurisdiction of our subcommittee.

I have great admiration for the Senator from Oregon, as he knows. I differ with him with regard to the pending measure because I believe that it is the only measure which can be passed during this special session of Congress. I am also convinced from the evidence which was submitted during the hearings to which I have referred that that is the only program which can become effective immediately as a measure against inflation, while we are considering the adoption of compulsory controls.

I wish to go a little further upon the question of responsibility. Personally, I do not believe that this measure goes far enough. From the evidence which we heard, I hold the present belief that the rationing of meat should be imposed, and also that provision should be established for the rationing of fuel, if critical shortages should develop during the winter.

I do not know the status of the committee upon which I am now serving, but until it is discharged from consideration of this question we propose to resume hearings upon the reconvening of the Congress, to continue hearings, and to make such recommendations to the full committee as we believe are called for by the hearings, in an objective way and without any political bias.

I wanted to make that statement to my great friend, the Senator from Oregon, as an indication that I share with him his belief that it is our responsibility to legislate.

Mr. MORSE. Mr. President, I have almost finished. In reply to the Senator from Kentucky, let me say that I have the utmost respect for his point of view and for the conscientious service which I feel he is performing for the people of Kentucky as a Senator from that State. If I differ with him, if I correctly understand his remarks, it is over the question of responsibility for legislation. I think we have the responsibility of passing legislation, therefore we should propose it. The responsibility is not primarily that of the President.

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

Mr. MORSE. As soon as I finish this thought.

Mr. President, I believe that the primary responsibility today rests on the legislative branch of government to come forward with legislation suitable to meeting the inflation crisis. I do not believe that the pending legislation will do that. I am perfectly willing to let time render a verdict upon my prediction. My present prediction is that if this is the only remedy we offer the country for inflation, inflation will continue to rise higher and higher until the American people, incensed, demand a decidedly different course of action on the part of their Congress.

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

Mr. MORSE. I yield first to the Senator from Connecticut [Mr. BALDWIN].

Mr. BALDWIN. Mr. President, I should like to invite the attention of my distinguished colleague from Oregon to something which appears in section 3 of article II of the Constitution of the United States.

He——

Meaning the President——

shall from time to time give to the Congress information of the state of the Union,

and recommend to their consideration such measures as he shall judge necessary and expedient.

What this amendment attempts to do is to implement that broad policy in the Constitution of the United States. We are dealing with a wide range of articles, and with a vast field of economic activity.

The President, in his message at the opening of this special session, said he recommended some legislation with reference to price ceilings and rationing—or at least price ceilings. He also said that he thought this should be done on a selective basis, and pointed out that not all items needed to be rationed. What we are doing here is to set up a form of procedure which the President, with all the administrative departments of the Government at his command, can follow in order to lay before the Congress his specific recommendations as to what legislation should be passed, how it should be passed, and how much money the measures will cost. That is what is being provided for. All of the administrative branches of the Government are under the executive department. They are under the President. They are his agencies. They are not the agencies of the Congress. All we do is to provide appropriations and lay down broad general policies. But in specific matters it is up to the President of the United States to say in what form, and how, when, and where he wants to deal with a particular question. This proposed legislation is designed to accomplish exactly that. It is designed to accomplish it in an expeditious manner. That is my answer to my distinguished colleague from Oregon to the proposition which he has advanced. So far as its being an empty gesture is concerned, or so far as its being a political maneuver is concerned, I do not yield to any Member of the Senate for the efforts made to combat inflation in the past 7 months. I fought to get through a resolution to have a study of this whole subject made, and I diligently worked, as has the distinguished Senator from Vermont [Mr. FLANDERS] in order to get the best agreement we could get at the moment. It seems to me now that this is the best we can accomplish as of this time. I think it is worthy of support. I think it marks an improvement to the joint resolution, and I think the joint resolution itself is an effective, forward-looking formula upon which we probably can build in the future. It is a good start in the right direction and is entitled to support.

Mr. MORSE. In reply to the Senator from Connecticut, I wish to say that I think it is an interesting constitutional hook on which he seeks to hang this particular type of legislation. Of course the Constitution of the United States authorizes the President of the United States to submit a message on the state of the Union with such recommendations as he may see fit to make by way of legislation to make effective any recommendations that he wishes Congress to carry out. However it is a complete answer to the Senator from Connecticut to say the section of the Constitution he cites does not need any legislation of implementation. The section of the Constitution which the Senator from Connecticut cites in no way removes the primary responsibility of the Congress of the United States to originate legislation in the first instance to check inflation or to meet any other crisis confronting this Nation. To say that because the Constitution of the United States contains a section which places a duty upon the President of the United States, but very discretionary in its language, to give a message to the Congress on the state of the Union and make such recommendations as he sees fit, in my judgment is not a proper section of the Constitution under which to come in with such an amendment as the Senator from Connecticut proposes and, in effect, "pass the buck" to the President of the United States to recommend compulsory inflation control some 90 days from now. The amendment in effect seeks to give the President instructions for the preparation of a legislative program thus turning him into a legislative drafting bureau. That is not my conception of the instructions the Congress of the United States on any occasion ought to give to the President of the United States. I say it is not in harmony with the constitutional doctrine of separation of powers.

As to the second part of the comments made by the Senator from Connecticut, I wish to say that I would not want him to yield to any Member of the Senate in his endeavor to find those means for checking inflation which in his best judgment he thinks are workable. Our difference simply is that I think the amendment he is proposing will have little or no effect on checking inflation in this country. He and I will have to let our difference on that point be decided by time and by the judgment of the American people.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Vermont [Mr. FLANDERS] for himself and the Senator from Connecticut [Mr. BALDWIN].

Mr. FLANDERS, Mr. BALDWIN, and other Senators asked for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. FLANDERS] for himself and the Senator from Connecticut [Mr. BALDWIN].

The amendment was agreed to.

The PRESIDENT pro tempore. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

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

The PRESIDENT pro tempore. The joint resolution having been read the third time, the question is, Shall it pass?

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

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

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

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

The PRESIDENT pro tempore. Eighty-seven Senators have answered to their names; a quorum is present.

Mr. BARKLEY. Mr. President, I have no desire to delay a vote on this measure, and I think the RECORD will show that I have not attempted to delay the final consideration of it. In the beginning I announced that so far as we could, we would try to improve the joint resolution during its consideration by the Senate; and we have made some serious and diligent efforts to improve it. It has not been improved to the extent which I desire, but that is due to our being in the minority, instead of in the majority.

Originally there were in the joint resolution two provisions which the President requested. One was for the extension of authority over exports, and the other was an extension of the power to allocate transportation facilities. During the consideration of the joint resolution, two other provisions have been added, one of them providing for the inauguration of a food conservation program, which the President wishes, and the other authorizing the Commodity Credit Corporation to promote the production of foods and feeds in non-European foreign countries in order to avoid and prevent shortages in food from which the world is suffering today. So there are in the joint resolution four things in which the President was interested, and which he recommended in his message to the Congress.

The provisions to which I have objected, and to which I still object, are those in section 2 which refer to voluntary agreements and the consequent relaxation of the antitrust laws insofar as those who have entered into such agreements may be concerned. I doubt the wisdom of those provisions. I have very profound fears that they may be used by some sections or some segments of our economy to get in under a tent in order that they may avoid the consequences of violation of the antitrust laws, and I think they will operate to interfere with many prosecutions and institutions of suits on civil and criminal grounds that have already been begun.

But taking the joint resolution as a whole, inadequate as I think it is, feeble as I think is the approach to deal with the problem in a sincere, broad-minded way, as the President recommended, nevertheless I feel that there is more good than bad in the joint resolution, especially in view of the improvements which have been made to it by means of the amendments which have been agreed to; and I am not willing to put myself in the position of voting against it.

I still think it is inadequate; I still think it is a feeble attempt; I have grave doubt as to its workability and wisdom. But I am willing to take a chance, in an effort to deal with the situation, realizing full well that unless there is a decided change in the economic situation and the trend of our economic life, even before we are back here in January we shall be called upon to deal with this problem in a very different way from that in which we are undertaking to deal with it now in the approach which is made by the pending joint resolution.

All of us would welcome an adjustment of our economic life without legislation. All of us might well wish that all segments and elements of our industrial and business and economic set-up might be willing by any fair and legal means to bring about a reversal of the trend in prices, which have been going up in spiral fashion for the last several months. But we know we must take human nature as it is. We know that today there are in our industrial and economic life elements that are unwilling to do what is the obvious thing to do in the interest of the public economy. But, I repeat, we must take human nature as it is, not as we would like to refashion it; and of course it might be that we would make as many mistakes in refashioning it as those which have been made in its original fashioning.

Therefore, I think we shall soon discover the inadequacy and the utter incompetence of this particular legislation to deal in a comprehensive way with the problem which faces the Congress of the United States. But I am not willing to throw any straw in the way of any effort which may be made. I am not willing to say that because I object to one part of this joint resolution, I am unwilling to vote for the rest of it.

I shall vote for the joint resolution in the hope that it will accomplish some good, in spite of my fears and in spite of the objections which I have to some portions of it. I make this statement, not for the purpose of attempting to influence any other Senator, because I realize that as the joint resolution comes to the point of final vote, every Senator must vote as his own conscience dictates. But for myself, I am taking the view that the good contained in the joint resolution outweighs the bad in it, and that, therefore, I am justified in voting for it.

Mr. O'MAHONEY. Mr. President, in order to exculpate myself for voting for a measure which contains section 2, I desire to say that I associate myself with everything the Senator from Kentucky has said. I wish to add that, in my judgment, it will be utterly impossible to carry out the provisions of section 2, and that the waiver of the antitrust laws in these circumstances is utterly improper. I wish to express the opinion that the President will find it impossible to approve any agreement drawn under the terms of this joint resolution. Although I am convinced of the impracticality of that portion of this measure, nevertheless, I think I am justified in casting my vote for the joint resolution in order that there may be an extension of the powers of the Government to control exports and to allocate transportation facilities.

Mr. BARKLEY. Mr. President, I neglected to say that the Senator from Illinois [Mr. LUCAS], who has been called away from Washington because of the death and funeral of his secretary, has just advised me that he wishes to associate himself with the sentiments I have expressed here in regard to this measure; and for the same reasons which I have given as actuating me in casting my vote, he wishes to be recorded as voing for the joint resolution if he were present and voting.

The PRESIDENT pro tempore. The question is, Shall the joint resolution pass?

Mr. LANGER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BARKLEY (when Mr. LUCAS' name was called). As I announced before the roll call began, I repeat, the Senator from Illinois [Mr. LUCAS], if present, would vote "yea."

The roll call was concluded.

Mr. REED. I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the Senator from Maine [Mr. BREWSTER] and vote. I vote "yea."

Mr. WHITE. I announce that the Senator from Minnesota [Mr. THYE] is necessarily absent. The Senator from Minnesota, if present and voting, would vote "yea."

The junior Senator from Maine [Mr. BREWSTER], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER]. The Senator from Maine, if present and voting, would vote "yea," and the Senator from New York, if present and voting, would vote "nay."

The Senator from Nebraska [Mr. WHERRY] is absent by leave of the Senate.

Mr. HILL. I announce that the Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Florida [Mr. PEPPER] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Oklahoma [Mr. THOMAS] is absent on official business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Maine [Mr. BREWSTER] has been previously announced by the Senator from Kansas. If present and voting, the Senator from New York would vote "nay," and the Senator from Maine would vote "yea."

I announce further that if present and voting, the Senator from Florida [Mr. PEPPER] would vote "yea."

The result was announced—yeas 77, nays 10, as follows:

YEAS—77

Aiken	Gurney	Moore
Baldwin	Hatch	Myers
Ball	Hawkes	O'Conor
Barkley	Hayden	O'Mahoney
Bricker	Hickenlooper	Overton
Bridges	Hoey	Reed
Brooks	Holland	Revercomb
Buck	Ives	Robertson, Va.
Bushfield	Jenner	Robertson, Wyo.
Butler	Johnson, Colo.	Russell
Byrd	Johnston, S. C.	Saltonstall
Cain	Kem	Smith
Capehart	Kilgore	Sparkman
Capper	Knowland	Stennis
Cooper	Lodge	Taft
Cordon	McCarran	Taylor
Donnell	McCarthy	Tobey
Downey	McClellan	Tydings
Dworshak	McFarland	Umstead
Eastland	McGrath	Vandenberg
Ecton	McKellar	Watkins
Ellender	McMahon	White
Ferguson	Malone	Wiley
Flanders	Martin	Williams
Fulbright	Maybank	Young
Green	Millikin	

NAYS—10

Chavez	Magnuson	Thomas, Utah
Connally	Morse	Wilson
Hill	Murray	
Langer	O'Daniel	

NOT VOTING—9

Brewster	Pepper	Thye
George	Stewart	Wagner
Lucas	Thomas, Okla.	Wherry

So the joint resolution (S. J. Res. 167) was passed.

Mr. TAFT. Mr. President, I ask that the joint resolution as passed by the Senate be printed, and that it also be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection?

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

Resolved, etc.—

DECLARATION OF PURPOSES

SECTION 1. The purposes of this joint resolution are to aid in stabilizing the economy of the United States, to aid in curbing inflationary tendencies, to promote the orderly and equitable distribution of goods and facilities, and to aid in preventing maldistribution of goods and facilities and basically affect the cost of living or industrial production.

VOLUNTARY AGREEMENTS

SEC. 2. (a) In order to carry out the purposes declared in section 1 of this joint resolution, the President is authorized to consult with representatives of industry, business, and agriculture with a view to encouraging the making, by persons engaged in industry, business, and agriculture, of voluntary agreements approved by the President—

(1) providing for allocation of transportation facilities and equipment;

(2) providing for priority allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production; or

(3) providing for regulation of speculative trading on commodity exchanges.

(b) The President is authorized to approve any such agreement which he finds will carry out any of the purposes declared in section 1 of this joint resolution, except that he shall not approve any agreement unless such agreement specifically provides that it shall cease to be effective on or before March 1, 1949, and he shall not approve any agreement which provides for the fixing of prices.

(c) Whenever a governmental officer or agency determines that a plan of voluntary action with respect to any material, commodity, or facility is practicable and is appropriate to the successful carrying out of the policies set forth in said act, that agency or official may request in writing compliance by one or more persons with such plan of voluntary action as may be approved by the Attorney General. Any act or omission by such person or persons in compliance with a written request made pursuant to this section and with a voluntary plan promulgated thereunder shall not be the basis at any time for any prosecution or any civil action or any proceeding under the antitrust laws of the United States or the Federal Trade Commission Act.

(d) Such written request may, in the discretion of the governmental officer or agency which made the request, be withdrawn at any time by said governmental officer or agency by written notice from said governmental officer or agency of such withdrawal to the Attorney General, and after publication of notice of such withdrawal in the Federal Register as provided in subsection (e), the provisions of this act shall not apply to any subsequent act or omission by reason of such request or voluntary plan.

(e) The Attorney General shall transmit to the President pro tempore of the Senate and to the Speaker of the House of Representatives, and shall order published in the Federal Register every such request, and any withdrawal thereof, and any plan, program, or other arrangements promulgated under, or which is the basis of, any such request.

(f) The power to make requests conferred by this act shall expire upon expiration of section 2 of this act, and any requests made and voluntary plans adopted under this act shall have no force or effect 6 months thereafter.

(g) As used in this section the term "person" means an individual, corporation, partnership, or association.

EXPORT CONTROLS

SEC. 3. (a) Section 6 (d) of the act of July 2, 1940 (54 Stat. 714), as amended, is amended by striking out "February 29, 1948" and inserting in lieu thereof "February 28, 1949."

(b) Notwithstanding any other provision of law, the President in the exercise of the powers, authority, and discretion conferred upon him by such act of July 2, 1940, as amended, is authorized to use price criteria in the licensing of exports, either by giving preference among otherwise comparable applications to those which provide for the lowest prices, or, in exceptional circumstances, by fixing reasonable mark-ups in export prices over domestic prices.

ALLOCATION OF TRANSPORTATION FACILITIES AND GRAIN

SEC. 4. (a) Notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, as amended, shall continue in effect to and including February 28, 1949, or such earlier date as the Congress by concurrent resolution or the President may designate, for the exercise of the powers, authority, and discretion conferred on the President by such title III with respect to the use of transportation equipment and facilities by rail carriers.

(b) Notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, is hereby revived and reenacted for the exercise of the powers, authority, and discretion conferred on the President by such title III with respect to the use of grain for the production of distilled spirits or neutral spirits for beverage purposes. The authority granted by this subsection shall expire on January 31, 1948.

DELEGATION OF AUTHORITY

SEC. 5. The authority granted to the President by section 2 of this joint resolution and, notwithstanding the provisions of section 6 of the Second Decontrol Act of 1947, the authority granted to the President by section 4 of this joint resolution and by section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, may, to the extent the President directs, be exercised by any department, agency, or officer in the executive branch of the Government.

CRITICAL SHORTAGES—RECOMMENDATIONS BY THE PRESIDENT

SEC. 6. (a) Whenever the President shall determine that there is or threatens to be a critical shortage of any raw material, commodity, or product which jeopardizes the health or safety of the people of the United States or its national security or welfare and that there is no prospect that such critical shortage may soon be remedied by an increase in the available supply without additional governmental action and that the situation cannot be solved by voluntary agreement under the provisions of this act, he may prepare proposed measures for conserving such raw material, commodity, or product which he shall submit to the Congress in the following form:

(1) A statement of the circumstances which, in the President's judgment, require the proposed conservation measures.

(2) A detailed procedure for the administration of the proposed measures including the additional budget and additional personnel required for their enforcement.

(3) The proposed degree of curtailment in current and prospective use of each such raw material, commodity, or product by each processor and/or user thereof, including the specific formulas proposed for such curtailment with respect to each class or classes of processors or users and the criteria used in the establishment of such formulae.

(4) A complete record of the factual evidence upon which his recommendations are based, including all information provided by any agency of the Federal Government which may have been made available to him in the course of his consideration of the matter.

(b) Within 15 days after the submission of such proposed conservation measures, the Joint Committee on the Economic Report shall conduct public hearings thereon and shall make such recommendations to the Congress for legislative action as in its judgment the recommendations of the President and any additional information disclosed at the public hearings may require.

PRODUCTION OF FOODS IN NON-EUROPEAN FOREIGN COUNTRIES

SEC. 7. Notwithstanding any other provision of law, in order to alleviate and prevent shortages in foods, agricultural commodities, and products thereof, Commodity Credit Corporation is authorized to carry out projects to stimulate and increase the production of foods, agricultural commodities, and products thereof, in non-European foreign countries. Such projects may include procurement, the making of advances and price guaranties, the furnishing of technical information and assistance, the furnishing of seed, fertilizer, machinery, equipment and other materials, and such other actions as are necessary or incident to the carrying out of such projects: *Provided*, That any such program is first submitted to Congress by the Secretary of Agriculture, and is not disapproved by concurrent resolution of Congress within 60 days thereafter.

FOOD AND FEED CONSERVATION PROGRAM

SEC. 8. (a) In order to alleviate shortages in foods and feeds, and to assist in stabilizing prices, the President shall carry out a program for the conservation of food and feed. In carrying out such program, the President is authorized, through the dissemination of information, educational and other campaigns, the furnishing of assistance, and such other voluntary and cooperative measures as he deems necessary or appropriate, to encourage and promote the efficient utilization, care, and preservation of food and feed, the elimination of practices which waste food and feed, the control and eradication of insects and rodents, the consumption of less of these foods and feeds which are in short supply and more of those foods and feeds which are in abundant supply, and other conservation practices. The authority herein conferred may be exercised by the President through such departments, agencies, independent establishments, and officials of the Federal Government and such State, local, and private agencies as he may determine.

(b) There is hereby authorized to be appropriated to the President such sums as may be necessary to carry out this section. To enable the President to carry out this section for the remainder of the fiscal year ending June 30, 1948, there is hereby made available not to exceed $1,000,000 from any funds made available by the Congress for carrying out Public Law 84, Eightieth Congress, or from any funds made available by the Congress for interim foreign aid. Funds made available for the purpose of this section may be used for necessary administrative expenses, including personal services in the District of Columbia and elsewhere, purchase or hire of motor vehicles, temporary or intermittent services of experts or consultants or organizations thereof, including stenograpic reporting services, by contract, without regard to the civil service and classification laws (the compensation of any such individual not to exceed $50 per day). Funds made available for the purposes of this section may be allotted for any of the purposes of this section to any department, agency, or independent establishment of the Government, or transferred to any other agency requested to assist in carrying out this section. Funds allotted to any department, agency, or independent establishment of the Government shall be available for obligation and expenditure in accordance with the laws governing obligations and expenditures of the department, agency, or independent establishment, or organizational unit thereof concerned, and without regard to sections 3709 and 3648 of the Revised Statutes, as amended (U. S. C., title 41, sec. 5, and title 31, sec. 529).

AUTHORIZATION FOR APPROPRIATIONS

SEC. 9. There is hereby authorized to be appropriated such amounts as may be necessary for purposes of carrying out the provisions of this joint resolution.

Mr. MAGNUSON. Mr. President, as bearing on the joint resolution just passed, two excellent editorials appeared in the Washington Post recently, one on December 15 entitled "Republican Way," the other on December 12 entitled "Administration Plan." In my opinion these editorials concretely and succinctly analyze the issues we have been discussing in the Senate today, and I ask unanimous consent that they be printed in the RECORD.

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

[From the Washington Post of December 15, 1947]

REPUBLICAN WAY

The outstanding feature of the Wolcott bill, which goes before the House today with the blessings of the Republicans, is its emphasis on voluntary agreements by private industry

for the allocation and inventory control of scarce commodities. Although the Wolcott bill provides that such agreements shall be subject to approval by the President, Senator O'Mahoney points out that, unlike the Harriman bill, it does not give the Government the power to limit the scope of agreements and set standards for the guidance of industry. The President will, so to speak, be put on the spot if Congress relies on the purely voluntary system of agreements contemplated by the Republicans. For if he should reject an agreement that he considered too restrictive or otherwise unfair, there would be nothing to put in its place, since the Government would be powerless to act.

While we think it highly desirable to give voluntary methods a preliminary trial, the chances that they will succeed will be poor, unless the administration is armed with weapons of coercion that can be used if or when needed. In the national interest it may become necessary to impose restraints on free enterprise to which private industry will not voluntarily submit. There will almost certainly be nonconformist individuals or groups that will not agree, except under the threat of coercion, to even the most reasonable plans for husbanding our resources and checking price advances. Furthermore, voluntary agreements of the restricted kind contemplated under the Republican plan would not afford protection against increases in the prices of essential materials or wage increases that would inevitably result in higher prices of finished products.

Yet, apart from the provision for voluntary agreements and noncontroversial proposals to allocate transportation facilities and export controls, the Republican program offers nothing except a recommendation for curbing credit expansion by increasing reserves held by the Federal Reserve banks against note issues and deposits. This proposal would have little, if any, immediate effect in restraining over-all credit expansion, although Representative Wolcott believes that it would have "a very strong psychological effect." He says that it should be taken as a sign that Congress disapproves of the easy-money policy of the administration. Since the administration is committed to that policy and shows no signs of retreating, we doubt whether this method of expressing disapproval will yield results. Moreover, from a long-range viewpoint, tightened reserve requirements are open to serious objection. For the Federal Reserve System needs leeway in carrying out its operations, and its usefulness might be seriously impaired in the future, as has been the case in the past, by a high level of reserve requirements.

That many Republicans are dissatisfied with the program of the House Banking Committee is indicated by demands of some Senate Republicans for its expansion. Significant also is the declaration of the Republican Policy Committee that it will consider at the regular session phases of the general anti-inflation program that it has not been possible to study at the extra session. Meantime the Republicans are relying on the inadequate Wolcott bill to eliminate industrial waste and hold back inflationary tides. For the reasons given we do not believe the kind of voluntary program contemplated by the bill will succeed unless the Government is equipped with the reserve powers of control requested by the President.

[From the Washington Post of December 12, 1947]

ADMINISTRATION PLAN

In answer to repeated demands for a concrete legislative program, Secretary Harriman has submitted a bill to a Senate Judiciary Subcommittee embodying some of the President's anti-inflation recommendations. Provision for direct control of prices and wages, as recommended by the President, is not included. In fact, administration spokesmen have been noticeably reluctant to discuss such proposals. In spite of their conspicuous lack of enthusiasm for this aspect of the President's program, Mr. Truman announced yesterday that he would send specific wage and price control legislation to Congress within the next few days.

In our opinion, the broad allocation and rationing powers requested under the draft bill are essential to protect the country from economic dislocation and inflation. The grant of such powers would not, according to Mr. Harriman, imply "anything approaching a comprehensive system of controls over materials, products, and productive facilities." The bill calls for a selective-control program authorizing direct consumer rationing of specified scarce foods and fuels and a few other articles. More restricted powers of control would be applied to materials, such as iron and steel, in the form of priority orders, inventory controls and set-asides to insure fulfillment of essential contracts and satisfy the most important foreign and domestic needs. Provision is also made for an extension of export controls, with the power to refuse export licenses for too highly priced goods.

With the removal of legal obstacles to agreements among producers, as contemplated in the bill, Secretary Harriman believes that a great deal could be accomplished by voluntary cooperation of industries to channel scarce materials into most essential uses. Provided the Government is given allocation powers so as to discipline nonconformists in case of need, Mr. Harriman's confidence in the efficacy of the so-called voluntary approach is probably justified. But a check is necessary, for without it we doubt the success of purely voluntary agreements among competing industrial concerns.

If the Government were given power to ration scarce foods and fuels, it might be possible to put a brake on price increases without resort to direct price controls, since rationing would reduce the competitive scramble for limited supplies. Nevertheless, a rationing system affords no guarantee against excessively high prices for the rationed commodity in the absence of price controls. We believe, therefore, that the Government should also have authority to impose price ceilings selectively on essential commodities in short supply, the prices of which have reached, or threaten to reach levels that cannot be justified by any criterion of reasonableness. For similar reasons it should be empowered to put ceilings on wages in industries subject to selective price control.

Congress will, no doubt, refuse to give the administration the necessary authority that it seeks to curb inflation. If living costs soar to still dizzier heights as a result, it may attempt to repair the damage only when it is too late to avert disaster. For, as the President said in his address to Congress outlining his anti-inflation plans: "The only prudent course is to establish the authority (requested) at this time so the necessary preparations can be started. If we fail to prepare and disaster results from our unpreparedness, we shall have gambled with our national safety—and lost."

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 1770) to amend the National Housing Act, as amended, and it was signed by the President pro tempore.

AUTHORIZATION FOR REPORT OF THIRD SUPPLEMENTAL APPROPRIATION BILL

Mr. BRIDGES. Mr. President, I ask unanimous consent that during the recess following today's session I be authorized to report from the Committee on Appropriations House bill 4748, the third supplemental appropriation bill for 1948.

Mr. McKELLAR. Mr. President, I did not hear the statement of the Senator.

Mr. BRIDGES. I am asking unanimous consent to report the third supplemental appropriation bill sometime between now and midnight tonight, so that the Senate may act upon it tomorrow. The committee will go into session as soon as possible after 5 o'clock today, and perhaps work through to midnight in order to get action on the bill.

Mr. MAGNUSON. Does the Senator refer to the third supplemental appropriation bill which the committee is now considering?

Mr. BRIDGES. Yes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Hampshire? The Chair hears none, and it is so ordered.

NOMINATION OF MAJ. GEN. LESLIE RICHARD GROVES

Mr. GURNEY. Mr. President, one nomination came to the Senate after the general request was made that certain nominations might be held in the Committee on Armed Services. I refer to the nomination of Maj. Gen. Leslie Richard Groves. I ask unanimous consent, as in executive session, that paragraph 6 of rule XXXVIII of the Senate be suspended in order that the committee may hold the nomination in committee.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the order is made.

PUBLICATION OF NAMES AND ADDRESSES OF PERSONS TRANSACTING BUSINESS ON BOARDS OF TRADE

Mr. FERGUSON. Mr. President, I am about to ask unanimous consent that the Senate proceed to the consideration of a joint resolution to amend section 8 of the Commodity Exchange Act, as amended, by adding at the end of that section the following new provision:

Notwithstanding the foregoing provisions of this section or of any other law, the Secretary of Agriculture shall, when requested by any committee of the Congress acting within the scope of its jurisdiction, furnish to such committee and upon delivery to the committee make public the names and addresses of all traders on the boards of trade with respect to whom the Secretary has information, and any other information in the possession of the Department of Agriculture relating to the amounts of commodities purchased or sold by each such trader.

I shall now state my reasons for bringing this matter up at this time, and asking for the consideration of the joint resolution.

Mr. President, yesterday the Senate Appropriations Committee, by vote, authorized the chairman of the committee to issue a subpena to the Secretary of Agriculture requiring him to produce certain evidence before the committee

at a session called for 9:30 o'clock today. At the appointed time the Secretary of Agriculture appeared before the committee, and, while he made a statement that in his opinion it was not advisable to tell the names and addresses of certain traders and others, which information was in his possession, he would tell those names and addresses to the committee in open session. Finally, after considerable discussion, and after taking the sworn testimony of Mr. Anderson, there was a vote in the committee. This is the motion that was voted upon:

Senator O'MAHONEY offered a substitute amendment stating that this committee formally recommends immediately to the United States Senate passage of a joint resolution which would remove any legalistic doubt as to the production of the matter outlined in the subpena to Secretary Anderson.

I offer for the RECORD a statement of the vote on it, because it has been made public. It has been given to the press. Eleven Senators voted for the substitute amendment, and eight voted no.

There were several other motions considered at that meeting. One was offered by the Senator from California, as follows:

Senator KNOWLAND moved that the Secretary be requested to supply the information requested in the subpena duces tecum immediately to the Committee in executive session.

That was carried by a vote of 10 to 9. Thereupon, the junior Senator from Michigan moved "that the Secretary of Agriculture be requested to furnish immediately in open session the information requested in the subpena duces tecum." That motion was rejected by a vote of 11 to 8. I submit for the RECORD copies of these motions, with the votes upon them.

The PRESIDENT pro tempore. Is there objection?

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

O'MAHONEY AMENDMENT

Senator O'MAHONEY offered a substitute amendment stating that this committee formally recommends immediately to the United States Senate passage of a joint resolution which would remove any legalistic doubt as to the production of the matter outlined in the subpena to Secretary Anderson.

A yea-and-nay vote was taken on this amendment and the amendment was approved 11-8, as follows:

Yea: GURNEY, REED, MCKELLAR, HAYDEN, THOMAS, TYDINGS, RUSSELL, MCCARRAN, OVERTON, O'MAHONEY, GREEN.

Nay: BROOKS, BALL, FERGUSON, SALTONSTALL, YOUNG, KNOWLAND, DWORSHAK, Chairman BRIDGES.

KNOWLAND AMENDMENT

Senator KNOWLAND moved that the Secretary be requested to supply the information requested in the subpena duces tecum immediately to the committee in executive session.

There was a yea-and-nay vote on this amendment which carried 10-9, the vote being as follows:

Yea: GURNEY, BROOKS, REED, BALL, FERGUSON, SALTONSTALL, YOUNG, KNOWLAND, DWORSHAK, Chairman BRIDGES.

Nay: MCKELLAR, HAYDEN, THOMAS, TYDINGS, RUSSELL, MCCARRAN, OVERTON, O'MAHONEY, GREEN.

FERGUSON AMENDMENT

Senator FERGUSON moved that the Secretary of Agriculture be requested to furnish immediately in open session the information requested in the subpena duces tecum.

This amendment was defeated 8-11, the vote being as follows:

Yea: BROOKS, REED, BALL, FERGUSON, YOUNG, KNOWLAND, DWORSHAK, Chairman BRIDGES.

Nay: GURNEY, SALTONSTALL, MCKELLAR, HAYDEN, THOMAS, TYDINGS, RUSSELL, MCCARRAN, OVERTON, O'MAHONEY, GREEN.

Mr. FERGUSON. Mr. President, the committee was unsuccessful today in obtaining the names. The Senator from Michigan feels that it is very important to the public and very important to Congress that information such as this be made available. Particularly is that true when the President of the United States has indicated there is speculation upon the exchanges, that it is being made a football, and, that, as the records indicate, on the Chicago Board of Trade thus far in 1947 there has been trading in 5,010,909,000 bushels of grain, whereas there was in crop only 1,500,000,000 bushels.

Mr. Anderson himself stated, on October 9, 1947, as follows:

I can call names, some of them public figures, who are speculating in large quantities of grain.

Mr. Anderson added:

Speculation in grain jeopardizes our economic stability, and when the Chicago exchange alone shows trading in 666,000,000 bushels, or half of the entire crop, in 1 month, I know there is speculation.

On October 8, Attorney General Clark said there was "profiteering in human misery."

Mr. President, I am of the firm opinion, as I was yesterday, that this information should have been furnished to the Senate upon subpena. I should hate to see the time come when the Senate, in order to conduct an investigation, must go to the executive branch and ask that the evidence be produced, and then pass a special bill—yes, with the right of veto—in order that we may obtain it. I think this is the wrong step, but even though we went up the hill yesterday, "saw the whites of their eyes," and came down again, I am willing to go up the hill again in order that we may obtain the names of those who are trading on the exchanges, and who have been characterized as "profiteering in human misery."

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

Mr. FERGUSON. I yield.

Mr. TOBEY. I should like to ask the Senator a question. Are we in this body justified in understanding that the fact remains that before the Appropriations Committee of the Senate this morning, the Secretary of Agriculture appeared and was prepared to give the committee the names of those speculating in grain, and then, forthwith, a vote was taken in the committee, and the majority of the committee voted against the public and the Senate having the benefit of those names? Is that a fair statement?

Mr. FERGUSON. I consider that a fair statement of what happened.

Mr. TOBEY. Then I want to say something. I shall be very brief.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. TOBEY. No.

Mr. O'MAHONEY. I desired the Senator from Michigan to yield.

Mr. TOBEY. Common courtesy demands that I have a chance to finish what I was about to say.

Mr. FERGUSON. Just a moment. I should like to read what the Secretary said, so there can be no misunderstanding:

I appeal to you to consider this well.

However, in the event that you as a committee, without further action by the Congress, insist on having the names and addresses of all traders along with the statistical information called for in your subpena, I shall not permit myself to be charged with shielding anyone by a refusal to grant your request. If your decision to demand the names remains unchanged, you and the public will have them as rapidly as we can gather the information and prepare the lists.

Then, in response to a direct question, as I recall the testimony, he offered to produce the information in open hearing.

Mr. TOBEY. So, so far as the Secretary of Agriculture, Mr. Anderson, is concerned, he was willing to comply with the desire of the committee and of the Senate, apparently, to furnish those names. Thereafter, a vote was taken and it was determined that it would be unlawful for him to do so, and the names were not produced.

So we find the President indicting men who are speculating in grain on the exchanges of the country, and the situation is met by the Senate through an inquiry by a Senate committee, and yet we are now forestalled from getting results. In the hinterland of the United States there are 130,000,000 people who know about it through the press. I think the Senate stands indicted, if it votes it down and puts bars up, with the public knowing the facts in this case. I now ask the question, Supposing that the joint resolution is passed, and the names are brought to the committee, what assurance can be given that the same men who voted against publicizing the names once will not so vote again?

Mr. FERGUSON. Mr. President, I answer that by citing a provision in the joint resolution which reads:

when requested by any committee of the Congress acting within the scope of its jurisdiction, to furnish to such committee and upon delivery to the committee make public the names and addresses of all traders on the boards of trade.

Mr. TOBEY. Very well.

Mr. FERGUSON. In other words, the committee will not be in position at that time to keep secret, neither will the Secretary of Agriculture be in a position to keep secret, the names required to be furnished under this law.

Mr. TOBEY. Very well, but there is a passage in Holy Writ that I suggested the other night to the Senate, "For every one that doeth evil hateth the light, and cometh not to the light, lest his works should be reproved." That

same thing in my mind applies to publicity, regardless of where it is. I say to the Senate, as representatives of the hoi polloi, let us have the truth. The public will appraise the blame.

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

Mr. FERGUSON. I yield.

Mr. SALTONSTALL. I should like to make a brief explanation. The Senator from New Hampshire apparently does not understand all the facts. I was one of the Senators who voted in the negative on the motion to require the Secretary of Agriculture to produce the information requested under subpena, after we had voted to report the joint resolution. I did so very deliberately, and I want to explain why I so voted, because I believe the Senator from New Hampshire does not understand the situation in full.

Some years ago, about 1922, Congress passed a law respecting commodity exchanges. In 1936 Congress amended that law. Under that law, as amended, the Secretary of Agriculture cannot give out the names of individuals or organizations trading on the market in the commodity exchanges unless he feels that such trading is disrupting the market. Congress passed such a law.

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

Mr. FERGUSON. I yield.

Mr. TOBEY. Are the words of the statute "disrupting the market" or "against the public interest"?

Mr. SALTONSTALL. "Disrupting the market."

Mr. TOBEY. Will not the Senator from Massachusetts join me in an effort to amend that law? The public interest is paramount. The public demands the information.

Mr. SALTONSTALL. I should be glad to join with the Senator in doing so, but I should like now to finish my explanation. The law passed by Congress, as I stated, is now in effect. At this time a committee of Congress, through subpena, is asking the Secretary of Agriculture, a Cabinet officer, to disobey that law, by making public the information now sought.

What happened in our committee was as follows: A vote was taken on a proposal that the committee recommend the passage of a joint resolution which was to make it legal for the Secretary to give out the information sought. The proposal was agreed to. I voted against it, as did eight or nine other committee members. When the proposal for a joint resolution was adopted by a majority of the committee to make legal without question the giving of the information in question to a committee of Congress I said, together with other Senators, that we should act under the resolution.

I stand here now and make the explanation, because I do not want the impression to go out to the country, by reason of what the Senator from New Hampshire has said, that there was any effort to conceal anyone's name, to keep anyone's name from being made public. The committee by a majority voted one method of taking action, a method that was unquestionably legal, because Congress would then have amended the law which it had previously passed. There may have been a difference of opinion as to whether the Secretary of Agriculture could or could not give out the information under subpena without a change being made in the law, but when the committee had voted to proceed in one way, then I, as one member of the committee who voted against giving out the information under a subpena, believed that it was the wiser course to follow the procedure which the majority of the committee had voted should be followed, even though I did not agree with it in the first instance.

The Senator from Michigan was one of the Senators who voted against it. As a member of the majority party and of the majority of the committee, he is now pressing the joint resolution. In time the Senate will obtain the information sought, and it will obtain it in a way that is of unquestioned legality. Congress will then have changed the law to permit the Secretary of Agriculture to give the information to a committee of Congress. When the committee obtains the information under the resolution the names will be made public.

I make that explanation, Mr. President, in the time of the Senator from Michigan because the question raised by the Senator from New Hampshire is, I believe, based on misapprehension, and creates a very false impression.

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

Mr. FERGUSON. I yield.

Mr. TOBEY. I wish to say one thing more to justify the remarks I made. I am informed by the chairman of the Committee on Appropriations that the legal counsel of the committee, two gentlemen, gave their professional opinion that the committee had the legal right to act as it proposed to act. No less authority on this side of the aisle than the senior Senator from Ohio [Mr. TAFT] said yesterday that the committee has ample authority, and does not need to have further authority under the joint resolution. The Senator from Ohio made that statement in answer to the Senator from Michigan. Does the Senator from Michigan remember that?

Mr. SALTONSTALL. Mr. President, will the Senator from Michigan yield further?

Mr. FERGUSON. I yield.

Mr. SALTONSTALL. Mr. Rice, chief counsel of the Senate committee, stated specifically to the committee that he did not know which way the law should be construed; that there was much to be said on both sides. When the committee by majority vote determined to take one step, then it should stick by what it had determined to do, and not take a step which may or may not be legal.

Mr. O'MAHONEY. Mr. President, will the Senator from Michigan yield to me?

Mr. FERGUSON. I yield.

Mr. O'MAHONEY. I thank the Senator. Let me also express my great appreciation to the Senator from Massachusetts for the statement he has just made. I fear very much, in fact I know, that the Senator from New Hampshire [Mr. TOBEY] is under a misapprehension of what happened in the Senate committee from the statement made by the junior Senator from Michigan [Mr. FERGUSON]. The motion which was made in the committee urging an immediate favorable report upon a resolution removing the legal barrier to the disclosure of the names sought, was a motion which was intended to bring about the disclosure of the names. It was not a motion to conceal the names, as the Senator from New Hampshire apparently understood.

If the Senator from Michigan will further indulge me, I should like to make a further statement. The situation which was presented in the Committee on Appropriations today was that the Secretary of Agriculture, having been subpenaed by the committee to appear before it in executive session with his records, said to the Appropriations Committee in the executive session, "I am unwilling to make this disclosure in executive session, because I am advised by the Solicitor for the Department of Agriculture that the law forbids it." The Solicitor for the Department of Agriculture wrote an opinion to that effect. He was present in the committee room at the time the testimony was given. I have the letter of the Solicitor of the Department, and I shall ask that it be made a part of the record.

The issue then was, "Shall these names be revealed in executive session, or shall they be made public to everybody? The Secretary of Agriculture was perfectly willing to make them public to everybody. There was never any intention on his part to deny that. He did not want to reveal them in executive session to a portion of the Congress and not to all Members of the Congress. And so the motion was presented to remove this legal barrier. It was explained by the Secretary of Agriculture that his Department is charged with many confidential relations. It received in confidence from businesses throughout the country information with respect to many transactions, as, for example, the formula by which DDT is manufactured. The manufacturers of that formula in making it known to the Department of Agriculture do so in the confidence that the formula will not be revealed.

Mr. TYDINGS. Mr. President, will the Senator from Michigan allow me to interrupt the Senator from Wyoming to correct what I know was not an intentional error in a statement he just made?

Mr. FERGUSON. I will yield to the Senator from Maryland for that purpose.

Mr. TYDINGS. Both the Senator from New Hampshire and the Senator from Wyoming have said that the Secretary of Agriculture, when he appeared before the committee, was willing to give the names in open session before that committee, to the committee and to the public. While that is apparently true, I think that both Senators, particularly the Senator from Wyoming, will realize that that does not quite explain the attitude of the Secretary of Agriculture. The Secretary of Agriculture stated that he did not think he had the authority, without a resolution of the Congress, to make the names public; that he was unwilling to make the names

public, even in open session of the Appropriations Committee; unless the Appropriations Committee insisted upon it; and that he doubted even then if he had the authority to do so. The Solicitor, who was present, had told him that he had not the authority to do so, but he stated that if the committee insisted upon it he would make them public in open session, but he wanted to say that in his judgment the proper way to do it was to have a resolution of the Congress.

I know that my friend will be glad to have me make this statement. The Secretary was not unwilling to do it, but would do it with reluctance upon insistence of the committee, in open session.

Mr. O'MAHONEY. The Senator from Maryland is quite correct.

Mr. President, I wish to point out that the statute which was interpreted by the Solicitor of the Department of Agriculture contains this exception with respect to the authority of the Secretary of Agriculture to make disclosures:

Except data and information which would separately disclose the business transactions of any person, and trade secrets or names of customers.

The legal issue which arose was whether or not a subsequent portion of the law, being paragraph 6 of section 12 (a), repealed that exception. Under paragraph 6 the Secretary of Agriculture is authorized—

(6) To communicate to the proper committee or officer of any contract market—

Observe that that is not to a committee of the Congress, but to a committee of the market—

and to publish, notwithstanding the provisions of section 12 of this title, the full facts concerning any transaction or market operation, including the names of parties thereto, which in the judgment of the Secretary of Agriculture disrupts or tends to disrupt any market or is otherwise harmful or against the best interests of producers and consumers.

The Secretary was advised that that provision did not reveal the exception which I have just read. The issue which was presented to the Committee on Appropriations, therefore, was a very simple one, namely, Shall we, by a resolution of the Congress, clear away the legal doubt which was in the minds of the legal officers of the Secretary of Agriculture, so that, without violating a confidence, he may, under the direction of the Congress, make all these lists public; or should he, on the other hand, reveal them in executive session under a subpena of the committee, with the common knowledge among all Members of Congress and all members of the press as to what happens with respect to revelations which are made in executive session? It came down to this: It seemed that the issue was whether the committee should be permitted to look over the list in the hands of the Secretary of Agriculture before making up their minds how to vote on the question of making the issue public, or whether to make the names public at all. That was the issue.

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

Mr. FERGUSON. I yield.

Mr. McMAHON. In other words, he took the attitude that if he were to be compelled to break the law, as he thought, he would give the information to the world, so that all the world could look at it.

Mr. O'MAHONEY. That is correct.

Mr. McMAHON. Instead of the committee pawing over the information and making public such names as it wished to reveal.

Mr. O'MAHONEY. That is correct.

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

Mr. FERGUSON. I yield.

Mr. BRIDGES. The interpretation of the Senator from Connecticut is not a fair one. A motion was made by the Senator from Michigan [Mr. FERGUSON] that the Secretary of Agriculture be requested to furnish immediately in open session the information requested in the subpena, which was the list of names. On that question the vote was 8 yeas and 11 nays. So there would have been an opportunity for the Secretary to present the information in open session if the majority of the committee had so voted. As I see it, there was no inclination on the part of the committee to keep the information in closed session and dole out to the public only what we wanted to dole out. That is not a fair interpretation.

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

Mr. FERGUSON. I yield.

Mr. GURNEY. I was one of those who voted not to ask for the information in open session, because of my firm conviction that the law now on the statute books intends that the transactions of any citizen shall be kept inviolate. I thought it was not right for the committee, being only a part of the Congress, to change that law. Therefore I voted for the committee action recommending that a resolution be passed by the Congress. I join wholeheartedly in the remarks made by the junior Senator from Massachusetts [Mr. SALTONSTALL]. I concur in his statement as to the different steps taken in committee this morning.

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

Mr. FERGUSON. I yield.

Mr. TYDINGS. I should like to say something in my own time, but thanks to the courtesy of the Senator from Michigan, I think I can bring out one element which I do not believe has been discussed, and which will throw some light on the question and permit a better understanding by those who were not present in the committee room.

No one knows how many of these names there are. If they were to be released today, we do not know whether a thousand or twenty thousand of them would be released. But assuming that the number is large—and I am directing my remarks particularly to my friend from New Hampshire [Mr. TOBEY], whose righteous indignation I understand, but which I think will be somewhat softened by this explanation—the Secretary would have to consider each case under the law and determine whether that individual, in his purchases or sales of grain, was disrupting the market. In other words, he would sit as a judge and jury.

For example, the great mills of the country buy many thousands of bushels of grain in the orderly conduct of their business. Obviously, they would not be disrupting the market, because for years they have been buying grain with which to make flour to sell to the American people for making bread. So the Secretary would have the difficult task of trying to separate the wheat from the chaff. If he did not do it with complete and impartial justice, he might be charged with withholding some name which perhaps he might have presented as one who was gambling in the market and disrupting business, or he might give out a name which, if he had all the facts, he would not give out as one who was disrupting the market.

So the Secretary was in the position, not having the machinery and the information in all these cases, if he interpreted the law as the Senator from Wyoming has read it, of passing on a vast number of transactions—I suppose thousands of them—without the staff or the means to find out whether or not those transactions were disruptive of the market. Therefore, there was an understandable reluctance on his part to give out such information piecemeal, lest he err by not giving out enough, or by giving out the names of some innocent persons.

That was the reason why he brought out the point that there was additional reluctance to making this information public, when the act of Congress seemed to forbid it, and when his own Solicitor, who was sitting at the table, told him in our presence that he had no authority to do so.

Therefore, all the Secretary ever said was this: "You gentlemen give me the unquestioned authority to do it, and I will make all the names public. I want to make them public, but I ask you not to request me to violate a law which you gentlemen have passed."

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

Mr. FERGUSON. I yield.

Mr. TOBEY. Is it not a fact that the Secretary of Agriculture, while he may have spoken sincerely, in the last analysis, said, "If you gentlemen want the names, I am prepared to give them to you"? Is that correct?

Mr. TYDINGS. That is correct.

Mr. TOBEY. With that positive statement of his of a willingness to meet the wishes of the public at large, which we all recognize, the committee voted not to let him do so.

Mr. TYDINGS. The Senator is accurate, but without enough of the details in his statement to give the connotation which truth and accuracy ought to give.

The Senator asked me a question. The Secretary did not say, "If you want the names, here they are."

Mr. TOBEY. What did he say?

Mr. TYDINGS. He said:

I do not think you have the right to ask me for those names. I do not think you have the right, under the law, and therefore I do not have the right under the law to give you those names. My Solicitor tells me that I have not the right, and I question

whether I have it. If you do not think I have the right, but insist on it, I will give them to you, although I do not myself believe that I am carrying out my duty in the strict letter of the word when I accede to your request. But if you will make sure that I can do it, I will give them to you without the slightest question, with no reservation whatsoever, either mental or otherwise. If you do not want to give me that authority I will give them to you, anyhow, if you insist on it. But I do not think you ought to ask me to do that, because I am advised by competent legal advisers who have made a study of this.

He cited cases in the Supreme Court to back up his position. He made the statement that there was not one exception in the findings of the Supreme Court, out of a long line of cases, that would justify his turning the names over to the committee.

Mr. TOBEY. The Senators who voted against compelling the production of the names acted in the kindness of their hearts. They looked upon the Secretary of Agriculture with compassion; they wanted to save him from compounding a felony or breaking a law. So they voted against his submitting the information requested. But if you will come to the mourners' bench, and feel as the Senator says he does, you will have a chance to vote for the resolution offered by the Senator from Michigan [Mr. FERGUSON]. Is not that correct?

Mr. TYDINGS. Will the Senator from Michigan yield to me so that I may conclude?

Mr. FERGUSON. I yield to the Senator from Maryland.

Mr. TYDINGS. I should like to say to the Senator from New Hampshire that we supported the resolution of the committee. Every Democrat supported it.

Mr. TOBEY. My statement covered Senators on both sides of the aisle. I used the word "you" in the plural sense.

Mr. TYDINGS. That is correct. Senators on the other side want the information. I am not speaking in a partisan way about this subject. We were the ones who projected this idea, to clear up all doubts so that publicity could come down in a flood.

Mr. TOBEY. Now let us vote for it. Let us make assurance double sure, and let the chips fall where they may.

SEVERAL SENATORS. Vote!

Mr. BARKLEY. Mr. President, I rise to make a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. What is the parliamentary situation?

The PRESIDENT pro tempore. The Senator from Michigan [Mr. FERGUSON] asked unanimous consent for the consideration of a joint resolution.

Mr. BARKLEY. I did not understand that he had asked consent, but that he was about to ask it.

Mr. FERGUSON. I now ask unanimous consent, without additional argument.

Mr. BARKLEY. I reserve the right to object in order that I may make a statement in regard to the matter.

I recognize the importance of the passage of a suitable resolution authorizing the Secretary of Agriculture to disclose the names of speculators in the commodity markets of the United States.

The Senator from New Hampshire [Mr. BRIDGES], as chairman of the Committee on Appropriations, a few days ago wrote a letter, I believe, to the Secretary of Agriculture, asking him to come before the committee and disclose the names of such speculators. The Secretary of Agriculture wrote a letter to the chairman of the Committee on Appropriations in response to that request, which I ask that the clerk read into the RECORD at this point, for I want the entire record made here for the benefit of Congress and of the country.

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

Mr. BARKLEY. I yield.

Mr. BRIDGES. Mr. President, I ask that my letter be read at this time so that the whole picture may be before the Senate.

The PRESIDENT pro tempore. Without objection, the clerk will read the letter from the Senator from New Hampshire to the Secretary of Agriculture.

The Chief Clerk read as follows:

DECEMBER 15, 1947.

The Honorable CLINTON P. ANDERSON,
Secretary of Agriculture,
Washington, D. C.

MY DEAR MR. SECRETARY: As you know, the Senate Committee on Appropriations is intensely interested in the price of commodities since it is called upon to make appropriations for the purchase of such commodities not only by the departments and agencies of the Government but also to provide aid to foreign countries. The price of commodities is, of course, directly related to the amounts of money we are called upon to appropriate. If unrestricted speculation and gambling on the various boards of trade are permitted to continue indefinitely, the amounts we will be called upon to appropriate in the future will greatly increase. Outstanding appropriations for commodities and for such foreign aid will accordingly purchase much less than they would if prices were not so inflated as they are at present.

The provisions of title 7, U. S. Code, section 12, provide for investigations by the Secretary of Agriculture under the Commodity Exchange Act of all transactions on the various boards of trade throughout the country. Such investigations are, among other things, for the purpose of providing information for the Congress. I understand that your investigations under such act have disclosed the names of and the amounts of commodities purchased by speculators and gamblers on such boards of trade.

I therefore request that you furnish to the Committee on Appropriations of the Senate as soon as possible the amounts of commodities purchased and the names of said persons, together with all other information disclosed by your investigations relating to transactions in commodities on the various boards of trade.

Sincerely yours,

STYLES BRIDGES.

The PRESIDENT pro tempore. Without objection, the clerk will now read the letter from the Secretary of Agriculture addressed to the Senator from New Hampshire.

The Chief Clerk read as follows:

DECEMBER 16, 1947.

The Honorable STYLES BRIDGES,
United States Senate.

DEAR SENATOR BRIDGES: I regret that it is not possible for me to comply with the request of the Senate Committee on Appropriations for a list of traders in commodity futures as set forth in your letter of December 15, 1947.

The request calls for disclosure of the names and separate business transactions of persons trading in commodity futures whose trades and market positions are reported in confidence to the Department of Agriculture. These reports are obtained currently under authority of the Commodity Exchange Act.

Section 8 of the act has long been construed to prohibit the Secretary of Agriculture from disclosing "data and information which would separately disclose the business transactions of any person and trade secrets or names of customers." Enclosed is a copy of the opinion of the Solicitor of this Department which gives the reasons for the position which the Department is forced to take under the present law. It gives also the precedents established by my predecessors in office in the past.

You will note that on two occasions two different Secretaries of Agriculture in response to Senate resolutions, have declined to furnish information similar to that now being requested by your Senate committee. In the first instance Secretary William M. Jardine in 1929 refused to furnish the information to the Senate. This was during a Republican administration. In the second instance, Secretary H. A. Wallace in 1933 refused to furnish such information to the Senate. This was during a Democratic administration. In both instances the Senate of the United States called upon the Secretary of Agriculture for the names of traders and for the effect upon prices of suspending the regulations under which the Department obtains reports on speculative trading.

While I also have no alternative except to deny your present request for the names of individuals trading in the commodity futures markets, I assure you I shall be glad to furnish the information if the present legal barriers are removed. I believe this can be done immediately and without the delay incident to amending an existing statute.

To be sure, an amendment to the act made in 1936 does permit the Secretary of Agriculture "to communicate to the proper committee or officer of any contract market and to publish * * * the full facts concerning any transaction or market operation, including the names of parties thereto, which in the judgment of the Secretary of Agriculture disrupts or tends to disrupt any market or is otherwise harmful or against the best interests of producers and consumers."

There are no conditions presently known to me concerning any transaction or market operation under which I could justify publishing the names of all traders and the amounts of commodities purchased.

To help you get the information you seek, I suggest that the Congress put your request in the form of a joint resolution which I am informed would have the force and effect of law and thereby legalize the action which I shall then be glad to take. This should be done at once. I have consulted President Truman and am confident that he will approve a joint resolution of Congress to effectuate my suggestion that names of traders be made available. This may stop loose talk about insiders profiting by knowledge of Government purchasing plans.

The resolution should, therefore, be broad enough to provide for the disclosure of names of all traders on whom we have information, including all those connected with the executive or legislative branches of the Government. I am so positive that Congress will wish to cooperate in this effort that I have already requested the commodity exchange authority of this Department to start immediately the work of compiling the

list in order that it may be available as quickly as possible after the legal barrier to furnishing it has been removed.

Respectfully,

CLINTON P. ANDERSON,
Secretary.

Mr. BARKLEY. Mr. President, I also ask that there be printed, following the Secretary's letter, but not read into the RECORD, the letter of the Solicitor to the Secretary, giving him the legal opinion to which he refers in his letter.

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

OPINION FOR THE SECRETARY

DEAR MR. SECRETARY: You have requested our opinion as to your authority under the Commodity Exchange Act (7 U. S. C. 1–17a) to comply with requests of individual Members of Congress for details of transactions of persons who have engaged in speculative trading in commodity futures, including the names of such persons.

It is the opinion of this office that whatever information the Department has in this connection is confidential in nature and that only such speculative transactions may be disclosed as, in your judgment, are determined by you to be against the best interests of producers and consumers. Certainly you are without authority to make indiscriminate disclosure of all speculative transactions. This office is not informed of any particular transaction presently known to you which would constitute a basis for disclosure under the restriction imposed by the act.

It is provided in section 8 of the act that no publication by you of information obtained in the course of an investigation of operations of boards of trade shall separately disclose the business transactions of any person and trade secrets or names of customers.

On two occasions the Senate by resolution (S. Res. 40, February 21, 1928, and S. Res. 376, March 2, 1933) directed the Secretary of Agriculture to conduct an investigation and, among other things, report to the Senate the names and addresses of persons holding speculative positions. In each instance the then Secretary of Agriculture in his report to the Senate (S. Doc. 264, 70th Cong., 2d sess., and S. Doc. 61, 73d Cong., 1st sess.) called attention to the fact that section 8 of the act prohibited the disclosure of the identity of specific traders and their trading, and informed the Senate that by reason thereof this information could not be furnished.

Judicial interpretation has been consistent with the position taken by your predecessors in this matter. In *Bartlett Frazier Co. v. Hyde* (65 Fed. (2d) 350, CCA 7th, 1933, cert. den. 290 U. S. 654), the plaintiffs contended that the reports and inspections required by the act and the regulations promulgated thereunder would have the tendency to disclose their business secrets and thereby operate to the detriment of their business. The court pointed out that section 8 forbade the revelation by the Secretary or departmental employees of a customer's identity or his individual trade, and observed that in the case before it the evidence indicated, "In the decade of experience since the act became operative, no instances appeared where any such confidence has been violated, nor where appellant, or any other traders on the Board, have suffered from any such cause. No such official misconduct appears from the evidence to have been threatened or to be imminent."

A subsequent amendment to the act, made on June 15, 1936 (49 Stat. 1491), authorizes the Secretary of Agriculture to communicate to the proper committee or officer of any contract market and to publish the full facts concerning any transaction, including the names of parties thereto, provided that in the judgment of the Secretary the transaction disrupts or tends to disrupt any market or otherwise is harmful or against the best interests of producers and consumers. The amendment was apparently not intended to change the general confidential nature of information. The purpose of the amendment was to permit limited disclosure to the governing boards of contract markets of information which would be useful to them in the performance of their duties under the act and to allow publication of such information only in respect to specific transactions upon a determination by the Secretary that the transaction in and of itself was adverse to the best interests of producers and consumers.

The provisions of the act and the legislative history recognize the need of some speculation to allow the contract markets to perform one of their primary functions, namely, acting as a hedging medium for the producers and users of the commodity. The amendment, therefore, does not contemplate the disclosure of information as to a transaction solely by reason of the fact that it is speculative in nature.

Sincerely yours,

W. CARROLL HUNTER,
Solicitor.

Mr. BRIDGES. Mr. President, will the Senator yield at this point for a moment?

Mr. BARKLEY. I yield.

Mr. BRIDGES. Let me point out that the solicitor's opinion, which the Senator from Kentucky has had placed in the RECORD, is undated, and refers to inquiries made by individual Senators or Representatives, but not by committees. So there is that distinction.

Mr. BARKLEY. At any rate, it makes no difference at whose instance the letter was written. It gives his opinion.

Mr. President, I realize the importance of relieving the Secretary of Agriculture from whatever inhibition the law imposes upon him. I think all of us will agree that the Secretary of Agriculture was sincere in his belief that, acting under the legal advice of the solicitor and other attorneys of the Department of Agriculture, he did not have authority to give this information either to a committee of Congress or to the public. Among lawyers who act in an official capacity for the Department of Agriculture there are differences of opinion as to whether he had that right. My first view was that he did have the right; but upon a more careful reading of the law I came to entertain some doubt in my own mind whether the restrictions placed in the law authorized him to disclose the names of traders on the commodity exchanges and the amounts of their purchases and sales.

Following the publication of the letter of the Secretary of Agriculture yesterday or the day before, I introduced yesterday morning a joint resolution, which is Senate Joint Resolution 169, undertaking to relieve the Secretary of Agriculture from the prohibition that prevented him from making public disclosure of this information. I felt that it was just as important yesterday as it is today. I did not consult the Secretary of Agriculture about the resolution; but inasmuch as he has said to the committee that he doubted that he had authority to make the information public, but would do so if Congress would pass such a joint resolution, which he suggested that the President would sign—he had already conferred with him—I took it upon myself to offer such a resolution yesterday morning, and ask for its immediate consideration.

The Senator from Ohio [Mr. TAFT] objected to the consideration of the resolution at that time, on the ground that if we brought in a resolution every time someone requested the Secretary of Agriculture to give out this information, we would be passing resolutions of that sort all the time—although as a matter of fact the resolution, if passed, would become permanent law, and would not require the passage of a separate resolution every time such a request might be made.

The Senator from Michigan [Mr. FERGUSON] supported the objection of the Senator from Ohio, on the ground that my resolution did not specifically mention information given to the committees of Congress, but that the resolution would authorize the Secretary of Agriculture to make this information public, that it would not restrict him to making it public in the newspapers or in a letter written by him or by means of any other method of making it public, but that it would authorize him in his own discretion and from time to time to make this information public.

Because of the objections yesterday, the resolution could not be considered then. The resolution was subject to amendment, as I explained to the Senator from Michigan, and as he understood anyway. If the language which I proposed was not broad enough, it was possible to amend it, and I prepared an amendment to my resolution, specifically requiring that this information be given when requested by either of the two Houses of Congress.

If that joint resolution had been acted upon when I introduced it yesterday, it might have been adopted by the House of Representatives, and by this hour the President of the United States could have signed the resolution, and this information could have been given to the committee and made public, without this last-minute effort on this day to bring forward another resolution, one introduced by another Senator.

Mr. President, I realize that there may be some rule in the Senate against the consideration of any resolution offered by a Democrat. There may be some tradition here that when a member of the minority introduces a resolution, it shall be objected to by those on the majority side. If I wanted to be petty about this matter and if I wanted to retaliate, I could object to the request for consideration of the resolution now offered by the Senator from Michigan. I am not going to be petty; I am not going to object to it; but inasmuch as I did introduce a joint resolution yesterday, which was objected to by the Senator from Ohio and the Senator from Michigan, I do think I ought to have been shown the courtesy of a consultation by them in an effort to bring up my resolution, which I introduced yesterday.

I have read the resolution introduced by the Senator from Michigan, and I think it is too restrictive. I think this information should be made public without regard to whether a committee of

Congress asks for it or not, if the Secretary of Agriculture, in his discretion from time to time, thinks its publication is in the interest of the public welfare.

But under the joint resolution now proposed, the information can be made public only in the event a committee of Congress asks the Secretary to disclose the information. Then, when it is disclosed by the committee, no matter whether it is dominated by one party or another, at the request of the committee the Secretary may make it public; but otherwise he cannot make it public. No matter what the facts may be, no matter how outrageous the transactions on the commodity market may be, under the resolution now proposed the Secretary of Agriculture cannot make the facts public unless a committee of the Congress asks him for the information.

If we are going to act here in the interest of the public, if we are going to say that the Secretary of Agriculture has the responsibility of disclosing this information whenever in his judgment it ought to be disclosed for the information of the American people, regardless of whether there is a disruption of the market or whether the producers or the consumers are thereby injured or not, if the Secretary of Agriculture in his judgment—whether he is a Democrat or a Republican or serves under any particular administration—thinks the public ought to have this information, I think he ought not to have to sit around and wait for a committee of Congress to ask him for it before he can give it to the public.

Therefore, in my opinion, the resolution introduced by the Senator from Michigan is more defective than the one I introduced yesterday. It also is subject to amendment; I proposed to offer to mine an amendment enlarging the scope of the authority of the Secretary of Agriculture, so as to authorize him to give out this information without waiting for a committee of Congress to demand it of him.

Mr. HAWKES. Mr. President, will the Senator yield to me for a moment?

Mr. BARKLEY. I yield.

Mr. HAWKES. I wish to ask the Senator from Kentucky whether, in his opinion, in connection with so important a matter, the power and authority proposed to be given would be too great to place in the hands of one man? I am not saying that it would be; but I am asking the Senator from Kentucky, who has served in the Congress for many years, what his opinion is. I ask him whether he thinks one man might use such power in a way that the Senator from Kentucky would not want it to be used?

Mr. BARKLEY. Of course, Mr. President, I say to the Senator from New Jersey that we are always conferring power which may be exercised in a way that we would not appreciate or approve of; but we must trust someone, and I am willing to trust the Secretary of Agriculture, no matter whether he is a Democrat or a Republican. I would trust him in the exercise of a sound discretion to determine whether this information should be given out, just as fast and just as rapidly as I would trust a committee of Congress that might demand it of him. We have to trust the committee of Congress, and I am willing to trust the Secretary of Agriculture. I would have trusted Jardine; I would have trusted Wallace, the father of the recent Secretary of Agriculture. [Laughter.] I would have trusted Mr. Wallace. [Laughter.]

Mr. President, what is so funny about that? I included Henry A. Wallace and his father, Henry C. Wallace, Henry A. Wallace having been the most recent member of the Wallace family to be Secretary of Agriculture. I would trust anyone whom the Senate would confirm as Secretary of Agriculture, not to abuse this authority.

But I do not think any Cabinet member should be required to sit around and wait for a committee of Congress to ask him for the information, if he thought it should be made public.

Mr. HAWKES. Mr. President, let me say to the Senator from Kentucky that I think this matter should be sifted clear to the end of the line, and I so voted. I think each chip should be allowed to fall where it may. I think this matter should be thoroughly investigated, and I think the American people expect us to go clear to the end of the line in investigating it.

I say to the Senator from Kentucky that I am not casting any aspersions on my friend Clinton Anderson, the Secretary of Agriculture. I am not casting any aspersions on the honor of any man. I am simply asking whether the Senator from Kentucky believes that the judgment of one man alone in this important matter is what this great body should look to.

Mr. BARKLEY. I think that the interests of the American people who are concerned about the manipulation of commodity markets are of greater importance than any doubt as to the wisdom of the Secretary of Agriculture in exercising his authority wisely. I hold no brief for anyone who has been using the continual rise in the prices of foods in the United States for speculative profits, I do not care whether that man be Mr. Ed Pauley or whether it be somebody else, I do not care whether it be a public officer or whether it be a private citizen. I think it is more reprehensible, probably, at least, from the standpoint of being an example to the public, for men holding public office to take advantage of the dire distress of the American people, and hungry and starving people all over the world, to make money by speculating in grain, or lard, or food of any other description. I think all the names of those who have indulged in this practice, who have taken advantage of the misery of our people, and of the people of all the world, in order to make money, ought to be disclosed to the American people, and I do not think we should wait for a committee of Congress to ask for disclosure of the names. I think the Secretary of Agriculture should be given the power to make public the names, and the amount in which they have traded, when it is in the interest of the public that he do so. For that reason I dissent from the limitation placed in the joint resolution proposed by the Senator from Michigan. I hope it will be expanded and broadened so as to give the Secretary discretion, without waiting for a committee of Congress to make a request. Suppose Congress were in vacation for 6 months, and the situation reached such a status that the information should be made public so that the consumers of food in this country might know to what extent speculation had resulted in their being robbed of food.

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

Mr. FERGUSON. I yield.

Mr. TOBEY. I thoroughly endorse what the Senator from Kentucky has just said, and in consonance with his suggestion as to amending the joint resolution, I will point out that I think it would be helpful if we provided that not only the Secretary, when in his wisdom he thought he should make names public, should do it forthwith, but that we insert the disjunctive "or," to make them public in his discretion, "or upon the request of any congressional committee." Let us make it both ways.

Mr. BARKLEY. I might say that following the colloquy yesterday with the Senator from Michigan I amended my joint resolution so as to authorize the Secretary, from time to time in his discretion, or when requested by a committee of either House of Congress, to disclose the information in any way he might see fit to do so.

Mr. TOBEY. I honor the Senator.

Mr. BARKLEY. My thought was that we should not sit around and wait for the harm to be done, until some congressional committee asks the Secretary to make the names public, but either on the request of a committee, or in his own discretion whenever he thought it necessary, he should give out this information. That is what I think the joint resolution should include.

Mr. FERGUSON. Mr. President, I want to say a few words now in my own time. If we had adopted the joint resolution introduced by the able Senator from Kentucky, it would have merely given to the Secretary of Agriculture the discretion to publish from time to time any or all names of traders on the boards of trade. The Secretary has that power today, if he will make a finding. I read the law as it is today:

> To communicate to the proper committee or officer of any contract market and to publish—
>
> There is his authority—
>
> and to publish, notwithstanding the provisions of section 12 of this title, the full facts concerning any transaction or market operation, including the names of parties thereto, which in the judgment of the Secretary disrupts or tends to disrupt any market or is otherwise harmful or against the best interests of producers and consumers.

Mr. President, on October 9 the Secretary of Agriculture said that he knew that the market was being disrupted, and that there was gambling. Today the evidence discloses that the Attorney General has had access to this list of names now in the hands of the Secretary of Agriculture, and on October 8 he claimed that these men were dealing with human misery. What has the Attorney General

done? What has the Secretary of Agriculture done under his right to use his discretion and disclose these names? Not until a committee of the Congress of the United States asked Mr. Pauley to appear before it and give testimony as to his dealings did the Secretary do anything about it. It was a week ago tomorrow that Mr. Pauley was ordered to bring to the Senate Committee on Appropriations his books and records, and to this day he has not brought the records. So we are meeting the regular slowing-up tactics.

Mr. President, I do not want any of these names concealed. If there is any Senator, if there is any Representative, dealing and speculating in the market, then the public should know it. If any Government official or anyone else is speculating, as the Attorney General said on the 8th of October, we should have action.

As I said before—and I have not changed my mind—the law is clear that Mr. Anderson could give to the Committee on Appropriations and to the Congress the information requested, for section 12 uses the words, "For the efficient execution of the provisions of this chapter, and in order to provide information for the use of Congress." What we are asking is information for the use of Congress, asking that the Secretary produce the names. The law is clear, but the delay in giving the names has prevented Congress from getting the information.

As I have already said, we went up the hill yesterday and thought we were going to get the names, and when we saw the opportunity to get the names, we retreated down the hill. But I believe that in this kind of case we should try and try again, try every available means, and if it takes action of Congress, we should provide by act that the names should be furnished. That is why I present this joint resolution now, in behalf of the able Senator from New Hampshire, and on the order, in effect, of the committee.

As I see it now, the Secretary of Agriculture has full authority today, in his own discretion, to make these names public, because he stated, when he spoke on October 9, that the dealings were against the best interests of the Government, and that is what the law provides is justification for his action.

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

Mr. FERGUSON. I yield to the Senator from New Jersey.

Mr. HAWKES. I should like to ask the distinguished Senator from Michigan if he does not feel that it is more important to divulge the name of any man who is elected to the high office of a Member of Congress, to the Senate or the House of Representatives, than to divulge the name of any one else, even in the other branches of the Government. The Members of Congress are sent here by the votes of the people, and the people are entitled to their service in good faith, and to faithful representation. We decided unanimously in our meeting the other day we wanted to reach every man in this country and spare no one. Is that correct?

Mr. FERGUSON. That is correct, and I agree with the Senator. I agree that everyone here should be willing to make his dealings public. If anyone is speculating in food and products of the American people today, the public should know it.

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

Mr. FERGUSON. I yield.

Mr. BARKLEY. A moment ago the Senator stated that he marched up the hill yesterday and marched back down. That is the experience I had. I thought, when I introduced my joint resolution, that I was marching up the hill. Before I got to the top I was halted by the Senator from Ohio and the Senator from Michigan, and I had to march back down. Now the Senator is trying to march up the hill I would have gone up yesterday if I had not been halted and compelled to march back down. But I am going to be more generous with the Senator than he was with me, and agree that his resolution may be taken up. But I am going to exercise the right he would have had a right to exercise yesterday, and seek to amend the joint resolution. I am satisfied there would have been no difficulty at all between the Senator from Michigan and myself in agreeing on the language of the joint resolution, but the Senator gave me no opportunity. He could even have moved to strike out the entire language and ask that other language be inserted, and we probably would have agreed.

Mr. FERGUSON. The Senator from Michigan did what he did yesterday in relation to the Senator's joint resolution in the thought that it would have been of no use, because he believed, as he believes today, that the subpena should have been issued, that we should have required the production of the names, and they would now be in the public records. Because we have been unable to get action under a subpena, I now say that I am willing to try this other procedure.

Mr. BARKLEY. If the Senator will permit me, I do not agree with the Senator that this information is so sacred that it should be given only to the Congress of the United States. As the Senator first drew his joint resolution, it did not require or permit the Secretary to make the information public. He has since amended it so as to allow him, when he is called upon by a committee of Congress, to make it public, in addition to giving it to the committee. But I think that regardless of any committee, he ought to be allowed to give this information to the American people. After all, we are acting for the American people. They are above us. They are greater than we are. Why should we say that we ourselves can determine whether this information should be made public?

Mr. FERGUSON. If I did not think that the statute now gave the Secretary the right, if there were any question about it, I would ask now the right to amend.

Mr. BARKLEY. There is a great deal of honest disagreement among lawyers as to whether it does or not. The Senator will concede that there is disagreement, will he not?

Mr. FERGUSON. Not with respect to this provision.

Mr. BARKLEY. Oh, yes; I think there is.

Mr. FERGUSON. Not with respect to section 12.

Mr. BARKLEY. There is disagreement as to the meaning of the whole thing. Section 8 and subsection 6 of section 12 have to be read together, I think, in order for me really to get the meaning of the law.

Mr. FERGUSON. That is correct.

Mr. MORSE. Mr. President, I am myself in complete agreement with the Senator from Michigan, but I wonder if I was justified in interpreting one remark he made. I understood him to say he thought the records, insofar as they might involve a Member of the Senate or any elected official, ought to be open to the public. On the basis of that statement, if I quote accurately the meaning, would the Senator share my view that the bill I have introduced in the Senate, providing that all sources of income of United States Senators shall be made a matter of public record, is one that ought to be passed?

Mr. FERGUSON. I have no objection to that bill, but we are now considering the measure before us. We ought to make public the speculation covered by this measure.

The PRESIDING OFFICER (Mr. IVES in the chair). Is there objection to the immediate consideration of the joint resolution?

Mr. TYDINGS. Mr. President, this is one of the most unusual procedures I have seen for a long while. Here is a baby about to be born, that will be christened "Publicity," and as I listen to the debate, every Senator in this body is very anxious to be the parent of this new and lusty child.

Mr. TOBEY. Mr. President, if the Senator will yield for a second, if the baby is about to be born, the matter of parentage was decided long ago, was it not?

Mr. BARKLEY. That depends on the length of the period of gestation.

Mr. TYDINGS. This is one of those babies that is born the same day it is conceived. [Laughter.]

Mr. TOBEY. I will say this was not an immaculate conception, in any event. [Laughter.]

Mr. TYDINGS. The Senator from New Hampshire was never more correct in his life, because the Senator from Michigan, who is now the official father of this baby, voted against it in the committee this morning, at the point of conception, so the remark is extremely accurate.

Mr. FERGUSON. Mr. President, I knew what was happening in the committee.

The PRESIDING OFFICER. The Senator from Maryland now has the floor.

Mr. TOBEY. If the Senator will yield just a moment, I may say to him that

this is not going to be a Caesarian operation. It is a Homeric operation.

Mr. FERGUSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Michigan?

Mr. FERGUSON. I thought I had the floor.

The PRESIDING OFFICER. The Senator yielded the floor when the question was put on the Senator's request. The Senator from Maryland then took the floor.

Mr. TYDINGS. The fact is that the Senator from New Hampshire is really in the position of a midwife. [Laughter.] He has correctly labeled this as not an immaculate conception. In the Committee on Appropriations the vote was, I think, 11 to 8, and the Senator from Michigan, who now is the official parent of this lusty baby about to be born, who will be christened "Publicity," voted against it, so I do not think that the putative father of the child is the one who conceived the child, and I do not know whether that would be immaculate or whether it would be unimmaculate. But at any rate this lusty child is going to be born in this Chamber very shortly. There are 96 Members here when all Senators are present, and I think the vote is going to be unanimous.

Mr. TOBEY. I am sure it is.

Mr. TYDINGS. Never in my life have I seen such a desire on the part of everybody to throw everything to the winds and bring down the full light of publicity on a newly born baby. The stars that hovered over Bethlehem were dim by comparison. I do not know who the three wise men are who are going to escort this child, after it is christened "Publicity," over to the other Chamber. That is what I want to know. When this child is finally transported over to the lying-in hospital at the other end of the corridor, I want to know whether or not the gentlemen on both sides of the aisle are going to keep the pressure on, so that this resolution, this "child," which offers such promise, which is the hope of humanity, which every man in this body wants to father, is actually going to grow into maturity and become a real part of the legislative life of this Nation. That is what I should like to ask my friend from Michigan, whether or not, when it passes the Senate unanimously and goes over to the other body, it is going to collect dust over there and be pigeon-holed, or whether he can tell me it is going to be rushed through quickly and be enacted into law.

Mr. FERGUSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Michigan?

Mr. TYDINGS. I yield.

Mr. FERGUSON. I cannot answer that, but I will say I am hoping it will not collect dust but will be passed tomorrow, if we may proceed immediately.

Mr. TYDINGS. That is a rather remarkable answer. Here is unanimity in this body, complete unanimity, everybody is for this publicity; and yet the leadership that started the movement in this august body is not certain it will be considered by the other body, to which it must go before it can be enacted into law. I should like to ask someone in this Chamber whether or not there is any disposition to take this matter up when it reaches the other House, and whether it will be enacted into law, because I have learned by the grapevine that in the other body it is not going to receive that open-armed embrace which every Member of this body is rushing to give the newly born babe, almost before it is born. My fear is that what we might do here will be only a smoke screen, a camouflage. The joint resolution will pass, and the papers will be full of reports that publicity is to come. Then, when the child is carried very tenderly down to the lying-in hospital on the other side, it will there be smothered and given a slow death, and all the publicity which the Senator from Michigan wants, and which I want, and which we all want, will be a thing of very doubtful value.

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

Mr. TYDINGS. For what purpose?

Mr. FERGUSON. I want to suggest an amendment.

Mr. TYDINGS. I ask the Senator to wait until I conclude. I have only started. I do not want to yield the floor now for that, but I shall be glad to yield for a question. I should like to ask whether or not, after all this fanfare and righteous indignation, we are really going to get the publicity, or whether this is just a sort of rehearsal here for a show in another Chamber, where it must receive action, a show that will never take place.

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER. Does the Senator yield to the Senator from California?

Mr. TYDINGS. I yield to my friend from California.

Mr. KNOWLAND. Will not the answer to the question of my able and distinguished friend, the Senator from Maryland, largely depend on how rapidly we act upon the joint resolution?

Mr. TYDINGS. That is correct. The filibuster has not been here. I have not had anything to say, except to correct the RECORD. But I think it appropriate now to call to the attention of the leaders who want this information the fact that there are serious doubts on the other side of the Chamber that action will be taken, even if we pass the measure. I should like to be reassured, if there is anyone who can reassure me.

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

Mr. TYDINGS. I yield.

Mr. TOBEY. Let me ask the Senator from Maryland whether it is not a basic fact that we as individual Senators are responsible to the United States Senate as a whole? What the House does is its responsibility. We do what we think is right, and what the House will do I do not know. I would not prognosticate. Our job, however, as I see it, is to come through with clean skirts in this matter, and leave it to the House to take such action as it sees fit. That is its prerogative.

Mr. TYDINGS. I agree with the Senator, but I can see no harm in wondering what is going to happen to a baby which offers so much promise as this baby called publicity does. Certainly if it is going to get a great deal of notice in the newspapers, and then be carried to the other end of the Capitol corridor and be shoved into a cubbyhole and smothered to death, I say that so far as political divisions are concerned, what has taken place in the Senate Chamber is nothing more than hypocrisy, because the leadership and the power and the influence exist in the other party to make sure the measure is voted on in the other Chamber, if it is desired to bring the baby into a full and mature life

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, Senate Joint Resolution 170, to require the Secretary of Agriculture to report to the Congress the names of persons transacting business on the boards of trade, and for other purposes, which was read the first time by its title and the second time at length, as follows:

Resolved, etc., That section 8 of the Commodity Exchange Act, as amended, is amended by adding at the end thereof the following new paragraph:

"Notwithstanding the foregoing provisions of this section or of any other law, the Secretary of Agriculture shall, when requested by any committee of the Congress acting within the scope of its jurisdiction, furnish to such committee and upon delivery to the committee make public the names and addresses of all traders on the boards of trade with respect to whom the Secretary has information, and any other information in the possession of the Department of Agriculture relating to the amounts of commodities purchased or sold by each such trader."

The PRESIDING OFFICER. The joint resolution is open to amendment.

Mr. FERGUSON. Mr. President, I agree with the Senator from Kentucky [Mr. BARKLEY] that we could add appropriate language at the proper place in the joint resolution. I suggest that the following language be added:

The Secretary of Agriculture shall have full authority to publish, at his discretion, the names of all traders on the boards of trade with respect to whom the Secretary has information, and any other information in the possession of the Department of Agriculture relating to the amounts of commodities purchased or sold by each such trader.

I believe that would cover what we have in mind.

Mr. BARKLEY. Mr. President, I know how hard it is for the Senator to read his own writing, but will the Senator again read the proposed amendment?

Mr. FERGUSON. The language I propose is: "The Secretary of Agriculture shall have full authority to publish, at his discretion——"

Mr. BARKLEY. "And from time to time——"

Mr. FERGUSON. "And from time to time, the names of all traders on the boards of trade with respect to whom the Secretary has information, and any other information in the possession of

the Department of Agriculture relating to the amounts of commodities purchased or sold by each such trader."

Mr. BARKLEY. That could be placed at the end of the joint resolution, and it would cover the whole subject.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. BARKLEY. Just a moment, Mr. President. I think it would be better to include that authority at an earlier point in the joint resolution, where the language undertakes to confer authority on the Secretary, after exempting him from the operation of the present law, instead of putting it at the end.

Mr. FERGUSON. It would be just as well to place it at that point, and then to repeat that the Secretary has authority, when requested by Congress to furnish the names.

Mr. BARKLEY. I think what the Senator has in mind is that the Secretary may from time to time give out the information, but he shall disclose it when requested by a congressional committee. There is a difference.

Mr. FERGUSON. Then let the proposed amendment appear before the word "shall," and the present language "and shall, when requested," and so forth, follow.

Mr. BARKLEY. There is a difference between his disclosure to the public and the demand of Congress that he disclose it when requested.

Mr. FERGUSON. "And shall, when requested by any committee of the Congress," would follow what we propose to insert.

Mr. BARKLEY. I would suggest after the words "Secretary of Agriculture" to insert "may in his discretion from time to time disclose," to the public by any method which he may see fit to adopt, the names, and so forth, as the Senator has it.

Mr. FERGUSON. Yes.

Mr. BARKLEY. But when requested by a committee to do so he "shall" furnish the information.

Mr. FERGUSON. Yes.

Mr. BARKLEY. That is the point I should like to have made clear.

Mr. President, I suggest that we agree upon the language and present it later.

Mr. FERGUSON. Very well.

The amendment as reduced to writing is as follows:

Strike out all after line 4 and in lieu thereof to insert the following:

"Notwithstanding the foregoing provisions of this section or of any other law, the Secretary of Agriculture may in his discretion from time to time disclose and make public the names and addresses of all traders on the boards of trade on the commodity markets with respect to whom the Secretary has information, and any other information in the possession of the Department of Agriculture relating to the amount of commodities purchased or sold by each such trader; and when requested by any committee of either House of Congress, acting within the scope of its jurisdiction, shall furnish to such committee and make public the names and addresses of all traders on such boards of trade with respect to whom the Secretary has information, and any other information in the possession of the Department of Agriculture relating to the amounts of commodities purchased or sold by each such trader."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the joint resolution, which has been agreed to between the Senator from Michigan and the Senator from Kentucky.

The amendment was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 170) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That section 8 of the Commodity Exchange Act, as amended, is amended by adding at the end thereof the following new paragraph:

"Notwithstanding the foregoing provisions of this section or of any other law, the Secretary of Agriculture, may in his discretion from time to time disclose and make public the names and addresses of all traders on the boards of trade on the commodity markets with respect to whom the Secretary has information, and any other information in the possession of the Department of Agriculture relating to the amount of commodities purchased or sold by each such trader; and when requested by any committee of either House of Congress, acting within the scope of its jurisdiction, shall furnish to such committee and make public the names and addresses of all traders on such boards of trade with respect to whom the Secretary has information, and any other information in the possession of the Department of Agriculture relating to the amounts of commodities purchased or sold by each such trader."

The title was amended so as to read: "A joint resolution authorizing the Secretary of Agriculture to publish the names and addresses of persons transacting business on the boards of trade, and the amounts of commodities purchased or sold by them; to furnish to committees of Congress upon request and to make public any such information in his possession; and for other purposes."

MEETING OF COMMITTEE ON APPROPRIATIONS

Mr. WHITE obtained the floor.

Mr. BRIDGES. Mr. President, will the Senator from Maine yield to me?

Mr. WHITE. I yield.

Mr. BRIDGES. The Appropriations Committee was to have met at 5 o'clock to study the question of interim aid, occupation area aid, and all other items contained in the supplemental appropriation bill. It is now 6:30 o'clock, and I would suggest to the members of the committee that we meet at 8 o'clock. That will give the members time for dinner in the meantime. Many of them have had no lunch. The purpose of the meeting is to enable the committee to report the bill tonight for action tomorrow before the adjournment of the session.

Mr. MAYBANK. Mr. President, I should like to make a statement.

Mr. WHITE. Mr. President, I was about to move an executive session.

Mr. MAYBANK. I greatly desire to make a short address on the development of our armed forces.

The PRESIDING OFFICER. The Chair understands that the Senator from South Carolina desires to make a short statement. Does the Senator from Maine yield to the Senator from South Carolina for that purpose?

Mr. WHITE. Yes, I yield. There are on the Executive Calendar, however, a few nominations, and so far as my information goes there is no objection to any of them. Will the Senator from South Carolina yield to permit an executive session in order that the nominations may be confirmed?

Mr. MAYBANK. Yes, Mr. President, I am glad to do so.

EXECUTIVE SESSION

Mr. WHITE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The clerk will state the nominations on the calendar.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Peyton Ford, of Oklahoma, to be Assistant to the Attorney General.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Watson B. Miller, of Maryland, to be Commissioner of Immigration and Naturalization, United States Department of Justice.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COMMISSIONER OF PATENTS

The legislative clerk read the nomination of Lawrence C. Kingsland, of Missouri, to be Commissioner of Patents.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

ASSISTANT COMMISSIONER OF PATENTS

The legislative clerk read the nomination of Joe E. Daniels, of New Jersey, to be Assistant Commissioner of Patents.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE JUDICIARY

The legislative clerk read the nomination of Herbert W. Christenberry, to be United States district judge for the eastern district of Louisiana.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Sylvester J. Ryan, to be United States district judge for the southern district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Harry E. Pratt, of Alaska, to be United States district judge for division No. 4, District of Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of George R. Humrickhouse to be United States attorney for the eastern district of Virginia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Thomas P. Thornton, to be United States attorney for the eastern district of Michigan.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles M. Eldridge to be United States marshal for the district of Rhode Island.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Arthur J. B. Cartier to be United States marshal for the district of Massachusetts.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the Executive Calendar.

Mr. WHITE. Mr. President, I ask unanimous consent that the President may be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. WHITE. Mr. President, I now move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

DEVELOPMENT OF THE ARMED FORCES

Mr. MAYBANK. Mr. President, I desired earlier in the afternoon to make a few observations about the condition of our armed forces and the situation concerning the military. However, about 4 o'clock I gave up the floor so as to expedite consideration of the so-called anti-inflation joint resolution. I reluctantly voted for that joint resolution on final passage, believing that the transportation control features and the export control features, together with the limitation on grain for both distilled and neutral spirits warranted my doing so. Personally I do not think it will do much good toward stopping inflation and aiding the people. Nevertheless, I hope and pray that it may.

After that was over, I voted for the resolution calling for the publication of the names of those who have been speculating in the commodity markets, bringing about high prices to the public. Senators were delighted and happy to vote for the resolution, which I hope may do some good.

So I shall return to where I left off an hour and a half ago.

A few weeks ago a United Press article entitled "Army Recruiting 70,000 Short and 10,000 Quit Each Month" appeared in the Washington Times-Herald. I ask unanimous consent to have the article inserted in the RECORD at this point as a part of my remarks.

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

ARMY RECRUITING 70,000 SHORT AND 10,000 QUIT EACH MONTH—CONGRESSIONAL ACTION MAY BE NEEDED TO RAISE PAY AND STIMULATE ENLISTMENT

Army strength is dwindling seriously, Army officials disclosed yesterday, and congressional action may be necessary to raise the pay to stimulate recruiting.

The Army is getting only half the necessary recruits to fill requirements. Already the Army is 70,000 men short of requirements and is losing about 10,000 men a month.

OTHER SERVICES HOLDING UP

The picture is a little brighter for the Navy and the Air Forces. The Air Force is recruiting about 10,000 men a month despite stricter requirements and has the nucleus of a going concern.

The Navy reports it is recruiting and discharging about an equal number of men. The balance was struck recently when the Navy relaxed its physical standards.

The latest figures on the sizes of the three armed forces are: Navy, 440,032; Air Force, 327,000; Army ground forces, 600,000—a total of 1,367,032.

Army officers said the situation is serious. If the size of the ground armies is allowed to drop too far it may weaken occupation forces.

The Navy is outstripping the other two services by signing up about 15,000 men a month. The Army takes in about the same number as the Air Force—10,000. But the Air Force can expand easily to 401,000 by July 1, 1948, its authorized strength, with present recruiting because it is the smallest of the three services.

The Navy is in the position of having to hold to its present strength of 394,232 enlisted men and still drop about 4,000 officers to reach an authorized strength of 42,000 officers and 395,000 enlisted men on July 1, 1948.

Army authorized strength is 670,000 officers and men on July 1, 1948. It is already down to 600,000 and still dropping fast.

HOPES TO LEVEL OFF

The Army sees some hope in the fact that its enlistments are now declining at a decreasing rate and may level off.

Action that probably will be proposed to Congress includes:

1. Raise the pay of the Army from bottom to top.

2. Authorization to use more civilians to replace soldiers in noncombat jobs.

3. Establishment of universal military training.

4. Make the Women's Army Corps a part of the Regular Army.

Mr. MAYBANK. As one who advocated an increase in pay and who supported the increased-pay bills in the past few years as a member of the Military Affairs Committee, I do not believe at this time that increase in pay alone will solve the problem. The trouble goes deeper than that. The trouble goes further. On February 21 I spoke during debate in the Senate on the appropriations bill for the War Department and had this in part to say:

Mr. President, I should like to have printed in the RECORD an article which, like the editorial submitted by the Senator from Massachusetts, is entitled to serious consideration in connection with the subject now under debate. I submit a newspaper article showing that the Red army's budget is $4,000,000,000 greater than the budget for our national defense, and showing the total appropriations for the Russian Government, translated into dollars, to be $74,280,000,000.

Last year we reduced the total appropriation to approximately $34,000,000,000, and I, for one, want to state positively that I do not intend to vote for the $6,000,000,000 reduction, nor even for the $4,500,000,000 reduction, because I do not know what serious effects it may have on the security of our country and the continuation of our armed forces.

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

"RED ARMY BUDGET TOPS OURS BY MERE FOUR BILLIONS

"Moscow radio, monitored by the Associated Press, said last night Russia's military expenditures during 1947 will amount to $13,400,000,000—nearly $4,000,000,000 more than the sum Congress is expected to authorize for United States defense in the United States budget now being considered.

"Arseni Zverev, Soviet Finance Minister, who submitted the new Russian budget of $74,280,000,000 to the Supreme Soviet for approval, said the $13,000,000,000 figure for national defense represented a decrease of $1,120,000,000 from the 1946 military total.

"Under President Truman's proposed $37,500,000,000 budget, $11,200,000,000 would be earmarked for national defense. The $6,000,000,000 slash approved yesterday by the House is understood to include a cut of $1,750,000,000 in the United States military appropriation.

"Thus, should the reduction be approved by the Senate, only $9,450,000,000 would be granted the American War and Navy Departments for the new fiscal year. This means that the United States arms budget is approximately 29 percent less than the amount Moscow will spend for armed might."

Again, on July 14, following the defeat of the amendment offered by the Senator from Massachusetts [Mr. LODGE] to increase the air force appropriations, which I actively supported, I made the following short statement which will be found in the RECORD on page 8819:

Mr. President, I ask unanimous consent to have printed in the body of the RECORD an Associated Press article published on the front page of today's Washington Post under the heading "Army Reserve flier training cut to a third." Several days ago I voted for the amendment offered by the Senator from Massachusetts [Mr. LODGE] providing for an increase in the appropriation for the Army Air Forces, believing that additional funds were necessary if the Army Air Forces Reserve should continue to function.

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

"ARMY RESERVE FLIER TRAINING CUT TO A THIRD—REDUCTION IN BUDGET HITS TEACHING STAFFS, CREWS, AND FACILITIES

"The Army Air Forces said yesterday that because of its budget-trimmed program only 9,786 of the 28,630 reserve flying officers who enrolled for part-time training are receiving such training.

"The reduced funds are limiting teaching staffs, maintenance crews and training facilities said an announcement in connection with the forthcoming celebration of the fortieth anniversary of the AAF on August 1.

"The Air National Guard is now organized with 8,512 officers and men while the planned strength is 57,946. When at full strength, the air element of the guard will consist of 84 squadrons, of which 12 will be light bombardment and the remainder fighter outfits, the AFF said.

"In addition to conventional-type fighters—P-51's and P-47's—the announcement said that 'it also contemplated that some Air National Guard fighter squadrons will receive jet-propelled Lockheed P-80 Shooting Stars within the next 12 months.'"

It was my privilege, as a member of the Appropriations Committee for 6 years, the old Military Affairs Committee, and the present Armed Services Committee, to work for legislation which would effectually improve our defenses and improve the financial condition and morale of the men in our armed forces.

Since 1946, however, our armed forces have continued to lose their enlisted personnel at a most amazing rate, even though the Congress reduced the appropriation below that which I had urged and supported. Conditions have now reached a point that even the smaller appropriations compared with our wartime expenditures for enlisted personnel in the Army cannot be used because of the lack of volunteer personnel. Because of the article to which I previously referred in the Times-Herald, during the past 2 weeks I have made quite a study through conferences with officials of the armed services and their assistants who are employed by the Armed Services Committee, and I believe a few facts should be brought to the attention of the people at this time.

The presently authorized enlisted strength of the United States Army is 591,000, and that for the United States Air Force is 335,638, making a total authorized strength of 926,638. Based on this authorized strength the Army should have approximately 591,000 enlisted members. It actually has an enlisted strength of 498,974, making a shortage of approximately 92,000 men.

The authorized strength of the Air Force is 335,638. It actually has 285,356, making a present shortage of approximately 50,282. The total shortage in the combined Army and Air Force is 142,282. The reason these figures are combined is that at the present time there is a combined enlistment program.

To maintain an enlisted Army and Air Force of 926,638 enlistments must average approximately 30,000 a month. It will be noted from the figures that follow that the combined enlistments for those months averaged approximately 10,000 a month less than is needed to meet their quotas. This continued shortage accentuates the presently existing shortage of approximately 15 percent, or 142,282 men.

The Navy figures require some explanation. The authorized Navy strength is 395,000 enlistments for this year. At the start of the year it had 440,000 on the rolls and, therefore, it must now drop below its allowed strength in order to end the year with an average of 395,000. The figures show a technical shortage, but it is believed that this shortage is not based on any difficulty in enlistments, but is rather forced by reason of the necessity of staying within the allowance in the budget.

Furthermore, there is a rapid decline in enlistments month by month. I quote the following figures for the months of September, October, and November:

	Army	Air Forces	Navy
September	10,915	10,085	7,475
October	11,092	10,308	6,206
November	9,514	8,486	6,950

Next year the Army believes the picture will be a little brighter because of the career management plan which it is instituting for enlisted personnel. It is believed that this applies equally to the Air Force. The Navy is confident that there will be an increase in enlistments after the first of the year, and it is apparently not alarmed about meeting its enlisted needs.

Again I say that the facts must be faced. We are not getting the enlistments we should get. Yesterday we attended a meeting in the Pentagon Building of the armed forces with Secretary of Defense Forrestal, Secretary of the Navy Sullivan, and Secretary of Air Symington. During the meeting we were informed as to the number of men who were leaving the Army and the Air Force. We were also informed that a questionnaire had been sent to enlisted men now on duty in which they were asked to compare military life with civilian life with respect to 20 different factors—pay, security, training, travel opportunities, food, and so forth. "Good living conditions" rated lowest on the list with 62 percent saying that civilian life offered better conditions. Among men who were almost sure that they would not reenlist, almost 100 percent stated that living conditions in the Army offered no inducement to reenlist. It is for this reason that I again say that more than a mere career plan must be put into effect if we are to maintain our volunteer system.

We know that during the war Army quarters to a large extent were not improved. We also know that the Air Forces, being rather a new branch, do not have the permanent quarters of the older services. Hence, I am hopeful that in the Appropriations Committee an amount of money will be carried to assist in promoting better living conditions.

The Council of Foreign Ministers ended their session in London this week with zero accomplishments by the Big Four. The attitude which Russia has taken and, in my opinion, will continue to take, should be a warning to each and every one of us to prepare the United States for any eventuality. While none of us here desires war and all of us pray for peace, if we are to maintain peace we must find a means of properly and adequately preparing our country. Had we been properly prepared, the attack at Pearl Harbor would never have taken place. The only way peace can become a reality is for the United States to be prepared and be ready. This I have always recommended.

Some 3 weeks ago as a member of the Armed Services Committee I accompanied its distinguished chairman [Mr. GURNEY] and the distinguished Member of the Senate from Oregon [Mr. MORSE] on a visit to Fort Knox where we had an opportunity to make a thorough study and investigation of the universal military training unit.

We were impressed by the 12-point program that had been put into effect, which is as follows:

1. Furnish—in case of total war—a total mobilization potential. Each individual would have been basically trained in those subjects that all must know. Team training could start instantly.

2. Enable the National Guard and the Organized Reserve Corps to maintain their required M-day strengths, by funneling into them a continuous flow of trained men.

3. Furnish the National Guard and the active Reserves with recruits who would have had 1,000 hours of basic training. This would raise Guard and Reserve training to a level that otherwise could not be attained for 5 years.

4. Furnish a pool of trained men for complete mobilization.

5. Permit men to remain in agriculture and industry 6 months longer, if necessary; since these men already would have undergone their 6 months of basic training.

6. Strengthen the civil defense, by providing trained men who would have passed beyond the period of availability for field duty.

7. Establish a system of initial classification and aptitude tests for the youth of the Nation, and have this system ready for expansion in an emergency.

8. Provide a training plant in being, with training aids and competent instructors ready for an emergency.

9. Reduce by at least 250,000 the training cadre required for training a half million or more raw recruits who would be urgently needed when an emergency comes.

10. Dignify the individual by focusing his attention, during his training period, on his own importance and on his responsibility to his country and to a civilized world.

11. Give the individual an opportunity to reflect on this serious aspect of life; so that, if war comes, the sudden shock of having to assume his responsibilities will not be demoralizing.

12. Give the individual an opportunity to learn more about health, hygiene, and kindred subjects. Introduce him to certain hobbies that will enrich his way of living. Offer him opportunities for furthering his education—opportunities that he might not seize without the impulse of educational guidance provided in the UMT program.

It is my judgment, if we are to be prepared, that we must take notice of the President's report on the military training program, study what is being done in connection with the training at Fort Knox, and pass legislation next year to put into effect some program. This is the only solution that I can see to create the necessary personnel for defense of this country. But we must have offense as well as defense. While the UMT will help the National Guard Enlisted Reserves and the general defense, it cannot and will not supply the needs of the Air Force or any regular service. It takes 2 years to train a pilot. All the skilled men of the Army and Navy must be trained over a long period.

In closing, I want again to remind my colleagues of the many times in the past when I have urged more and larger air power together with sufficient appropriations for scientific research and all modern types of rocket bombs, and so forth.

The Air Forces report that during the calendar year 1945 there were 30,498 planes accepted by the Air Force. In the calendar year 1946 there were only 638 planes accepted, and for the calendar year 1947, 1,212 planes have been accepted. It is estimated that approximately 200 additional will be delivered before the end of the year.

This statement is sufficient to make us all stop and think that it is absolutely essential if we are to maintain peace that sufficient money be appropriated during the next year for the full development of our armed services.

Again, what we need first and foremost is a well-paid, well-trained, satisfied professional Army Air Force and Navy. Only through experienced long-trained

soldiers and sailors can we hope in this changing economic and social world to maintain the standards of our armed services necessary for our defense to protect our way of life.

RECESS

Mr. WHITE. I move that the Senate stand in recess until 11 o'clock tomorrow forenoon.

The motion was agreed to; and (at 6 o'clock and 43 minutes p. m.) the Senate took a recess until tomorrow, Friday, December 19, 1947, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 18 (legislative day of December 4), 1947:

DEPARTMENT OF JUSTICE

THE ASSISTANT TO THE ATTORNEY GENERAL

Peyton Ford to be The Assistant to the Attorney General.

COMMISSIONER OF IMMIGRATION AND NATURALIZATION

Watson B. Miller to be Commissioner of Immigration and Naturalization, United States Department of Justice.

COMMISSIONER OF PATENTS

Lawrence C. Kingsland to be Commissioner of Patents.

ASSISTANT COMMISSIONER OF PATENTS

Joe E. Daniels to be Assistant Commissioner of Patents.

UNITED STATES DISTRICT JUDGES

Herbert W. Christenberry to be United States district judge for the eastern district of Louisiana.

Sylvester J. Ryan to be United States district judge for the southern district of New York.

Harry E. Pratt, of Alaska, to be United States district judge for division No. 4, district of Alaska.

UNITED STATES ATTORNEYS

George R. Humrickhouse to be United States attorney for the eastern district of Virginia.

Thomas P. Thornton to be United States attorney for the eastern district of Michigan.

UNITED STATES MARSHALS

Charles M. Eldridge to be United States marshal for the district of Rhode Island.

Arthur J. B. Cartier to be United States marshal for the district of Massachusetts.

HOUSE OF REPRESENTATIVES

THURSDAY, DECEMBER 18, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou whose name is called Wonderful Counselor, Prince of Peace, if Thou art with us naught can prevail against us; surely in Thee there is hope to find wherever there is man to seek. The day is so benumbing that we entreat Thee that men everywhere may realize that many of our difficulties come from our opposition to Thy will. Amid the clash of elements of the social order, let those peoples whose motives are inspired by hate and ignorance be chastened and subdued by the righteous forces of a good government. As individuals, inspire us to stretch forth our hands, enriching those who mourn, blessing the merciful and the peacemakers, for the world shall yet see them as the children of God. O speak in this year of our Lord, that wickedness may lose its power, that untruth may cast aside its mask, and that man everywhere may walk in newness of life and in the bonds of brotherly love. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1770) entitled "An act to amend the National Housing Act, as amended."

SPECIAL ORDER GRANTED

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that I may address the House today for 10 minutes after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered.

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

There was no objection.

EXTENSION OF REMARKS

Mr. McDONOUGH (at the request of Mr. BOGGS of Delaware) was given permission to extend his remarks in the RECORD on the subject of veterans' housing.

Mr. RAMEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in three instances, in one to include a petition from Judge Peter Gulau, prominent Legionnaire of Oak Harbor, Ohio, and in another to include a petition from Mrs. Amelia Stoisoru, of Toledo, Ohio, and in another to include a petition from Mr. M. E. Dieringer, of Port Clinton, Ohio.

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

There was no objection.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article from the Reader's Digest by Mr. Flynn. I wish to advise the Speaker that this article was inserted in the RECORD by a Member of another body and was returned to me by the Public Printer. But notwithstanding that fact, I ask unanimous consent that I may be permitted to include it with my remarks.

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

There was no objection.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a statement of the American Legion Hempstead Post made by the American Legion commander before the Committee on Veterans' Affairs, and another statement by his assistant, Mr. Alessandroni.

THE FUEL SHORTAGE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the Department has sent figures showing the very great increase in the export of oil to Canada. I wired the President when he was in Florida concerning an embargo on oil exports as he did with coal, but I have not yet had any reply to my telegram. I believe the House should take action on the embargoing of oil if the President does not act immediately. We cannot have people suffering from cold unnecessarily this winter, and that is just what they are doing today.

The SPEAKER. The time of the gentlewoman from Massachusetts [Mrs. ROGERS] has expired.

CONSIDERATION OF CONFERENCE REPORTS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order the balance of this week to consider conference reports at any time they are presented, notwithstanding the provisions of clause 2 of rule XXVIII.

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

Mr. SMITH of Ohio. Mr. Speaker, I object.

RECESSES

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker to declare a recess at any time during the remainder of this week, subject to the call of the Chair.

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

Mr. RANKIN. Reserving the right to object, I want to ask the gentleman when it is contemplated the House will adjourn sine die.

Mr. HALLECK. As I have suggested numerous times in recent days, I think it has been generally agreed and understood on both sides of the aisle that we are seeking to adjourn tomorrow. Of course, as to definite assurance about that, I cannot make any, but I still think that is the agreed and understood intent.

Mr. RANKIN. I thank the gentleman. I withdraw my reservation of objection, Mr. Speaker.

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

There was no objection.

PARLIAMENTARY INQUIRY

Mrs. ROGERS of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentlewoman will state it.

Mrs. ROGERS of Massachusetts. Would it be proper at this time to insert the message that came from Mr. Horst, stating that the President would reply to my telegram regarding the embargo on coal?

The SPEAKER. The Chair will state that the lady may place it in the Appendix, but if it exceeds a certain number of words it is impossible to place it in the RECORD at this point.

Mrs. ROGERS of Massachusetts. Also the 385-percent increase in exports of oil to Canada.

EXTENSION OF REMARKS

Mr. JAVITS asked and was granted permission to extend his remarks in the RECORD and include a copy of a speech on the Federal youth-assistance bill.

Mr. KEEFE asked and was granted permission to extend his remarks in the RECORD and include a statement from the Under Secretary of State with respect to lease-lend shipments to Russia, and also a letter from the War Assets Administration with respect to the disposal of war assets declared surplus by the State Department.

Mr. KEEFE asked and was granted permission to extend his remarks in the RECORD and include an analysis of a speech delivered on the floor of the House.

THE FUEL SITUATION IN MICHIGAN

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include excerpts from a report made by the Governor's committee on the fuel situation in Michigan.

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

There was no objection.

Mr. MICHENER. Mr. Speaker, as the cold weather hovers over Michigan, the fuel-oil shortage is not only grave but it has become desperate. To argue and debate about the causes of the present distress will avail us little at the moment. The case has been diagnosed, the patient is extremely ill, and it is the prescription writer whom the people without fuel at the moment are seeking.

As soon as Gov. Kim Sigler, of Michigan, visualized this prospective shortage, he appointed a Governor's fuel committee composed of State officials to immediately make a complete study of the situation and to recommend what steps might be taken to alleviate the suffering on the part of the people of Michigan, which is bound to follow unless relief is obtained in the immediate future.

On December 8 that committee filed a comprehensive report with the Governor, whereupon the conditions were immediately relayed by the Governor to the President of the United States and the cooperation of President Truman was sought.

Mr. Speaker, this committee report is too lengthy and too detailed to present to the Congress at this time; however, the report contains a summary of the findings of the committee which are pertinent and which are vital to the early solution of the problem. That summary is as follows:

The oil situation in Michigan may be summarized as follows:

The shortage is common to the territory east of the Rockies, but Michigan is the worst affected State because it lacks pipeline facilities; transportation costs and lack of tank cars prevent bringing in ample supplies available in the Southwest and the Oklahoma-Wyoming area.

Demand for oil is the highest in history, due in large measure to the installation of domestic fuel-oil burners. It is estimated that more of these burners have been installed proportionately in Michigan than in any other State.

It is estimated that Michigan's demand for fuel oils this heating season amounts to 14,100,000 barrels. The supply now in prospect is 12,150,000 barrels, an increase of 1,550,000 barrels over last year, but still leaving a deficit of 1,950,000 barrels. These figures are approximate, but as nearly correct as can be obtained.

Michigan's own oil production has declined to 45,000 barrels a day. It may be possible to increase this by 3,500 barrels which, when refined, would mean 1,000 barrels of fuel oil. The increase, however, would be against public interests if it resulted in damaging the fields and reducing their eventual maximum yield. The problem is being studied to afford whatever relief may be possible from this source.

Settlement of the Pure Oil Co. refinery strike in Toledo, Ohio, would mean an additional 2,500 to 3,000 barrels of home fuel oil delivered daily by pipe line into the Detroit area market.

If idle Federal tankers were put into use and the upper Mississippi and Ohio Rivers kept open to winter navigation, Michigan would likely benefit from this additional supply of oil, but to what extent cannot be estimated.

Retail price disparities are due to high purchase and transportation costs in importing oil from the Southwest and Oklahoma-Wyoming and to a recent increase of 50 cents a barrel in the price of crude.

Curtailment or shutting off of supplies to some dealers is due to shifts in channels of supply, reclaiming of processed petroleum products from Michigan refineries by companies owning the crude oil to meet their own increased customer demands, changes in ownership of wells and contracts for purchase of crude, and similar business relationship factors.

There is more fuel oil in home tanks than a year ago at this time, but some companies do not have as much in storage; others have more. Persons owning space heaters (stove type) are likely to be the first to feel the shortage pinch.

This was a unanimous report of this study committee after a most painstaking inquiry.

Mr. Speaker, together with Representatives of all territory east of the Rockies and the northern part of the United States, the Michigan delegation is receiving distress calls and urgent messages asking that something be done at once to provide the essential fuel oil in the cold winter months to follow. Governor Sigler has joined our constituents in imploring the aid of the Federal administration and the Congress. I have heretofore called the attention of my colleagues to this important matter. My people are protesting strenuously against the shipping of fuel oil abroad to relieve suffering and thereby shifting that suffering from those in other countries to our own cities. The people whom I have the honor to represent want to help the distressed everywhere. At the same time, they feel that our country cannot be of the most service to others by weakening and destroying our own economy and our own morale.

The report of the Governor's committee, to which I have just called your attention, is not loose talk but is a conclusion of facts based upon evidence which rises to the dignity of proof. The cold is here. The fuel oil is lacking. The people in Michigan are suffering. All possible assistance must be afforded now. Next spring will be too late. Maybe there has been too much conversion from coal to fuel oil; however, this was done in good faith and those so converting had the right, and did believe that there was adequate fuel oil, and they are still convinced that there is such supply in this country if it can only be channeled to these cold regions where it is so vitally needed.

The Congress and the committees having jurisdiction are to be commended for the efforts being made to assist in this crisis, and the State of Michigan wants to cooperate in every way to the end that no more suffering and hardship be imposed upon our cities than is absolutely essential under prevailing conditions. Certainly there can be no justification for shipping oil to Russia this winter. Why should we provide fuel and other commodities in short supply in this country, to any country, if by so doing the suffering is merely shifted from the citizens of that foreign country to our own citizens? There is a limit to American generosity. That limit is reached when we ship coal and oil abroad when our own people are suffering from cold.

HOME CONSTRUCTION AT LONG BEACH, CALIF.

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. BRADLEY. Mr. Speaker, there has been so much talk about the high prices of newly constructed homes and so much blame placed upon the excessive profits of the builders that I believe it may greatly interest the House to know these actual figures from the records of one of the large home construction builders in Long Beach, Calif.

I went through a considerable number of these homes during recent months and I believe that they are well built and well adapted to the best standard of American living.

This particular builder is constructing four types of homes and I give you here the average figures for this construction:

Proposed selling price submitted to FHA	$9,417.14
Allowed selling price by FHA	9,206.25
Actual selling price	8,987.50
Gross profit allowed by FHA per home	686.63
Actual apparent gross profit	257.44

Certainly one must appreciate that the builder found means of affecting economies under the submitted estimates in order to permit him to reduce his allowed profits so substantially, and it is apparent that he passed these savings on to the purchaser.

The pay-roll analysis of this same builder shows that labor costs, including all skills, but without supervision, were $2.23 per hour, or $17.84 per 8-hour day.

Including supervision these costs went to $2.296 per hour, or $18.37 per day.

Such figures as these should thoroughly discredit statements of the tremendous profits of reputable builders, at least in southern California.

THE GOOD ROAD

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. MUNDT. Mr. Speaker, last night in Lisner Auditorium, along with a number of other Members of the House and of the other body, it was my privilege to see the dramatic revue, The Good Road, produced by the Moral Rearmament Group, which has come here from Switzerland for the purpose of making this dramatization available to us and other Americans.

Let me say to those who were not there last night that I hope you will arrange to go tonight and take your families. Tickets are available, without charge, from the office of the gentleman from New York [Mr. WADSWORTH]. I think The Good Road is a fine tonic for faint-hearted men who feel that war is inevitable, that lasting peace is impossible. They should see this program. It is something inspirational and worth while. I assure you you will find it good for what ails you. It was good for what ails me and it is good for what ails the whole wide world. I hope you and your families will avail yourselves of this rare opportunity. The Good Road is the highway of freedom; it is the path of Christian brotherhood; it is the straight road to peace through mutual understanding and decent, honest, reciprocal international relations.

EXTENSION OF REMARKS

Mr. WOLVERTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Evening Courier.

THE PETROLEUM SHORTAGE

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. WOLVERTON. Mr. Speaker, the Committee on Interstate and Foreign Commerce which has jurisdiction over petroleum matters, is aware of the unfortunate condition with respect to fuel shortage that exists in so many sections of our country. Starting last week the committee has held extensive hearings. We have had before the committee responsible representatives of the agencies of the Government that have to do with this matter, and this afternoon at 2 o'clock we are holding a session with the representatives of the several agencies of our Government together with representatives of the oil industry in the hope that some of the apparent conflicting opinions as to the cause of the shortage may be straightened out and some program be adopted that will bring relief to the different sections of our country.

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

Mr. WOLVERTON. I yield.

Mr. McCORMACK. I think the House is indebted to the gentleman for the efforts he has made and for the statement he brings us today. We know he will do everything he can; but may I ask the gentleman if he will look into the power of any agency of the Government to allocate; I mean in case of an emergency, to see that fuel oil or kerosene is brought to the danger spots, no matter where they may be, the acute danger spots; and particularly whether or not the Maritime Commission has any authority in the sale of tankers to direct the use of those tankers in domestic trade or direct the use of the tankers to meet a particularly acute situation or emergency situation, but even acute within an emergency.

Mr. WOLVERTON. Mr. Speaker, I can assure the gentleman that the committee has already inquired into that matter. We are not satisfied with the answers that have been given. It would seem as if each department has a different explanation of the situation. Some individuals in the oil industry, on the other hand, claim there is plenty of oil. To such it therefore seems to be only a question of distribution. It is because of that fact and because there may be some lack of authority to do what the gentleman has suggested that we are holding this session this afternoon with all the interested parties in the hope that some plan can be worked out that will relieve the situation such as exists in the gentleman's State of Massachusetts, in New England, in the Midwest, and elsewhere.

Mr. MacKINNON. Mr. Speaker, I ask unanimous consent that the gentleman's time may be extended for 1 minute.

The SPEAKER. That request cannot be entertained.

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

Mr. WOLVERTON. I yield.

Mr. HOFFMAN. As I understand it, the practical objective the committee has in mind is to get this oil out to the people of this country.

Mr. WOLVERTON. That is our endeavor.

Mr. HOFFMAN. Would that interfere in any way with our foreign-aid program?

Mr. WOLVERTON. Several situations have been presented to us which would indicate that careful consideration must be given to our domestic demands preliminary to embarking upon any extensive exportation to foreign countries. By way of illustration, the country to the north of us is receiving an extremely large additional amount of oil above what was previously the case. In matter of fuel oils I think I am correct in saying that during the first 9 months of this year more than 4,000,000 barrels have been exported to Canada as against a little over 1,000,000 barrels for the same period of 1946. That and also other instances are being looked into very carefully by your Committee on Interstate and Foreign Commerce.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Can the gentleman tell me when he is going to report back on two resolutions I have introduced, one regarding coal cars on the Great Lakes and the other regarding information concerning the movement of oil and coal from the United States to Canada and other countries?

Mr. WOLVERTON. I may say to the gentlewoman from Massachusetts that the information with respect to coal and oil shipments and the distribution of tankers and cars for such purpose has been the subject of a hearing before our committee. The committee has not completed its study. It is endeavoring to do so at the earliest possible date. We appreciate the interest that has been displayed by the gentlewoman from Massachusetts.

The subject of her other resolutions, House Resolution 380 and House Resolution 395, is the basis of the hearings that have been held this past week and are being held at the present time.

Mrs. ROGERS of Massachusetts. The gentleman knows that after seven legislative days I have the right to bring those bills up in the House. It was for the information of the entire House that I introduced the resolutions because I felt that the coal and oil situation was a matter for consideration by the House.

Mr. WOLVERTON. Under the rules, the gentlewoman from Massachusetts could move to discharge the committee. What she would gain by such procedure is hard for me to see. I think credit should be given to the committee in that it is seeking by hearings, that are being held every day, to obtain the information that the gentlewoman from Massachusetts is interested in, and if she was aware of the testimony that was taken she would find it covers the situation. The committee will be glad to submit to the lady and any other Members of the House who are interested in the subject, all the testimony it has taken whenever desired.

As previously said, the Interstate and Foreign Commerce Committee has held hearings for several days in the course of which it has received testimony from representatives of Government as well as industry with respect to petroleum shortages. These hearings have been held in an attempt to develop a constructive plan to alleviate or at least minimize existing petroleum shortages.

The witnesses have addressed themselves both to the immediate situation and to the longer range problems affecting the adequacy of petroleum supplies.

A number of things stand out as far as the shortages are concerned.

The Government witnesses contend that the present shortages are due primarily to a basic inadequacy of petroleum products. The industry spokesmen who have appeared before this committee, on the other hand, deny the existence of a products shortage and place primary emphasis on transportation shortages. The committee feels emphatically that this basic disagreement must be resolved before a constructive plan can be de-

veloped to meet the existing shortages. It, therefore, must insist that all those who can contribute to the plan sought after by the committee be utterly candid as to the facts in the situation. In order to secure the needed degree of candidness, the committee has decided to call before it today, as I have already mentioned, a selected group of industry leaders and Government representatives concerned with various phases of petroleum production, distribution, and transportation. The group will meet with members of the committee in a round-table conference designed to bring out the correct facts and to devise a constructive plan to minimize the existing shortages.

The committee, in the course of its round-table conference will seek to secure answers to all the pertinent questions affecting the shortage of fuel oil in an attempt to make certain that nothing will be left undone to accomplish a fair and equitable distribution of available petroleum supplies. If it should appear that the industry is unable to handle these problems fairly and equitably, it may be up to the committee to seek by legislation ways and means of protecting the American people in this emergency situation.

The SPEAKER. The time of the gentleman from New Jersey has expired.

THE PETROLEUM SHORTAGE

Mr. MACKINNON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. MACKINNON. Mr. Speaker, I take this time to ask the gentleman from New Jersey [Mr. WOLVERTON], chairman of the Committee on Interstate and Foreign Commerce, if he will inform the House of the status of the present law insofar as it authorizes or does not authorize the Federal Government to allocate tank cars? Does the Federal Government presently have that authority or does it not?

Mr. WOLVERTON. It is my opinion it does have that authority.

Mr. MACKINNON. I thank the gentleman.

THE SO-CALLED MARSHALL PLAN

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. SCRIVNER. Mr. Speaker, we are advised that tomorrow we will receive a rather voluminous message from the President of the United States on the so-called Marshall plan. I assume that it will then be known as the Truman foreign policy. I say "so-called Marshall plan" for the reason I have in my hand a copy of a letter, dated July 29, from the Secretary of State, in which he says: "These suggestions constitute neither a doctrine nor a plan." This statement confirmed the conclusion many of us had reached. I sincerely hope, Mr. Speaker, that the message will disclose to us whether or not the nations of Europe have fulfilled the condition precedent to receiving our aid under the suggestion, namely, that they bring forth plans that will help them help themselves, not merely a list of gifts they desire to receive from us.

I also hope that the urgent needs of China as disclosed by General Wedemeyer and others will be fully discussed and brought to our attention. I trust that we may learn during the discussion the source of these suggestions that were brought to Secretary Marshall's desk by some person unknown and formed the basis of his remarks in his Harvard speech on June 5, which was thereafter called the Marshall plan.

THE PETROLEUM SHORTAGE

Mr. POTTS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. POTTS. Mr. Speaker, the gentleman from Michigan [Mr. MICHENER] and the gentleman from New Jersey [Mr. WOLVERTON] have expressed justifiable concern over the fuel oil shortage in America this coming winter. In this connection I would like to say that the House Committee on Merchant Marine and Fisheries held extensive hearings early in 1947 as a result of a request of the administration to extend the authority of the Maritime Commission to charter tankers because of an expected fuel shortage this winter.

These hearings showed that a tremendous shortage of fuel oil could be expected in America this winter if something were not done about it. As a result of the President's request, the powers of the Maritime Commission were extended by Congress for the purpose of easing the situation, and in the closing days of July this House passed a resolution to require the Secretary of Commerce to certify that on any exports of petroleum products they were not required for the defense of the United States, or for the needs of the citizens of America, but despite that, shipments are still going to Russia.

FINANCING GERMAN OCCUPATION

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. RICH. Mr. Speaker and Members of the House, I read from one of the morning papers:

UNITED STATES TO SHARE BRITISH ZONE RULE COST

After months of negotiation the United States finally agreed yesterday to take over most of the British dollar burdens in the combined zones of western Germany until the end of 1948.

The agreement as signed by Acting Secretary of State Lovett for the United States and Sir William Strang for Great Britain, calls for additional expenditure of about $400,000,000 by the United States in the coming year—$800,000,000 for United States, $115,000,000 for Great Britain.

Now, I want to say that it is about time that we find out why the State Department has the right to obligate us for everything that Great Britain wants. Great Britain is just taking us for a bunch of suckers, and we have a lot of suckers in the State Department that are just gullible enough to give them everything they want. It is about time that we clean house of these New Dealers in the State Department. They have been so used in the last 10 or 15 years to give the British what they want, and give everything we have away, there will be nothing left for our own people at home. You look at the Treasury Department statement, and you will find that we are $1,045,000,000 in the red up to the 15th of this month for this year since July 1. Why, you cannot stand this terrible exorbitant drain on the United States. It is time to clean House, men in the State Department and General Marshall should have seen this before this time. The only way to stop up this drain is to elect a new President who will see that our State Department and every other department of Government is free from the New Deal squanderers—the ones who are giving us away to foreigners. You men will find that your house will fall upon you if you do not get wise and economize. You are wreckers of freedom to permit it.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. CORBETT. Mr. Speaker, 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. CORBETT. Mr. Speaker, as many of the Members know I frequently conduct polls of public opinion in my congressional district. I have completed another such poll covering 12 vital questions. The answers received are extremely interesting and I recommend them as well worth the attention of everyone.

The method employed to secure these percentage answers is important. Questionnaires are sent out to a fixed number of registered voters in each of the 207 voting precincts of my district. The addresses are selected arithmetically and the Republicans and Democrats separately handled.

The basic idea of the poll is to secure sufficient answers to reduce the possibility of error to a minimum. We invariably find during the tabulations a point where additional answers do not affect the percentage answers. When that point is reached we feel that we have secured a satisfactory reading of the public's point of view on a given issue at a given time.

For your further information it should be noted that the Thirtieth Congressional District of Pennsylvania in which this poll is taken includes all of northern Allegheny County and four wards of the city of Pittsburgh. The registered voters of

the district are fairly evenly divided between Republicans and Democrats. The area includes many steel mills, coal mines, and some glass factories. It has large residential communities and an important number of small farms. As such and with a very heterogeneous population it provides a fairly good cross section of the United States.

The questions and percentage replies follow:

REPUBLICANS

	Yes	No
	Pct.	Pct.
1. Should price ceilings be reestablished on selected commodities?	39	61
2. Should rent controls be extended and strengthened?	66	34
3. Should rationing of materials in short supply be restored?	33	67
4. In the event that price ceilings are renewed, should a ceiling be placed on wages?	77	23
5. Do you believe that it is possible to have wage and price ceilings in some selected industries and not in others?	14	86
6. Do you believe that ceilings on wages and prices will slow up production?	55	45
7. Do you believe that if wage and price ceilings are avoided that full production will restore reasonable prices on most commodities within 12 to 18 months?	61	39
8. High prices are primarily the result of: (a) Presidential policies, (b) congressional policies, (c) economic factors. (Name the most important cause; underline the second most important.)	(a) 42 (b) 15 (c) 43	
9. Do you favor the Marshall plan even if it sustains or increases the cost of living here?	57	43
10. On the whole, do you approve of the work of the Committee on Un-American Activities?	87	13
11. Do you regard the Taft-Hartley law as unfair to the average workingman?	12	88
12. Do you favor a reduction of income taxes at all income levels for the coming calendar year?	69	31

DEMOCRATS

	Yes	No
1. Should price ceilings be reestablished on selected commodities?	62	38
2. Should rent controls be extended and strengthened?	75	25
3. Should rationing of materials in short supply be restored?	53	47
4. In the event that price ceilings are renewed, should a ceiling be placed on wages?	70	30
5. Do you believe that it is possible to have wage and price ceilings in some selected industries and not in others?	24	76
6. Do you believe that ceilings on wages and prices will slow up production?	38	62
7. Do you believe that if wage and price ceilings are avoided that full production will restore reasonable prices on most commodities within 12 to 18 months?	41	59
8. High prices are primarily the result of: (a) Presidential policies, (b) congressional policies, (c) economic factors. (Name the most important cause; underline the second most important.)	(a) 18 (b) 32 (c) 50	
9. Do you favor the Marshall plan even if it sustains or increases the cost of living here?	60	40
10. On the whole, do you approve of the work of the Committee on Un-American Activities?	76	24
11. Do you regard the Taft-Hartley law as unfair to the average workingman?	40	60
12. Do you favor a reduction of income taxes at all income levels for the coming calendar year?	59	41

EXTENSION OF REMARKS

Mr. SARBACHER (at the request of Mr. GRAHAM) was given permission to extend his remarks in the RECORD and include an editorial.

INFLATION LEGISLATION

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. BUCK. Mr. Speaker, the appropriation for European aid which we voted yesterday is a further force toward inflation and high living cost. I will oppose adjournment of this special session until the Congress has enacted countermeasures which, in the opinion of the majority, are anti-inflationary curbs on the cost-of-living spiral.

May I also say that I attended the performance of The Good Road last night. It is good theater, good entertainment, and good for the soul. I recommend it unreservedly.

SHORTAGE OF FUEL OIL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. DOUGHTON. Mr. Speaker, a most serious, in fact desperate, situation exists in North Carolina, as well as many other States today, caused by the lack of fuel oil to heat the homes of our people. Many home owners are without any heat whatever, and conditions are growing more desperate every hour.

The oil companies are holding out little or no hope of early relief. If relief is not speedily afforded, the Government, of necessity, must do something. Excuses do not satisfy, and alibis do not explain.

I read a telegram received this morning, which is similar to many others I have received on this subject:

Unnecessary to look to Europe for suffering and cold. Situation of fuel oil here desperate. Surely time arrived for own peoples to have some consideration. Charity should start at home.

If we do not do something, we will be classed with that person referred to in the Scriptures as "He that provideth not for his own household hath denied the faith and is worse than an infidel."

EXTENSION OF REMARKS

Mrs. BOLTON. Mr. Speaker, in view of the fact that so little accurate information is reaching the Congress and the people of this country on the situation in the Near East, I ask unanimous consent to extend my remarks in the RECORD and include a letter I have received from Aleppo.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the needs of the National Park Service and the Fredericksburg and Spotsylvania County, Va., National Military Park.

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

There was no objection.

Mr. BLAND. Mr. Speaker, I further ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein an address delivered by Walter Lippmann before the Alpha Chapter of Phi Beta Kappa at the one hundred and seventy-first anniversary of the organization of Phi Beta Kappa at William and Mary College. The dinner and public meeting was held on December 5, 1947, and the address was on the subject Philosophy and United States Foreign Policy.

It is estimated that it will make two and one-fourth pages of the CONGRESSIONAL RECORD, at a cost of $159.75. Notwithstanding the space and the cost, the address is highly interesting, and I ask unanimous consent to extend it in the Appendix of the RECORD.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an editorial that appeared in the Tribune of Lawrence, Mass.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include a Christmas greeting.

DEVELOPMENT OF THE NATION'S WATER POWER

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a bill I have introduced.

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

There was no objection.

Mr. RANKIN. Mr. Speaker, our sympathies, of course, go out to the people of the Northeast who are suffering for the want of coal.

They would be in a much worse predicament if it had not been for a few of us in this House, and in the Senate, who have fought for years for the development of our water power.

The power generated by the TVA on the Tennessee River and its tributaries amounts to 12,000,000,000 kilowatts a year. It would take 6,000,000 tons of coal to generate that much power. That amount of coal is released by the TVA for the benefit of the rest of the Nation.

There are 230,000,000,000 kilowatts of electricity going to waste every year in our navigable streams and their tributaries from Maine to California.

It would take 115,000,000 tons of coal a year to generate the amount of electricity that water power would provide.

The development of Boulder Dam and the development along the Columbia River probably produce an amount of electricity that it would take something like 30,000,000 to 50,000,000 tons of coal to provide.

For years I have advocated developing all the water power of this Nation in order to take care of this country, not only now, but for generations to come. I sincerely trust that the rest of the Congress may come around to my way of thinking.

When you realize that in the Ohio River there is sealed up approximately

10,000,000,000 kilowatts of electricity a year, in a State where the coal supply is diminishing, and on the St. Lawrence 12,000,000,000 kilowatts of electricity are going to waste each year in an area that has no coal—to say nothing of the other streams throughout the country whose water power is going to waste.

The greatest wealth of this Nation outside of the soil, from which we live, is our water power. We should develop it and provide electricity for the American people at the lowest possible rates.

Under permission granted me to extend my remarks, I insert a bill I introduced to develop the water power of the entire Nation.

It reads as follows:

H. R. 502

A bill to provide for the creation of conservation authorities, and for other purposes

Be it enacted, etc., That this act may be cited as the Conservation Authorities Act of 1945.

PURPOSE AND POLICY OF THE ACT

SEC. 2. It is the purpose and policy of this act to develop, integrate, and coordinate plans, projects, and activities for or incidental to the promotion of navigation, the control and prevention of floods, the safeguarding of navigable waters, the reclamation of the public lands, and the generation, sale, and distribution of electric energy, in order to promote agriculture, to improve living conditions, to aid and protect commerce among the several States, to strengthen the national defense, to conserve the water, soil, and forest resources of the Nation, to stabilize employment and relieve unemployment, and otherwise to protect and promote the national interest.

CONSERVATION AUTHORITIES

SEC. 3. (a) To carry out the purposes of this act, there are hereby created the following corporated conservation authorities, which shall be agencies and instrumentalities of the United States: (1) The Atlantic Seaboard Authority, for the drainage basins in the United States of the rivers flowing into the Atlantic Ocean and of the rivers flowing into the Gulf of Mexico, from the east, below the basin of the Suwanee River; (2) the Great Lakes-Ohio Valley Authority, for the drainage basins in the United States of the rivers flowing into or from any of the Great Lakes, the Niagara and the St. Lawrence Rivers, and of the Ohio River, except the drainage basins of the Tennessee and Cumberland Rivers, and of the rivers flowing into the Mississippi River above Cairo, Ill., from the east; (3) the Tennessee Valley Authority, for the drainage basins of the Tennessee and Cumberland Rivers, of the rivers flowing into the Mississippi River below Cairo, Ill., from the east, and of the rivers flowing into the Gulf of Mexico east of the Mississippi River, except the rivers below the basin of the Suwanee River; (4) the Missouri Valley Authority, for the drainage basins within the United States of the Missouri River and the Red River of the North and of the rivers flowing into the Mississippi River above Cairo, Ill., from the west; (5) the Arkansas Valley Authority, for the drainage basins within the United States of the Arkansas, Red, White, and Rio Grande Rivers, of the rivers flowing into the Mississippi River below Cairo, Ill., from the west, and of the rivers flowing into the Gulf of Mexico west of the Mississippi River; (6) the Southwestern Authority, for the drainage basins within the United States of the rivers flowing into the Great Basin; that is, the drainage basins of the rivers in the western United States having no outlet to the sea; (7) the Columbia Valley Authority, for the drainage basins within the United States of the Columbia River and the rivers flowing into the Pacific Ocean north of the California-Oregon line; (8) the California Authority, for the drainage basins within the United States of the rivers flowing into the Pacific Ocean south of the California-Oregon line; and (9) the Colorado Valley Authority, for the drainage basin within the United States of the Colorado River: *Provided, however,* That nothing in this act shall be construed to limit the functions, powers, or duties of the Mississippi River Commission as created and now functioning under the act of June 28, 1879 (ch. 43, secs. 1 to 7, inclusive, 21 Stat. 37), as amended, and as compiled in sections 641 to 651, inclusive, of title 33 of the United States Code. The President shall from time to time more specifically define or redefine the territorial boundaries of the Authorities as he finds necessary or appropriate to facilitate the regional development, integration, and coordination of plans, projects, and activities as in this act provided and to obtain the advantages of natural and economic boundaries.

(b) Each authority shall maintain its principal office at a convenient place in its respective geographic region and shall, upon the selection of the location of a principal office, file with the Secretary of State public notice of its selection of such location.

(c) Within 6 months after the enactment of this act, the Columbia Valley Authority shall take over the Bonneville project, on the Columbia River in Oregon, and all powers, rights, duties, functions, obligations, liabilities, and personnel of the Columbia River Administrator created by and now functioning under the act entitled "An act to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes," approved August 20, 1937, as amended. Such Administrator shall thereupon take all action necessary or appropriate to transfer to such Authority possession and control of the properties and activities of such Administrator. The Bonneville project together with all activities of such Administrator shall thereupon be deemed entrusted under this act to the Columbia Valley Authority, and all unexpended moneys and appropriations of such Administrator shall thereupon be transferred to such Authority and shall be available for expenditure by such Authority under the terms of this act; and such act of August 20, 1937, as amended, shall be deemed repealed.

(d) The Tennessee Valley Authority shall be the Tennessee Valley Authority as created and now functioning under the Tennessee Valley Authority Act of 1933, as amended, and as extended under this act, and shall have all the powers, rights, duties, and functions in such act, in this act, or in any other law provided; but nothing herein shall be construed to limit the carrying out of the purposes of the Tennessee Valley Authority Act of 1933, as amended, or to limit the powers and rights of the Tennessee Valley Authority in respect of, or to affect the continuity of, the functions, activities, obligations, liabilities, accounts, funds, revenues, receipts, or personnel of the Tennessee Valley Authority under such act. Insofar as applicable, the provisions of the Tennessee Valley Authority Act of 1933, as amended, and any other law relating to the Tennessee Valley Authority, in addition to the provisions of this act, shall extend to the geographic region added by this act to the region of the Tennessee Valley Authority. The board of the Tennessee Valley Authority shall be the board of the Tennessee Valley Authority as now constituted, and the directors thereof shall hold office pursuant to the Tennessee Valley Authority Act, as amended. Successors to such directors shall be appointed and hold office pursuant to such act.

(e) The President is authorized, whenever in his judgment the purposes of this act and the interests of economy and efficiency will be served thereby, to transfer from any department or agency of the United States, and entrust to the appropriate authority, the control and operation of any dam (together with appurtenant works) constructed, under construction, or hereafter constructed by or on behalf of the United States. In connection with any such transfer, the President may make such provision as he deems necessary or appropriate for the transfer to such authority of unexpended balances of appropriations available for use in respect of the project, together with personnel, equipment, and any powers, duties, and obligations pertaining thereto.

ORGANIZATION OF THE AUTHORITIES

SEC. 4. Each authority shall be directed and controlled by an administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, except the Tennessee Valley Authority, which shall continue as at present constituted. All other officers, employees, and agents of an authority shall be appointed or designated by the authority. The term of office of each administrator shall be 7 years. Any administrator appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. The administrative officer of each authority next highest in rank to the administrator may be designated by the administrator as deputy administrator and shall perform the duties of the administrator, in the event of the absence or sickness of the administrator, until such absence or sickness shall cease, and, in the event of a vacancy in the office of administrator, until a successor is appointed. Each administrator shall be a citizen of the United States and shall receive a salary at the rate of $10,000 a year, to be paid by the authority as current expenses, and each administrator shall be reimbursed by the authority for actual expenses (including traveling and subsistence expenses) incurred by him in the performance of his duties. No administrator shall, during his continuance in office, be engaged in any other business, and each administrator shall devote himself to the work of the authority. No administrator shall, during his continuance in office, have any financial interest in any public-utility company engaged in the business of generating, transmitting, distributing, or selling electric energy to the public, or in any holding company or subsidiary company of a holding company as such terms are defined in the Public Utility Holding Company Act of 1935. No person shall be appointed an administrator unless he professes a belief in the feasibility and wisdom of this act. Each administrator shall report to the President in such a manner as the President may direct.

CORPORATE POWERS OF THE AUTHORITIES

SEC. 5. Subject to the provisions of this act, each authority—

(1) Shall have succession in its corporate name;

(2) May sue and be sued in its corporate name; and may bring such suits, at law or in equity, as it deems necessary or appropriate in carrying out the purposes of the authority under this act or any other law of the United States;

(3) May adopt and use a corporate seal, which shall be judicially noticed;

(4) May adopt, amend, and repeal by-laws;

(5) Shall have power to acquire, by purchase, lease, condemnation, or donation, such real and personal property and any interest therein, and to dispose of any personal property or interest therein, as the authority deems necessary or appropriate in carrying out the purposes of the authority under this act or other law of the United States; and may, subject to the prior approval of the President, sell, lease, or otherwise dispose of such real property or interest therein as in

the judgment of the authority is no longer necessary in carrying out the provisions of any such law: *Provided however*, That no authority shall dispose of any real property on which there is a permanent dam, hydraulic power plant, fertilizer plant, or munitions plant, heretofore or hereafter constructed by or on behalf of the United States or an authority. The title to all real property shall be taken in the name of the United States, and thereupon such real property shall, for the purposes of this act, be entrusted to the authority as agent for the United States;

(6) Shall have power to enter into such contracts and agreements, and to do such acts and things, as the authority deems necessary or appropriate to carry out the powers now or hereafter conferred upon it by law.

COORDINATION AND INTEGRATION OF PLANS, PROJECTS, AND ACTIVITIES

SEC. 6. (a) The authorities shall be subject to the supervision of the President for the purpose of insuring appropriate conformity of regional policies and operations to a national policy, and appropriate coordination of regional activities, having due regard for regional and local requirements and conditions. In exercising such supervision the President may consult and advise with a council consisting of the Director of the Budget, the Chairman of the National Resources Committee, and such representatives designated by the President from such other departments and agencies of the United States as the President deems advisable, and one director from each authority designated from time to time by such authority.

(b) With a view to the coordination and integration of projects, activities, and integrated regional developments for the purpose of increasing efficiency and eliminating waste and duplication of effort, each authority shall study and survey the projects and activities, within the region of such authority, of the departments and agencies of the United States relating to the promotion of navigation, the control and prevention of floods, the safeguarding of navigable waters, and the reclamation of the public lands, and shall study and survey the regional developments of such departments and agencies for the conservation and prudent husbandry of the water, soil, mineral, and forest resources of the Nation, including the prevention of waste of the Nation's resources from droughts, winds, dust storms, and soil erosion, and the control and retardation of water run-off and the restoration and improvement of the absorption and infiltration capacity of the soil. Each authority insofar as practicable shall endeavor to coordinate and integrate such projects, activities, and regional developments by devising and effecting arrangements for the cooperation of the field offices and services of the departments and agencies of the United States. Each authority insofar as practicable shall consult and cooperate with the field offices and services of such departments and agencies and may call upon such field offices and services for any information or data relevant to such projects, activities, or regional developments, and it shall be the duty of such departments and agencies to have their field offices and services take such action as may be necessary or appropriate fully to cooperate with each authority.

(c) Each authority insofar as practicable shall consult and cooperate with the States and with public and cooperative agencies, in the making of studies, the collecting of information and data, and the development of plans for carrying out the purposes of this act. Each authority may make available to the departments and agencies of the United States and to the States and the people thereof, and to public and cooperative agencies, such information, studies, and recommendations as it deems necessary or appropriate to enable public and cooperative agencies to avail themselves of the preferential rights and priorities afforded by section 10 of this act, and such other information and studies, and such recommendations for State legislation, as the authority deems advisable to aid in carrying out the purposes of this act. Each authority shall have power to constitute one or more regional or local advisory committees to advise the authority generally or upon specific matters.

(d) There shall be included in the plans submitted to the President by each authority under section 7 such recommendations as the authority deems necessary or appropriate (1) for the economic and efficient cooperation among Federal, State, regional, and local department and agencies, and (2) for further legislation to promote the development, integration, and coordination of projects and activities under this act and otherwise to effectuate the purposes of this act.

SUBMISSION OF PLANS TO THE PRESIDENT AND THE CONGRESS

SEC. 7. (a) Each authority shall, not later than October 15 of each year, submit to the President plans for the construction and undertaking, during the succeeding governmental fiscal year, of projects and activities for or incidental to the promotion of navigation, the control and prevention of floods, the safeguarding of navigable waters, the reclamation of the public lands, and the generation, sale, and distribution of electric energy, and such further plans for integrated regional developments as each authority finds necessary or appropriate in the national public interest for the conservation and prudent husbandry of the water, soil, mineral, and forest resources of the Nation, including the prevention of irreparable waste of the Nation's resources from droughts, winds, dust storms, and soil erosion, and the control and retardation of water run-off and the restoration and improvement of the absorption and infiltration capacity of the soil. Such plans shall indicate the order of preference and priority of the projects and activities.

(b) If the President, after such study and investigation as he shall require by the Director of the Budget, the National Resources Committee, and such other departments and agencies of the United States as the President deems advisable, approves such plans, or any of them or any part thereof, as necessary or desirable in carrying out the purposes of this act, the President shall refer such plans to the Congress with his recommendations. The President may at any time request an authority to submit to him, for reference to the Congress, plans for such projects or activities as in his judgment may be necessary or desirable in carrying out the purposes of this act; and the authority, as soon as practicable, shall submit such plans to the President. In the case of plans (such as those for the conservation of surface and subsurface moisture and the prevention of wind erosion in the Great Plains) which involve integrated developments traversing the geographic region of two or more authorities, the President may assign or reassign the duty of working out such plans to any one of such authorities as he finds necessary or appropriate to obtain the advantages of natural and economic boundaries in the planning of such integrated developments.

PREPARATION OF PLANS

SEC. 8. (a) Plans submitted to the President by each authority pursuant to section 7 shall include such projects and activities, and such recommendations for the construction and undertaking thereof, as the authority finds adapted to the conservation and integrated development and utilization of water, soil, and forest resources for the following purposes:

(1) The promotion of navigation by, among other means, the improvement of the channels of navigable rivers and their tributaries; the prevention of siltation of such waters; the regulation of stream flow; and the development and coordination of navigation facilities.

(2) The control and prevention of floods to prevent destruction and interference with navigation, the facilities of interstate commerce, and the properties and functions of the United States, with due regard to the maximum protection of life and property, by, among other means, the storage control, and disposition of flood and surplus waters, and the control and retardation of water run-off and the restoration and improvement of the absorption and infiltration capacity of the soil. Plans for such purposes shall include, among other things, dams, reservoirs, levees, spillways, and floodways; improved methods and conditions of soil conservation, utilization, fertilization, and cultivation; and the conservation of forests and afforestation and reforestation of lands. In the case of plans involving the production of fertilizers or fertilizer ingredients, such plans, insofar as practicable, shall provide for the construction and operation of plants and equipment in such manner as will make them of maximum usefuless for the production of munitions of war materials in time of war.

(3) The safeguarding of navigable waters and their use by, among other means, the prevention and abatement of pollution of navigable streams and their tributaries, and the provision of sewage disposal and water purification works and structures and facilities in connection therewith.

(4) The reclamation of arid or swampy public lands by, among other means, the irrigation and drainage and the economic development and use of such lands.

(5) The generation, utilization, transmission, sale, and distribution of electric energy in furtherance of the purpose and policy of this act.

(b) So far as may be consistent with or necessary or appropriate for the promotion of navigation, the control and prevention of floods, the safeguards of navigable waters, and the reclamation of the public lands, as provided in subsection (a), plans shall give due regard to the following among other considerations: (1) The present and future development, conservation, and utilization of water for power, irrigation, and other beneficial uses; (2) the prudent husbandry of soil, mineral, and forest resources and their conservation for recreation, the protection of wild game, and other beneficial uses; (3) the urgency of preventing irreparable waste of the Nation's resources from droughts, winds, dust storms, and soil erosion; (4) the integration and interconnection of projects and activities, the development of their multiple purposes, and the equitable distribution of the benefits thereof; (5) equitable contributions to cost by States and subdivisions and agencies thereof specially benefited by the projects and activities; (6) equitable contributions, from the revenues of a project or otherwise, to compensate States and subdivisions and agencies thereof for special losses, not offset or mitigated by benefits, which may be occasioned by the carrying-out projects; and (7) such economic, social, and cultural values as may be affected or furthered by the projects and activities.

(c) Plans may include not only projects and activities to be constructed or undertaken by the various departments and agencies of the United States solely from funds of the United States; but also projects and activities to be constructed or undertaken by such departments and agencies with contributions by State, local, or regional agencies; and projects and activities to be constructed or undertaken by such State, local, or regional agencies with contributions by the United States. Plans shall set forth the recommendations of the authority regarding such contributions and regarding the construction and undertaking of such projects and

activities as between the departments and agencies of the United States and State, local, and regional agencies.

(d) Plans shall classify the various construction projects with a view to the construction of projects in the order of their urgency so as most beneficially to promote the national welfare by stabilizing employment and relieving unemployment. Plans for reserved or less urgent projects shall be completed as expeditiously as possible, and shall be modified from time to time as circumstances warrant so that such plans shall be available for prompt action whenever necessary to prevent or abate business depression and widespread unemployment or for any other purpose of this act. In the development and modification of plans, due regard shall be given to changing economic, industrial, and social conditions and to advantages offered by technological and other developments.

(e) Each authority shall have power to acquire, construct, operate, maintain, and improve such laboratories and experimental stations, and to undertake such educational, research, and demonstrational work, as the authority deems necessary or appropriate to develop its plans, to test or demonstrate the feasibility of such plans, or more efficiently to develop and carry out any project or activity entrusted to the authority pursuant to this or any other act of the Congress.

POWERS AND DUTIES OF AN AUTHORITY IN THE CASE OF PROJECTS AND ACTIVITIES WHICH ARE OR MAY BE ENTRUSTED TO SUCH AUTHORITY

SEC. 9. (a) Whenever, pursuant to this or any other act of the Congress, any project or activity (of a type in respect of which an authority is authorized to prepare plans under section 8) is entrusted to an authority, such authority, except as the Congress may otherwise provide, shall have such powers as may be necessary or appropriate to construct, operate, and carry out such project or activity so as to accomplish the purposes and to fulfill the requirements specified in subsections (a) and (b) of section 8, including the power (to the extent necessary or appropriate to construct, operate, or carry out such project or activity entrusted to it, and works and facilities incidental thereto)—

(1) To acquire, construct, operate, maintain, and improve dams, locks, reservoirs, levees, spillways, floodways, fishways, conduits, canals, roads, roadways, docks, wharves, terminals, sewage-disposal and water-purification works, and recreation facilities, and structures, equipment, and facilities incidental thereto: *Provided, however,* That all dams, locks, lifts, and appurtenant works shall be constructed, operated, and maintained under the direction of the Secretary of War and the supervision of the Chief of Engineers.

(2) To acquire, construct, operate, maintain, and improve such canals, conduits, powerhouses, transmission lines, rural electric lines, and substations, and such machinery, equipment, structures, and facilities for the storage and transportation of water or for the generation and transmission of electric energy as the authority deems necessary or appropriate to supply existing and potential markets: *Provided,* That the Chief of Army Engineers shall provide, construct, operate, maintain, and improve such machinery, equipment, and facilities for the generation of electric energy as may be necessary to develop such electric energy as rapidly as markets may be found therefor.

(3) To develop and provide such methods and conditions of water and land utilization as the authority deems necessary or appropriate to prevent and abate floods and droughts.

In order further so to effectuate such primary purposes in the construction and operation of dams for projects entrusted to an authority, provision shall be made, insofar as practicable, in the construction of any such dam, for such foundations, sluices, penstocks, and other works as may be necessary or appropriate to prevent the waste of water power at such dam and to make possible the economical development of water power at such dam.

(b) Whenever, pursuant to this or any other act of the Congress, a project or activity is entrusted to an authority, such authority is authorized, if in its judgment the interests of economy and efficiency will be served thereby, to construct or operate such project or conduct such activity through, or in conjunction with, other departments and agencies of the United States, or in conjunction with States or subdivisions or agencies thereof, or other public or cooperative agencies. The departments and agencies of the United States are hereby authorized to participate in the construction or operation of such projects or the conduct of such activities on terms mutually agreeable to such department or agency and the authority.

(c) The electric energy generated at any such project which is not required for the operation of such project and activities in connection therewith shall be delivered to the administrator of the authority, for disposition as provided in this act.

DISPOSITION OF WATER AND WATER POWER

SEC. 10. (a) Whenever, pursuant to this or any other act of Congress, there is entrusted to an authority a project at which electric energy is or will be generated or at which salable water is or will be stored, such authority shall make such arrangements and take such action as may be necessary or appropriate for the disposition of such of the electric energy and water as is not required for the operation of the dams, locks, and lifts at such project, or the navigation, sewage-disposal, or water-purification facilities in connection therewith, and, in the case of reclamation projects, as is not required for reclamation of the public lands. There shall be allotted to the War Department, without charge, so much of the electric energy generated at any such project as in the judgment of the War Department may be necessary for carrying out the functions and duties of such Department in connection with such project.

(b) To encourage the widest possible use of available electric energy and water, to provide adequate markets and outlets therefor, and to prevent the monopolization thereof by limited groups or localities, the authority shall acquire, construct, operate, maintain, and improve such canals, conduits, electric transmission lines, rural electric lines, substations, and other structures and facilities as it deems necessary or appropriate to bring electric energy, or water, available for sale, from such project to existing and potential markets, and, in the case of electric energy, to interconnect such project with other Federal projects for the disposition or interchange of electric energy. To provide for emergencies, break-down relief, and increased safety and economy in operations, the authority may enter into contracts upon suitable terms with public and private power systems for mutual interchange of electric energy and for reciprocal use of transmission facilities.

(c) To insure the disposition of the electric energy developed and water stored at a project for the benefit of the general public, and particularly of domestic and rural consumers, the authority shall, in disposing of electric energy and water, give preference and priority to States, districts, counties, and municipalities, including agencies or instrumentalities thereof or of two or more States (in this act called public agencies), and to cooperative and other organizations not organized or administered for profit but primarily for the purpose of supplying electric energy or water to their members as nearly as possible at cost (in this act called cooperative agencies). In the event of competing applications by public or cooperative agencies (whether or not formally organized), on the one hand, and other persons or agencies, on the other hand, the authority, in order to preserve and protect the preferential rights and priorities of such public and cooperative agencies, shall allow to people and communities within transmission distance of such project reasonable opportunity and time to acquire, purchase, or construct the necessary facilities for the use or distribution of such electric energy or water, including reasonable opportunity and time to create and finance such public or cooperative agencies under the laws of the several States.

(d) Subject to the provisions of this act, each authority may enter into contracts for the sale at wholesale of electric energy and water, whether for resale or direct consumption to public and cooperative agencies and to private agencies and persons; and each authority may sell electric energy directly to farms and in rural communities which the authority finds are not adequately serviced with electric energy at reasonable rates. Contracts entered into under this subsection shall be binding in accordance with the terms thereof and shall be effective for such period or periods, including renewals or extensions, as may be provided therein, not exceeding in the aggregate 20 years from the respective dates of the making of such contracts. Such contracts shall contain appropriate provisions, to be agreed upon between the authority and the purchaser, for the equitable adjustment of rates at appropriate intervals. In the case of contracts with private agencies or persons who resell the bulk of the electric energy or water purchased, the contracts shall contain appropriate provisions authorizing the authority to cancel the contract, or authorizing the authority to cancel the contract in part, upon 2 years' notice in writing whenever in the judgment of such authority there is reasonable likelihood that part of the electric energy or water purchased under such contract will be needed to satisfy the preferential rights and priorities of public or cooperative agencies under this act. Contracts entered into under this subsection shall contain such terms and conditions, including, among other things, stipulations concerning resale and resale rates, as the authority deems necessary or appropriate to effectuate the purposes of this act, to insure that resale to the ultimate consumer shall be at rates which are reasonable, just, fair, and nondiscriminatory, or otherwise to provide adequate markets and outlets for electric energy and water.

(e) Rate schedules for the sale of electric energy and water by an authority shall be prepared from time to time by such authority. Subject to the provisions of subsection (f), the authority shall fix such rate schedules as the authority finds necessary or appropriate to provide adequate markets and outlets for electric energy and water and to encourage the widest possible use of electric energy and water, having regard (upon the basis of the application of such rate schedules to the capacity of the contemplated electric or water facilities of the authority or of a project of the authority) to the recovery of the cost of generating and transmitting such electric energy or storing and transporting such water, including appropriate reserves for maintenance and upkeep and the amortization of the capital investment over a reasonable period of years. Upon the amortization of such capital investment, rate schedules shall from time to time be revised and reduced to the fullest extent economically feasible. In order to distribute the benefits of integrated transmission systems and to promote the equitable distribution of electric energy, rate schedules shall provide for uniform rates, or rates uniform throughout prescribed transmission areas.

(f) Whenever, pursuant to this or any other act of Congress, there is entrusted to an authority any multiple-purpose revenue-producing project, or whenever thereafter capital expenditures are made in connection with any such project, such authority shall make a thorough investigation of such project for the purpose of allocating the cost of such project, or such capital expenditures, among the various purposes served thereby—such as navigation, flood control, irrigation, power development, or other types of development, as the case may be. Costs of facilities having a value only for one purpose shall be allocated to that purpose; costs of facilities having a joint value for more than one purpose shall be equitably allocated among such purposes in such manner as the authority deems necessary or appropriate to promote a sound national economy, to encourage the widest possible economic use of water for irrigation and of electric energy for domestic, rural, and industrial needs, and to avoid the imposition upon any one purpose of a greater share of joint costs than such purpose may fairly bear. The authority shall also determine the appropriate periods and rates of amortization to be applied to the capital investment allocated to a revenue-producing purpose. The allocation of costs and the periods and rates of amortization so determined by the authority shall be subject to the approval of the President, and as approved by the President such allocations of costs and such periods and rates of amortization shall be used in keeping the books of the authority.

STATE COMPACTS

SEC. 11. (a) The consent of the Congress, subject to the provisions of this section, is hereby given the several States to enter into agreements and compacts between or among any two or more States (1) to further and supplement on behalf of the States the purposes of this act; and (2) to carry out on behalf of the States appropriate projects and activities in relation thereo. Any such agreement or compact shall not become effective or binding upon the States party thereto unless and until it shall have been submitted to and approved by the authority within whose geographic region the projects or activities contemplated by such agreement or compact are to be carried out. Such authority shall approve any such agreement or compact if it finds such agreement or compact, and the projects and activities contemplated thereby, to be feasible, practicable, and appropriate to and consistent with the policies and purposes of this act. The appropriate authority shall, insofar as practicable, cooperate with and furnish information and assistance to the States for the purpose of negotiating, entering into, and carrying out agreements and compacts pursuant to this section.

(b) In case of any doubt as to the authority having jurisdiction over any matter under this section, the President shall upon application designate the appropriate authority to have such jurisdiction.

APPROVAL OF PRIVATE PROJECTS

SEC. 12. (a) To insure the integrated and coordinated promotion of navigation, control, and prevention of floods, safeguarding of navigable waters, reclamation of the public lands, and protection of property of the United States, no dam, appurtenant works, sewer, dock, pier, wharf, bridge, trestle, landing, pipe, building, float, or other or different obstruction or polluter affecting navigation, the use of navigable waters, flood control and prevention, the public lands, or property of the United States, shall be constructed, or thereafter operated or maintained, over, across, along, in, or into any navigable stream or any tributary thereof, except in accordance with plans for such construction, operation, and maintenance which shall theretofore have been submitted to and approved by the authority within whose geographic region such obstruction or polluter is to be constructed, operated, or maintained. The requirements of this section shall be in addition to the requirements of all other applicable laws of the United States or of any State; and any approval, license, permit, or other sanction required by any provision of any such law or laws for the construction, operation, or maintenance of any such obstruction or polluter or any part thereof (except such as may be constructed, operated, or maintained by an authority under this act or other law of the United States) shall be required as in such law provided.

(b) The authority having jurisdiction over any application under this section may bring appropriate proceedings in a district court of the United States to enjoin any violation of this section within the territorial jurisdiction of such district court, or to require the removal of any obstruction or polluter constructed, operated, or maintained within such jurisdiction in violation of this section; and upon a proper showing a temporary or permanent injunction or decree shall be granted without bond.

(c) In case of any doubt as to the authority having jurisdiction over any matter under this section, the President shall upon application designate the appropriate authority to have such jurisdiction.

CONSTRUCTION OF DAMS BY OR ON BEHALF OF THE UNITED STATES

SEC. 13. In the case of any dam under construction or hereafter constructed by or on behalf of the United States, provision shall be made, insofar as practicable, for such foundations, sluices, penstocks, and other works as may be necessary or appropriate to prevent the waste of water power at such dam and to make possible the economical future development of water power at such dam. In the event that the officer, department, or agency of the United States in charge of the construction of any such dam determines that provision for such foundations, sluices, penstocks, or other works is not necessary or appropriate in connection with such dam, such officer, department, or agency shall forthwith make a report of such determination, accompanied by a statement of the findings, reasons, and other pertinent matters in respect thereof, to the President, and the President shall take such action as he deems necessary or appropriate in the public interest. In the case of any doubt as to the officer, department, or agency of the United States charged with responsibility for appropriate action under this section, the President shall designate the appropriate officer, department, or agency to assume such responsibility.

EMPLOYMENT AND EMPLOYEE COMPENSATION

SEC. 14. (a) For the purposes of this act, each authority may select, employ, and fix the compensation of such officers, attorneys, engineers, special consultants, and experts as it deems necessary to carry out the functions and duties of the authority, without regard to the provisions of other laws applicable to the employment and compensation of officers or employees of the United States. Each authority may, subject to the civil-service laws, appoint such other employees as it deems necessary to carry out the functions and duties of the authority and shall fix their salaries in accordance with the Classification Act of 1923, as amended. Each authority shall define the duties of its officers and employees, require bonds of such of them as the authority may designate, and provide a system of organization to fix responsibility and promote efficiency. Subject to the laws of the United States regarding employees of the United States, each authority shall deal collectively with its employees through representatives of their own choosing.

(b) In the appointment, selection, classification, and promotion of officers and employees of an authority, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency. Any director of an authority who is found by the President to be guilty of a violation of this subsection shall be removed from office by the President, and any appointee of an authority who is found by such authority to be guilty of a violation of this subsection shall be removed from office by such authority.

(c) The provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, and as compiled in sections 751 to 796, inclusive, of title 5 of the United States Code, shall apply to persons given employment by an authority under the provisions of this act, or any other law of the United States; and the remedies afforded by such act of September 7, 1916, as amended, shall be exclusive and in lieu of any other remedy.

(d) All contracts to which an authority is a party and which require the employment of laborers or mechanics in the construction, alteration, maintenance, or repair of buildings, dams, or other structures or facilities shall contain a provision that not less than the prevailing rate of wages for work of a similar nature in the vicinity shall be paid to such laborers or mechanics. Any such contract shall further provide that such contract shall, in the case of any violation of such provision, be voidable at the election of the authority and that the authority may in its discretion withhold payment under such contract of such amounts as the authority determines to be equal to the difference between the sums paid and the sums required to be paid such laborers and mechanics. Any amount so withheld shall be paid by the authority, pursuant to such conditions and regulations as the authority may prescribe, to the laborers and mechanics found by the authority to be entitled thereto. When such work is done directly by an authority, not less than such prevailing rate of wages shall be paid therefor.

PURCHASES AND AUDITS

SEC. 15. (a) All purchases and contracts made by an authority for supplies or services, other than personal services, shall be made after advertising in such manner and at such times, sufficiently in advance of opening bids, as the authority deems adequate to insure appropriate notice and opportunity for competition. Such advertisement shall not be required, however, when (1) an emergency requires immediate delivery of the supplies or performance of the services; or (2) repair parts, accessories, or supplemental equipment or services are required for supplies or services previously furnished or contracted for; or (3) the aggregate amount involved in the purchase of supplies or procurement of services does not exceed $500; in any such case the purchase of such supplies or procurement of such services may be made in the open market in the manner common among businessmen. In comparing bids and in making awards, the authority shall give the consideration to such factors as relative quality and adaptability of supplies or services; the bidder's financial responsibility, skill, experience, record of integrity in dealing, and ability to furnish repairs and maintenance services; the time of delivery or performance offered; and whether the bidder has complied with the specifications.

(b) Each authority shall have power to determine and prescribe the manner in which its obligations and expenses shall be incurred, allowed, paid, and audited, except that the Comptroller General of the United States shall audit the accounts of each authority at such times as he shall determine, but not less frequently than once each governmental fiscal year, with personnel of his

selection. In such connection the Comptroller General and his representatives shall have free and open access to all papers, books, records, files, accounts, plants, warehouses, offices, and all other things, property, and places belonging to or under the control of or used or employed by the authority, and shall be afforded full facilities for counting all cash and verifying transactions with and balances in depositaries. The Comptroller General shall make report of each such audit in triplicate, one copy for the President, one for the authority, and the other to be retained by him for the uses of the Congress. No such report, however, shall be made by the Comptroller General until the authority shall have had reasonable opportunity to examine any exception or criticism of the Comptroller General or the General Accounting Office, to point out, explain, and answer errors therein, and to file in triplicate a statement which shall be submitted by the Comptroller General with his report. The expenses for each such audit shall be paid from any appropriation or appropriations for the General Accounting Office, and such part of such expenses as may be allocated to the cost of generating, transmitting, and distributing electric energy shall be reimbursed promptly by the authority as billed by the Comptroller General. Each authority shall have power to make such expenditures for such offices, vehicles, furnishings, equipment, supplies, books, periodicals, printing, and attendance at meetings, and such other facilities and services as the authority deems necessary or appropriate to carry out the purposes of such authority under this act or any other law of the United States.

REPORTS AND ACCOUNTS

SEC. 16. (a) Each authority shall submit to the President and to the Congress, in December of each year, (1) a financial statement and complete report of the business of the authority for the preceding governmental fiscal year, and (2) a complete report on the status and progress of all its projects and activities since the creation of such authority or the date of its last such report.

(b) Each authority shall at all times keep complete and accurate accounts of all operations, including all funds expended or received for the account of the authority. Such accounts shall be kept in such manner as appropriately to segregate, insofar as practicable, the accounts in respect of the different classes of operations, projects, and activities of the authority.

VENUE AND JURISDICTION; INJUNCTIONS AND UNDERTAKING

SEC. 17. (a) Each authority shall be held to be an inhabitant and resident, within the meaning of the laws of the United States relating to the venue of civil suits, of the judicial district in which its principal office is located at the time of the commencement of suit. The district courts of the United States shall have original jurisdiction, without regard to the amount in controversy, over any proceeding at law or in equity brought by or against an authority under this act or any other law of the United States. Any proceeding at law or in equity brought against an authority in a State court may be removed by the authority to the district court of the United States for the district in which the proceeding is pending, and, to effect such removal, it shall not be necessary that any other party or parties defendant join in the petition for removal. Except as otherwise provided in this subsection, the procedure for removal shall be according to the applicable laws of the United States relating to removal.

(b) Notwithstanding any other provision of law, the district court of the United States for the judicial district in which the principal office of an authority is located at the time of the commencement of suit shall have exclusive jurisdiction of all proceedings at law or in equity against such authority, or any director, officer, employee, or agent of such authority, in which there is drawn in question the validity of this act or any other law of the United States, or the validity of any act or conduct of such authority or such director, officer, employee, or agent done pursuant to or under color of this act or any such other law; and no other court of the United States, and no court of any State, shall have jurisdiction of any such cause now pending or hereafter commenced without the express consent of such authority and of any such director, officer, employee, or agent.

(c) Except upon the condition that there shall first have been filed an undertaking or bond as in subsection (d) provided, no court of the United States shall have jurisdiction to issue, or shall issue, a temporary or permanent injunction enjoining any authority, or any director, officer, employee, or agent of an authority, from doing any act or thing pursuant to or under color of this act or any other law of the United States; or a temporary or permanent injunction directly or indirectly enjoining any person, any public or cooperative agency, or any organization from purchasing water or electric energy from any authority; or a temporary or permanent injunction which in any way directly or indirectly restrains or delays the carrying out of any provision of this act or of any other law of the United States relating to an authority or any right, power, duty, or function of an authority. Any person, any public or cooperative agency, or any organization which, directly or indirectly, is or may be adversely affected, or is or may be deprived of (or delayed in the exercise of) a right to purchase water or electric energy, by the issuance or continuance of any such injunction, may upon application intervene in the proceeding and become a party thereto, at any time prior to the final determination of the cause, and shall be protected by such undertaking or bond.

(d) Such undertaking or bond shall be filed by the party or parties (hereinafter called the complainants) to or for whom such temporary or permanent injunction, or any portion thereof, is to be issued or continued. Such undertaking or bond shall be secured by adequate security in an amount, to be fixed by the court, sufficient to recompense the persons enjoined and the authority, the United States, any intervenor, and any person or agency damaged, for any and all loss, expense, and damage which may be caused or contributed to by the issuance or continuance of any such injunction. Such undertaking or bond shall constitute an agreement by the complainants and the sureties that such undertaking or bond shall continue in force and effect, regardless of any temporary or permanent order, judgment, or decree issued by the court, until the cause is finally determined; and shall constitute a further agreement by the complainants and sureties—

(1) That they shall pay such loss, expense, and damage in the event (A) that it shall be determined that the complainants were not entitled to the relief, or any part thereof, granted, or (B) that it shall be determined upon final disposition of the cause that the complainants were not entitled to permanent injunctive relief against any or all of the acts or conduct enjoined by such temporary or permanent injunction or injunctions;

(2) That a hearing to assess such loss, expense, and damage may be held in the same proceeding, and that upon such hearing the court shall have jurisdiction to enter a decree and judgment for such loss, expense, and damage against such complainants and sureties, and, in the case of the complainants, without regard for the amount of the undertaking or bond; and that the undertaking or bond shall constitute a submission by the complainants and sureties to the jurisdiction of the court for such purpose; and

(3) That there shall be permitted to intervene in the cause, at any time prior to the termination of such hearing or to the final determination of the cause, any person, any public or cooperative agency, or any organization, which, directly or indirectly, is or may be adversely affected, or is or may be deprived of (or delayed in the exercise of) a right to purchase water or electric energy, by the issuance or continuance of the injunction or injunctions; and that any such person or agency shall be given reasonable and adequate opportunity so to intervene and to be protected by the undertaking or bond.

The right and remedy herein provided in respect of an undertaking or bond shall be in addition to any and all other rights and remedies that may exist at law or in equity.

(e) Upon a hearing to assess damages under any such undertaking or bond, there shall be assessed, in addition to other appropriate items of loss, expense, and damage, (1) all reasonable costs and expense of obtaining the vacation of the injunction or injunctions; (2) in the case of the authority and the United States, the probable loss to the authority or the United States of the income which the authority or the United States would have secured, in the absence of any injunction, in light of present and potential markets; and (3) in the case of other parties and intervenors, the probable loss and damage to such parties or intervenors and to their present and potential customers not otherwise represented in the cause (determined upon the basis of the loss in income to such parties and intervenors and the aggregate losses to such present and potential customers) suffered by reason of the issuance or continuance of the injunction or injunctions. Whenever any party or intervenor shall receive any sum on account of any such loss or damage to such present or potential customers, such sum, subject to the direction and orders of the court, shall be received and held for the benefit of such customers and distributed to them as their interests may appear.

CONDEMNATION PROCEEDINGS

SEC. 18. (a) Each authority may cause proceedings to be instituted for the condemnation of any land, easement, right-of-way, or personalty, or any interest in any of the foregoing, which in the judgment of the authority is necessary or appropriate for or reasonably incidental to the carrying out of the purposes of the authority under this act or any other law of the United States. Notwithstanding any provision of any other law, any condemnation proceeding hereafter instituted by any authority in carrying out the purposes of such authority under this act or any other law of the United States shall be governed by the provisions of this section. The proceeding shall be instituted in the district court of the United States for the district in which the property to be acquired (in this section called the property), or any part thereof, is located, and such court shall have jurisdiction to divest the title to the property from all persons or claimants and vest the same in the United States in fee simple, free and clear from all liens and encumbrances, and to enter a decree quieting the title thereto in the United States.

(b) Upon the filing of a petition for condemnation, the district court (for the purpose of ascertaining the value of the property and assessing the compensation to be awarded, and for the purpose of determining the ownership of the property, the nature and holders of valid liens or encumbrances thereon, and all other questions of fact or law essential to a proper distribution of a

condemnation award) shall appoint a commission consisting of a special master, who shall be a practicing attorney, and two other commissioners. Such commissioners shall be selected from without the vicinity in which the property is situated, and shall take and subscribe an oath that they do not have any interest in any property which it may be desirable for the United States to acquire in the furtherance of the project or in any property in the immediate vicinity in which the property to be acquired is situated. It shall be the duty of the special master to preside at all hearings had before the commission and to rule upon questions of procedure. The special master shall inquire into and determine the questions of the ownership of the property to be acquired, the nature and holders of valid liens or encumbrances thereon, and all other questions of fact or law essential to a proper distribution of a condemnation award, except that the three commissioners as a commission shall inquire into and determine the value of the property and each interest therein; and the special master and the commission respectively shall hold hearings and take evidence for such purposes.

(c) Each commissioner shall receive a per diem of not to exceed $20 for his services, together with an additional amount of $5 per day for subsistence for time actually spent away from his domicile in the performance of his duties. The commissioners may designate competent court reporters who shall report the proceedings and who shall receive for their services a sum not to exceed the prevailing per diem compensation in that locality for similar services. Such reporters shall furnish to any party, upon payment by such party of the customary charge in the locality, a certified transcript of the proceedings. The commissioners are authorized to administer oaths and subpena witnesses, who shall be entitled to receive the same fees as witnesses in the United States courts. Hearings before the commissioners shall be conducted at such time and place as the special master and the commission, respectively, shall fix, having due regard for the convenience of the parties.

(d) In the determination of the value of the property, or of any interest therein, of any claimant or claimants—

(1) The cost to such claimant or claimants of such property or such interest, and of any improvement made therein by such claimant or claimants, shall be taken as the best evidence of value: *Provided*, That the acquisition of such property or interest and the making of such improvement were bona fide and were not made in contemplation of the particular, or any other, condemnation proceeding. But such cost need not be taken as the best evidence of value (A) if such property or interest was acquired by such claimant or claimants more than 4 years prior to the filing of the petition for condemnation, or (B) if there are found particular and unusual circumstances which would make the amount, so determined as value, excessive, inadequate, or otherwise not just compensation for such property or interest.

(2) There shall not be included in such determination of value any increment of value which arises subsequent to the enactment of this act and which is attributable to an anticipated or probable use of the property, or property similarly situated for a purpose the same or similar or related to the purpose in furtherance of which the condemnation proceeding is commenced.

(e) The special master shall file with the court a report of the findings of fact and conclusions of law as to the questions determined by him, and the commission shall file an award setting forth their findings as to the value of the property, making a separate award and valuation in the premises in respect of each separate parcel or interest involved. Upon the filing of such a report or such award in court, the clerk shall give notice and mail copies thereof to such parties and in such manner and form as directed by the district court.

(f) Any party may file exceptions to such a report or such award within 20 days from the date such report or award is filed in court. Exceptions to a special master's report shall be heard before the district court. Exceptions to the commission's award shall be heard before three United States circuit and/or district judges who shall be designated by the presiding judge of the circuit court of appeals for that district, unless the parties stipulate that such exceptions may be heard by the district court. Upon such hearings the judges or the district court, as the case may be, shall pass upon the proceeding had before the special master or the commission, as the case may be, on the record made therein. Not less than 10 days prior to a hearing before such judges a copy of the record shall be furnished each judge by the party who filed exceptions. No additional evidence shall be considered by the judges or the district court, as the case may be, unless such evidence shall have been offered before the special master or the commission, as the case may be, or unless there are reasonable grounds for failure so to have done. Upon such hearings such judges or the district court, as the case may be, shall enter their judgment or decree affirming, modifying, or setting aside, in whole or in part, the report or award previously made.

(g) At any time within 30 days from the filing of the decision of the judges or district court, as the case may be, upon the hearing on exceptions to the report or award, any party may take an appeal from such decision to the circuit court of appeals in the same manner and with like effect as an appeal may be taken from a final order or decree of a district court in an equity proceeding.

(h) Unless title and the right of possession shall have passed earlier under the provisions of the act of February 26, 1931 (ch. 307, secs. 1 to 5, inclusive, 46 Stat. 1421), as compiled in sections 258a to 258e, inclusive, of title 40 of the United States Code, title to the property and the right to the possession thereof shall pass (1) upon acceptance of an award by the owner or owners of the property and the payment of the money awarded; or (2) upon final determination of the cause and the payment of the award to the person or persons entitled thereto, or the payment of the award into the registry of the court. And the authority shall be entitled to a writ in the same proceeding to put the authority into possession of such property.

(i) In the case of any property owned in whole or in part by a minor, insane person, incompetent person, or an estate of a deceased person, the legal representative of such minor, insane person, incompetent person, or estate shall have power, with the approval of the district judge in whose court the proceeding is pending, to consent to or reject any report or award herein provided for or to make settlement with an authority. In the event that there be no such legal representative for such minor, insane person, or incompetent person, or that such legal representative shall fail or decline to act, such judge may upon motion appoint a guardian ad litem to act for such minor, insane person, or incompetent person; and such guardian ad litem shall act to the full extent and to the same purpose and effect as his ward could act if competent, and such guardian ad litem shall be deemed legal representative to respond, conduct, or maintain any proceeding or make any settlement, as herein provided for, affecting his ward.

(j) Nothing in this act shall be construed to deprive an authority of the rights conferred by the act of February 26, 1931 (ch. 307, secs. 1 to 5, inclusive, 46 Stat. 1421), as compiled in sections 258a to 258e, inclusive, of title 40 of the United States Code. Any amount tendered into court by the authority under such act of February 26, 1931, shall be without prejudice on any hearing as to the value of the property or interest being condemned.

PENAL LAWS; VIOLATIONS OF THIS ACT

SEC. 19. (a) All general penal statutes relating to the larceny, embezzlement, conversion, or improper handling, retention, use, or disposal of public moneys or property of the United States, shall apply to the moneys and property of the authorities and to moneys and properties of the United States entrusted to the authorities.

(b) It shall be unlawful for any person, with intent to defraud an authority or to deceive any authority or any director, officer, or employee of an authority, or any officer or employee of the United States, (1) to make any false entry in any book of an authority, or (2) to make any false statement or report to an authority.

(c) It shall be unlawful for any person to do any act or thing, or to enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud an authority or wrongfully or unlawfully to defeat its purposes. Any person who violates any provision of this subsection or subsection (b) shall be guilty of an offense against the United States, and, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than 5 years, or both.

(d) Each authority may transmit such evidence as may be available concerning any act or thing in violation of any provision of this section to the Attorney General, who, in his direction, may institute the appropriate criminal proceedings under this act.

RECEIPTS AND APPROPRIATIONS

SEC. 20. (a) All receipts of each authority shall be covered into the Treasury of the United States to the credit of miscellaneous receipts; except that a continuing fund in such amount, not to exceed $500,000, as the authority deems necessary, shall be set up and maintained from such receipts in the Treasury to the credit of such authority and subject to check by it; and the authority may use such fund to defray operating costs and to insure continuity of operations.

(b) There are hereby authorized to be appropriated from time to time such sums as may be necessary to carry out the provisions of this act.

SEPARABILITY OF PROVISIONS

SEC. 21. If any provision of this act or the application of such provision to any person or circumstance shall be held invalid, the remainder of the act and the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

EXTENSION OF REMARKS

Mr. MARCANTONIO asked and was given permission to extend his remarks in the RECORD and include a radio speech delivered by him on the subject of Puerto Rican migration.

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD and include a bill introduced by him.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD and include some comments made this morning on a radio program with reference to the Marshall plan by George E. Reedy.

MERRY CHRISTMAS TO ALL

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. PLUMLEY. Mr. Speaker, with genuine regard for and all due respect to those who have sent me Christmas cards, I wish to say now that in view of the alleged scarcity of paper pulp in this country, I am not going to send out any Christmas cards; however, I do wish for every one and all of the Members and employees and attachés of the House a merry Christmas and many a happy New Year. I hope that each and every one of you may live as long as you wish and have all that you wish so long as you live.

EXPORTATION OF SCARCE COMMODITIES

Mr. ROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. ROSS. Mr. Speaker, there appeared a report in the press this morning that there had been issued in the month of October export licenses for shipment of scarce commodities and machinery to Russia in the amount of approximately three times as much as was shipped in the month of September. The purchase for foreign shipment of commodities in short supply has a decided effect upon the price of these commodities in this country.

On December 16, the gentleman from Wisconsin [Mr. KERSTEN] introduced a resolution directing the Department of Commerce to stop shipments of commodities and machinery to those nations within the Russian orbit.

Mr. Speaker, either we are engaged in a cold war against communism, or we are not engaged in one. Unless we use every weapon at our command to win this cold war, we are likely to find some of these materials coming back to us in the form of shrapnel in the event we have a hot war.

Unless the Department of Commerce has stopped the issuance of these export licenses when we return in January, I urge that the Congress take immediate action to pass Mr. KERSTEN's resolution. It seems the height of foolishness to furnish western Europe materials necessary to combat communism and at the same time continue to ship similar materials to Russian-dominated nations.

EXTENSION OF REMARKS

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

THE GOOD ROAD

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. BATES of Massachusetts. Mr. Speaker, adding to what the gentleman from South Dakota [Mr. MUNDT] had to say, I along with other Members of the House had an opportunity last evening to attend the play, The Good Road. I want to tell the Members of the House, all of whom will have an opportunity to witness this show, that it is one of the most impressive I have ever attended. It was just different from the general run of the commercial-type play. The cast is composed of young men and women who come from many parts of the world, volunteering their services in this play. If there is anything that comes from a play, it is the thought that after all we should be interested in the good things of life and in knowing what is the good road to peace and happiness.

Where do we go from here? Surely we are at the crossroads of our civilization today. Yesterday, I joined with other Members of the House in supporting a bill that would give relief to our stricken fellow men and women across the seas. This show brings out all the thoughts that I think are near and dear to the hearts of our fellow men and women not only in America but everywhere in this war-stricken world.

I commend this play to all Members and trust that none of you will lose the opportunity to see something that is really genuine, and to find the uplifting influence that the play presents and which may well be the basis for changing the thoughts that are in the minds of many of the people and leaders of the world today. It is the Christian spirit that ought to emanate from our hearts and souls in order that we may bring order out of chaos and peace on earth to the men, women, and children who are so afflicted with sorrow everywhere.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. BATES] has expired.

GERHART EISLER

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. McDOWELL]?

There was no objection.

Mr. McDOWELL. Mr. Speaker, I have before me this morning's edition of the Communist Daily Worker of New York. There are two pictures on the front page. One is a picture of Gerhart Eisler, whom J. Edgar Hoover named as the No. 1 Communist in the Nation. The other picture shows a policeman taking three American schoolboys to jail for throwing eggs at this fellow.

Gerhart Eisler is making a tour of American colleges, preaching sedition, treason, anti-God, anti-everything that the United States stands for. This man stands convicted and sentenced to jail. He is out on bail. This man has been convicted of passport violations. He has been identified time after time as being one of the leading terrorists in China and responsible for the death of many Chinese patriots.

Once again I call upon the President of the United States to apprehend this man and lodge him on Ellis Island and keep him there until his case is finally disposed of.

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

EXTENSION OF REMARKS

Mr. WORLEY asked and was granted permission to extend his remarks in the RECORD.

THE FUEL SITUATION

Mr. HEDRICK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. HEDRICK. Mr. Speaker, I am very sympathetic with the people of the country who are unable to get fuel oil to keep their houses warm. Several years ago I thought that removing coal furnaces and putting in oil furnaces might be a mistake. They even did that in my home town, even though it is surrounded by numerous big coal operations.

I suggest to the people who are having trouble today, if they will take out their oil furnaces and put in coal furnaces, I will do my best to see that they get plenty of coal from the State of West Virginia.

The SPEAKER. The time of the gentleman from West Virginia [Mr. HEDRICK] has expired.

EXTENSION OF REMARKS

Mr. KLEIN asked and was granted permission to extend his remarks in the RECORD and include a letter from Eliza Yale Smith, who was historian of the Bill of Rights Commemoration Society.

CONFERENCE REPORT

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, I want to make clear to the House my reason for objecting to the unanimous-consent request made by the majority leader, Mr. HALLECK, for permission to consider any conference reports, notwithstanding the rules of the House. Had that request been granted, the so-called anti-inflation bill, if acted upon by both Houses, and in the event of disagreement, could have been included in the request which was made. I am perfectly willing that the deficency appropriation conference report and all other conference reports, except that relating to the anti-inflation bill, should be considered at any time in the House.

The SPEAKER. The time of the gentleman from Ohio [Mr. SMITH] has expired.

RELIEF OF LUCY RHIND

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 390, for the relief of Lucy Rhind, a privileged resolution, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That there shall be paid out of the contingent fund of the House of Lucy

Rhind, sister of Bessie Harrison, late an employee of the House, an amount equal to 6 months' salary at the rate she was receiving at the time of her death, and an additional amount not to exceed $250 toward defraying the funeral expenses of the said Bessie Harrison.

The resolution was agreed to.

A motion to reconsider was laid on the table.

JAMES H. NEALE

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 398, providing for the payment of 6 months' salary and $250 funeral expenses to the estate of James H. Neale, late an employee of the House, a privileged resolution, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That there shall be paid out of the contingent fund of the House to the estate of James H. Neale, late an employee of the House, an amount equal to 6 months' salary at the rate he was receiving at the time of his death, and an additional amount not to exceed $250 toward defraying the funeral expenses of the said James H. Neale.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENEVIEVE MALONE

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 399, for the relief of Genevieve Malone, as guardian to George V. Malone, Jr., son of George V. Malone, late an employee of the House, a privileged resolution, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Genevieve Malone, as guardian to George V. Malone, Jr., son of George V. Malone, late an employee of the House, an amount equal to 6 months' salary at the rate he was receiving at the time of his death, and an additional amount not to exceed $250 toward defraying the funeral expenses of the said George V. Malone.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DISMANTLEMENT AND REMOVAL OF PLANTS FROM GERMANY

Mr. VORYS. Mr. Speaker, by direction of the Committee on Foreign Affairs, I call up House Resolution 365, providing for an inquiry on dismantling and removal of plants from Germany, and ask for the immediate consideration of the resolution and the committee report approving the resolution with amendments.

The Clerk read the resolution, as follows:

Resolved, That the Secretary of State and the Secretary of Defense are requested to transmit to the House of Representatives at the earliest practical moment the following information, namely:

1. How many of the 682 plants in Germany recently announced as surplus and available for reparations have actually been dismantled and removed from Germany? How many from the United States zone? How many from the British zone? How many from the Russian zone? How many from the French zone?

2. What was the character and capacity of the removed plants in each zone? Which ones could have contributed to the economic reconstruction of Germany and Europe within the scope of the so-called Marshall plan?

3. What is the character and capacity of those remaining to be dismantled or removed by zones?

4. How many of these remaining to be dismantled or removed could be converted to peacetime production? For example, from making nitrogen explosives to making nitrogen fertilizers? Is fertilizer important to the contemplated level of recovery for Germany?

5. How many of these plants remaining to be dismantled and removed are capable of making a substantial contribution to the export trade envisioned as necessary if Germany, or the bizonal area of Germany, is to balance her imports of food by export of goods in the year 1952?

6. On what basis was the determination made that a particular plant was surplus? That is, was the surplus character of the plant determined in relation to German domestic products or in relation to available raw materials, or in relation to manpower? Or in relation to exports readily salable abroad?

7. How much material and goods and how much cost in dollars will be required to be sent from the United States to make up for the production of the plants heretofore removed and proposed for dismantling and removal?

8. Specifically, as an illustration, will removal of the Diehl Plant No. 3 at Rothenbach leave a deficiency of aluminum and copper goods to be supplied by import at expense to the United States? Similarly, what of the Krupp pneumatic equipment plant at Geisenheim, also the 13 machine-tool plants at sundry places? Will their normal production have to be supplied by the United States if the desired recovery of Germany to a peaceful and stable level is accomplished.

9. Are any plants listed for dismantling and removal that are the property of American citizens?

10. Have plants been removed from any of the zones in Germany beyond the limits prescribed or contemplated in the Yalta Agreement? If so, by whom, from what zone, and to whom have they been allocated?

11. Has agricultural produce been removed from any zone for delivery into countries outside of Germany which would be important in feeding the civilian populations inside Germany and thereby contribute to the lessening of the financial demands upon the United States? If so, by whom and in what amounts?

12. To what extent have harbor facilities and transportation equipment been removed from Germany, and is any replacement of these facilities or equipment contemplated in the proposals for supplying by the United States as a part of economic recovery for Europe?

With the following committee amendment:

Page 1, line 1, after the word "*Resolved*," insert the following:

"That the Secretary of State and the Secretary of Defense are requested to transmit to the House of Representatives at the earliest practical moment the following information, namely:

"1. How many of the 682 plants in Germany recently announced as surplus and available for reparations have actually been dismantled and removed from Germany? How many from the British zone? How many from the Russian zone? How many from the French zone?

"2. What was the character and capacity of the removed plants in each zone? Which ones could have contributed to the economic reconstruction of Germany and Europe within the scope of the so-called Marshall plan?

"3. What is the character and capacity of those remaining to be dismantled or removed by zones?

"4. How many of these remaining to be dismantled or removed could be converted to peacetime production? For example, from making nitrogen explosives to making nitrogen fertilizers?

"5. How many of these plants remaining to be dismantled and removed are capable of making a substantial contribution to the export trade envisioned as necessary if Germany, or the bizonal area of Germany, is to balance her imports of food by export of goods in the year 1952?

"6. On what basis was the determination made that a particular plant was surplus? That is, was the surplus character of the plant determined in relation to German domestic products or in relation to available raw materials, or in relation to manpower? Or in relation to exports readily salable abroad?

"7. How much material and goods and how much cost in dollars will be required to be sent from the United States to make up for the production of the plants heretofore removed and proposed for dismantling and removal?

"8. Have plants been removed from any of the zones in Germany beyond the limits prescribed or contemplated in the Yalta agreement? If so, by whom, from what zone, and to whom have they been allocated?

"9. Has agricultural produce been removed from any zone for delivery into countries outside of Germany which would be important in feeding the civilian populations inside Germany and thereby contribute to the lessening of the financial demands upon the United States? If so, by whom, and in what amounts?

"10. To what extent have harbor facilities and transportation equipment been removed from Germany and is any replacement of these facilities or equipment contemplated in the proposals for supplying by the United States as a part of economic recovery for Europe?

"11. Why has the Government of the United States not taken appropriate steps to delay temporarily the further dismantling of plants in western Germany so as to permit further study by the appropriate committees of Congress in order to determine whether such transfers are prejudicial to any general recovery program for western Europe?"

Mr. VORYS. Mr. Speaker, I ask unanimous consent that the committee report, which is available here at the table, be placed in the RECORD at this point.

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

There was no objection.

(The committee report referred to follows:)

The Committee on Foreign Affairs, to whom was referred the resolution (H. Res. 365) providing for an inquiry on dismantling and removal of plants from Germany, having considered the same, report favorably thereon with amendments and recommend that the resolution as amended do pass.

The amendments are as follows:

1. Insert a preamble, as follows:

"Whereas the western zones of occupied Germany now constitute a deficit economy requiring large appropriations by the United States, and also constitute an integral part of the European economy which is to be considered by the Congress in connection with any general program of European economic recovery; and

"Whereas conditions have changed substantially since the Inter-Allied Reparations Agreement of December 1945, under which

the dismantling program is being conducted; and

"Whereas the failure by the London Conference of Foreign Ministers to reach agreement may require a reexamination of the German question; and

"Whereas the Department of State has secured information for the Committee on Foreign Affairs on many of the questions involved in the dismantling and removal of industrial plants from the United States zone of occupied Germany, but sufficient information has not yet been made available for the proper consideration by the Congress of this problem in connection with any general program of European economic recovery: Therefore be it"

2. Strike out all after the resolve clause and insert a new resolution, as follows:

"*Resolved*, That the Secretary of State and the Secretary of Defense are requested to transmit to the House of Representatives at the earliest practical moment the following information, namely:

"1. How many of the 682 plants in Germany recently announced as surplus and available for reparations have actually been dismantled and removed from Germany? How many from the British zone? How many from the Russian zone? How many from the French zone?

"2. What was the character and capacity of the removed plants in each zone? Which ones could have contributed to the economic reconstruction of Germany and Europe within the scope of the so-called Marshall plan?

"3. What is the character and capacity of those remaining to be dismantled or removed by zones?

"4. How many of these remaining to be dismantled or removed could be converted to peacetime production? For example, from making nitrogen explosives to making nitrogen fertilizers?

"5. How many of these plants remaining to be dismantled and removed are capable of making a substantial contribution to the export trade envisioned as necessary if Germany, or the bizonal area of Germany, is to balance her imports of food by export of goods in the year 1952?

"6. On what basis was the determination made that a particular plant was surplus? That is, was the surplus character of the plant determined in relation to German domestic products or in relation to available raw materials, or in relation to manpower? Or in relation to exports readily salable abroad?

"7. How much material and goods and how much cost in dollars will be required to be sent from the United States to make up for the production of the plants heretofore removed and proposed for dismantling and removal?

"8. Have plants been removed from any of the zones in Germany beyond the limits prescribed or contemplated in the Yalta Agreement? If so, by whom, from what zone, and to whom have they been allocated?

"9. Has agricultural produce been removed from any zone for delivery into countries outside of Germany which would be important in feeding the civilian populations inside Germany and thereby contribute to the lessening of the financial demands upon the United States? If so, by whom, and in what amounts?

"10. To what extent have harbor facilities and transportation equipment been removed from Germany, and is any replacement of these facilities or equipment contemplated in the proposals for supplying by the United States as a part of economic recovery for Europe?

"11. Why has the Government of the United States not taken appropriate steps to delay temporarily the further dismantling of plants in western Germany so as to permit further study by the appropriate committees of Congress in order to determine whether such transfers are prejudicial to any general recovery program for western Europe?"

House Resolution 365 was introduced in the House of Representatives on November 24. It raised a series of questions concerning the program for dismantling German industrial plants for reparations.

On November 25 Chairman EATON wrote a letter to the Department of State requesting answers to the questions raised by the resolution.

On December 4 the committee heard Mr. Lawrence Wilkinson, of OMGUS, Berlin, testify on the questions. At that time the Department of State was awaiting additional material in reply to inquiries addressed to United States authorities in Germany. On December 16 Gen. Theodore Draper, Under Secretary of the Army, appeared before the committee to testify on the general questions raised.

On December 6 the Department of State delivered to the committee additional material, including—

(a) A letter from Acting Secretary of State Robert A. Lovett.

(b) A memorandum containing information on capacities involved for a few industries, and on the allocation by countries, and other matters supplementing the other documents available.

(c) A copy of the list of plants to be dismantled in the French zone.

(d) A cable from Germany giving the degree of dismantling already accomplished, by plants, for the United States zone.

All of this information is in the files of the Committee on Foreign Affairs and is available for inspection by any Member of the House.

The Department of State and the Department of the Army also have requested further information from United States authorities in Germany concerning details of plant capacity in key industries, and concerning removals of harbor equipment, and on other points. The replies to these inquiries have not yet been received.

(a) The purpose of House Resolution 365 was to place the Congress in a position to judge, on the merits, the effect of plant removals upon any program for European economic recovery. The question involves particularly those plants capable of producing items such as steel sheets and tubing, of which there are international shortages. Further information on these plants has been promised by the Department of the Army, but has not yet been delivered. Eventually, complete detailed information will be needed to check the balanced character of the most recent proposed level of industry for the western zones of Germany.

(b) Much of the information called for by House Resolution 365 is impossible to obtain at present. Information on plant removals in the Soviet zone since the end of hostilities, and on projected plant removals, is unavailable. Information on the British and French zones may be obtainable, but is subject to delays.

(c) The witnesses and the Department of State have made great efforts to answer the questions presented by House Resolution 365. At the same time, the information provided in many of the answers has been inadequate. The inadequacy of the information is not due to any fault of the Department of State or of the witnesses. It is due to the impossibility of obtaining the necessary information in a short time.

(d) To seek complete answers to some of the questions asked, even if only on plants that could produce bottleneck items, would require either considerable further investigation through hearings or direct field investigation in Germany or both.

(e) A judgment by Congress on the merits of the removal of any particular plant also requires further information. The removal program ostensibly rests upon the identification of certain plants as surplus to future German needs, and therefore as properly removable in compliance with the reparations clauses of the Potsdam agreement.

In order to know whether a plant is surplus we must know—

1. The total industrial capacity available in Germany for the production of the particular product involved;

2. The capacity usable in Germany under realistic estimates of available materials and manpower;

3. The reasons for choosing the particular plant rather than another as surplus, especially in relation to transportation, manpower, housing, etc.; and

4. The basis on which German future needs for the particular product have been estimated, and the degree of realism in this basis of estimation relative to the projected German balance of imports and exports when Germany will ostensibly cease to require American aid.

Further, even if a plant may be properly classed as surplus, we would need to know what value it will have for European recovery if moved, as compared with the labor and transportation cost of removal.

The physical capacity of Germany's western zones for production of items in short world and United States supply is a basic economic requisite on which information must be obtained.

THE GERMAN ECONOMY AND EUROPEAN RECOVERY

The program for European economic recovery confronts Congress with a proposal for large-scale economic aid from the United States to Europe over a period of years. Both Congress and the public are legitimately concerned over the recurrence of requests on such a scale. The justification of any such European recovery program must be made on the basis of an estimate of Europe requirements in scale and in time that will not again prove disappointing.

The role of the German people as producers and consumers is one of the most important factors on which our estimates must be brought into conformity with realities if the whole structure is to stand. The proposition that Europe within 4 years will be able to produce enough, and export enough, to finance European imports without gifts from the United States cannot add up to make sense unless the position of Germany as an important part of Europe also adds up to make sense.

United States policy on the German economy has changed, but our present policy is not clear to the committee.

Among the conclusions reached by our policy 2 years ago were those providing industrial reparations to countries now classified as Soviet satellites, and to Soviet Russia. The committee is informed that out of 45,000,000 reichsmarks value scheduled for transfer from the United States zone to Russia only 3,000,000 reichsmarks remain to be delivered. Out of the 14½ percent of deliveries allocated to Yugoslavia and other Soviet satellites from the 75 percent of removals from the western zones not allocated to Russia, however, much remains to be delivered. The effect of such transfers upon the prospects for peace and prosperity in Europe can no longer be judged in the same manner as formerly.

Of the 18 nations involved in the inter-Allied reparations agreement of December 1945, 3 are now Soviet satellites, 13 are directly or indirectly involved in the Marshall plan, and the remaining 2, India and Egypt, account for only 3.10 percent of proposed reparations. For at least 16 of the 18 nations, a review of the situation would seem warranted by the changed circumstances.

EXPLANATION OF THE AMENDMENTS OFFERED

The first amendment inserts at the beginning of the resolution a statement of the reasons why an inquiry by Congress into the subject of the dismantling and removal of German industrial plants is necessary and appropriate at this time.

The second amendment strikes out portions of the original resolution to eliminate those questions or parts of questions on which reasonably full information has already been provided to the committee, and on which further specific inquiry is therefore unnecessary.

The second amendment also adds one further question which inquires into the policy reasons for the continuance of the program of dismantling, a question that was not directly raised by the questions previously embodied in the resolution.

Mr. VORYS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, House Resolution 365, a privileged resolution of inquiry, was introduced on November 24, 1947, by the gentleman from South Dakota [Mr. CASE] who was chairman of the subcommittee on Germany and Austria of the House Select Committee on Foreign Aid that made a study in Europe this past fall. I was a member of his subcommittee.

The Committee on Foreign Affairs made a considerable study of this, as much of a study as could be done in view of the other matters that were engaging our time, and the State Department and various witnesses, including Colonel Wilkinson, deputy in charge of economic affairs under General Clay, testified. The testimony and reports are on file in the committee's office and available to any Member of Congress.

It was found, however, that it was simply impossible to get sufficient information for the committee to make any report to the House at this time on the very important question as to whether the dismantling of plants in Germany should continue in view of the long-term European aid the House is shortly to consider. It was felt, therefore, that this resolution should be brought to the floor and passed with two amendments, one of which is a preamble stating the general background of the matter. There was a second amendment which strikes from the original resolution the questions which have already been answered and inserts a new question directed to the general policy question as to why it is not possible for the further dismantling of these plants to be delayed until the Congress can make a study of this matter in view of the changed conditions since the original reparations agreement of 1945.

Mr. Speaker, of the 18 nations involved in the 1945 reparations agreement, three are now satellite nations, 13 are connected directly or indirectly with the so-called Marshall plan and the activities for European recovery, while two, India and Egypt, are not within that group. The latter two have allocated only 3.10 percent of the reparations.

It would seem it could hurt no one and might benefit western Europe, Germany and the American taxpayer to take a second look at this matter. It is the purpose of this resolution to secure sufficient information so that the Congress may take a second look.

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

Mr. VORYS. I yield to the gentleman from Texas.

Mr. RAYBURN. I do not see the minority members of the Committee on Foreign Affairs here. Is this a unanimous report?

Mr. VORYS. This is not a unanimous report. I do not believe that it was a unanimous report. That is all I can say.

Mr. RAYBURN. Mr. Speaker, I rather think it would be better if this resolution were laid aside for a while, and give us on this side an opportunity to examine it.

Mr. VORYS. May I say, without going into the deliberations of the executive session, that it was thoroughly understood that this matter would come up at this time. The gentleman from South Dakota had the right for over 10 days, due to the nature of the resolution, to bring it to the floor, but he cooperated with the committee in holding up bringing it to the floor until the interim aid bill was out of the way, and until the conclusion of the London Conference. The conclusion of the London Conference not only makes it advisable to bring it up now, but gives additional reasons why these questions should be submitted, so that we may perhaps have the answers when we reconvene in January.

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

Mr. VORYS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Of course, the gentleman recognizes that some on this side ought to have one-half of the time we allotted to it. I might say this, that so far as I know, and so far as our minority leader knows, we had no notice that this matter was going to be brought up today. We did know about the other two investigation resolutions. And, I say this in no critical sense, but during my 6 years I was very careful to always advise the minority leadership as quickly as possible of anything that was coming up. Because of the organization relationship there is always harmony, but it can be very easily disturbed when it is felt by the minority leadership that they are not being given the notice, and the courtesy, and the consideration, and dignity that they are entitled to as representatives of one of the two parties. For 6 years I was very careful in always giving notice, never doing anything that might be remotely construed as a surprise. Even on suspension I gave advance notice of any change in plans, always telling what they were as quickly as possible, because it is very easy to disturb the fine organization relationship that exists by one or two happenings that are unintentional, but can be very easily avoided by just a little advance notice.

Mr. VORYS. Now, if the gentleman means to scold the gentleman from Ohio——

Mr. McCORMACK. No, no.

Mr. VORYS. I have already stated that the minority members of the Committee on Foreign Affairs had full notice that this matter was coming up. I felt bound not to make any statement that the action was unanimous, but so far as I know—and I do not attempt to speak for the minority—no one from the committee is in opposition to the merits of this resolution, and the committee knew that it was to come up at this time. Due to the nature of the resolution we had hoped and expected that it would only take a few minutes, and I still feel that it can be disposed of in a few minutes, since the views of the committee, and I feel of the House, are overwhelming that we should at least ask some questions on this subject.

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

Mr. VORYS. I yield to the gentleman from South Carolina.

Mr. RICHARDS. I would like to say to the gentleman from Ohio that, as one member of the Committee on Foreign Affairs, I did not know that the resolution was to be brought up today, and as one member who voted against the resolution, when it was passed out of the Committee on Foreign Affairs, I did not think it proper to bring up this resolution in the form in which it was brought. There are some assumptions in the resolution, or some inferences, that the State Department had not done its duty by failing to ask for this information in regard to the dismantling of German industrial plants. It was my opinion that the wording of the resolution should have been changed so as to make it solely in the form of a request of the State Department for information in regard to this subject, and not in the form of an insinuation that the State Department had not performed its duty in the premises.

Now, I do not know of any rule of the House which would prevent this resolution coming up today. It is my understanding that the author himself could have brought up this resolution if the committee had not brought it up.

Mr. VORYS. That is perfectly true. Just one point as to insinuation against the State Department. The committee report states "the witnesses and the Department of State have made great efforts to answer the questions presented by House Resolution 365." It was the purpose of the committee in its report not to make any insinuations, as the gentleman well knows, but to point out that much of the information was not yet available and therefore to request that these further questions be asked.

Mr. McCORMACK. What about yielding time to the minority?

Mr. VORYS. Does the gentleman from South Carolina wish to have time now, or would he prefer that I yield to the author of the resolution first?

Mr. RICHARDS. I should like the gentleman to yield this side one-half of his time.

Mr. VORYS. We had hoped to dispose of this in 10 or 15 minutes.

The SPEAKER. The Chair will state that it is not permissible under the general rules of the House to yield 30 minutes to a side on this sort of resolution, but the gentleman can yield to different individuals.

Mr. RICHARDS. Mr. Speaker, I should have made my request in a different form. I should like for this side to be yielded some time.

Mr. VORYS. Does the gentleman wish me to yield to him at this time? If so, I yield him 5 minutes.

Mr. RICHARDS. I think it would be proper for the author of the resolution to be recognized at this time in support of the resolution. I am not rising in support of the resolution.

Mr. VORYS. Mr. Speaker, I yield 5 minutes to the author of the resolution. I shall then yield 5 minutes to the gentleman from South Carolina or anyone else that wishes to speak in opposition to the resolution, and I shall then move the previous question on the resolution and the amendment.

Mr. CASE of South Dakota. Mr. Speaker, the committee amendment to my resolution incorporates 10 of the 12 questions in my resolution as originally introduced, drops 2 of the questions which have been answered and adds a very pertinent question as an eleventh question. Of course, I have no objection to it and urge its adoption.

The able gentleman from Ohio [Mr. VORYS] was a member of our foreign-aid committee in Germany this fall and is himself chairman of an economic subcommittee of the Committee on Foreign Affairs and has well stated the import of this matter.

In carrying the explanation further, it may be helpful for Members to take a look at this map, which I regret cannot be provided on a larger scale at this time. However, the Members will be able to see that this is a map of Europe, and the heavily colored sections here represent what is left of Germany.

This heavy line here, which is in green, outlines the part of old Germany which has been lost to Russia or to Poland by the agreements made at Yalta and Potsdam or following the war. In this area in white but inside this heavy line on the east of present Germany is 30 percent of the industrial potential of old Germany. All of that now is on the eastern side of the curtain.

In this red or pinkish color here you see what is the Russian zone of Germany, in the blue the American zone, in the purple the French zone, and in this lighter yellow color the British zone.

Under the agreements with respect to dismantling, in addition to getting all of the industrial potential which is on the eastern side of the fence now, the 30 percent of total industrial capacity, Russia gets all the dismantlings which are in the Russian zone, 100 percent of them, and then gets 25 percent of the dismantlings out of the three western zones. On top of that, out of the 75 percent of the dismantlings in the three western zones, the satellite countries get an additional 14 percent. When you add that all up you have a picture where Russia today has access to about 55 percent of the industrial potential of old Germany.

Whatever may have been the justifications for the agreements of Yalta and Potsdam when they were made, we are living in a different world today. The agreements of Yalta and Potsdam have not been carried out in respects important to the stability of the world and the welfare of the United States. In these circumstances, it is important to determine the facts of the situation with respect to the dismantlings of industrial plants in Germany which is what this resolution seeks to do. It is a resolution of inquiry.

On the face of things, it would appear that completion of the dismantling program would do two things: First, injure the ability of the remnant of Germany to contribute to her own recovery and get off the backs of the American taxpayer; second, contribute to the industrial rehabilitation of countries who are not cooperating in world recovery, and, again, at the expense of the American taxpayers.

For example, among the shortages in Germany which hamper recovery are these: Steel sheets and tubing, machine tools, ball bearings, textiles, sanitary and cleansing agents. Plants in each of those categories are among those scheduled for dismantling. Ball-bearing plants and electric generators have been dismantled and shipped to Russia. A textile or rayon plant is among those scheduled for shipment elsewhere while as recently as yesterday the House of Representatives heard a plea for more funds to provide clothing for workers to increase the output of coal which is the key to European recovery. We are told that infant mortality has risen from 6 to 18 percent because hospital and layette bedding cannot be properly cleaned under present soap rations, yet a large soap factory is among those scheduled for dismantling. Disease and sickness are major causes in the size of the bill the United States is called upon to pay during our occupation in Germany. Certainly, we should have the facts about these things. Certainly we should have the facts as they are requested in this resolution of inquiry, and with them before the appropriate committees of the Congress, we can better determine what then we shall do.

And there is the Russian angle of the situation, an angle which cannot be ignored in view of the break up of the conference in London.

If this program goes on, it is indicated that Russia will have gained access to 55 percent of the industrial potential of old Germany.

This is the picture. By moving her fence over and setting it down on the Stettin line, Russia has put into her economy or into the economy of the satellite countries approximately 30 percent of the industrial potential of old Germany. That is the acquisition outright of the industrial plants in such areas as East Prussia and Silesia, either add to Russia or to Poland. This is independent of the question involved in dismantling within remnants of Germany now occupied by the four powers, Russia, Great Britain, France, and the United States.

Within the occupied zones, Russia, under the Yalta-Potsdam agreements, gets all of the dismantled plants removed from the zone which she occupies in and surrounding Berlin and including such centers as Leipzig and Dresden. That is in her zone, Russia gets 100 percent of the removals.

That is not all. Out of the dismantlings in the remaining three western zones, Russia gets an additional 25 percent of the plants removed. This may be disarming and demilitarizing Germany, but one wonders what it is doing for Russia.

But that is not all. Of the 75 percent of the removals remaining in the western zones, the so-called satellite countries get another 14 percent. To all intents and purposes as things now appear, that industrial potential will be available to Russia. When the whole thing is added up, and the percentages applied to the original industrial potential, it appears that Russia is getting access to or control of 55 percent of the industrial potential of prewar Germany. The resolution of inquiry seeks to get the concrete facts in this picture and it should be adopted.

Mr. VORYS. Mr. Speaker, I now yield 6 minutes to my able and distinguished friend, the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Speaker, I appreciate the courtesy shown me by my friend, the distinguished gentleman from Ohio [Mr. VORYS]. I would like to propound this question to the gentleman from Ohio: Will he agree that line 25, section 11, on page 5, shall read as follows: "Has the Government of the United States," instead of the words now in that line?

Mr. VORYS. As I understand it, the gentleman's question is whether there should be a correction in section 11 so that it will read: "Has the Government of the United States taken appropriate steps," and so forth. I know of no objection. I think that was the language which the committee meant to put in, but through some actions that took place near the end of the meeting it was not so written. I have canvassed the committee and there is no objection.

Mr. RICHARDS. The gentleman will consent to that amendment? If so, I withdraw my reservation.

Mr. VORYS. Yes.

Mr. Speaker, I ask unanimous consent at this time that section 11 be so amended.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. VORYS]?

Mr. CASE of South Dakota. Reserving the right to object, Mr. Speaker, I think that change should be made. It is in harmony with the way in which the rest of the resolution is drafted.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

On page 5, line 25, strike out the word "why" and the word "not" so that the section will read:

"Has the Government of the United States taken appropriate steps to delay temporarily the further dismantling of plants in western Germany, so as to permit further study by the appropriate committees of Congress, in order to determine whether such transfers are prejudicial to any general recovery program for western Europe?"

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on agreeing to the resolution, as amended.

The resolution was agreed to.

The SPEAKER. The Clerk will report the amendment to the preamble.

The Clerk read as follows:

Add a preamble, as follows:

"Whereas the western zones of occupied Germany now constitute a deficit economy requiring large appropriations by the United States, and also constitute an integral part of the European economy which is to be considered by the Congress in connection with any general program of European economic recovery; and

"Whereas conditions have changed substantially since the Inter-Allied Reparations Agreement of December 1945, under which the dismantling program is being conducted; and

"Whereas the failure by the London Conference of Foreign Ministers to reach agreement may require a reexamination of the German question; and

"Whereas the Department of State has secured information for the Committee on Foreign Affairs on many of the questions involved in the dismantling and removal of industrial plants from the United States zone of occupied Germany, but sufficient information has not yet been made available for the proper consideration by the Congress of this problem in connection with any general program of European economic recovery: Therefore be it"

The amendment was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

SELECT COMMITTEE TO INVESTIGATE TRANSACTIONS ON COMMODITY EXCHANGES

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 404 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there is hereby created a select committee to be composed of seven Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized to conduct a full and complete investigation of purchases and sales of commodities, including transactions in the purchase and sale of commodities for future delivery, and including (a) the activities of any department or agency of the United States Government in connection with the purchase and sale of commodities, and into any other activities of any such agency or department that may have heretofore affected, or may hereafter affect, the price of food and other commodities; and (b) the private acts, and official activities of any individual in the United States Government in connection with the purchase or sale of commodities.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable.

For the purpose of carrying out this resolution the committee or subcommittee thereof is authorized to sit and act during the present Congress at such times and places within the United States whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

CALL OF THE HOUSE

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

Mr. BROWN of Ohio. 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. 149]

Allen, La.	Fletcher	Pfeifer
Andrews, N. Y.	Gillie	Philbin
Barden	Gregory	Phillips, Calif.
Bates, Ky.	Gross	Powell
Bloom	Hartley	Rabin
Boggs, La.	Hébert	Reed, Ill.
Boykin	Heffernan	Reed, N. Y.
Brooks	Herter	Rivers
Buckley	Jackson, Calif.	Sabath
Busbey	Johnson, Ind.	Sanborn
Byrne, N. Y.	Johnson, Okla.	Scoblick
Celler	Judd	Scott, Hugh D., Jr.
Clements	Kefauver	Shafer
Clippinger	Keogh	Smith, Kans.
Coffin	Kilburn	Stratton
Colmer	King	Taylor
Courtney	Lesinski	Thomas, N. J.
Cravens	Ludlow	Towe
Crosser	McDonough	Trimble
Dawson, Ill.	Meade, Ky.	Wadsworth
Delaney	Mitchell	Williams
Dirksen	Morrison	Wolcott
Domengeaux	Norton	
Fallon	O'Hara	
Fisher	Patterson	

The SPEAKER. On this roll call, 359 Members have answered to their names, a quorum.

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

SELECT COMMITTEE TO INVESTIGATE TRANSACTIONS ON COMMODITY EXCHANGES

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH], and now yield myself such time as I may require.

Mr. Speaker, House Resolution 404 creates a select committee to be composed of seven Members of the House to be appointed by the Speaker for the purpose of conducting a full and complete investigation of the commodities and sales of commodities, including all transactions in the purchase and sale of commodities for future delivery, including the various activities of the departments of Government in connection therewith. Under this resolution, this select committee will have authority to investigate the transactions in all commodities and not in grain alone or in any one particular commodity. It will have authority to investigate all commodities, especially those which may affect the present high cost of living. Also that this committee will have authority to subpena records, compel the attendance of witnesses, and to report upon the activities of any or all citizens or residents of this country in connection with those activities in the commodity markets.

Certainly it is about time we began to look into this picture in a comprehensive way. The President of the United States has made certain statements relative to gambling in grain and human misery, as he described it. Members of both political parties have discussed this problem and have condemned some of the activities that have evidently been called to their attention as individual Members. I know of no reason why the floodlights of truth and publicity should not be turned on these transactions in the commodity markets at this time. I believe the people of the United States are entitled to know whether some of these charges which have been made are true or false. If there are any individuals within the Government or without the Government, within the Congress or without the Congress, who have in any way profited by what might be termed inside information, then the people of the United States are entitled to know that. So I hope there will not be any opposition to this resolution and that every Member of Congress will show his or her willingness and readiness to let the people know that which has been going on, regardless of where the chips may fall.

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

Mr. BROWN of Ohio. I yield.

Mr. SHEPPARD. I do not know whether I interpreted the first portion of the gentleman's statement correctly or not. Am I to understand that this is to be a complete investigation into all ramifications of stock dealings, or just in futures?

Mr. BROWN of Ohio. Commodities.

Mr. SHEPPARD. Well, which category? In the futures?

Mr. BROWN of Ohio. In both the purchasing and sale of commodities, and also in the purchase and sale of commodities for future delivery.

Mr. SHEPPARD. In other words, it takes the basic stock issue of a corporation that is dealing in a commodity——

Mr. BROWN of Ohio. Oh, no, no. It does not have a thing to do with trading in stocks or bonds. It has to do only with commodities; selling wheat, potatoes, or prunes, as far as that is concerned, or any other California product.

Mr. Speaker, I reserve the remainder of my time.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Mr. Speaker, the people of this country have been greatly concerned by charges made from time to time that persons connected with our Government in one capacity or another or their employees using information obtained from confidential sources within the Government that might affect the trend of markets or commodities, have thereby profited from commodity market trading. I have no personal knowledge of whether anyone connected with the Government has engaged in such transactions, or whether having engaged in them he was acting on information obtained from confidential sources in the Government. What I do know is that the charges have been made, and since questions involving the officials of our Government have arisen, I think the people of this country are entitled to a real investigation and a full disclosure of the facts. They would not get it under the proposed resolution by any manner of means.

I want to call your attention to this Resolution 404 and just what it is. It does not propose a congressional inquiry at all but proposes the setting up of a select committee of the House, a mere duplication of what is now being attempted in the other body by one of its regular committees. In the second place, this resolution does not authorize the Secretary of Agriculture to diclose the names of persons trading on the commodity markets. It nowhere specifically authorizes or directs the inclusion of Members of the Congress of the United States within the purview of the investigation.

On yesterday I introduced in this body House Concurrent Resolution 124 which has now been printed and is available. You will find it printed in the RECORD of yesterday at page 11528 which you will find at your desks, and which does propose a real investigation, one that will include Members of Congress, the House and the Senate, and their employees. We owe that kind of investigation to the people. Personally, I doubt that very many Members of Congress, in fact none so far as I know, have engaged in speculation on the commodity exchange. I know I have not. But that is not the question. We have been investigating others in the executive division of the Government, and I feel that what is sauce for the executive goose is sauce for the legislative gander. Let us not leave the impression with the people that we fear disclosure of the facts concerning the commodity market activities of the Members of Congress.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield for an observation? I think I might be of help to the gentleman.

Mr. COMBS. If it will not come out of my time. I have but 5 minutes.

Mr. BROWN of Ohio. It will take only 1 second to call the gentleman's attention to line 5, page 2, which reads "the activities of any individual," which would certainly include Congressmen. I hope a Member of Congress is still an individual.

Mr. COMBS. Yes; and that same provision does not confer upon the proposed select committee a single power that any regular committee of this House does not now have, except one, and I will read that one to you. It is on page 2, beginning in line 13:

> For the purpose of making such investigations the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within or outside the United States, whether the House is in session, has recessed, or has adjourned.

That merely would authorize a junketing expedition, but with no additional power whatever that is not now possessed by a regular committee of the House.

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

Mr. COMBS. I cannot yield. I have but 5 minutes. Wait until I have finished.

Mr. WALTER. I think the gentleman, in all fairness, should have read a little more of the paragraph that he started to read.

Mr. COMBS. No; the paragraph can be read by the Members. I have but a limited time. Here is my point:

A committee of the other body has been engaged for days in the same kind of an inquiry that is here proposed. This morning the Secretary of Agriculture appeared before that committee. After pointing out in his testimony that the law forbids him disclosing the information that had been requested, after pointing out that the Attorney General and also his own legal advisor had told him that under the law he cannot disclose the information asked for, after having pointed out that two Secretaries of Agriculture before him had considered sacred and confidential the matters turned over to them in reliance on the law, he then concluded this way, and I want to read it into the RECORD at this point:

> As I have pointed out, you have a sound and simple means of accomplishing your purpose which does not involve any questionable use of power. I suggest again, with all respect, that you pursue that easy, better method. All that is necessary is the passing of a joint resolution, which the President will approve, removing certain transactions from the category of confidential information. In this way the constitutional and immemorial relationship between the legislative and executive branches of the Government will be appropriately preserved.
>
> I assure you again that neither the President nor I has the slightest objection to releasing the information you desire if the means are provided for doing so in good conscience, by direction of the Congress, and not under the shadow of legal doubt.
>
> I appeal to you to consider this well.
>
> However, in the event that you as a committee, without further action by the Congress, insist on having the names and addresses of all traders along with the statistical information called for in your subpena, I shall not permit myself to be charged with shielding anyone by a refusal to grant your request. If your decision to demand the names remains unchanged, you and the public will have them as rapidly as we can gather the information and prepare the lists.

I am going to put the whole statement in later. I only have time to read this particular part. After making those observations he called attention to the fact that many manufacturers and other business people engaged in these transactions as a matter of business and in a perfectly legitimate way and it would be highly improper to disclose this confidential information.

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

Mr. SMITH of Virginia. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. COMBS. Mr. Speaker, what this country needs is a real investigation by a committee of the Congress under authority to include you and me. Who in this Government has more opportunity to get confidential information about the future activities of this Government than you and me in this Congress who daily hale before our committees the heads of our Government departments under the power of subpena and drag from them information concerning future activities? I want that included, not by innuendo but under a mandate from the Congress, so that the facts may be known.

If I can get recognition I am going to attempt to substitute my resolution, House Resolution 124, which will do the job. If on parliamentary grounds that is not possible, then I shall request that we have the opportunity to call up immediately by unanimous consent this House Resolution 124 so that we will have a chance, Mr. Speaker, to get a real investigation.

I want to tell you that the faith of the people in their Government is at stake. We hear a lot said in this country about threats to our liberties. Well, we must be alert and there are threats. But there will be no real danger to the institutions of this country until the people lose faith in their Government. That will be when they come to believe that the executive branch of their Government is manned by men who are selfish and venal and who serve only their own interest; it will be when they consider the halls of the legislative bodies the haunt of the demagogue. Then and only then will our form of Government be in real danger.

The full text of Secretary Anderson's statement is as follows, which I here read into the RECORD in order that it may be available to all of the Members:

STATEMENT BY SECRETARY OF AGRICULTURE CLINTON P. ANDERSON BEFORE THE SENATE COMMITTEE ON APPROPRIATIONS, THURSDAY, DECEMBER 18, 1947

I have come here in response to your request for certain information relating to trading in commodity markets. Even though you had not issued a subpena, I would have been glad to come before you to discuss what is involved in this request. I have great respect for the Congress, including its committees. As Secretary of Agriculture, I have endeavored to cooperate fully with the Congress. Never have I sought to withhold one iota of information wanted by the Congress, any committee of the Congress, or any individual Member of House or Senate if I had both the right and the power to provide that information. Many of you can attest to that fact by your own experience.

I respect the right of congressional committees to subpena persons and things in their effort to ascertain the truth in the interest of the people. I am loath to question the right of congressional subpena. With wise use, it is an instrument of great value to the Congress and the people.

The legislative branch of the Government, with its power to amend as well as to make the laws, has no need to use its subpena powers in doubtful cases. Whenever there is doubt as to propriety or public interest, the Congress can immediately resolve that doubt. If a majority of Congress refuses to take action about which there was doubt, it then becomes clear that forcible action by a committee would have been a mistake. If a majority approves a change of law which removes doubt in favor of those who believed that force was proper, then the beliefs of those people are vindicated. No harm is done. The Congress maintains its dignity and prestige. Its prerogatives and powers remain intact. The interest of the people is served.

As you know, I have urged that in this instance Congress follow such a course and resolve all doubt rather than to impose the will of this committee on me in disregard of my firm conviction that I am bound by Federal statute.

On Monday of this week your chairman requested me to make public to you the details of transactions of all persons who have engaged in speculative trading in commodity futures, including the names of such persons.

I replied immediately, calling attention to the provisions of the Commodity Exchange Act which impose a specific duty upon me to keep confidential all such information obtained by the Department in the administration of the act.

The Department has consistently observed this confidence, and the observance has been favorably commented upon by the courts. The observance by former Secretaries of Agriculture has taken the form also of declining to make disclosures of names in response to resolutions of the Senate for an investigation into speculative transactions.

The special circumstances mentioned in the act under which a disclosure may be made are not present. Speculation itself is not a violation of the act. The act recognizes the need for some speculation in order to allow the contract markets to perform one of their primary functions, namely, acting as a hedging medium for the producers and users of the commodity. Individual transactions are subject to our scrutiny to determine whether they are of such a nature as to disrupt the market or to be otherwise harmful to the interests of producers and consumers. But the law forbids indiscriminate publication of transaction and the names of persons engaging in them.

The Congress itself has established the policy in this respect. It is not for me to pass upon the wisdom of that policy. I will say, however, that any policy established in this connection would be wholly futile if it could be set aside by a congressional committee at will.

The Department of Agriculture engages in numerous activities of a diversified nature. Many of these activities cannot properly be carried on without information from persons affected by them. Much of this information consists of the intimate details of internal management of private business. The information is furnished with the understanding that the particulars of reported transactions will not be disclosed in such a way as to provide identification of persons, and in some cases the applicable statute imposes secrecy upon the officials of the Department. It is not unusual for the Congress to prescribe penalties for the disclosure of such information without due cause.

We have tried hard to keep inviolate the confidence reposed in us, and I believe that the reputation of the Department in this respect is unsullied. I cannot conceal my deep concern that harmful consequences may attend the disclosure of names which you now request. I have suggested a way whereby, as a public official charged with the duty of holding information in confidence, I may be enabled to disclose the information you request without doing violence to existing law.

The destruction of confidence entails a loss not easily regained. This is just as true in governmental as in private affairs. The information you request relates to the names and addresses of innumerable persons in all walks of life. The transactions of most, if not all, of these persons are without taint of illegality. The millers, the feed manufacturers, breakfast-food companies, textile mills, oil processors, food distributers, and many other representatives of American industry constantly use the commodity exchanges. They have a right to expect that the confidence engendered by the statute will continue until removed by statute.

Now, in the face of these serious considerations, your committee has served on me a subpena to produce certain information.

I am confronted with a dilemma. In the first place, I cannot imagine myself in a position of refusing to give a duly constituted committee of Congress information which it has demanded. My mind rebels at the thought. No matter how unfortunate the request, I respect it because of the institution from which it comes. But the alternative is also distressing. My own study of the law in question convinces me that I am prohibited from disclosing some of the information demanded by the committee. My legal counsel advises me that I am so prohibited except under circumstances which do not now exist. I am legally and morally responsible for my administrative acts and judgment. I cannot forget that.

I was reminded that two previous Secretaries of Agriculture, under legislation as it then stood, refused to submit lists of traders in response to Senate resolutions. Employees of the Department familiar with the circumstances under which subsection (6) of section 8a of the Commodity Exchange Act was subsequently added have told me the history back of the language, and that adds to my belief that I am restrained from making public any list of traders except under circumstances not now in existence.

In spite of the weight of this judgment, I turned to the highest legal authority available to me—the Attorney General of the United States. His opinion confirmed the situation already outlined for you.

And so the dilemma goes.

Now let us see precisely what information it is which the subpena calls for that I believe should be kept confidential. I am clearly permitted under the law to provide you with all of the market information you have ordered except the names and addresses of the traders. About statistics there is no question whatsoever.

In response to your subpena, I have brought with me tables showing, by markets, the daily and annual volume of futures trading in each of the 19 commodities traded in during the period from January 1946 through November 1947 on the 18 commodity exchanges designated as contract markets under the Commodity Exchange Act. Futures trading is conducted in from one to six of these commodities on each of these 18 markets. These tables show volume of trading in terms of sales; there must, of course, be a purchase for each sale.

I am also making available to the committee tabulations showing the daily opening, high, low, and closing prices of each future of each commodity traded in for future delivery on the principal contract markets during the period from January 1946 through November 1947. I do want to point out that there are no other copies of these records in existence. These records are in daily use and it will be a handicap to the Department if we must come to the committee to use our records.

I am perfectly at liberty to give you all the additional statistical information you demand as soon as it can be gathered.

The subpena, it should be noted in passing, calls for a vast amount of information which we do not have and which we can obtain only by copying from the books of brokerage houses, who maintain more than 1,600 offices in the 47 States and 13 foreign countries, the records of an estimated 12,000,000 separate transactions in futures alone. The subpena calls for "the total volume of each such commodity purchased or sold on each such board of trade by each such trader (a) during all of each such year, and (b) on each day during each such year and the price at which each such purchase or sale was made." The years referred to are 1946 and 1947. To get this information on futures transactions, to say nothing of cash trading, would cost an estimated ten and one-half million dollars. However, that is not the issue, although this committee would have to approve the appropriation of the money.

We come, then, to the one immediate, practical point of difference—the names and addresses of individual traders. Actually, the Department of Agriculture has only a relatively small fraction of the total number of names and addresses of traders sought by your subpena. While I am at liberty to release whatever facts we possess about the transactions, I do not feel that I am at liberty to disclose the identity of the persons involved.

This is the situation unless this committee deprives me of my liberty of making administrative decisions as I believe the Congress intended the Secretary of Agriculture to make them. If this committee insists on construing the statutes for me, it will be setting a dangerous precedent.

As I have pointed out, you have a sound and simple means of accomplishing your purpose which does not involve any questionable use of power. I suggest again, with all respect, that you pursue that easy, better method. All that is necessary is the passing of a joint resolution, which the President will approve, removing certain transactions from the category of confidential information. In this way the constitutional and immemorial relationship between the legislative and Executive branches of the Government will be appropriately preserved.

I assure you again that neither the President nor I has the slightest objection to releasing the information you desire if the means are provided for doing so in good conscience, by direction of the Congress, and not under the shadow of legal doubt.

I appeal to you to consider this well.

However, in the event that you as a committee, without further action by the Congress, insist on having the names and addresses of all traders along with the statistical information called for in your subpena, I shall not permit myself to be charged with shielding anyone by a refusal to grant your request. If your decision to demand the names remains unchanged, you and the public will have them as rapidly as we can gather the information and prepare the lists.

Mr. Speaker, the public welfare is our main responsibility. Nothing short of a full and complete disclosure can satisfy that responsibility. Surely, you, my colleagues, will not create the impression on the people of this country that we have something to conceal from the public by adopting this Resolution 404, thereby shutting off an opportunity to adopt my Resolution 124 or an amendment of similar import which will keep faith with our people and uphold the dignity and forthrightness of the Congress of the United States.

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

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

Mr. KEEFE. If the gentleman will permit me to obtain some time later.

The SPEAKER. Does the gentleman from Wisconsin yield to the gentleman from Texas?

Mr. RAYBURN. Go ahead; never mind.

The SPEAKER. The gentleman from Wisconsin is recognized.

Mr. KEEFE. Mr. Speaker, I listened with a great deal of interest to the remarks of my good friend from Texas. Some of you who served in the Seventy-ninth Congress may recall that on the third day of July 1945, I stood in the well of this House and talked for 40 minutes on the subject of the Commodity Exchange Act and the necessity for an investigation into the commodity futures transactions that were then taking place on the grain markets of America. I pointed out what to me was at that time, over 2 years ago, one of the most amaz-

ing situations that had ever come to my attention. I said at that time, Mr. Speaker, "What Members of Congress, if you please, exercised their powers of persuasion on the War Food Administration and the Foreign Economic Administration to put through orders which vitally affected the rye market—and which were in large measure responsible for the maintenance of this corner right up to the present hour." At that time there was a corner in the rye market engineered by a lot of traders, and the officials of the Department of Agriculture started an action against those traders that were responsible for the creation of that market. I made a demand at that time, over 2 years ago, and followed it up with a resolution which was referred to the Committee on Rules which was then under the chairmanship of the gentleman from Illinois [Mr. SABATH]. He assured me then that some action would be taken, but that resolution lay there all through the balance of the Seventy-ninth Congress, and I could get no action upon it. Now, one exposure after another has revealed trading in grain futures, by people "in the know" which shocks the conscience of the people of America. I think, as the gentleman from Texas has so well said, that it is high time that the people of the United States of America should be given the facts with reference to this situation.

Now, a question has arisen as to whether or not, under the provisions of existing law, the Secretary of Agriculture can give to a committee of the Congress the names of Government officials or Members of Congress, if you please, who have been engaging in commodity exchange speculations in futures in grain or other commodities. I think that there is a very simple way of resolving that situation. I think it should be resolved. Instead of engaging in a fruitless search, debate, or investigation, it seems to me that if there is a legal technicality, it ought to be resolved now. It ought to be resolved by the Congress so there can be no question, when this committee begins to function, that we are going to be faced with a lot of legal technicalities that may prevent the acquiring of the absolute facts. I, as one Member of Congress, do not know just what the situation will be if this resolution passes. I am going to vote for it. I am going to vote for it in the hope that a real investigation will be undertaken. I am going to vote for it in the hope that no one will be spared. If there is any Member of Congress that has been speculating in the grain market, if he has been able to use his influence in the matter of the purchase of grain which has had a direct effect upon the price of grain, I want the information disclosed.

If you will read the table I put in the RECORD yesterday you will see that these Government purchases from day to day had a direct effect upon the price of grain, and when the Government stayed out of the market for a day or two the price went down, and the minute the Government went in, the price immediately bounded and the boys on the inside had the opportunity to get themselves a rich harvest. I for one believe they ought to be exposed to the people of America without fear and without favor, and let the chips fall where they will.

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

Mr. SMITH of Virginia. Mr. Speaker, I yield three additional minutes to the gentleman from Wisconsin in order that he may answer some questions.

Mr. KEEFE. Yes; I will answer them.

Mr. SMITH of Virginia. I will ask the gentleman to yield to me first.

Mr. KEEFE. Yes.

Mr. SMITH of Virginia. I am glad to hear what the gentleman said about solving any legal difficulties that might arise. We want a thorough investigation. I simply wonder if the gentleman from Wisconsin will not induce his colleagues on the other side to put through a resolution which will give the Secretary of Agriculture the authority he says he needs, so there will be no question about it, the resolution which I introduced on yesterday.

Mr. KEEFE. If I had my way about it, may I say to the gentleman, I would like to see that done, and resolve all this stabbing around in the dark raising legal questions. What the American people want is facts. As this thing is developing, it is casting a cloud of suspicion over every Member of Congress and every man in official life. I for one am not afraid of the cars; I want the facts developed and let the chips fall where they will.

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

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

Mr. PACE. Does not the gentleman agree that if the authority is granted to the Secretary to supply the committee with this information it ought to be supplied in an open, public hearing, and not in an executive session?

Mr. KEEFE. As far as I am concerned, that is the way I would do it. I think that is the way to do it. May I say to the gentleman that there are good lawyers outside the Department of Agriculture who very vigorously maintain and contend, and I believe rightfully, that the Secretary of Agriculture is not barred under any existing law from giving this information right now. It is a rather peculiar situation that faces the American people, who are hungry for facts. They want to know the truth, yet all we are met with is a barrage of legal interpretations.

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

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

Mr. COX. It is my information that the Secretary of Agriculture has agreed, if the Senate insists, to give them the list of speculators, but the Senate refuses to accept it unless it is given to them in executive session. In other words, the Secretary of Agriculture is willing to give the list to the Senate if the Senate will consent to its being given to the public at the same time, but they have refused to accept the information upon such conditions.

Mr. KEEFE. All I am interested in as a little boy from back in the country is to let my people and the rest of the people of the country know what the facts are. I have nothing to do with the politics that may be involved, and there is no politics as far as I am concerned. I do not know who may be involved. I know they will not find my name on the list; I can tell you that. I feel that the people are entitled to know who these persons are. Let us get these facts to them as rapidly as we can. I have been trying to do it for 2½ years myself.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Speaker, no one can quarrel a minute about the high purposes of this proposed legislation which we are now considering. I think we have all witnessed the "crap game" that has been going on in the commodity exchanges to force up to record-breaking levels the products that go into the making of food, which millions of people must buy to live during this year and the coming year.

The point I would like to make, however, is I am afraid that in our haste to do something about the exposure of this "crap game," we are going to cast aside the well-planned organization of congressional machinery. One of the principles of the Reorganization Act was the consolidation of our overlapping, duplicating, crazy-quilt committee structure of the Congress. One of the provisions of the act, which originally was in the bill and which surely expresses the spirit of the act, provided for the channeling through our standing legislative committees of the Congress, who are familiar with all of the aspects of that line of legislation, the job of conducting any particular investigation.

There is nothing that this proposed select committee can do that cannot be done by the Committee on Agriculture itself and particularly by an authorized subcommittee thereof.

I believe we have a fine man as chairman of the Committee on Agriculture. He is one of the finest men who has ever occupied that high position. I might say I have extreme confidence in the gentleman from Kansas [Mr. HOPE], as I have confidence in his next ranking majority Member, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], the author of this legislation.

I think it is a shame to remove from their jurisdiction this vital problem of investigating the commodity exchange. I believe it is highly important that the Congress do two things: First, to find out who has been acting adverse to the public interest in this "crap game" with human food; and, second, to legislate—to do something to correct abuses.

Mr. Speaker, you cannot do anything with a special committee so far as securing corrective legislation is concerned. There is nothing in this resolution which permits this special committee to report corrective legislation.

But if you permit the regular Committee on Agriculture to set up a subcommittee which everyone knows will be staffed by an able chairman, then you will be able to get corrective legislation.

One of the greatest jobs that was ever done in the House of Representatives

was done by the Committee on Interstate and Foreign Commerce and by our distinguished Democratic leader, the gentleman from Texas [Mr. RAYBURN], the then chairman of that regular committee.

They conducted an investigation of all of the shady practices that went on in the stock market. But they did not stop with publicity alone, but they brought in corrective legislation.

To this day no one can say that the stock market, which for years and years was charged as the cause of our depressions and difficulties in business relationships, has not properly been regulated since in the public interest.

If the gentleman from Ohio will permit me, I would like to offer an amendment to provide that a subcommittee of our Committee on Agriculture should handle this investigation.

I now yield to my colleague the gentleman from Georgia [Mr. COX].

Mr. COX. I agree with the gentleman completely in what he says so far as which is the proper committee to conduct this investigation. When they appeared on yesterday before the Committee on Rules in an application for a rule, the committee suggested that that probably was the proper committee to make the investigation. However, we were informed that the Committee on Agriculture did not want it.

Mr. BROWN of Ohio. That is correct.

Mr. COX. It was for that reason that we passed the resolution in the form in which it was passed. I think it fair to all that that statement be made.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. BROWN of Ohio. That matter was thoroughly discussed before the Rules Committee, and the Rules Committee was informed and has been informed that the Committee on Agriculture, being busy with other problems, did not want this particular jurisdiction. Therefore, I cannot yield for such an amendment.

The SPEAKER. The time of the gentleman from Oklahoma [Mr. MONRONEY] has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, the Committee on Expenditures in the Executive Departments had full authority to make this investigation but last March the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] came before our committee and wanted to know if we had any objection if he or the committee made the investigation. Our committee, having other work demanding attention, unanimously waived jurisdiction and expressed the hope he would proceed as soon as convenient.

The gentleman from Oklahoma [Mr. MONRONEY] is just so wrong about the law governing investigations that it would be just too bad if the House followed his lead on this. Standing committees do not have authority to subpena witnesses and procure records equal to the authority granted to a select committee. That is established. Moreover, if this committee lacks authority and if you gentlemen on my right really want an investigation, in addition to supporting this resolution, you should support House Joint Resolution 283, introduced yesterday, which follows the resolution passed by the Senate, approved July 19, 1932, when it was under the control of the Democratic Party, a joint resolution, authorizing this committee to be appointed under House Resolution 404 to obtain all necessary information from the Department of Agriculture, from the Treasury Department, and from the Internal Revenue Department. Now, if you want action, there is your chance to get it.

The SPEAKER. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, when this resolution comes to a vote, I think it is going to be just about unanimous in whatever form the resolution may be finally put. I do not know any Member on the Democratic side who will vote against it and I do not know any Member on the Republican side who will vote against it. But, while we are doing this thing, why do we not do it right? I am not sure, from the debate I have heard, whether some folks want an investigation or whether they want a muckraking expedition.

I think the American people and I think the vast majority of the Members on both sides of the aisle in this House want to get at the facts in the quickest and simplest way, and give those facts to the public.

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

Mr. SMITH of Virginia. Not at this time.

Now, aside from the incident involved here, I think it is quite serious when, in the debates in the Congress, we cast suspicion on the conduct of our Government. I know of nothing that could do more to destroy the confidence of the people of America in their Government than to have such incidents as we are having here now, unless we investigate them thoroughly and promptly, and if there are any rotten apples in the barrel, let us both, Democrats and Republicans, join together to throw them out. That is the attitude on this side of the aisle.

Now, I do not think that what the gentleman from Ohio is seeking to do is sufficient, although I do not question his motives. I do not think he is doing a complete job. I hope that in the interest of solving this problem I can induce my good friend from Ohio to do what I think should be done. It is a very simple question. Why should we conduct an investigation for 6 months, and the Senate conduct an exactly similar investigation for 6 months, when the answer is so simple that the Secretary of Agriculture says all you have to do is to "untie my hands when you have handcuffed me with a law that you enacted, and give me authority to give you all the information, and it shall be forthcoming."

Is that a reasonable suggestion?

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I certainly yield with pleasure to the gentleman from Ohio.

Mr. BROWN of Ohio. The gentleman from Virginia, of course, knows that while the Secretary of Agriculture contends that he does not have the authority to furnish these lists, very learned lawyers in this Congress insist that he does have that authority. The gentleman knows, of course, that the information was furnished to the Rules Committee that the Secretary of Agriculture does not have any records of any transactions in the market of less than 200,000 bushels of grain.

Mr. SMITH of Virginia. All right, but what is the objection—I do not yield further—what is the object to giving him the authority that he wants? He says there is doubt about it, and if lawyers differ about it—and goodness knows, there are something like a million lawyers in the United States all of them making a good living out of differences of opinion as to what the law is. With the existence of that difference of opinion why do we muddle around with it? Why does anybody object to giving the Secretary of Agriculture the authority which he says is required to permit him to give you the information you want, to give it to you tomorrow morning instead of fiddling around and having to wait 6 months to get it.

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

Mr. SMITH of Virginia. No; I do not yield.

By giving him the authority he says is necessary you could get the information tomorrow, but here we are going to fiddle around for 6 months keeping the American people in doubt as to the honesty of their Government when it is within your power to get this question settled in 24 hours. Why do you not do it?

And I am going to say further that at the conclusion of this resolution—which all of us on this side of the aisle are going to vote for—I am going, if the Speaker will recognize me, to ask unanimous consent for the immediate consideration of House Joint Resolution 280, which I introduced on yesterday, which will give the Secretary of Agriculture the authority that he asks to give the Congress full information and relieve any doubt about it that might exist in the mind of any of the millions of lawyers in this country.

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

Mr. SMITH of Virginia. I yield.

Mr. McCORMACK. The Secretary of Agriculture has said that if he complies with the law he cannot make the information public. He is obligated to carry out the law. He has asked this Congress for permission; and I ask the gentleman in offering his resolution if it is broad enough to cover all persons? Because the American people are entitled to know all the information.

Mr. SMITH of Virginia. There might be some difference of opinion about whether you ought to publish the names of everybody who bought a share of stock or a bushel of wheat on the stock markets or the commodity markets. So far as I am personally concerned I do not believe in a muckraking investigation

against everybody for doing something that has been done for years, recognized as a legal business transaction; but when it comes down to the question of the involvement of Federal officials, where that involvement affects the integrity of the Government and the confidence of the people in their Government, I say let us turn them all up whether they are members of the Federal Government, whether they are Members of Congress, or members of the executive department. I have no special objection other than that to the inclusion of all persons in the list.

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

Mr. SMITH of Virginia. I yield.

Mr. MANSFIELD. I want to say, as far as I am concerned, that I think the pitiless light of publicity should be thrown on all speculators in the commodity markets whether in the Congress or in or out of the Government. Will the gentleman tell me why we should take the word of lawyers rather than making the voice of Congress heard by correcting the situation?

Mr. SMITH of Virginia. I cannot answer that question because there is not any answer to it. Of course we ought to do it.

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

Mr. SMITH of Virginia. I yield.

Mr. RANKIN. Will this resolution authorize the investigation of the alleged conspiracy between top-flight manipulators on the cotton exchange and top-flight textile industrial enterprises to hold down the price of cotton to the American farmer?

Mr. SMITH of Virginia. I do not know about that.

Mr. RANKIN. It seems to me that if we are going to look after one we should look after the other also.

Mr. SMITH of Virginia. I am offering this resolution for a specific purpose.

I now yield to the gentleman from Ohio, if he wishes me to yield.

Mr. BROWN of Ohio. Yes; if the gentleman will permit an inquiry. The gentleman has just said that he believed it was necessary to enact a joint resolution in order to give the Secretary of Agriculture permission or legal authority to make those lists public; that without that legal authority it would be a violation of law.

Mr. SMITH of Virginia. That is according to the opinion of the Attorney General.

Mr. BROWN of Ohio. Then why, if the Attorney General said it was a violation of law for him to do so did the Secretary offer to make that list available over in the other body, if it was a violation of law?

Mr. SMITH of Virginia. I do not know; maybe they intimidated him when they got him over there.

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

Mr. SMITH of Virginia. I yield.

Mr. RAYBURN. My understanding is that exactly the opposite happened. I am not supposed to know what goes on in the executive session of a Senate committee. My understanding is, and it will probably be in the afternoon papers, that the committee wanted the Secretary of Agriculture to submit it to them in executive session and the Secretary of Agriculture said, "No," he would not do any such thing.

Mr. BROWN of Ohio. My dear sir, I do not have any more information than the gentleman from Texas as to what happened over there. I accepted the information which has been given to me and to the House by the gentleman's side of the aisle to the effect that the Secretary of Agriculture did offer to make that list public this morning.

Mr. RAYBURN. I do not think that is anything like true.

Mr. BROWN of Ohio. I am sorry that the gentleman challenges the statement of his own side.

Mr. RAYBURN. I do not think the Secretary of Agriculture would say in one breath that he did not have the legal authority to do it and then in the next breath he would do it.

Mr. BROWN of Ohio. I am relying on the statement made by that side of the aisle.

Mr. SMITH of Virginia. I hope that the gentleman from Ohio will tell the House in his own time why there is any objection to passing a concurrent resolution to take the handcuffs off the Secretary of Agriculture so that he can give you the information you desire.

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

Mr. SMITH of Virginia. I yield to the gentleman from Georgia.

Mr. PACE. The gentleman from Virginia is a distinguished member of the bar. May I read to him the language to relieve us of any doubt about the authority. This is the pertinent part of the provision:

> The Secretary may publish from time to time in his discretion the result of such investigation and such statistical information gathered therefrom as he may deem of interest to the public except data and information which would separately disclose the business transactions of any person.

Mr. SMITH of Virginia. Yes.

Mr. PACE. There is no question about that.

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

Mr. SMITH of Virginia. I yield to the gentleman from Texas.

Mr. COMBS. Is it not true that this whole hue and cry for months has been concerning the speculation of officials of the Government?

Mr. SMITH of Virginia. Yes; that is what it is all about.

Mr. COMBS. Are we going on a jackrabbit hunt all over the country?

Mr SMITH of Virginia. That is exactly it.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, I am heartily in favor of the pending resolution. I think it does cover the ground thoroughly. Certainly there should be no exceptions made in any investigation as to Members of Congress or any other individuals in the Government.

Mr. Speaker, statements have been made here which indicate that some Members of the House feel this investigation should be conducted by the Committee on Agriculture and that the Committee on Agriculture was perhaps dodging responsibility in not undertaking it. I may say in this connection that as chairman of the Committee on Agriculture I was consulted before the resolution was introduced and reported by the Rules Committee. It was my feeling then and it is my feeling now that a special committee is in a better position to carry on the job which should be undertaken here than a standing committee.

The Committee on Agriculture is very busy at this time. It has a number of legislative matters before it and particularly it is engaged in working out a long-time agricultural program which is going to require the best efforts on the part of all the members of the committee if we are going to submit legislation at the next session of Congress. It is my feeling that if the committee should undertake an investigation of the scope and character that should be undertaken in this instance it might interfere seriously with this and other important legislative matters.

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

Mr. HOPE. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. The gentleman will agree that this matter has not been submitted to the Agricultural Committee, of which my distinguished friend is chairman and of which I am a member, and that the committee has not refused to go into this matter as was suggested a moment ago?

Mr. HOPE. Yes. I am very glad to make the record absolutely clear on that. The question as to whether the investigation should be conducted by the Committee on Agriculture has never been submitted to the committee. I took the responsibility of advising the House leadership that I felt the investigation could best be handled by a special committee. In doing so I was, of course, giving my personal view and not speaking on behalf of the committee or any member thereof other than myself.

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

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, this matter seems to have generated a lot of controversy, and has become something of a free-for-all.

Now, let us just go back a little bit. The President said some very harsh things about speculation on the boards of trade and the commodity exchanges as affecting prices. I certainly hold no brief for speculation, but think it should be said for the managers of the commodity exchanges that immediately following the President's allegation they said, "We want a hearing; we are perfectly willing to disclose everything in connection with our transactions." They took the position that the President's allegation had no factual foundation, and they apparently wanted the people to have the real facts.

Let us take a look at this resolution. From what I have heard here on the floor and my personal conversations with the Members it appears that about everybody is going to vote for it, so the question would seem to me, Is it sufficient? Well, first of all the resolution seeks to inquire into the general effect of Government buying on prices. It also seeks to inquire into the manner of Government buying as it affects prices. As everyone knows, the timing of purchases, as well as volume, affect the general level of prices. Now, certainly no one can complain about that phase of the resolution. The resolution properly seeks to develop information as to the extent of transactions on the commodity exchanges, because it is alleged by some that that has to do with prices.

I think the gentleman from Virginia, in his usually fair manner, pointed this out: Generally speaking, the average individual, who is not in Government and who has no access to so-called inside information, may buy and sell in the commodity exchanges, and I do not know whether that is the business of anybody in particular, except himself. Let me make that clear. While the quantity or sum total of transactions on the exchanges at any particular time might be important for Government to know, the identity of the individual out in the country, who might add to that quantity, I do not believe is of particular consequence in this whole matter. The individual becomes important when he has and is making use of inside information he should not have to his personal gain at the expense of the general public. A distinction must be made between normal legitimate purchases and irregular speculation.

Everyone ought to recognize that Government buying drives prices up. That has been conclusively demonstrated. Now, if anybody on the inside in Government—I do not care whether he is in the legislative or in the executive branch of the Government—has access to advance information as to what the Government program of buying is going to be, he can, of course, rush in and buy those commodities and make himself a fortune. There is already some evidence that possibly this has been taking place.

The point I want to make is simply this, that if anyone in Government has access to that inside information and then rushes in to buy at the very time that the Government is about to buy, he not only feathers his own nest by reason of that inside information, but he aggravates the inflationary effect of the governmental buying on the whole price structure.

There has been a lot of shadow boxing around here. There has been talk about people in the legislative branch being afraid of this investigation. Well, I never bought or sold anything on any commodity market, so that insofar as I am personally concerned, I stand here free of any possible hurt in this connection. But are Members of the legislative branch covered in this resolution? Look on page 2 of the resolution and under (b) beginning on line 5 you will see the words "the private acts." It also says "and official activities," but I efer particularly to the words "the private acts of any individual in the United States Government in connection with the purchase or sale of commodities." The resolution provides that the investigation shall cover such "private acts."

Where do we Members of the House get our checks? We are paid by the United States Government. We are certainly in that classification on page 2 of the resolution, where reference is made to "the activities of any department or agency of the United States Government." I do not think the language is broad enough to include the legislative branch as such. But that isn't important, as the legislative branch does no commodity exchange buying. I am certain, however, that words on page 2 that I just read are sufficiently broad to cover Members of the legislative branch.

The point I am making is that what we ought to do through this committee is find out, first, what is the effect of Government buying on prices, second, what has been the effect of the manner of that governmenteal buying, and third, what people are there in the Government, if there are any place, who not only have profited personally because of the inside information they had but who have aggravated the inflationary effect on the whole price structure that results from this sort of dealing.

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

Mr. HALLECK. I yield to the gentleman from Texas.

Mr. COMBS. Does the gentleman contend that this committee would have any right to investigate a Member of the other body, or that their committee would have the right to investigate a Member of this body?

Mr. HALLECK. I do. I have seen here in my time investigating committees on the other side of the Capitol send for Members of this body and investigate into their matters.

There has been a lot of talk here about amendments. I do not know what sort of rushing around Secretary Anderson is doing or what sort of smoke screen he is trying to throw up, but as far as I am concerned, I am willing to go along with a committee of this House of Representatives in the discharge of its official duty to obtain the information, and then give the people the true facts and reveal the names of any individuals whose activities have been such that their names can properly, and in the public interest, be divulged. So as far as I am concerned, there are no amendments that are needed to this resolution. I cannot think of any that ought to be adopted.

Mr. BROWN of Ohio. If the gentleman will yield, the question was asked on the other side as to whether there is any power or authority to investigate the actions of a Member of another body. Will the gentleman advise me whether the other body did not investigate the activities of a gentleman from the House by the name of May not long ago?

Mr. HALLECK. I do not want to go into that.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, apparently there is no need to go into a discussion of the merits of this resolution. The Members seem to be for it and want the investigation and disclosures made upon the facts found by the committee that will conduct the inquiry.

I should like to point out to some of the gentlemen who may be in doubt about what the attitude of Secretary Anderson was in providing the list yesterday when he said he did not have authority under the law to furnish the list of so-called speculators without special action of Congress, but today, apparently, according to a report handed to me by a United Press reporter, the Secretary has changed his opinion or reversed himself, and is willing to make the list public to the press and to the Congress. I do not know who made the mistake in the decision of yesterday or in the decision of today. The Secretary now feels that he has the authority, if the report given me by the United Press reporter is correct.

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

Mr. AUGUST H. ANDRESEN. I cannot yield to the gentleman at this moment.

Mr. COMBS. The gentleman is incorrect. Will he yield for a correction?

Mr. AUGUST H. ANDRESEN. In the second place, the Secretary could only give a list today of the names of individuals and concerns in the futures market who held grain in a quantity over 200,000 bushels. Now that is not peanut stuff. Most of the dealings in the grain market, at least, and I take it it would be true in the cotton market, would be much under a commodity that would have a total value of around $500,000 or $600,000.

This resolution is directed to investigate all commodity transactions, whether they be in or out of Government service.

I recognize that the commodities market is also a useful and necessary instrumentality in the merchandizing of commodities, and that there are legitimate businesses and individuals engaged in transactions in the commodities market. I also recognize that there are a class of speculators who provide the hedges, as insurance, for sellers and buyers of grain and grain products. These speculators carry the risk. As far as this committee is concerned, I am sure that they will treat both groups of the investigations with due fairness and respect.

I do not suppose there is anyone here who can defend a Government official of the United States who possesses inside information on what the Government is going to do and who acts on such information and profits thereby. That is one part of the inquiry provided by this resolution and it will affect not only Members of Congress but also members of any governmental agency or their relatives or friends, if such information can be uncovered.

Our Committee on Agriculture possibly should have had jurisdiction of this investigation. A subcommittee of the Committee on Agriculture has gone into the matter in part as far as it could go. But the committee does not possess the power to subpena individuals and books and records. Therefore, when the matter first came to my attention, I took it up with the chairman of the committee, the gentleman from Kansas [Mr. HOPE], who raised the point that we did not have the subpena power. I told him I intended to introduce a resolution providing that the matter should be handled by our committee. Our committee had jurisdiction over the Commodities Exchange Commission and over most of the affairs of the Department of Agriculture and would have been the proper place for the investigation. But after discussing the matter with the gentleman from Kansas [Mr. HOPE] we came to the conclusion that due to the large number of activities of the committee, it would be advisable to have a special committee with full power to proceed with an investigation. So I changed my resolution as it appears here today, and provided for a select committee of the House to be appointed by the Speaker. In view of recent events, the proposed investigation of commodity transactions is desirable and necessary at the present time, and I therefore urge the passage of the resolution.

Mr. MACKINNON. Mr. Speaker, House Resolution 401 was the first resolution submitted to this Congress calling for an investigation of activities on the commodity exchanges of the Government and those with inside information. That resolution was introduced by me on December 11, 1947. The resolution being presently considered follows House Resolution 401 very closely. The only substantial difference is that a select committee is substituted for the Committee on Banking and Currency.

SECRECY COMPLEX OF ADMINISTRATION

In dealing with the subject of this congressional investigation, there is one aspect of the situation that I wish to call attention to. That is to the secrecy complex that is developing in the present administration. We in Congress note it at every turn of the road. There have also been public exhibitions of this.

Only recently the press of the Nation, in a remarkable exhibition of journalistic achievement, unmasked an attempt by this administration to set up standards of secrecy in the Veterans' Administration. The Administration there proposed to handle as secret and confidential any matter which might be damaging to the Administration. That attempted action discloses a very queer philosophy of government. One which would completely deny access to the public to ordinary public records, if the records were damaging to the administration.

Also, on numerous occasions when employees of individual departments have recently appeared before committees of this Congress they have attempted to carry out this secrecy philosophy by questioning the authority of Congress to require the presentation of ordinary everyday letters concerning the normal transactions of these departments. They always have some excuse why the information should not be furnished. They say it is "important" or "confidential," or they did not write the letter or give some other ingenious excuse. At every turn of the road there is an attempt being made by this administration to thwart the publication of matters relating to public business.

I submit that this Congress, as the representative of the people, would be derelict in their duty if they did not vigorously attack these attempts by bureaucratic officials to hide public records from the public. Public affairs should be subject to public scrutiny. It is a damaging admission on the part of this administration that their agents are so reluctant to let their activities be made public.

The situation before the House today is briefly this: The Secretary of Agriculture upon being requested to furnish certain information in his possession, as an official of the Government has given a lame excuse for not furnishing it. No person on the floor of this House has risen and defended the legality of the position taken by the Secretary of Agriculture. They have said there are differences between lawyers, but none of the lawyers who have arisen have supported the position of the Secretary of Agriculture. They are not willing to risk their legal reputation by saying that they concur in any construction of the law that would not require the Secretary to furnish the information. Oh, no, they quote others—anonymous individuals—except they say somewhere along the line that the Attorney General has given an opinion. If he has given any such opinion it has not been made public to my knowledge, and if he did give the opinion then why did the Secretary of Agriculture offer to furnish the information under certain conditions? Evidently the Secretary does not have much faith in whatever opinion he was hiding behind.

WHY THROTTLE CONGRESS?

Now, there have been those on the floor here who have said that we should pass a joint resolution of the two Houses of Congress and that we could then get the information. A joint resolution requires the President's signature. Mr. Speaker, I do not believe that a joint resolution would be a wise thing to do. I believe it would create a bad precedent. It would create a precedent that would tie the hands of Congress in the future. It would mean that any time that any information is wanted from any Department that the committee must face the necessity of passing a resolution through both Houses of Congress and getting it signed by the President. For Congress, by its own action, to create a precedent that would so tie its hands for the future would, in my opinion, be a very disastrous and backward step for it to take. I implore this Congress to not take such action.

WHY DIGNIFY A LAME EXCUSE?

Furthermore I do not believe we should take such action because I do not believe we should so dignify the lame excuse that has been presently offered for refusing Congress this information. It is clear to anyone who reads the law that there is no doubt about the necessity of the Secretary of Agriculture furnishing this information. In this connection I refer you to my remarks at page 11567 in the CONGRESSIONAL RECORD for Wednesday, December 17. I say we should not dignify the lame excuse by recognizing that it has validity when it does not have.

Either body of Congress has authority to get this information without a joint resolution. Why should we run all around Robin Hood's barn and thereby require ourselves in the future to run all around Robin Hood's barn whenever a committee has a legitimate request for governmental information?

ADMINISTRATION'S POSITION

The administration's position on this matter is quoted in the Evening Star for today, December 18, 1947, as follows:

"All that is necessary is the passing of a joint resolution, which the President will approve," Mr. Anderson said.

He contended that would preserve the proper relationship between the legislative and executive branches of the Government.

IS CONGRESSIONAL SUBSERVIENCE A PROPER RELATIONSHIP?

A close reading of that quotation makes it very apparent what the administration wants. They say a joint resolution would preserve the proper relationship between the legislative and executive branches. What do they mean by proper relationship? What they obviously want is a preservation of the relationship that existed for the past 15 years. Under that condition the legislative branch was completely subservient to the executive branch. That is what they mean by a proper relationship and that is where we will be if we now set a bad precedent for the future.

And, mind you, while the President may sign this joint resolution, if you establish a precedent by this action of requiring joint resolutions whenever you want information damaging to the administration, then you are going to place in the President's hand the power, through his use of the veto, to hamstring this Congress in carrying out its investigatorial duties. Yes, he will sign this resolution, but he will have the veto power over any future investigation by Congress. That veto power will make the Congress in the future subservient to the President in investigations. I do not consider that would be a proper precedent for this Congress to set. I believe it to be too high a price to pay—let us insist on the clear legal right that Congress has to obtain this information by subpena.

Mr. Speaker, in closing I urge support for the resolution establishing the investigation.

Mr. BROWN of Ohio. Mr. Speaker, I move the previous question.

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

There was no objection.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MONRONEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MONRONEY. Mr. Speaker, I was listening carefully, and I did not hear the previous question put.

The SPEAKER. If the gentleman was listening, he would have heard it because it was very clearly ordered.

Mr. MONRONEY. Was it by unanimous consent, Mr. Speaker?

The SPEAKER. By unanimous consent. The gentleman is correct.

AUTHORIZING STUDY OF BLACK MARKET

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 403, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas the continued prevalence of black markets seriously undermines and threatens the national economy of the United States; and

Whereas prices have been inflated and procurement of materials interfered with by black market operations to a point where public works of all kinds have been made exorbitantly expensive and, therefore, practically impossible economically; and

Whereas further authorization of public works by the Congress will be devastatingly retarded if not prevented altogether unless these iniquitous operations and practices can be stopped; and

Whereas it is obvious that unless these flagrant malpractices are eliminated no proper public-works program can be achieved nor can a stable economy be maintained throughout the United States and its possessions: Now, therefore, be it

Resolved, That the Public Works Committee, or any subcommittee thereof, is authorized and directed to make a study of black markets and to search exhaustively into the sources and causes of these destructive tendencies induced by black markets, with a view to reporting as speedily as possible not only their findings but their recommendations for the enactment of measures calculated to eliminate these opprobrious, destructive, and baneful practices. For the purpose of making such investigations the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within or outside the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

With the following committee amendments:

On page 2, line 3, after the word "of" strike out the words "black markets" and insert "conspiratorial or other questionable practices"; and on line 5 after the word "by" strike out "black markets" and insert "conspiratorial or other questionable practices."

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

The amendments were agreed to.

The SPEAKER. The gentleman from Ohio [Mr. BROWN] is recognized for 1 hour.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH].

At this time, Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, House Resolution 403, which has been reported by the Rules Committee, provides that authority be granted to the Public Works Committee, or to any subcommittee thereof which may be designated for the purpose, to make a study of conspiratorial and other questionable practices, and to search into the sources and causes of such practices.

To put it in the parlance of the day, this resolution provides for a study and investigation of what some of us have in the past termed "the black market." I think the slang phrase now is "gray market," wherein many commodities are sold through peculiar sources and in peculiar ways at prices much higher than the regular going price.

I do not believe there is anyone in the Congress who can have any objection to this House committee, either as a whole or as a subcommittee, making this investigation. Certainly the light of day should be turned upon these practices which have so much interfered with our construction of homes, in obtaining the supplies that are needed for the relief of other peoples, and for meeting the requirements of our own citizens.

I think if this committee can make even the slightest contribution—and I am sure that it can—toward stamping out these practices, or towards exposing them, it will be very much worth while.

I have served as the chairman of the Select Committee on Newsprint and Paper Supply. We have encountered some of these activities in the field of paper, especially in newsprint. There is no particular law against such activities, and so the spotlight of pitiless publicity, the inquiry and the interest by Congress, will have a great moral effect. Once the information is obtained as to exactly what is going on this committee can determine whether or not legislation is necessary to stamp out these practices. So I hope that this resolution as amended will be adopted.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Virginia. Is the gentleman through?

Mr. BROWN of Ohio. I reserve the balance of my own time. I thank the gentleman.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein an article in the Boston Sunday Herald of December 17, written by Thomas E. Maloney, the headline of which reads: "Steel gray market octopus grips industry."

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

There was no objection.

Mr. MCCORMACK. Mr. Speaker, this resolution is a very appropriate one, and one that I have no objection to. I shall vote for its passage. I am very glad to note that the Rules Committee struck out the words "black markets" and inserted therein "conspiratorial and other questionable practices." I am glad this was done for two reasons, because last year our Republican friends promised us there would be no black markets with the removal of controls. It would, of course, be a very sad reflection to have a resolution introduced by a prominent member of the Republican Party and reported out by a Republican committee containing the admission that the black market still continues. Furthermore, anyone appearing before the committee might raise the question whether or not their nefarious actions constituted a black market, and the wiping out from the second angle is a matter of great importance because the language recommended by the committee will avoid any such technicality as that being advanced at any time.

The existing situation is very acute. Throughout the country people are being robbed. It is being done under the guise of the law. Outrageous prices are being charged, not only to the public but to legitimate business. For example, I have a friend who is a very substantial contractor, and yet he is an independent one. In order to buy nails he has to pay $12, $13, and $13.50 a keg. I do not know what kind of market that is, but it is a most vicious market. The other day he told me of a company in Boston who called him up—a company he had purchased from through the years. They told him they had 400 kegs of nails and that their allocation to him was 20 kegs. He asked him what the price was and they said $6 a keg. They were charging the legitimate price—a legitimate company asking only for a legitimate business profit—yet, only a few days before, he had to pay $13.50 in the gray market, or some other kind of a market, for a keg of nails. He is a contractor of substance who employs anywhere from 750 to 1,500 employees. He told me that if he ordered 1,400 tons of steel—and that is a pretty big order—some contractors are more powerful than he—he cannot get his order from the large steel companies, although these smaller contractors filed their orders months ago. He and other independents or smaller businessmen like himself have on file their orders or requests for steel for months. As a result, they are pushed back many months.

The same situation undoubtedly exists in other sections of the country.

Mr. Speaker, I have before me a letter I recently received from a businessman in which he states as follows:

Transactions that normally flow through two or three parties are now being channeled through as many as six and seven hands, each of whom are adding their own margin of profit.

It is not only the public that is suffering, but also the businessman is suffering as a result of this condition. In my opinion, the independent or small businessman ranges from one who employs 1 to an employer of 5,000 help. That is my idea of a small or independent businessman under our national economy.

This man gives me specific information in his letter with reference to conditions existing in New England. With reference to building materials and nails, he says:

On October 6 I was offered, firm for 48 hours, 60,000 kegs of nails at 9¼ cents per pound. This price was at least 100 percent above the cost of production and 3 cents above the normal existing market price for the same item. I could have sold the entire lot, plus 40,000 kegs additional, within 24 hours on a cash basis.

Since that date transactions have been closed in Boston in which nails have reached as high as 12 cents.

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

Mr. SMITH of Virginia. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. McCORMACK. Mr. Speaker, he goes on to discuss oil tanks of 250 gallons capacity, and states:

The reasonable normal price today for this type of tank should be in the neighborhood of $27.50. During the past 2 weeks I have been offered in quantities ranging from 500 to 1,000 tanks. The minimum price was $48.50 and the maximum $62.50, f. o. b. source.

He goes on and states the following with reference to 12-gage steel used in tank construction:

The present value of this gage steel as quoted me by the Boston office of the Bethlehem Steel Co. on October 27 is approximately $80 per ton. I have received a request for 200 tons at $180. During the past week a minimum of six carloads of this material has arrived in Boston, consigned to firms who customarily never specialized in 12-gage steel and who have refused an offer of $140.

What does he say about plywood?

Fir plywood is practically nonexistent in this market and could be sold at a fantastic price if obtained. On October 14 I was offered 400,000 feet of mahogany plywood, off sizes, at a price 100 percent above the currently quoted mill price.

What does he say about automobiles sold in a town outside of Boston?

Every Monday there is conducted an automobile auction.

He gives the name of the individual, and I will give it to the committee if it so desires. If the committee wants this correspondence I will give it to the members.

He goes on to say:

It was reported to me by reliable dealers that anywhere from 2 to 400 cars are sold weekly.

They come from any number of States to this auction. He further said:

A very high percentage of these sales consist of 1946 model cars. Dealers buy from dealers in private sales prior to the open auction, and prices are quoted to be anywhere from $250 to $600 above current list price. In the same town a Chevrolet two-door sedan which sold in February of this year at $1,100 delivered is being quoted and sold at over $2,000, due to the addition of extras which must be purchased.

Now, there is some evidence. The Committee on Rules has rendered a service to the country in reporting out this resolution. A fearless investigation should be carried on. This committee, when appointed, will require a substantial sum of money, because they are going to make a hard and difficult investigation.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

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

Mr. BROWN of Ohio. I appreciate the compliment paid to the Committee on Rules, and I believe it is fair to state to the House that this resolution was reported favorably by the entire membership of the Committee on Rules, of both political parties.

Mr. McCORMACK. Mr. Speaker, a fearless investigation, following the passage of this resolution, will bring great benefits to the country. None of us stand for the practices that are going on. As much as we condemned the black market that unfortunately existed under price control, just as vigorously do we condemn the overcharging by any one of the American people or of American business such as is going on today. This is a matter of primary importance not only to our people, but to our national economy and to the great majority of our businessmen, 99 percent of them, who want to conduct their business in an honorable and a trustworthy manner.

Mr. Speaker, the committee appointed as a result of this resolution can render great service to our people and our country by making a fearless investigation.

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

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

Mr. MONRONEY. I agree completely with the things that the gentleman from Massachusetts has said. I wonder, though, since these things are going on, whether the complete waiving of the Antitrust Act will correct any of it?

Mr. McCORMACK. Not these abuses. This resolution seeks to look into the nefarious conditions that exist, due to the shortages, with a small group engaging in unethical practices which, under price control, would have constituted a black market in violation of the law for which they could have been prosecuted.

Mr. Speaker, the article I referred to is as follows:

STEEL GRAY MARKET OCTOPUS GRIPS INDUSTRY

(By Thomas E. Mullaney)

NEW YORK, December 13.—The black or gray market in basic and finished steel, disclaimed and minimized by the products and fabricators of the vital industrial commodity, is no small enterprise. It is a gigantic octopus whose heart is situated in New York City and whose grasping tentacles control millions of tons of steel in various forms throughout the Nation.

For the last 3 weeks this writer has observed first-hand, scores of local brokers, dealers and "entrepreneurs" from almost every walk of life trying to peddle fantastic tonnages of real or phantom steel at fabulous prices three and four times the official quotations for the products involved. To declare that perhaps 2,000 people in the city are engaged in this activity may be understatement.

SCRAP, NAILS TOO

Most of the profiteering is being done in sheet and strip steel of the type used by automotive and appliance manufacturers, but the gray market is also strongly active in scrap metal and nails.

Estimating the amount of steel that has been funneled to racketeers is no easy task, because of the multitude of "phony" offers being made. Some steel company spokesmen have guessed that approximately 3,000,000 to 3,500,000 tons of finished steel, or around 5 percent of total output, have gone, unintentionally and unfortunately, into the hands of the profiteers.

One buyer for a number of prominent manufacturing concerns, however, has placed the volume at close to 11,000,000 tons. Very likely the actual figure splits the range.

Be that as it may, the fact is that substantial tonnages of the material which turns the wheels of 40 percent of America's industry have been removed from their normal markets by opportunists who are commanding—and getting—premium prices from the buyers best able to pay. Various sizes and gages of sheet and strip steel, for instance, are being disposed of, easily, at prices running between $150 and $350 a ton, whereas the price ordinarily paid for these different products ranges between $85 and $95 a ton.

Scrap metal, which currently is quoted at $40 a ton delivered in the Pittsburgh area, is selling freely in the gray market at levels between $4 and $15 a ton above the market price at a time when the domestic steel production is being held to 4 percent under capacity for lack of this critical material. Nails, the valuation of which would not exceed $4 a keg even under inflated price schedules, are being denied to many construction companies because the gray market has commandeered huge quantities of them and is offering them at $8 to $11.75 a keg.

OUTRAGEOUS RACKET

During this 3-week scouting venture in the steel gray market, contact was made with dozens of acknowledged profiteers who came to the office of a New York buyer's representative boldly proffering actual steel at these amazing prices cited. As many, and more, nonprofessionals pretending to have impossible tonnages of critically scarce sheet and strip steel also appeared during this time.

Opportunity was also afforded during the last 3 weeks to examine thoroughly the index cards, correspondence, purchase requests, sales transactions, and other files of this local buyer for industrial companies. The investigation revealed that, in the last 8 months this one purchasing agent has bought 10,000 tons of steel at prices ranging between $120 and $320 a ton, with the vast majority of the transactions being consummated at levels above $250 a ton.

The buyer is Norman J. Edelmann, president of Know-How, Inc., located on the second floor of a four-story brownstone house on East Fifteenth Street. He alleges that his organization, which he calls a finding company, has not engaged in gray market activities except insofar as it has openly bought from these profiteers at the extraordinary prices they have demanded. His only compensation, he maintains, is a regular finder's fee of $5 a ton for quantities under 1,000 tons found and $1 a ton when the tonnages exceeded that total.

Edelmann disclosed that he now holds orders for more than 3,000,000 tons of sheet and strip steel from 68 large manufacturing

companies in all sections of the country. The prices they are willing to pay, he said, start at $120 a ton and mount up to $260 a ton.

Among his standing purchase orders are one from a Detroit company producing automotive parts asking for 160,000 tons of sheet steel over a 12-month period at $169 a ton; another offer comes from a national radio manufacturing company seeking steel at $250 a ton, and a third offer was submitted by a southwest manufacturing group asking for 96,000 tons of hot-rolled, pickled sheets over a long period at a price of $150 a ton.

The most recent deals completed by Know-How, its 41-year-old president declared, were:

1. The sale of 3,500 tons of sheet steel to an eastern manufacturer at a price of $260 a ton, on which Know-How realized its usual profit but middlemen received $11 a ton.

2. The sale of 4,500 tons of steel pontoons for use as scrap to one of the Nation's top steel companies at $36.50 a ton plus 50 cents a ton to Know-How as a finder's fee. However, the preparation price on the lot will run up to approximately $8 a ton, making the actual price about $45 a ton, Edelmann said.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, greed and selfishness have ruined many a nation and many an individual. I am glad that the Committee on Rules has reported a resolution of this kind creating a committee to investigate some of the black market or gray market or greedy practices now found to exist in the United States.

I cannot quite agree with the gentleman from Massachusetts about the black-market operations as the result of the removal of price control, because last fall when we did have price control we had the biggest black market in the United States in a vital necessity, and that was in meat. You could go into any butcher shop in the United States and you would not find any meat. That was under price control, and that was because the black market of this country had taken over from one end of the Nation to the other.

Now, when it comes down to the items mentioned by the gentleman from Massachusetts like steel and nails, I made a little investigation of that matter myself. We recognize that there are certain manufacturing companies in the United States that are engaged in the production of steel of all kinds. They have been in the habit of allocating their steel to legitimate manufacturers throughout the United States. But, the small manufacturers out my way, at least, are having great difficulty in securing enough of this steel to keep running. The result is that many of them have been forced to close down and we are having an unemployment problem on our hands. But, I do find that certain individuals and concerns in the United States are able to get all the steel they want, and they are offering it to my constituents and to your constituents at fabulous prices.

Let me cite gage steel, 18- to 22-gage steel, which is sheet steel.

Let me tell you what is going on in the case of 12- to 20-inch gage steel sheet. It is difficult to believe that we have such greedy individuals in the United States. The light of publicity should be directed on them and their operations, and they should be investigated to the fullest extent. The regular price charged for steel sheets by the producer to a legitimate dealer or manufacturer runs from $80 to $100 a ton, but the legitimate manufacturers are not able to get it. They find that if they will write to, say, the Emergency Steel Co., of Chicago, Ill., and pay $260 a ton for it they can get all they want. If they write to the Kalden Steel Products Co., of Detroit, Mich., and pay $240, not $100 a ton but $240 a ton, they can get all they want.

The Bell Iron & Metal Co., of Chicago, Ill., is offering to sell large quantities at $260 a ton. Page Hollister Co., of Chicago, Ill.—strange that there are so many in Chicago, Ill.—is offering to sell it at $250 a ton. The Esko Co., of Chicago, Ill., Box 2054, no street address, offers it at $240 a ton. Atlantic Steel Co., 767 Milwaukee Avenue, Chicago, Ill., offers it at $310 a ton.

Now let us get down to the question of pipe. As you know, cast iron pipe and galvanized pipe are very scarce. The regular price charged for one-half-inch galvanized iron pipe, the legitimate price, is about 7½ cents a foot. The plumbers and the construction industry cannot get very much of this pipe, but they can get all they want, not at 7½ cents but at 32 cents a foot if they will write to the Fox Supply Co., Box 267, Geneva, Ill.

I am giving these names and I have several others here that should be investigated. Their source of supply should be investigated, because there may be a conspiracy on in this country to divert these vital products away from legitimate manufacturers and users into the gray market. These concerns that I have named to you may just be operating as a front for some steel company. I hope the committee will investigate these concerns I have given you and also go into the matter of ascertaining if there is a conspiracy to take these products away from the legitimate dealers and manufacturers of this country on the part of certain steel companies. The time has come to call a halt to this greedy racketeering.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a list of firms who are offering this material for sale.

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

There was no objection.

(The list referred to is as follows:)

Companies operating in the gray market

	Per ton
Emergency Steel Co., 2136 Lincoln Park West, Chicago, Ill., Mr. Shane	$260
Kalden Steel Products Co., 1661 National Bank Bldg., Detroit 26, Mich., Louis H. Golden	240
Bell Iron & Metal Co., 1552 South Drake, Chicago, Ill	260
Page Hollister Co., box 2044, Chicago, Ill., C. Johnson	250
Esko Co., box 2054, Chicago, Ill., A. Carlson	240
Crylon Steel Co., 179 West St., New York, N. Y., E. Londner	220
Atlantic Steel Co., 767 Milwaukee Ave., Chicago, Ill., Lou Gantz	310

We have received offerings from the following companies, listing materials for sale at the prices listed below:

	Per ton
Charles M. Williamson and Associates, 111 West Washington St., Chicago 2, Ill	$238
Consolidated Metals Corp., 2619–2625 South Santa Fe Ave., Los Angeles 11, Calif	280
Fill-More Sales, 330 South Wells St., Chicago 6, Ill	247

Today we received from the Interstate Steel Service, 4525 West Fifth Avenue, Chicago, Ill., offerings as follows:

12 gage	Per pound
22,000 pounds 17½ by 19½ inch H. R. P. O	$0.105
6,000 pounds 17⅛ by 84¾ inch H. R	.10
43,930 pounds 12¾ by 72 inch H. R	.11
70 tons 14 by 168 inch H. R	.095
13 gage	
9,000 pounds 12½ by 174 inch H. R	$0.10
5,200 pounds 15 by 48 inch H. R	.105
3,000 pounds 22⅝ by 90¾ inch H. R	.10
10,000 pounds 22⅝ by 120 inch H. R	.11
7,200 pounds 14¾ by 72 inch H. R	.10

The mill price of this steel would run an average of from 5 to 6½ cents a pound.

PIPE

We have just received another large shipment of pipe (galvanized and black) all new and we can make prompt shipments at the following sizes and prices:

	Galvanized		Black	
	Regular price	Gray market price	Regular price	Gray market price
		Per foot		*Per foot*
⅜-inch pipe	$0.0632	$0.24	$0.0467	$0.17
½-inch pipe	.0757	.32	.0587	.28
¾-inch pipe	.0568	.38	.0752	.29
1-inch pipe	.1367	.46	.1059	.36
1¼-inch pipe	.1835	.69	.1418	.66

This pipe is in 21-foot length and is sold in full length only. Due to the scarcity of steel, pipe will be scarce for the next 6 months, so order your requirements now. Prices subject to change.

FOX SUPPLY CO.,
Box 267, Geneva, Ill.

P. S.—Will be glad to quote prices on larger sizes.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, the Committee on Public Works is keenly aware of the fact that questionable practices are costing the public and the public Treasury large sums of money, and unnecessarily so. The Committee on Public Works has jurisdiction of highways, flood control, river and harbor improvements, and public housing, and all of those constructions are being retarded because of the high cost of materials, among other costs. Black markets have obtained and will obtain with or without price controls.

The resolution under consideration does not provide for a special committee, it reinforces the jurisdiction of the Committee on Public Works by authorizing the use of subpenas and compelling those who may have information to produce their books and records for the information of the committee. This committee can perform a useful function. The

blessed sunlight of publicity should be turned on questionable practices and black market or gray market operations. We may as well, however, be sure, whether we are consumers, builders, employers, or employees, that after all and fundamentally the black market and other questionable practices will not disappear until there has been a resumption of full production in the United States. Full production is the real remedy for eliminating black markets. Meantime questionable practices can and should be prevented with adequate punishment and publicity.

The worker who must buy food at increased prices is profoundly interested in the resumption of full production, to the end that black markets and other questionable practices may disappear. It has been pointed out here that in places where it might least be suspected, these questionable practices obtain. Black markets are almost universal. I commend the gentleman from New York [Mr. MACY] for his investigation that has resulted in the introduction of the resolution now under consideration. If properly conducted, as I am sure this investigation will be, and if those who are under cover now, with all their questionable practices, can be exposed to the light of day, I believe a public service will be rendered. I support the resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Speaker, when this resolution, to investigate black markets was introduced, a copy of it was referred to the Committee on Public Works. The author of the resolution, as all of you know, is the gentleman from New York [Mr. MACY]. When it came to our committee, we met and discussed this question at considerable length. After full and complete consideration of the subject, the committee endorsed unanimously the objective of this proposal—whether the work was to be performed by the Committee on Public Works or any other committee which the House of Representatives might choose to designate.

The Committee on Public Works is not an investigatory committee, but it does have under its jurisdiction, as already so ably pointed out by the gentleman from Mississippi [Mr. WHITTINGTON], all public buildings of the United States, which include post offices, Federal court houses, customs houses, and other buildings. Whatever goes into the cost of building such public structures does involve the subject which this committee has under its jurisdiction. I want to commend the gentleman from New York [Mr. MACY] for the public service which he has rendered the people of the United States in the introduction of this resolution and compliment him for being the author of this measure.

Legitimate industry and business in this country deplore the existence of black markets as they exist in this country today.

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

Mr. DONDERO. I yield.

Mr. WHITTINGTON. I believe it is due to legitimate business where there are some clouds and links between legitimate business and black market operators that have an opportunity to show the public, the people of the United States, that they are not connected with it, so that the cloud may be removed.

Mr. DONDERO. I agree with the gentleman. I think this will have a very wholesome effect upon business and industry of the country. Case after case was cited before the Committee on Public Works showing the deplorable conditions and exorbitant prices being charged for some commodities which affect and contribute to the high cost of living in the country. Soil pipe in the plumbing field, automobiles, steel, and lumber are being sold at prices and under conditions which are unconscionable. In my own home city of Royal Oak, Mich., a small manufacturer told me that he uses a considerable amount of steel. The price on the market was $55 a ton. He could not buy an ounce, but he said that he could buy all the steel he wanted if he was willing to pay $255 a ton. Of course, he could not pay that amount, and the result is that his factory stands still and the machinery is idle.

A lumber dealer in my State was compelled to pay $1,000 in addition to the list price for lumber in order to get material for the manufacture of windows and window sash. Of course, legitimate dealers deplore that condition. They shrink from it. It means only one thing, that the cost of commodities rises in this country, and the ultimate consumer must pay it.

I am satisfied that this committee which will be appointed under this resolution to investigate such conditions will have an opportunity to perform a service to the people.

May I say in answer to the gentleman from Massachusetts [Mr. MCCORMACK] that the conditions which he described existed long before January 1, 1947, particularly in the meat industry.

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

Mr. DONDERO. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. It has been brought to the attention of members of our committee that where dealers who have been in business for years have submitted bids, within 24 hours one of these black market operators shows up, and that leads us to believe that there is some connection between the manufacturers and these black market operators. Otherwise, they would not know that the order had been placed.

Mr. DONDERO. The situation such as the gentleman describes exists right here in the District of Columbia.

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

Mr. DONDERO. I yield.

Mr. JENKINS of Ohio. I am glad the gentleman's own committee is going to take upon itself the responsibility of making this investigation, because I know it will be well done.

Mr. DONDERO. I thank the gentleman from Ohio.

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

Mr. DONDERO. I yield.

Mr. MATHEWS. Will this cover Army and Navy installations and Veterans' Administration installations?

Mr. DONDERO. The Rules Committee changed the language of the resolution which widened the scope sufficient to include such items, in my opinion.

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

Mr. BROWN of Ohio. 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.

The SPEAKER. The Clerk will report the amendments in the preamble.

The Clerk read as follows:

Strike out "black markets" and insert "conspiratorial or other questionable practices";

Strike out "undermines" and insert "undermine";

Strike out "threatens" and insert "threaten";

Strike out "black market" and insert "conspiratorial or other questionable practices."

The amendments were agreed to.

A motion to reconsider was laid on the table.

Amend the title so as to read: "Resolution to authorize and direct the Public Works Committee, or any subcommittee thereof, to make a study of conspiratorial or other questionable practices."

EXTENSION OF REMARKS

Mr. GRANT of Indiana asked and was granted permission to extend his remarks in the RECORD and include a newspaper article.

Mr. SHORT asked and was granted permission to extend his remarks in the RECORD and include two newspaper articles.

Mr. MACKINNON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the debate on the resolution to investigate commodity exchange transactions and have those remarks inserted at that point in the RECORD.

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

There was no objection.

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

Mr. GWINN of New York asked and was granted permission to extend his remarks in the RECORD on labor racketeering and monopolistic practices.

SPECIAL ORDER VACATED

Mr. EBERHARTER. Mr. Speaker, by previous order, I was given permission to address the House today. I wish to advise the Speaker that I do not care to take advantage of that privilege.

The SPEAKER. Without objection, the order will be vacated.

There was no objection.

EXTENSION OF REMARKS

Mr. RAMEY asked and was given permission to revise and extend his remarks

in regard to a bill which he introduced today, amending the Civil Service Classification Act of 1923.

SHIPMENT OF OIL TO FOREIGN COUNTRIES

Mrs. ROGERS of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentlewoman will state it.

Mrs. ROGERS of Massachusetts. How much longer will the House be in session today?

The SPEAKER. The Chair cannot answer that question. There are over two hours and a half of special orders on the agenda for this afternoon.

Mrs. ROGERS of Massachusetts. Would it be in order at this time to make a brief statement regarding some resolutions of inquiry?

The SPEAKER. The gentlewoman may proceed for 1 minute if she desires to be recognized for that purpose.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am hoping that before the day is over, or by tomorrow morning, information regarding the number of tankers, and so forth, and information regarding oil and the amount being sent to Canada and other countries, will be in the hands of the Committee on Interstate and Foreign Commerce and the Committee on Merchant Marine and Fisheries.

I commend the chairman of the Committee on Interstate and Foreign Commerce for the hearings the committee is holding this afternoon, I understand, in an effort to work out the problem and get the information they wish and that I asked for in my resolution of inquiry. The chairman gave me a brief hearing on my resolution and I have had the hearing transcript that the chairman has held on the whole fuel problem.

At the hearings yesterday of the House Committee on Interstate and Foreign Commerce, one of the department witnesses testified concerning the amount of coal and fuel oil going into Canada from the United States. After considerable cross-examination, it was brought out that exports of fuel oil in 1947 to Canada increased by approximately 385 percent over 1946, and probably very much greater than in previous years, and the exports in 1946 were very high.

You will note the tremendous increase in shipments of oil to Canada in 1947 over the shipments in 1946.

On December 6, 1947, I sent the following telegram to the President in Florida. One of the President's secretaries said that I will hear concerning it today. The telegram is as follows:

WASHINGTON, D. C,. *December 6, 1947.*

HON. HARRY S. TRUMAN,

The President, Key West, Fla.:

I respectfully request that you prohibit by embargo shipment of oil from United States to foreign countries the same as shipment of soft coal is now prohibited. I also respectfully request that you direct United States Maritime Commission to sell tankers to Americans and not to foreign persons or governments. I have introduced resolutions in Congress for these purposes, but as congressional action may be delayed, I urge that you act immediately in this emergency.

EDITH NOURSE ROGERS,
Member of Congress.

I have a great deal of that information myself, but I feel that the House is entitled to the information also. I am sure the chairman of the Committee on Interstate and Foreign Commerce wants to help in every way because they are working tirelessly to solve the problem. So I will wait before trying to bring the resolution up until tomorrow, for the chairman of that committee may then be in possession of the information needed as a result of today's hearings and it will be presented to the House, I have learned.

The chairman of the Committee on Merchant Marine and Fisheries also will have information, I understand, at that time; and also the chairman of the Committee on Public Lands will have information from the Interior Department regarding the amount of oil, and so forth, that is in this country. I hope that information will be given to us tomorrow.

One further request, Mr. Speaker: If the President answers my telegrams regarding the embargo on tankers and on oil, that I be allowed to insert it in the RECORD as part of my remarks at this point.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The SPEAKER. Under an order heretofore entered the gentleman from Wisconsin [Mr. SMITH] is recognized for 30 minutes.

AMERICA AWAKE—COMMUNISM THREATENS OUR NATIONAL SECURITY IN PALESTINE

Mr. SMITH of Wisconsin. Mr. Speaker, this Christmas season finds the Holy Land in the throes of violence and civil war. Arab is killing Jew and Jew is killing Arab. This intense situation was precipitated by the action of the United Nations Assembly when it voted to partition Palestine. The crisis is not a local affair, but it concerns the whole world. From it may flow the causes for World War III. It is of particular concern to the United States as it involves the integrity and good faith of our Government and the delegates that represent us in the Assembly of the United Nations.

As yet, Mr. Speaker, the American people do not understand the full implications of the critical situation to which I have referred. It is my purpose to bring it to their attention and to the Congress and hereafter they shall be on notice of the danger that confronts our Nation in this matter.

On November 29, Mr. Speaker, the Assembly of the United Nations voted to recommend the partition of Palestine. If approved, and implemented by the Security Council, it means the creation of a new Jewish state. The full import of this decision and its impact on world affairs cannot be judged at this time. One writer says that it is one of the most momentous decisions that has ever been made in modern times. That is a strong statement, but it is fully justified by the facts.

Mr. Speaker, the United Nations Organization has been a glimmering hope of a war-weary world which has looked to it to establish a just and lasting peace. The people of the United States, and of the world, must now realize that it has failed to meet their expectations. Russia by the use of the veto has sabotaged its effectiveness. We now know that it has become the tool of special interests, of groups and individuals who seek to advance their own selfish objectives. As of November 29, 1947, the United Nations is as dead as prohibition. Even major surgery cannot revive it.

Let's take a look at the record, Mr. Speaker, and see what happened in the United Nations Assembly meeting prior to the vote on partition. A two-thirds vote was required to pass the resolution. On two occasions the Assembly was to vote and twice it was postponed. It was obvious that the delay was necessary because the proponents did not have the necessary votes. In the meantime, it is reliably reported that intense pressure was applied to the delegates of three small nations by the United States members and also by officials "at the highest levels in Washington." Now that is a serious charge. When the matter was finally considered on the 29th, what happened? The decisive votes for partition were cast by Haiti, Liberia, and the Philippines. These votes were sufficient to make the two-thirds majority. Previously, these countries opposed the move. Do not forget, Mr. Speaker, that they are considered satellites of our own country. The pressure by our delegates, by our officials, and by private citizens of the United States constitutes reprehensible conduct against them and against us. Ten nations abstained from voting and Russia saw to it that Yugoslavia, its satellite, did not join the supporters of partition. Haiti, Liberia, and the Philippines opposed partition prior to November 29, and the $64 question is what kind of coercion was used to force a change in their positions, and by whom? Time will tell, and this Congress should authorize a full-dress investigation so that the people of this country may know that the United Nations has been used in this instance as a vehicle of torture and not as an instrumentality of international justice.

Mr. Speaker, the enforcement of partition at this time can only be achieved by the imposition of force. It is reported by Christian missionaries in Jerusalem and Christian educators who know the Near East that the attempt to impose partition will plunge Palestine and that entire area into endless civil war. It has been suggested in reply, however, that the United Nations Assembly action is ineffectual unless approved and implemented by the Security Council. It is true that no actual authority has been taken yet to enforce the recommendations, but, already, Mr. Speaker, those who seek partition are now insisting that the Security Council take action. It is a fact that the Assembly has requested the Security Council "to take the necessary measures as are provided for in the

plan for implementation." Implementation means the use of force, nothing else. Make no mistake about that.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Does the gentleman have figures to show the population of the countries that favor partition and the population of the countries voting against, or abstaining from voting for partition?

Mr. SMITH of Wisconsin. I have them, but I do not have them with me. If the gentleman has them, I will be glad to have him insert them in the RECORD at this time.

Mr. SMITH of Ohio. Would it be convenient for the gentleman to include them in his dissertation?

Mr. SMITH of Wisconsin. Yes.

Mr. SMITH of Ohio. I would appreciate it greatly.

Mr. SMITH of Wisconsin. I will be very glad to do that.

Mr. SMITH of Ohio. I thank the gentleman.

Mr. SMITH of Wisconsin. In other words, refusal by the Arabs to accept partition is to be considered by the Council as an act of aggression directed against world peace under Articles 39 and 41 of the Charter. From this it follows that the Council will take the necessary action to suppress the Arabs.

The Christian Century of December 17, in a leading editorial entitled "The Partition Gamble," says in this connection:

Here is a remarkable situation. The partitioning of Palestine now depends on action by the Security Council. But the Council is regarded by the United States—the nation which forced through the partitioning resolution—as so unworkable that it has just induced the Assembly to form a "little assembly" to bypass the Council. Having accepted the control of the Council over partitioning, the United States sees its whole policy concerning Palestine left at the mercy of the same old veto possibility that has so frustrated it in other matters handled by the council. If Britain, which considered the partition plan so dubious that it abstained from voting, now thinks the Security Council plan of implementation headed for disaster, it can veto. If China, which also abstained, doesn't like the prospect, it can veto. And if Russia grows suspicious of what the United States may be out to gain through Security Council action, it can veto. That is to say, execution of the most inherently difficult, involved, and hazardous project ever undertaken by an international body is left to a Security Council which must proceed under a rule of unanimity—a Council which so far has never been able to attain or maintain unanimity on anything.

What the United States has thus done, by pushing the UN to vote for Palestine's partition on such terms, is to resort to a whole series of desperate gambles.

Mr. Speaker, those who press for enforcement of the partition mandate prayerfully hope that the Arabs will not resist partition but will ultimately comply with the Assembly mandate. If the Arabs refuse, then there is only one action to be taken and that is for the United Nations to impose its will by military force, and what military force, Mr. Speaker? Only two nations will be called upon for that purpose: to wit, Russia and the United States. Great Britain has already announced that it will withdraw its troops in the Middle East in the very near future, according to Foreign Minister Bevin. Thus, for us, there are ominous implications in this situation.

Mr. Speaker, at this point it seems to me that the President and the State Department have placed this country in a most awkward and inconsistent position. Once again, as at Tehran, Yalta, and Potsdam, we have retreated from the high moral ground upon which we stood when the Atlantic Charter was proposed. We have played into the hands of godless, Communist Russia at the same time, Mr. Speaker, that we are voting millions and billions of dollars to defeat communism in western Europe. It is extremely difficult to understand or make sense out of the conduct of our officials. For more than 2 years we have been a-fussin' and a-feudin' about containing communism. But right here we played into the hands of Stalin and Molotov. It is an historic fact well known by the State Department, the War Department, and the President that Russia has sought foothold somewhere on the Mediterranean. At this very moment we are supporting Greece and Turkey with men and money to prevent Russia from controlling the Dardanelles. Yet, we foolishly play its game in this partition proceedings. This does not make sense, Mr. Speaker. Are we or are we not against communism?

When Russia joined the United States in approving partition, the people and the press of this country could not understand why Russia had agreed to join with us in this move. The reason now is perfectly obvious. If we send American troops to enforce partition, at the request of the UN, then Russia will do likewise. Once Russia sends its military men to Palestine no force on this earth, short of war, can expel them from it. Thus, Russia as a participant with the United States in insisting upon partition will demand a dominant part in military occupation. It will become as obnoxious there as it is now in Germany and Austria. From this the people of our country should understand that the foreign policy of the United States is at the mercy of the Russian military policy in the Middle East. It is a diabolical situation. Consider the paradox—in western Europe we seek to defeat communism; in the Middle East we undercut that policy and make it possible for Russia to gain control of the entire area, not only in Palestine but adjacent thereto. I submit, Mr. Speaker, that this is a real threat to our national security, more so than the present situation in Turkey and Greece.

And again, Mr. Speaker, I cite the editorial of the Christian Century in connection with the dangers confronting the future of the United Nations as a result of our action in this matter. I quote:

We are gambling with the future of the United Nations. We are gambling with its hope to gain moral authority in international affairs, for the imposition of partition against the opposition of two-thirds of the inhabitants of Palestine makes the announced devotion of the UN to the democratic principles of self-determination and majority rule look like unblushing hypocrisy. And we are gambling with its hope to gain functional authority, since we have committed it to a course where, in case its proposals are defied, it will have to choose between admitting its helplessness or ordering a war (to subdue Arab aggression) that might involve every nation from Morocco to the Philippines.

These are all gambles, desperate gambles. At the moment, we confess to most anxiety with regard to the gamble partition takes with the future of the Jews. We are aware that most of world Jewry is today swept by transports of rejoicing that this gamble has been taken. Or rather, that most Jews insist there is no danger; that in an independent Jewish state they will be able to take care of themselves. We wish it were true. No people on earth deserves the refuge of peace as do the Jews who have managed to survive the horrors of their recent experiences in Europe. We are convinced, however, that partition will expose the Jews to dangers as terrible as any they faced from Hitler. Not only in Palestine and other parts of the Near and Middle East. If partition involves sending an American army to Palestine and drags the United States into war there, the effect on the position of Jews in this country may be tragic.

None of these considerations can alter the fact that the decision has been taken, and that it is primarily a decision made by the United States. Partition is to be attempted. Against all our expectations, we cling with despairing hope to the possibility that the assurances of a rapid Arab acquiescence will prove well founded. But if not, what then? Will an American army be sent to enforce a United Nations Security Council directive? Will we allow a Russian army to be sent for the same purpose? It is too late to turn back now. The die has been cast. But the future is dark, very dark. And there is the smell of blood in the air.

Mr. Speaker, the editorial that I have just quoted must bring home to every citizen of this country the dangers that are involved if we pursue the course suggested by our delegates of the United Nations Assembly and our own State Department and our own President. The reports which come out of Palestine every day indicate that if the United Nations Security Council attempts to impose this partition decree a war of annihilation will result and it will call again for the expenditure of money and lives of our own sons. The situation is critical. It demands attention. You need not take my word for it, but I offer in the RECORD, at the conclusion of my remarks, the views of our newspapers and editorial writers. Is it not strange, Mr. Speaker, that the British, who have exercised a mandate over Palestine since World War I, should decline to assist in the enforcement of partition of Palestine?

Mr. Speaker, the Congress of the United States is charged with knowledge that a considerable lobby exerted pressure on the three nations that I have mentioned. Mr. Drew Pearson, in his release of December 3, goes into some detail in pointing out those who were instrumental in forcing partition and I quote in full his statement on this situation and I offer it, Mr. Speaker, at this point:

LOBBYING FOR PALESTINE

Only a few people knew it, but President Truman cracked down harder on his State

Department than ever before to swing United Nations votes for the partition of Palestine.

Truman called Acting Secretary of State Bob Lovett over to the White House on Wednesday and again Friday, warning him he would demand a full explanation if nations which usually line up with the United States failed to do so on Palestine. Truman had in mind the fact that such countries as Liberia, wholly dependent on the United States; Greece, which would fall overnight without American aid; Haiti, which always follows Washington's lead; and Ethiopia, also indebted to the United States, were stepping out of line on Palestine. Half a dozen Latin American countries were doing likewise, and Truman had inside word that the reason was secret sabotage by certain State Department officials.

Mrs. Roosevelt was among those who urged Truman to get busy. She informed the President that she would have to resign from the American delegation if partition of Palestine failed because of State Department fumbling.

MANY USED INFLUENCE

In the end, a lot of people used their influence to whip voters into line. Harvey Firestone, who monopolizes the rubber plantations of Liberia, got busy with the Liberian Government. Adolph Berle, adviser to the President of Haiti, swung that vote. Freda Kirchwey, editor of the Nation, called Foreign Minister Cal Berenson of New Zealand on the trans-Pacific telephone and won New Zealand's vote. China's Ambassador Wellington Koo warned his government that he would resign if China failed to take a stand on Palestine. He did not succeed. French Ambassador Bonnet pleaded with his crisis-laden government for partition, despite Moslem threats in north Africa which faced harassed France. He did succeed.

However, the two men who swung the most important influence were Foreign Minister Evatt of Australia, who was defeated for the presidency of the United Nations, and his friend Oswaldo Aranha, who defeated him—both of whom worked together to put across Palestine partition.

NOTE.—This is the first major instance since San Francisco in which the United States of America and the Union of Soviet Socialist Republics worked together. Both countries took the same stand on Palestine.

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

Mr. SMITH of Wisconsin. I am glad to yield to the gentleman.

Mr. GOSSETT. I hope the gentleman will pardon me for supplementing this report of Mr. Drew Pearson's account of what happened in the United Nations. I was most interested to note the following statement in Mr. Ernest Lindley's column in the Washington Post of December 12. Of course, Mr. Ernest Lindley and the Washington Post both have been friendly toward the administration's policies. I quote now from Mr. Ernest Lindley:

The policy and tactics of the United States in the Palestine controversy were, of course, influenced greatly by American Zionists. Domestic politics rather than a considered analysis of the interests of the United States had been the predominant factor in our policy concerning Palestine.

He seems to corroborate the proposition that the gentleman is making that we were playing domestic politics with an international issue fraught with dynamite.

Mr. SMITH of Wisconsin. I thank the distinguished gentleman from Texas for his contribution.

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

Mr. SMITH of Wisconsin. I yield.

Mr. JAVITS. Is it not a fact that the gentleman's whole argument is premised on the fact that the United Nations or someone else will ask the United States to send troops into Palestine? If that be the fact, is it not true also that no one as yet has asked the United States or anybody else to send troops into Palestine and that the Jewish people of Palestine show every willingness to fight and die themselves for what they believe in?

Mr. SMITH of Wisconsin. In reply, I can only say to the gentleman's question that I have personally heard radio commentators make the statement that certain Zionists are about to request the United States for support in the United Nations Assembly of the fact that troops might be sent in there to support partition.

Mr. JAVITS. Will the gentleman yield further?

Mr. SMITH of Wisconsin. Yes; I yield.

Mr. JAVITS. Does the gentleman believe it is fair to attack a cause fought for so hard and so long upon the rumors of radio commentators?

Mr. SMITH of Wisconsin. I am interested especially only because partition has caused a critical situation. I am thinking about the welfare of my own country. We have spent weeks in considering measures to contain communism in western Europe. If this partition goes through, we put the Russians in Palestine and on the Mediterranean.

Mr. JAVITS. Is it not true that the gentleman is building his whole argument on sand, because no one has asked for troops from anybody, and when someone asks for troops I assure the gentleman this is my country, too, and I will be just as exercised, just as solicitous, and just as vigilant of the rights and interest and security of the United States as he is, when the time comes to worry about it. No one has asked yet. The gentleman says he has it from radio commentators.

Mr. SMITH of Wisconsin. Of course, that is not true. Already the Security Council has been asked to implement the action of the United Nations Assembly. From there on it follows, as a matter of course, in my opinion, that a request for troops will be made. Of course, you are entitled to your opinion.

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

Mr. SMITH of Wisconsin. I yield.

Mr. GOSSETT. If the gentleman is not worried about this situation, there is something terribly wrong with his mental processes. Many of the best folks in America have been losing sleep over this diplomatic blunder which we made in forcing the partition in the United Nations.

Mr. SMITH of Wisconsin. I thank the gentleman.

Mr. Speaker, World Report of December 16 carries this important observation regarding official pressure:

Virtually every one of the American officials who supported the proposal for the partitioning of Palestine before the United Nations was acting under orders. Privately they expressed a serious concern over the plan's political and military implications. The final decision to insist on partitioning was made at the highest levels in Washington.

Mr. Speaker, when the second session of the Eightieth Congress convenes next year, I propose to offer a resolution which would authorize a full and complete investigation of the acts of public officials and private citizens in this lobby for the partition of Palestine. We have a right to know how our Department of Defense feels about it. The people of this country and the Members of this House are on notice as to what has transpired. Acting Secretary of State, Robert Lovett, is reported to have played an important part and the Congress is entitled to know the reasons for such action. If Mr. Pearson is right when he says that Mrs. Roosevelt urged Truman to get busy, then, I believe, that Mrs. Roosevelt should have the opportunity to testify as to her position. The same goes for Mr. Harvey Firestone, Mr. Adolph Berle, and others who have been mentioned.

Mr. Speaker, America must awake to the dangers involved in this matter. We have been led down the road to another war. We have, by our actions, sabotaged the United Nations organization. We have placed Russia in a highly strategic position and have thereby nullified all that has been done in western Europe to defeat communism. Finally, we have alienated 700,000,000 Moslems in an area stretching from the Atlantic Ocean across North Africa, the Near East, the Middle East, across India and China and on to the Pacific. To them this a holy war. Time is running out, and a great responsibility rests upon this Congress.

Mr. Speaker, at this point I wish to insert several newspaper editorials and articles: One from the Washington News entitled "Palestine and World War"; another an editorial by Mr. Peter Edson in the Washington News as of December 12, entitled "Disposed of, Not Settled"; also several others, one an editorial from the New York World entitled "Palestine and World War"; one from the New York Times as of December 4, entitled "Arms for Zionists Held World's Job"; two articles appearing in PM, one entitled "Heat Put On United States to Line Up Zion Vote"; another entitled "Unmasking the Sell-out on Palestine"; another item from the New York Times as of December 3 entitled "Washington Rows on Palestine View"; and finally, another news item from the New York Times entitled "Hold in Palestine for Soviet Feared," under date of December 2.

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

There was no objection.

(The matter referred to follows:)

[From the Washington Daily News of December 3, 1947]

PALESTINE AND WORLD WAR

Now comes the problem of enforcing the United Nations Assembly decision partitioning Palestine. The bloody riots in Jerusalem and elsewhere, the Arab nations' refusal to accept partition and the Moslem religious leaders' call for a holy war, are sharp reminders of the enforcement problem. Particularly, it should be faced soon by the United States, whose Government was influential in the Assembly vote and many of whose Jewish citizens assert a special relationship to the problem.

First it should be made clear to all American citizens that the United States itself now has no separate obligations in Palestine, that the responsibility rests with the UN. Secondly, it should be understood that the UN responsibility for order is of two kinds, internal and external.

Part of the UN responsibility for internal order after British withdrawal is still without force. The original American proposal for a voluntary international constabulary was not accepted, except for the international zone of Jerusalem. Each of the two new states is to provide its own forces under high commands chosen by the UN Commission. But with Arab boycott of partition, the UN Commission—if the UN is to make good—will have no alternative except to govern and provide a police force for the new Arab state. Also it will have to be ready to preserve order in the Jewish state, which will have a large Arab minority, if Jewish authority is inadequate.

No American troops, as such, should be used for police purposes. Likewise, no Russian or other nation's troops, as such, should be used. When the UN Commission organizes an international Palestinian constabulary, of course, Americans and Russians could be accepted as volunteers. For the same reason that no big power representative is on the UN Commission, the command of the international constabulary should be chosen from citizens of small neutral nations.

In addition to internal enforcement in Palestine, the UN has the obligation of providing security against foreign aggression. Neither the United States nor Russia has the right to intervene on its own; such intervention would constitute foreign aggression even though it were in the name of defense. Foreign forces could not be used lawfully except under the UN—under Security order or, in event of one-power veto of Security Council action, by nations acting under their joint responsibility to uphold the UN Charter and Assembly decision.

This bar to separate individual action by any foreign nation is all important because its observance can prevent Palestine strife from causing the world war which is otherwise probable. Neither the Jews nor the Arab neighboring nations are equipped for large-scale war. Neither can carry out serious aggression without the direct or secret aid or connivance of one of the big powers.

The danger is that present big-power rivalry in the Mideast, especially over major oil and strategic areas, will tempt some big power to use either the Jews or Arabs or both for its own aggressive purpose. Russian propagandists charge the United States and Britain with such designs. And many Americans and Britons on the basis of Russia's recent expansionist record, fear that is the Kremlin's plan.

Under these explosive conditions the United States scrupulously should avoid any interference in Palestine independent from the UN, and should be equally alert to see that other powers do likewise. The alternative is to risk another world war, and meanwhile to divide our own Nation on the poisonous issue of Semitism versus anti-Semitism.

[From the Washington Daily News]

DISPOSED OF, NOT SETTLED

(By Peter Edson)

The longer you look at the United Nations partition of Palestine, the more doubts you have about it. The issue may have been disposed of. It has by no means been settled.

The UN had four possible solutions. Let the Jews run Palestine. Let the Arabs run it. Partition. Do nothing at all.

Since the British had decided to pull out in 1948, the last choice might have meant full-scale war. Neither Arabs nor Jews were willing to let the other run things, and they wouldn't cooperate on a jointly controlled state. So partition won. Not because it was the best solution. It was the only one left.

Many predictions that partition will lead to war are being discounted by responsible officials.

They say American oil interests will not be damaged. The Arabs want to sell their oil. They have to sell for United States dollars because in today's world that's the only money that will buy anything. British pounds or Russian rubles will do the Arabs no good.

Disorders and guerrilla fighting between Jew and Arab are expected to die down.

The United States Joint Chiefs of Staff fear that Russia, which backed partition, will take the initiative and move troops into Palestine in case disorders get worse, has been discounted. It is said to have caused guffaws in the State Department.

This may be too optimistic an appraisal. Russia is known to want domination over the Moslem countries, from Turkey to Pakistan. So far they have made no headway. Arab rulers probably fear Communists worse than they fear the Jews.

In event the Arab League countries mobilize an army to drive the Jews out of Palestine, it is an issue for the UN Security Council. Russia is most conveniently situated and it has the men mobilized to take fast action in repelling an invasion of Palestine. If Russian Jews start emigrating to Palestine, or if a big Russian embassy is set up, watch out.

In the UN General Assembly, proposals for recruiting an international brigade of mercenaries for police duty in Palestine were heard in all seriousness. The UN commission assigned to administer neutral Jerusalem and oversee the economy unity of Arab and Jewish states in Palestine is made up of representatives of Bolivia, Czechoslovakia, Denmark, Panama, and the Philippines. How fast an international police force could be recruited from the armies of those countries, and how effective it would be, is uncertain.

A Czech battalion might be withdrawn in time. But if Russian troops ever got into Palestine, how would they ever be put out? Nobody else would want the Palestinian police job—unless American Jews would be willing to enlist in a strictly Jewish army.

But assuming all these little details can be taken care of, partitioned Palestine still has its biggest test ahead in proving it can provide a homeland for the Jewish people.

Jewish Palestine has a population of 600,000 Jews and 400,000 Arabs. The Arabs are said to be there by choice, because they can make a better living than in the Arab states. So they offer no problem, unless the Jews start driving them out to make room for more Jews. But how fast can the homeland absorb immigrants?

The several thousand who tried to run the British blockade and are now held on Cyprus presumably have first chance. Behind them in Europe are a million displaced Jews, clamoring to get in.

[From the New York World-Telegram of December 3, 1947]

PALESTINE AND WORLD WAR

Now comes the problem of enforcing the United Nations Assembly decision partitioning Palestine. The bloody riots in Jerusalem and elsewhere, the Arab nations' refusal to accept partition, and the Moslem religious leaders' call for a holy war, are sharp reminders of the enforcement problem. Particularly, it should be faced soon by the United States, whose Government was influential in the Assembly vote and many of whose Jewish citizens assert a special relationship to the problem.

First, it should be made clear that the United States has no separate obligations in Palestine, that the responsibility rests with the United Nations. Secondly, it should be understood that the UN responsibility for order is of two kinds, internal and external.

Part of the UN responsibility for internal order after British withdrawal is still without force. The original American proposal for a voluntary international constabulary was not accepted, except for the international zone of Jerusalem. Each of the two new states is to provide its own forces under high commands chosen by the UN Commission. But with Arab boycott of partition, the UN Commission—if the UN is to make good—will have no alternative except to govern and provide a police force for the new Arab state. Also, it will have to be ready to preserve order in the Jewish state, which will have a large Arab minority, if Jewish authority is inadequate.

No American troops, as such, should be used for police purposes. Likewise no Russian or other nation's troops, as such, should be used. When the UN commission organizes an international Palestinian constabulary, of course, Americans and Russians could be accepted as volunteers. For the same reason that no big power representative is on the UN commission, the command of the international constabulary should be chosen from citizens of small neutral nations.

In addition to internal enforcement in Palestine, the United Nations has the obligation of providing security against foreign aggression. Neither the United States nor Russia has the right to intervene on its own; such intervention would constitute foreign aggression even though it were in the name of defense. Foreign forces could not be used lawfully except under the United Nations—under Security Council order or, in event of one-power veto of Security Council action, by nations acting under their joint responsibility to uphold the UN charter and assembly decision.

This bar to separate individual action by any foreign nation is all-important, because its observance can prevent Palestine strife from causing the world war which is otherwise probable. Neither the Jews nor the Arab neighboring nations are equipped for large-scale war. Neither can carry out serious aggression without the direct or secret aid or connivance of one of the big powers.

The danger is that present big power rivalry in the mideast, especially over major oil and strategic areas, will tempt some big power to use either the Jews or Arabs, or both, for its own aggressive purpose. Russian propagandists charge the United States and Britain with such designs. Any many Americans and Britons, on the basis of Russia's recent expansionist record, fear that is the Kremlin's plan.

Under these explosive conditions, the United States scrupulously should avoid any interference in Palestine independent from the United Nations, and should be equally alert to see that other powers do likewise.

[From the New York Times of December 4, 1947]

ARMS FOR ZIONISTS HELD WORLD'S JOB—HADASSAH SEES RESPONSIBILITY TO PROVIDE DEFENSE AGAINST ARAB PROVOCATEURS

Mrs. Samuel W. Halprin, president of Hadassah, the Women's Zionist Organization of America, Inc., declared yesterday that the world has the responsibility to provide arms and equipment needed by Jews to defend their newly created Jewish state against Arab provocateurs.

Mrs. Halprin announced that her organization had requested its 900 chapters in the United States to increase their financial goals voluntarily by 50 percent in the next 12 months to protect the young Jewish democracy and prepare for every eventuality.

The organization's president spoke at a victory-day reception arranged by the national board of Hadassah for members of the executive of the Jewish Agency for Palestine and the political committee of the World Zionist Organization in the home of Mrs. S. C. Lamport, 1125 Fifth Avenue.

Mrs. Halprin said 10,000 trees would be planted in the new Jewish state by Hadassah and named in honor of the United Nations. Paying tribute to the United Nations for sanctioning a Jewish state, the speaker added:

"We give notice that means must be found to make the Arab masses understand they cannot get away with pillage and murder, mob violence, and threat. Haganah [Jewish military group] will protect what we have built with so much blood and tears, whether the British continue to keep law and order as they promised or not."

Moshe Shertok, head of the political department of the Jewish Agency, lauded David Ben Gurion, chairman of its executive group, as a Zionist leader. Another speaker was Eliezer Kaplan, treasurer of the agency.

Meanwhile, the political advisory committee of the World Zionist Organization, headed by Dr. Israel Goldstein, emphasized in a statement the difficulties, hardships, and hazards which will beset the establishment of a Jewish state and particularly the initial chapter of its existence.

The New York Board of Rabbis, Inc., declared yesterday that the United Nations decision represented a victory for righteousness, justice, and truth.

"We rejoice that in this victory our beloved land played a major role," the rabbis said. "For the Jews it marks a new era which will radically change their fortunes and status in the world. The curse of homelessness, of wandering aimlessly without a place to call home, is at last brought to an end."

The Mizrachi Organization of America, religious Zionist group, announced for next Sunday afternoon a public celebration in Manhattan Center. Rabbi Meyer Berlin, president of the World Mizrachi Organization, recently arrived from Jerusalem, will be the principal speaker.

Hunter College celebrated yesterday creation of the new Jewish state at an assembly sponsored by a joint faculty-student committee.

Mrs. Tamar de Sola Pool, an alumna of the college and a past president of the Hadassah, declared that while there is blood and fire in Palestine today, it will not be long before peace is established between the Arabs and the Jews.

Speaking "with humility as a Christian," Dr. George N. Shuster, president of the college, commented that the Jew has come home again, but that the homecoming was not something the beleagured and imperiled world has yet attained.

[From the New York PM of November 28, 1947]

HEAT PUT ON UNITED STATES TO LINE UP ZION VOTE—PRESIDENT ASKED TO ORDER AIDES TO LINE UP THE NECESSARY BACKING

(By Victor H. Bernstein)

A move to strip the camouflage from United States policy on Palestine gathered strength today as the General Assembly gathered at Flushing for the final and fateful vote on partition.

Irked by continued defection on the issues of countries normally in the United States orbit—particularly those of Greece and the Philippines—partition supporters both within and without the Truman administration were putting pressure on the White House to demand that the President order his subordinates to get out and win. (See editorial, p. 12.)

Yesterday the President and his immediate advisers were in close touch with leading United States partisans of partition who insisted that the President's own prestige was at stake.

VOTES OF THE PAST TO BE RECALLED

These leaders—some of them Government officials—reminded the President that the vote on partition at the Assembly today would be watched in the light of other votes in the past weeks on issues on which the United States wanted very much to win.

The killing of the United States-opposed anti-Franco resolution by a switch of votes by Honduras and Ecuador recently was pointed out as example of United States power when it chose to exercise it.

Ecuador and Honduras were this morning still on the abstention list of a dozen nations whose switches to the yes column could assure passage of the partition plan.

HAITI PREPARED TO SHIFT TO YES VOTE

Others on the abstention list were Argentina, China, Colombia, El Salvador, Ethiopia, Liberia, Luxemburg, Mexico, the United Kingdom, and Yugoslavia. China, in the abstention column, will remain there, according to the foreign office in Nanking.

Luxemburg was considered a certain switch to a yes vote. Haiti, according to dispatches yesterday from Port au Prince, is prepared to switch from no to yes on the final ballot.

But these developments still left the issue in extreme doubt as reports continued to circulate that Liberia intended to switch from abstention to no and that at least one other South American country was considering a similar move.

GREECE OWES SOMETHING TO ARABS

This morning the count of already committed votes stood at 28 for, 15 against, and 12 abstentions. If the Port au Prince dispatches are correct and Haiti switches from the no column, passage of partition was assured provided no other switches occurred.

Under General Assembly rules of procedure, all important issues must be approved by two-thirds majority of all present and voting, so that abstentions are not reckoned. Under this procedure, passage of an important measure requires twice as many yes votes as opposition votes.

Greece's switch from abstention to no hit hard at the faith of partisan supporters in United States leadership on the issue.

It is true that Greece has Moslem neighbors in Macedonia and that a wealthy Greek colony, numbering more than 100,000, exists in Egypt.

But it is equally true that Yugoslavia, as much a part of the Slav bloc as Greece is part of the United States bloc, also has its qualms on the partition issue. Nearly 1,000,000 Moslems form part of its population.

Yet Yugoslavia has contented itself with abstaining so far in the balloting, and there are reports that it will shift over to the "yes" column if its one vote is needed for passage of partition. Greece, on the other hand, on Wednesday switched from abstention to "no."

Observers insist that they have a legitimate right to raise their eyebrows at the sudden emergence of the Greek Government's "independence."

Today's general concern with United States policy on Palestine is not the first time the policy has been called into question during this session of the Assembly.

The hot-and-cold tactics pursued at UN provoked concern early in the session, before the United States delegation's first statement on the issue.

MORE KIDS TO PALESTINE

Approximately 1,500 Jews, including 450 infants, are en route to Palestine today from the internment camps of Cyprus. Another 150 infants and their families are scheduled to leave Cyprus soon.

In all, 3,500 Jewish internees will come to Palestine as a result of the Palestine Government's decision to admit orphans and infant refugees. This decision resulted from recommendations by the Joint Distribution Committee, United States agency aiding distressed Jews abroad, and the Jewish Agency for Palestine to the British Government of Palestine that all Jewish infants be evacuated from the British internment camps in Cyprus. The recommendation followed JDC investigation of the mental health of Cyprus.

ASK PROBE OF ARABS

In a memorandum submitted to the General Assembly of the UN, the Nonsectarian Anti-Nazi League, Inc., charges that various Arab agencies in the United States of America are working in close harmony with and through domestic racial-hate groups to promote anti-Jewish feeling.

The memorandum demands that the United States Government take action under the Foreign Agents Registration Act with a view to determining whether they should be prosecuted for failing to register.

[From the New York PM of November 28, 1947]

UNMASKING THE SELL-OUT ON PALESTINE

(By I. F. Stone)

WASHINGTON.—If a two-thirds vote for partition of Palestine is not obtained at the UN today, you may expect to hear on the floor of Congress what is already widely known in the Capital:

The State Department bureaucracy, notably the Division of Near Eastern and African Affairs under Loy W. Henderson, has been the Achilles heel of the Truman administration's efforts to achieve a Palestine solution through UN.

Indicative of an attitude all too general within the State Department was the answer given by a Department official to the head of a small country's delegation to the UN in a conference here recently. When this official was asked for guidance on the Palestine issue at UN, his answer was: "We don't care how you vote on it."

When the President of the United States goes on record for one policy and a State Department official tells the representative of another country that "we don't care how you vote on it," the diplomat can only conclude that the permanent officials of the Department, the men with whom he must actually deal, are hostile to the announced policy and would welcome its failure.

TRUMAN WAS WARNED OF SABOTAGE BY STATE DEPARTMENT BUREAUCRACY

It is no secret that leading political figures, concerned about the next election and well

aware of similar experiences under the Roosevelt administration, warned President Truman that his Palestine policy would be sabotaged by the State Department bureaucracy if he did not take preventive steps in advance.

One of the steps taken by the President and Secretary of State Marshall was to assign John H. Hilldring, Assistant Secretary of State for Occupied Areas, to assist Herschel V. Johnson on the Palestine question at UN. Hilldring is an Army man and trusted by Marshall.

But the devoted efforts made by General Hilldring and by Johnson at Lake Success and Flushing have been undercut by the State Department crowd in Washington. The "Little Assembly," Balkan frontier, and Franco disputes at UN have demonstrated the vigor with which the Department can collect votes in support of policies it really favors.

In the case of Palestine, it would be bad enough if the State Department crowd had merely been lackadaisical. But in the past few days, since Secretary Marshall left for London on Friday, things have happened which indicate that they have been actively hostile. Before Marshall left, it was arranged to send Assistant Secretary of State Norman Armour and several aides to the UN Assembly in a vote-getting drive. They were to have been in New York on Tuesday. They never showed up. On Wednesday, Loy Henderson was at the White House warning, cryptically, that any further pressure to line up votes for Palestine might endanger American defense preparations.

Strangest of all was the fact that several small countries entirely dependent on the United States of America suddenly announced that they would vote against partition. The most striking examples were Greece and the Philippines. Liberia is reported ready to follow them.

WHAT'S BEHIND THE DARING OF THE OPPOSING COUNTRIES?

"It would be very naive to believe," said one administration official who has been on several foreign assignments, "that these countries would dare to oppose American policy unless they had been made to understand by the men with whom they deal at the State Department that a 'no' vote would be welcome to them."

These small countries depend for all kinds of help and favors on day-to-day contacts with minor permanent officials in the State Department. There are many ways in which such an official can let a foreign diplomat know that, despite the declared policy of the United States Government, nobody would mind if he used his sovereign power to vote the other way.

It is known here, for example, that when Prime Minister Tsaldaris of Greece was in this country, he apologetically explained that Greece would like to abstain from a vote on Palestine. Various excuses were given, but the real one lies in the influence of the British Embassy in Athens.

During the recent fight at the UN over the resolution reaffirming the UN's opposition to Franco, the U. S. A. brought pressure on Greece (as on several Latin American countries) to vote with the U. S. A. against the resolution. The Greeks had abstained in committee, but voted "no" in the Assembly, and the resolution failed by one vote.

But although the Greeks are now asking increased relief and military help from the U. S. A. and United States experts are drawing up the new Greek budget, the Greeks this week announced that, instead of abstaining on Palestine, they would vote against the declared American position.

Administration figures outside the State Department in close touch with Greek affairs regard this sudden independence with cynicism. They won't say so for the record but they have said privately that there is only one explanation. The Greeks have been invited to be independent by someone in the State Department.

UNAUTHORIZED SWITCHING OF SIGNALS BY SOMEONE IN THE STATE DEPARTMENT

Similarly, it is taken for granted here that Haiti, Liberia, and the Philippines do not take a position against the United States of America when it is made clear to them that they are voting against American policy. What the White House was told privately yesterday was that someone at the State Department had been doing some unauthorized switching of signals.

What's their game? The view prevailing in informed circles here is that the State Department bureaucracy sees eye to eye on Palestine with the British rather than with Truman. The British want the partition plan to fail. There will be disorder in Palestine. They hope to be asked to stay. They will reluctantly agree to keep troops there if the United States of America takes care of the cost.

In that event, the British will spring a compromise plan which will turn out to be the old Morrison-Grady plan neatly rewrapped for the UN. This plan gave the Jews no assurances on immigration beyond a first 100,000 and it gave the Arabs no assurances on self-government. Its revival would infuriate the Arabs fully as much as partition, but its virtue for the British is that it would leave them the controlling authority for 10 years and after that until the Arabs and Jews can agree, which promises to be a long time. Thus we would have neither an Arab nor a Jewish Palestine, but a British Palestine, for use as a middle-eastern military base with Uncle Sam footing the bill.

[From the New York Times of December 3, 1947]

HOLD IN PALESTINE FOR SOVIET FEARED—UNITED STATES MILITARY OBSERVERS SAY RUSSIA MIGHT OFFER TO SEND TROOPS IN CASE OF WAR

WASHINGTON, December 2.—United States military observers pointed today to the possibility that a war in Palestine might bring Soviet Army units into the country, ostensibly to protect the projected new Jewish state against the Arabs.

The move would put Russian troops on the Mediterranean within flying minutes of the Suez Canal, and within easy striking distance of American oil concessions in Saudi Arabia.

The possibility that Russia would offer to intervene was being freely discussed in Washington today. A highly placed officer, who could not be identified said: "It can be expected within 90 days, if real fighting breaks out in Palestine. It will be very embarrassing for both the British and ourselves."

NO UNITED NATIONS FORCE

There is no joint United Nations military force yet organized to maintain order anywhere in the world.

Presumably, the United States observers believed that Russia might offer to send her own troops to Palestine in lieu of a United Nations military force.

Britain has announced her intention to withdraw her forces, estimated now at 80,000 men, from Palestine before next August. The actual removal of British units probably will begin before then.

France maintains sizable forces, including some regiments of the Foreign Legion, in north Africa, but they are needed for the protection of Algeria and Tunisia. Fighting in Palestine might set the whole Middle East aflame.

The United States has no troops in the area.

Some hope is being expressed here that the Jews will be strong enough to protect themselves. The projected state would have a population of more than 1,000,000. It is surrounded by more than 30,000,000 Arabs.

ARAB STRENGTH ASSESSED

However, none of the Arab nations has a trained army, equipped with modern weapons. The nearest approach to it is the British-trained Arab Legion, in Trans-Jordan, a state no larger than the proposed Jewish state.

Although numerically inferior, the Jews could put into the field at least one regular army unit and thousands of tough, experienced guerrilla fighters. They have the Jewish brigade, trained and equipped by Britain, which fought with recognized success in the last stages of the Italian campaign.

Their irregulars, the majority of whom served in other European armies before the last war, have been the spearhead in the underground operations of the last two years.

But United States observers believe that even a large-scale guerrilla struggle between Arabs and Jews would bring from Moscow the offer to station Russian troops in Palestine.

"They might come in on a temporary basis," experts said, "and then you'd never get them out."

[From the New York Times]

WASHINGTON ROWS ON PALESTINE VIEW—OFFICER'S THEORY THAT RUSSIAN TROOPS WILL ENTER MID-EAST HIT BY STATE DEPARTMENT

WASHINGTON, December 3.—A behind-the-scenes row between State Department officials and the Army appeared to be shaping up tonight over a high Army officer's prediction that Russia would use civil war in Palestine as an excuse to seize a bridgehead on the Mediterranean.

The Army officer, who declined the use of his name, said the General Staff was gravely concerned about a possibility that Soviet troops would move into the Holy Land under the pretext of preventing bloodshed between Jews and Arabs over partition.

But responsible State Department officials, who likewise insisted on remaining anonymous, discounted these fears and said that such statements amounted to a needless stirring up of trouble. They hinted that the whole matter might be taken up between high officials of the two departments.

REACTION IN CONGRESS DIVIDED

Congressional reaction was split almost evenly. Some members of the House and Senate deplored the Army officer's statement. Others heartily agreed with it.

Senator WALTER F. GEORGE, Democrat, of Georgia, a veteran member of the Senate Foreign Relations Committee, said it was "unfortunate to ascribe such motives to Russia at this time," and added that the officer's statement "could in itself be a provocation" to trouble.

He said he was confident the United Nations would be able to handle the Palestine situation by creating an international security force in which all of the big powers would be represented by troops.

Representative FRANCES P. BOLTON, Republican, of Ohio, a Member of the House Foreign Affairs Subcommittee that visited the Holy Land last summer, said: "The only conceivable reason Russia joined in this thing (the United Nations plan to partition Palestine) was to get into that area in some superficially legitimate manner. It

was foreseen by many people in the Holy Land."

State Department sources pointed out that any Soviet move to enter Palestine by force would be a clear violation of the United Nations Charter, and they appeared confident that Soviet leaders would avoid such action. The Army officer had contended that Russia's army would move into Palestine within a few months under a "cloak of legality" and that "nobody will be able to get her out."

BRITISH SMILE AT ANXIETY

LONDON, December 3.—Wry smiles greeted a British press report today that the United States congressional and administration circles were alarmed over the prospect of Soviet troops moving into Palestine as part of an international police force. One official remarked to an American correspondent:

"You people plunged into this thing with such great enthusiasm and now that you are beginning to see some of the delicacies of the situation you are becoming apprehensive. I imagine some of your legislators awoke out of a bad dream in which they saw hordes of Red soldiers crawling all over the Middle East."

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

Mr. SMITH of Wisconsin. I yield.

Mr. GOSSETT. I have here a copy of a letter written by a very prominent official of the Trans-Jordan Pipeline Co. to his wife on the day following the partition vote, in which he depicts a lot of riots and destruction of property over what has been carried in the public press, evidencing the reaction of Arabia to our activity. He says:

This puts everyone down on the United States. Why the United States wants to meddle in affairs like this is beyond me.

Then I have here a clipping I wanted to ask the gentleman's opinion about, appearing in the Evening Star of December 13, entitled "American Jews Ask $283,000,000 for Palestine Aid and Arms." It seems that the United Jewish Appeal Committee is now asking for $28,000,000 immediately to arm the Jewish people in Palestine for the avowed purpose of carrying on at least a guerrilla warfare. If we are going to send arms or permit American citizens to send shipments of arms to persons in Palestine, are we not going to further antagonize and alienate the good will and friendship of the Arabian world?

Mr. SMITH of Wisconsin. I am sure that follows as a matter of course.

I would be glad to include the correspondence the gentleman refers to if he wishes me to do so.

Mr. GOSSETT. I want to commend the gentleman for a very excellent dissertation.

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

EXTENSION OF REMARKS

Mr. MANSFIELD asked and was given permission to revise and extend the remarks he made earlier in the afternoon.

SPECIAL ORDER

Mr. HOLIFIELD. Mr. Speaker, I have a special order immediately following the gentleman from Illinois [Mr. PRICE]. I ask unanimous consent that the remarks and the matter therein contained which I intended to deliver be inserted in the RECORD at a point following the remarks of the gentleman from Illinois [Mr. PRICE].

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. HOLIFIELD]?

There was no objection.

Mr. KLEIN. Mr. Speaker, I have a special order for today. I ask unanimous consent that I may insert my remarks in the RECORD at the point where I would be recognized under my special order today.

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

There was no objection.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow morning.

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

There was no objection.

RULES COMMITTEE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until midnight tonight to file a rule.

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

Mr. SMITH of Ohio. Mr. Speaker, reserving the right to object, is it the purpose of the Committee on Rules to bring in the Senate bill?

Mr. HALLECK. Well, of course, I cannot answer for the Committee on Rules. The Committee on Rules will act, of course, as they determine they should act, and that is no equivocation with respect to the answer. That is the only answer I can make on any occasion.

Mr. SMITH of Ohio. Is it my understanding that the proposition is to bring this bill in and pass it in the form that it passed the Senate, in the event it does pass the Senate, so that there would be no conference on it at all? Is that the strategy?

Mr. HALLECK. I am not going to enter into a discussion with the gentleman about that, because there has been no determination in that regard.

Mr. SMITH of Ohio. Well, I do not want to throw any wrench into the party machinery, but this thing all the way through does not look very good to me. It does not look very forthright to me, and I feel that everything that can humanly be done ought to be done to call the attention of the people of this country to what is going on down here in Washington. Therefore, Mr. Speaker, I will have to object.

CONSIDERATION OF CONFERENCE REPORT

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order the balance of this week to consider conference reports at any time after they are presented, notwithstanding the provisions of clause 2, rule XXVIII.

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

Mr. SMITH of Ohio. Mr. Speaker, reserving the right to object, if the gentleman will exclude any possible conference report that might be made regarding the so-called anti-inflation bill, I shall not object. If that is not excluded, I must object.

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

Mr. SMITH of Ohio. I object, Mr. Speaker.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. PRICE] is recognized for 30 minutes.

IN COMMEMORATION OF ONE HUNDREDTH ANNIVERSARY, DECEMBER 30, OF THE BIRTH OF JOHN PETER ALTGELD, GOVERNOR OF ILLINOIS, 1893-97

Mr. PRICE of Illinois. Mr. Speaker—

Sleep softly, eagle forgotten, under the stone,
Time has its way with you there, and the clay has its own,
Sleep on, O brave-hearted, O wise man, that kindled the flame—
To live in mankind is far more than to live in a name,
To live in mankind, far, far more, than to live in a name.

Mr. Speaker, those are the closing lines of the poem, The Eagle That Is Forgotten, by Vachel Lindsay. They were written about a great American born December 30, 1847, just a few days shy of 100 years ago.

That man was John Peter Altgeld, born in Germany, reared in abject poverty in the United States, self-educated, elected to the highest office in the State of Illinois, defeated, vilified, and crucified. At his death, Clarence Darrow was the funeral speaker. Ministers, we are told by historians, feared the wrath of their congregations were one of them to officiate.

Yet, in the words of the poet, Lindsay, "To live in mankind, far, far more than to live in a name." John Peter Altgeld did live in mankind, he lived only in mankind for years. Now he emerges to live in a name, in his rightful name as one of those men who rise in an emergency to fight for justice and freedom, to fight against oppression, tyranny, and greed.

What was the spark in John Peter Altgeld which makes his name and fame grow with the years, despite the fact he was held in practical disrepute at the time of his death?

The bare facts of his life reveal a familiar story—the great American success story of the immigrant lad, poverty-stricken in his youth, who rose to riches and prominent position. In the case of John Peter Altgeld, however, the story took a sharp twist from pattern, for he lost both his wealth and his prominent position before he died. But the spark that set him off from other men is not revealed in either the familiar pattern nor the deviation from that pattern during the later years.

He was elected Governor of Illinois in 1892—the first Democratic governor after the Civil War. This fact did not set him apart from other men in political

life—not even the fact that his was the first Democratic victory after the great strife of the 1860's.

The thing that sets him off was his devotion to principle, and the principle of fighting for human rights. His opposition to special privilege was the thing that, through the years, has endeared him to the normal citizen—the citizen without wealth or power of any sort.

It was his great devotion to principle which caused his political downfall and gave his enemies a popular issue for use against him. The first evidence of this devotion to principle came a few months after his inauguration when he pardoned three men convicted of conspiracy in connection with the famous Haymarket riot of 1886. His review of the case remains to this day a masterpiece of analysis. But his reasons were most succinctly summed up when he spoke to one-time neighbors in Richland County, Ohio, several days after the pardoning, at the funeral of his mother:

> Those fellows did not have a fair trial and I did only what I thought was right.

Considerations of guilt or innocence, nor the political views of the prisoners—they were popularly referred to as anarchists—did not enter into his decisions. He was only sticking devotedly to one of the principles upon which this Nation was founded, that all those accused are guaranteed a fair trial.

This was the beginning of his downfall. His enemies, those who feared his liberalism, now had something with which to attack him. He was called an anarchist, and worse. He was vilified by high and low.

A second instance of his devotion to duty was his sharp criticism of President Cleveland for sending troops to break the Pullman strike. He held to the principle that the Federal Government had not the right to send troops into any State unless requested so to do by the chief executive of that State. It mattered not that President Cleveland was, like Altgeld, a Democrat. Principle to Altgeld was greater than partisan politics.

His administration made a memorable record for itself. Consider the scope of the laws enacted during his 4-year term: Laws regulating labor by women and children and requiring factory inspection; laws establishing an inheritance tax and setting up a probation system; laws establishing the beginnings of State civil service and bringing new standards of humanity to charitable and penal institutions. All these things, plus his unyielding opposition to bills which granted special privileges to monopolies and trusts, and his fights against trusts, made his administration indeed the first New Deal in America.

Irving Dilliard, writing in Survey Graphic, August 1942, said, and I quote:

> He took to the State capitol in Lincoln's Springfield a quiet and abiding love of fairness and an unyielding devotion to the welfare of ordinary people; it is significant that his parents brought him, a baby 3 months old, from Germany in the spring of 1848. Did any American ever come up a harder way? The poverty that cradled him in Ohio was the most abject kind. He had virtually no schooling and worked his way to Missouri as an itinerant, penniless farm hand. His appearance was against him and a heavy German accent was a constant handicap.

His German ancestry was used against him time and time again by his political enemies, who had not the courage to fight him on the issues. His lack of education was also used against him, yet by self-education—pulling himself up by his own bootstraps, if you will—he had become one of the most gifted speakers of his time, and authored a booklet on oratory.

His enemies, by innuendo and by direct application, tried to appeal to bigotry, prevalent then as now, by citing his German birth, despite the fact his philosophy was basic Americanism. His democracy was the democracy of Jefferson and Jackson. He was as Jeffersonian as the Sage of Monticello, except that Jefferson concerned himself with agrarian reforms while Altgeld came along in the midst of the great industrial revolution in this country.

His belief in free enterprise was in the real American tradition. Altgeld, as all real progressives do, believed in free enterprise, but he opposed special privileges to free enterprise, which he knew in the end would lead to its self-destruction. He opposed special privilege in the face of great temptations.

He was in the forefront of the fight against industrial monopolies, characteristic of the eighties and nineties. This was a major battle in Illinois—Union Stockyards, a giant combine in itself, was owned by the principal stockholders of the Nation's railroads, according to a United States Senate committee; the Pullman monopoly of sleeping cars was brought to light by the strike; the absentee and centralized ownership of Illinois coal mines, with their squalid company towns. And in Chicago there was the rise of the Gas Trust and the Yerkes traction combine.

At Springfield, in February 1893, the legislature opened an investigation of the Whisky Trust which resulted in remedial legislation. But the most sensational battle occurred in the late spring of 1895 when the Chicago gas and traction interests attempted to secure an undisputed monopoly through extensive franchise and related legislation which could only come from the State legislature. The traction company sought a 99-year franchise, while the Gas Trust sought similar privileges, aimed at stifling competition.

Altgeld's reaction to these bills is described by Harvey Wish, writing in the July 1941, issue of the American Historical Review, who reports, and I quote:

> As the monopoly bills were introduced into the legislature, the huge element of official bribery soon attracted popular attention and aroused a hostile press; nevertheless, under careful legislative sponsorship, the gas and traction bills passed both houses. Altgeld's silence on the subject and the well-known fact that his cousin and business partner, John W. Lanehart, was affiliated with the Ogden Gas Co., an interested concern in the Springfield proceedings, appeared ominous to certain reformers. Then occurred a startling development. Both traction and gas representatives approached the Governor with offers of huge bribes should the desired special legislation become law; the traction interests offered Altgeld $500,000, while similar financial inducements came from the gas companies.
>
> The Governor's hostile reply, despite the sudden collapse of his wealth due to the depression and because of his preoccupation with official duties, came emphatically in a stinging triple-barreled veto message which consigned the Yerkes and Gas Trust bills to oblivion as far as his administration was concerned. All three bills, gas, streetcar, and elevated, involved the same principle; he charged the legalization of monopoly, "a flagrant attempt to increase the riches of some men at the expense of others by means of legislation." Government must protect all interests alike; if any group deserved protection, it was the weak rather than the strong. Denouncing the existing monopolies, he proposed municipal ownership of public utilities as a desirable alternative—a cause which he espoused unsuccessfully to his final years.

Wish, in a footnote to his article, relates another instance in the career of Altgeld which typifies the strength of forces opposed to him, and the lengths to which those forces would go to achieve their own, selfish aims. Wish noted—and I quote:

> During the latter part of Altgeld's administration several representatives of the Alton glass industry approached the Governor to request that the factory law remain unenforced. One manufacturer threatened that "if the law was not held up they would be obliged to close their factories which would be quite a serious matter to their communities." Altgeld replied sardonically, "Very well, close your factory and nail a notice on the outside saying, 'This factory is closed because the Governor of Illinois will not allow us to employ babies'."

Governor Altgeld's program of labor legislation was not only progressive in its day, it was still considered progressive when it was put into effect by the late President Roosevelt. It was, of course, fought and opposed by the same forces which fought Roosevelt and which are opposing the efforts of President Truman to protect these inalienable rights.

The Factory Inspection Act of 1893, which the glass makers were trying to circumvent, prohibited the manufacture of certain articles of clothing in private homes, except by families living therein; children under 14 years of age were forbidden factory employment; and women could not be employed more than 8 hours daily in any factory or more than 48 hours per week. He provided for a State board of mediation to arbitrate labor-management disputes. His legislature in 1893 passed an act protecting employees from dismissal because of union membership, a forerunner to the same provisions of the National Labor Relations Act—United States labor's magna carta.

It is interesting to note that Altgeld, once a common laborer, never lost his interest in the welfare of labor, even though he became moderately wealthy. In fact he always insisted upon hiring union labor for State projects. He had had experience with extensive building

operations as a real-estate promoter. This convinced him, as he had once remarked, that union labor is always the best labor.

Altgeld's refusal to place partisan politics above the public interest was evidenced by his efforts at civil-service reform, despite the patronage demands from leaders of a party which had been out of power for 36 years. In his inaugural address he called for placing all State and municipal employees under the merit system, except those on the policy-making level. He followed this up with legislative recommendations to abolish useless offices and by his appointments on the basis of ability rather than party. Many important administrative positions were held by Republicans and even women, in a day long before the enactment of the nineteenth amendment. It should be noted that a similar policy in Washington has been followed by a spiritual descendent of Altgeld.

The character of John Peter Altgeld was not alone felt by the State of Illinois, but it was felt by his own political party, for he was the first in many years to draw a definite distinction between the two major parties, to break up a tweedledee-tweedledum political alinement which existed then as it did in a later day. Up until Altgeld's successful campaign for governor in 1892 there was little to choose between either party. As an aftermath of the Civil War, Republicans painted the Democrats as the rebel party. Every Governor of the State had been a veteran of that struggle and the old campaign hat and the bloody shirt were the basis of the political campaigns. When Altgeld came along—although he, too, had fought in the Union Army—he never at any time mentioned the fact, despite wounds which left him with physical impairment. His campaign was pitched on the issues of the day.

Four years later, after his break with President Cleveland, he was the dominant figure of the 1896 convention, and probably would have been nominated for the Presidency instead of William Jennings Bryan, despite the Cross of Gold speech, had it not been for the Constitutional hurdle of his birth in Germany.

Harry Barnard wrote and the Bobbs-Merrill Co. published in 1938 a definitive biography of Governor Altgeld entitled "Eagle Forgotten." Referring to the 1896 Democratic National Convention, conducted in Chicago, Barnard says:

> What was of lasting importance in the Chicago convention is the fact that it meant demarcation of an era in American politics in terms of economics and social attitudes. From the reign of Andrew Jackson until the Chicago convention of 1896, there had been no distinction between the major parties on these issues. The party of Tilden and Cleveland was as conservative, avowedly so, as the party of Blaine and Mark Hanna. But by the action of the Chicago convention the party of Tilden and Cleveland was doomed. The democracy was returned to Jefferson and Jackson, although in terms of industrialism rather than the disappearing agrarianism. And for the first time since the rise to dominance of industrialism, of monopolies and corporations and corporation finance, one of the major parties took a clear stand on the basic economic issues which were dividing the Nation between the haves and have-nots.
>
> It was this return on a modern economic basis to the Jefferson-Jackson principles—the causing of the party to stand for the people rather than the classes—which constituted the revolutionary character of the 1896 convention. This was its historical significance. But it was the platform as a whole, not the free silver plan alone, nor Bryan, that symbolized what was done.
>
> The pronouncements on labor, on the courts, on injunctions, on civil and personal liberties, and notably on that "communistic" thing, the income tax—these were the items of the platform which indelibly stamped a new character under the party. These were what the conservative minority had in mind in characterizing the platform "extreme and revolutionary of the well-recognized principles (hitherto) of the party." And for that achievement, more than to any other leader of the time, the credit goes to John Peter Altgeld.
>
> His was the brain and the will; his the dominating force behind the platform. It was he who laid out the program of the convention, dictated the platform, and impressed his personality upon the policy adopted.

Thus it was that the 1896 convention brings out the curious fact that William Jennings Bryan rose to fame as a result of two unrelated facts. One was his undoubted oratorical ability; the other was the accident of Altgeld's birth in Germany. Even with the great Bryan oratory, Altgeld, had he been born within the borders of the United States, would have been the Democratic nominee that year, so great was his dominance over the convention, a dominance achieved by the sheer power of his personality and the logic and fairness of his views.

There is a monument to John Peter Altgeld, a monument of which Illinois and the Nation is justly proud. That monument is the great institution known as University of Illinois. It was John Peter Altgeld, the immigrant, itinerant farm laborer, who took his education where he could find it, who gave the impetus which has resulted in one of the Nation's finest institutions of higher learning.

When he became governor, the university occupied four buildings and had a faculty of 48. When he was defeated 4 years later, six new buildings had been provided and, more important, the faculty was increased to 170. During his term appropriations for the university amounted to $722,700, as against $201,350 the preceding 4 years. He was instrumental in founding the college of law. He proposed organization of schools of pharmacy and medicine.

John Peter Altgeld was born December 30, 1847, at Nieder Selters in Nassau, Germany, the son of John Peter and Mary Altgeld. At 3 months he was brought by his parents to Richland County, Ohio, where he grew to maturity with little formal education and much labor. Until he was 21 he worked for his father, except for service with an Ohio volunteer regiment. In 1869 he drifted westward, working as laborer, school teacher, and law student.

He was elected State's attorney for Andrew County, Mo., in 1874, but left there a year later to remove to Chicago, where he practiced law, entered real-estate operations, and prospered. He was elected to the superior court of Cook County in 1886, and, when he resigned in 1891, he was chief justice of this court.

After his four stormy years as governor, he was renominated in 1896, but defeated by John R. Tanner, the Republican candidate. He died suddenly in 1902, after a speech in Joliet, Ill., in advocacy of Boer independence. He was survived by his wife, Emma Ford, a friend of his childhood, and a graduate of Oberlin College.

The last words of his Joliet speech—his last public words—sum perfectly his political philosophy:

> Wrong may seem to triumph. Right may seem to be defeated. But the gravitation of eternal justice is toward the throne of God. Any political institution which is to endure must be plumb with that line of justice.

WHO IS LOYAL TO AMERICA?

Mr. HOLIFIELD. Mr. Speaker, the hope of our democracy lies in the intelligent interest and participation of our young people. One of the outstanding groups of young citizens in southern California are the San Gabriel Valley Young Democrats. I know many of these fine yong men and women personally. They are alert to the danger to our civil liberties which exists in the present wave of hysteria which sweeps our country. They are pro-American and anti-Communist in the truest sense of the term.

I recently received from the officers of this club an article which appeared in Harpers magazine, September 1947 issue. This article was written by Henry Steele Commager and the title is "Who Is Loyal to America?"

After reading this article, I was convinced that the major portion was so worth while that I have requested the required time to read the same into the CONGRESSIONAL RECORD:

WHO IS LOYAL TO AMERICA?

(By Henry Steele Commager)

On May 6 a Russian-born girl, Mrs. Shura Lewis, gave a talk to the students of the Western High School of Washington, D. C. She talked about Russia—its school system, its public-health program, the position of women, of the aged, of the workers, the farmers, and the professional classes—and compared, superficially and uncritically, some American and Russian social institutions. The most careful examination of the speech—happily reprinted for us in the CONGRESSIONAL RECORD—does not disclose a single disparagement of anything American unless it is a quasi-humorous reference to the cost of having a baby and of dental treatment in this country. Mrs. Lewis said nothing that had not been said a thousand times in speeches, in newspapers, magazines, and books. She said nothing that any normal person could find objectionable.

Her speech, however, created a sensation. A few students walked out on it. Others improvised placards proclaiming their devotion to Americanism. Indignant mothers telephoned their protests. Newspapers took a strong stand against the outrage. Congress, rarely concerned for the political or economic welfare of the citizens of the Capital City, reacted sharply when its intellectual

welfare was at stake. Congressmen RANKIN and DIRKSEN thundered and lightened; the District of Columbia Committee went into a huddle; there were demands for housecleaning in the whole school system, which was obviously shot through and through with communism.

* * * More ominous was the reaction of the educators entrusted with the high responsibility of guiding and guarding the intellectual welfare of our boys and girls. Did they stand up for intellectual freedom? Did they insist that high-school children had the right and the duty to learn about other countries? Did they protest that students were to be trusted to use intelligence and common sense? Did they affirm that the Americanism of their students was staunch enough to resist propaganda? Did they perform even the elementary task, expected of educators above all, of analyzing the much-criticized speech?

Not at all. The District Superintendent of Schools, Dr. Hobart Corning, hastened to agree with the animadversions of Representatives RANKIN and DIRKSEN. The whole thing was, he confessed, "a very unfortunate occurrence," and had shocked the whole school system. What Mrs. Lewis said, he added gratuitously, was repugnant to all who are working with youth in the Washington schools, and the entire affair contrary to the philosophy of education under which we operate. Mr. Danowsky, the hapless principal of the Western High School, was the most shocked and regretful of all. The District of Columbia Committee would be happy to know that though he was innocent in the matter, he had been properly reprimanded.

It is the reaction of the educators that makes this episode more than a tempest in a teapot. We expect hysteria from Mr. RANKIN and some newspapers; we are shocked when we see educators, timid before criticism and confused about first principles, betray their trust. And we wonder what can be that philosophy of education which believes that young people can be trained to the duties of citizenship by wrapping their minds in cotton wool.

Merely by talking about Russia Mrs. Lewis was thought to be attacking Americanism. It is indicative of the seriousness of the situation that during this same week the House found it necessary to take time out from the discussion of the labor bill, the tax bill, the International Trade Organization, and the world famine, to meet assaults upon Americanism from a new quarter. This time it was the artists who were undermining the American system, and Members of the House spent some hours passing around reproductions of the paintings which the State Department had sent abroad as part of its program for advertising American culture. We need not pause over the exquisite humor which Congressmen displayed in their comments on modern art; weary statesmen must have their fun. But we may profitably remark the major criticism which was directed against this unfortunate collection of paintings. What was wrong with these paintings, it shortly appeared, was that they were un-American. "No American drew those crazy pictures," said Mr. RANKIN. Perhaps he was right. The copious files of the Committee on Un-American Activities were levied upon to prove that of the 45 artists represented "no less than 20 were definitely New Deal in various shades of communism." The damning facts are specified for each of the pernicious 20; we can content ourselves with the first of them, Ben-Zion. What is the evidence here? "Ben-Zion was one of the signers of a letter sent to President Roosevelt by the United American Artists which urged help to the U. S. S. R. and Britain after Hitler attacked Russia." He was, in short, a fellow-traveler of Churchill and Roosevelt.

The same day that Mr. DIRKSEN was denouncing the Washington school authorities for allowing students to hear about Russia ("in Russia equal right is granted to each nationality. There is no discrimination. Nobody says, you are a Negro, you are a Jew") Representative WILLIAMS, of Mississippi, rose to denounce the Survey-Graphic magazine and to add further to our understanding of Americanism. The Survey-Graphic, he said, "contained 129 pages of outrageously vile and nauseating anti-southern, anti-Christian, un-American, and pro-Communist tripe, ostensibly directed toward the elimination of the custom of racial segregation in the South." It was written by "meddling un-American purveyors of hate and indecency."

All in all, a busy week for the House. Yet those who make a practice of reading their RECORD will agree that it was a typical week. For increasingly Congress is concerned with the eradication of disloyalty and the defense of Americanism, and scarcely a day passes that some Congressman does not treat us to exhortations and admonitions, impassioned appeals and eloquent declamations, similar to those inspired by Mrs. Lewis, Mr. Ben-Zion, and the editors of the Survey-Graphic. And scarcely a day passes that the outlines of the new loyalty and the new Americanism are not etched more sharply in public policy.

And this is what is significant—the emergence of new patterns of Americanism and of loyalty, patterns radically different from those which have long been traditional. It is not only the Congress that is busy designing the new patterns. They are outlined in President Truman's recent disloyalty order; in similar orders formulated by the New York City Council and by State and local authorities throughout the country; in the programs of the DAR, the American Legion, and similar patriotic organizations; in the editorials of the Hearst and the McCormick-Patterson papers; and in an elaborate series of advertisements sponsored by large corporations and business organizations. In the making is a revival of the Red hysteria of the early 1920's, one of the shabbiest chapters in the history of American democracy; and more than a revival, for the new crusade is designed not merely to frustrate communism but to formulate a positive definition of Americanism, and a positive concept of loyalty.

What is the new loyalty? It is, above all, conformity. It is the uncritical and unquestioning acceptance of America as it is—the political institutions, the social relationships, the economic practices. It rejects inquiry into the race question or socialized medicine, or public housing, or into the wisdom or validity of our foreign policy. It regards as particularly heinous any challenge to what is called "the system of private enterprise," identifying that system with Americanism. It abandons evolution, repudiates the once popular concept of progress, and regards America as a finished product, perfect and complete.

It is, it must be added, easily satisfied. For it wants not intellectual conviction nor spiritual conquest, but mere outward conformity. In matters of loyalty it takes the word for the deed, the gesture for the principle. It is content with the flag salute, and does not pause to consider the warning of our Supreme Court that "a person gets from a symbol the meaning he puts into it, and what is one man's comfort and inspiration is another's jest and scorn." It is satisfied with membership in respectable organizations and as it assumes that every member of a liberal organization is a Communist concludes that every member of a conservative one is a true American. It has not yet learned that not everyone who saith Lord, Lord, shall enter into the kingdom of heaven. It is designed neither to discover real disloyalty nor to foster true loyalty.

II

What is wrong with this new concept of loyalty? What, fundamentally, is wrong with the pusillanimous retreat of the Washington educators, the barbarous antics of Washington legislators, the hysterical outbursts of the D. A. R., the gross and vulgar appeals of business corporations? It is not merely that these things are offensive. It is rather that they are wrong—morally, socially, and politically.

The concept of loyalty as conformity is a false one. It is narrow and restrictive, denies freedom of thought and of conscience, and is irremediably stained by private and selfish considerations. "Enlightened loyalty," wrote Josiah Royce, who made loyalty the very core of his philosophy, "means harm to no man's loyalty. It is at war only with disloyalty; and its warfare, unless necessity constrains, is only a spiritual warfare. It does not foster class hatreds; it knows of nothing reasonable about race prejudices; and it regards all races of men as one in their need of loyalty. It ignores mutual misunderstandings. It loves its own wherever upon earth its own, namely loyalty itself, is to be found." Justice, charity, wisdom, spirituality, he added, were all definable in terms of loyalty; and we may properly ask which of these qualities our contemporary champions of loyalty display.

Above all, loyalty must be to something larger than oneself, untainted by private purposes or selfish ends. But what are we to say of the attempts by the NAM and by individual corporations to identify loyalty with the system of private enterprise? Is it not as if officeholders should attempt to identify loyalty with their own party, their own political careers? Do not those corporations which pay for full-page advertisements associating Americanism with the competitive system expect, ultimately, to profit from that association? Do not those organizations that deplore, in the name of patriotism, the extension of Government operation of hydroelectric power expect to profit from their campaign?

Certainly it is a gross perversion, not only of the concept of loyalty but of the concept of Americanism, to identify it with a particular economic system. This precise question, interestingly enough, came before the Supreme Court in the Schneiderman case not so long ago—and it was Wendell Willkie who was counsel for Schneiderman. Said the Court:

"Throughout our history many sincere people whose attachment to the general constitutional scheme cannot be doubted have, for various and even divergent reasons, urged differing degrees of governmental ownership and control of natural resources, basic means of production, and banks and the media of exchange, either with or without compensation. And something once regarded as a species of private property was abolished without compensating the owners when the institution of slavery was forbidden. Can it be said that the author of the Emancipation Proclamation and the supporters of the thirteenth amendment were not attached to the Constitution?"

There is, it should be added, a further danger in the willful identification of Americanism with a particular body of economic practices. Many learned economists predict for the near future an economic crash similar to that of 1929. If Americanism is equated with competitive capitalism, what happens to it if competitive capitalism comes a cropper? If loyalty and private enterprise are inextricably associated, what is to preserve loyalty if private enterprise fails? Those who associate Americanism with a particular program of economic practices

have a grave responsibility, for if their program should fail they expose Americanism itself to disrepute.

The effort to equate loyalty with conformity is misguided because it assumes that there is a fixed content to loyalty and that this can be determined and defined. But loyalty is a principle, and eludes definition except in its own terms. It is devotion to the best interests of the commonwealth, and may require hostility to the particular policies which the Government pursues, the particular practices which the economy undertakes, the particular institutions which society maintains. "If there is any fixed star in our constitutional constellation," said the Supreme Court in the Barnette case, "it is that no official, high or petty, can prescribe what shall be orthodox in politics, nationalism, religion, or other matters of opinion, or force citizens to confess by word or act their faith therein. If there are any circumstances which permit an exception they do not now occur to us."

True loyalty may require, in fact, what appears to the naive to be disloyalty. It may require hostility to certain provisions of the Constitution itself, and historians have not concluded that those who subscribed to the higher law were lacking in patriotism. We should not forget that our tradition is one of protest and revolt, and it is stultifying to celebrate the rebels of the past—Jefferson and Paine, Emerson and Thoreau—while we silence the rebels of the present. "We are a rebellious Nation," said Theodore Parker, known in his day as the great American preacher, and went on:

"Our whole history is treason; our blood was attainted before we were born; our creeds are infidelity to the mother church; our constitution, treason to our fatherland. What of that? Though all the governors in the world bid us commit treason against man, and set the example, let us never submit."

Those who would impose upon us a new concept of loyalty not only assume that this is possible, but have the presumption to believe that they are competent to write the definition. We are reminded of Whitman's defiance of the "never-ending audacity of elected persons." Who are those who would set the standards of loyalty? * * *

What do men know of loyalty who make a mockery of the Declaration of Independence and the Bill of Rights, whose energies are dedicated to stirring up race and class hatreds, who would straitjacket the American spirit? What indeed do they know of America—the America of Sam Adams and Tom Paine, of Jackson's defiance of the court and Lincoln's celebration of labor, of Thoreau's essay on Civil Disobedience and Emerson's championship of John Brown, of the America of the Fourierists and the Come-Outers, of cranks and fanatics, of Socialists and Anarchists? Who among American heroes could meet their tests, who would be cleared by their committees? Not Washington, who was a rebel. Not Jefferson, who wrote that all men are created equal and whose motto was "rebellion to tyrants is obedience to God." Not Garrison, who publicly burned the Constitution; or Wendell Phillips, who spoke for the underprivileged everywhere and counted himself a philosophical anarchist; not Seward of the Higher Law or Sumner of racial equality. Not Lincoln, who admonished us to have malice toward none, charity for all; or Wilson, who warned that our flag was "a flag of liberty of opinion as well as of political liberty"; or Justice Holmes, who said that our Constitution is an experiment and that while that experiment is being made "we should be eternally vigilant against attempts to check the expression of opinions that we loathe and believe to be fraught with death."

III

There are further and more practical objections against the imposition of fixed concepts of loyalty or tests of disloyalty. The effort is itself a confession of fear, a declaration of insolvency. Those who are sure of themselves do not need reassurance, and those who have confidence in the strength and the virtue of America do not need to fear either criticism or competition. The effort is bound to miscarry. It will not apprehend those who are really disloyal, it will not even frighten them; it will affect only those who can be labeled "radical." It is sobering to recall that though the Japanese relocation program, carried through at such incalculable cost in misery and tragedy, was justified to us on the ground that the Japanese were potentially disloyal, the record does not disclose a single case of Japanese disloyalty or sabotage during the whole war. The warning sounded by the Supreme Court in the Barnette flag-salute case is a timely one:

"Ultimate futility of such attempts to compel obedience is the lesson of every such effort from the Roman drive to stamp out Christianity as a disturber of pagan unity, the Inquisition as a means to religious and dynastic unity, the Siberian exiles as a means to Russian unity, down to the fast failing efforts of our present totalitarian enemies. Those who begin coercive elimination of dissent soon find themselves exterminating dissenters. Compulsory unification of opinion achieves only the unanimity of the graveyard."

Nor are we left to idle conjecture in this matter; we have had experience enough. Let us limit ourselves to a single example, one that is wonderfully relevant. Back in 1943 the House Un-American Activities Committee, deeply disturbed by alleged disloyalty among Government employees, wrote a definition of subversive activities and proceeded to apply it. The definition was admirable, and no one could challenge its logic or its symmetry:

"Subversive activity derives from conduct intentionally destructive of or inimical to the Government of the United States—that which seeks to undermine its institutions, or to distort its functions, or to impede its projects, or to lessen its efforts, the ultimate end being to overturn it all."

Surely anyone guilty of activities so defined deserved not only dismissal but punishment. But how was the test applied? It was applied to two distinguished scholars, Robert Morss Lovett and Goodwin Watson, and to one able young historian, William E. Dodd, Jr., son of our former Ambassador to Germany. Of almost three million persons employed by the Government, these were three whose subversive activities were deemed the most pernicious, and the House cut them off the pay roll. The sequel is familiar. The Senate concurred only to save a wartime appropriation; the President signed the bill under protest for the same reason. The Supreme Court declared the whole business a "bill of attainder" and therefore unconstitutional. * * *

Finally, disloyal tests are not only futile in application, they are pernicious in their consequences. They distract attention from activities that are really disloyal, and silence criticism inspired by true loyalty. That there are disloyal elements in America will not be denied, but there is no reason to suppose that any of the tests now formulated will ever be applied to them. * * *

Who are those who are really disloyal? Those who inflame racial hatreds, who sow religious and class dissensions. Those who subvert the Constitution by violating the freedom of the ballot box. Those who make a mockery of majority rule by the use of the filibuster. Those who impair democracy by denying equal educational facilities. Those who frustrate justice by lynch law or by making a farce of jury trials. Those who deny freedom of speech and of the press and of assembly. Those who press for special favors against the interest of the commonwealth. Those who regard public office as a source of private gain. Those who would exalt the military over the civil. Those who for selfish and private purposes stir up national antagonisms and expose the world to the ruin of war.

Will the House Committee on Un-American Activities interfere with the activities of these? Will Mr. Truman's disloyalty proclamation reach these? Will the current campaigns for Americanism convert these? If past experience is any guide, they will not. What they will do, if they are successful, is to silence criticism, stamp out dissent—or drive it underground. But if our democracy is to flourish it must have criticism, if our Government is to function it must have dissent. Only totalitarian governments insist upon conformity and they—as we know—do so at their peril. Without criticism abuses will go unrebuked; without dissent our dynamic system will become static. The American people have a stake in the maintenance of the most thoroughgoing inquisition into American institutions. They have a stake in nonconformity, for they know that the American genius is nonconformist. They have a stake in experimentation of the most radical character, for they know that only those who prove all things can hold fast that which is good.

IV

It is easier to say what loyalty is not than to say what it is. It is not conformity. It is not passive acquiescence in the status quo. It is not preference for everything American over everything foreign. It is not an ostrich-like ignorance of other countries and other institutions. It is not the indulgence in ceremony—a flag salute, an oath of allegiance, a fervid verbal declaration. It is not a particular creed, a particular version of history, a particular body of economic practices, a particular philosophy.

It is a tradition, an ideal, and a principle. It is a willingness to subordinate every private advantage for the larger good. It is an appreciation of the rich and diverse contributions that can come from the most varied sources. It is allegiance to the traditions that have guided our greatest statesmen and inspired our most eloquent poets—the traditions of freedom, equality, democracy, tolerance, the tradition of the higher law, of experimentation, cooperation, and pluralism. It is realization that America was born of revolt, flourished on dissent, became great through experimentation.

Independence was an act of revolution; republicanism was something new under the sun; the Federal system was a vast experimental laboratory. Physically, Americans were pioneers; in the realm of social and economic institutions, too, their tradition has been one of pioneering. From the beginning, intellectual and spiritual diversity have been as characteristic of America as racial and linguistic. The most distinctively American philosophies have been transcendentalism—which is the philosophy of the higher law—and pragmatism—which is the philosophy of experimentation and pluralism. These two principles are the very core of Americanism: the principle of the higher law, or of obedience to the dictates of conscience rather than of statutes, and the principle of pragmatism, or the rejection of a single good and of the notion of a finished universe. From the beginning Americans have known that there were new worlds to conquer, new truths to be discovered. Every effort to confine Americanism to a single pattern, to constrain it to a single formula, is disloyalty to everything that is valid in Americanism.

The SPEAKER pro tempore (Mr. NICHOLSON). Under previous order of the House, the gentleman from Kansas [Mr. REES] is recognized for 10 minutes.

USE OF GRAIN IN MANUFACTURE OF DISTILLED LIQUORS SHOULD BE STOPPED NOW

Mr. REES. Mr. Speaker, I have today introduced in the House a joint resolution that authorizes and directs the President to withhold for the period of 1 year the use of grains of all kinds for the manufacture of distilled liquors. I think this legislation is necessary in view of the impending shortage of grain for food, not only to fulfill our commitments abroad, but to supply our needs at home.

The distillers for the past 2 years have been using grain at the rate of 5,000,000 bushels per month. During the period from October 1 to October 25, the distillers used grain at the rate of 10,000,000 bushels per month. The amount actually used from October 1 to October 25 was 8,000,000 bushels. That is 300,000 bushels per day. The so-called Luckman committee last fall asked for an agreement to reduce the output of distilled liquors. In order to have a supply on hand because of the impending agreement, the distillers speeded up their activity as fast as they could during the 24 days in October. This illustrates their attitude about saving grain.

According to the best figures I am able to obtain from governmental agencies, distillers now have on hand in barrels and tanks 475,000,000 gallons of whisky together with an 8-month supply of neutral spirits for blending purposes. This is equivalent to 110,000,000 bushels of grain. Incidentally, this 110,000,000 bushels is more than the carry-over of wheat on July 1, 1947.

I am informed the distillers have more than 2½ years supply, even at the highest rate of distilled liquor that was ever used. The Secretary of Agriculture, Mr. Anderson, estimates there is a 6-year supply of distilled spirits on hand.

The so-called Luckman committee entered into an agreement with the distillers for a reduction in the use of grain for 60 days. That agreement expires on December 25. We are informed today that the distillers would not even agree to reduce the use of grain to 2,500,000 bushels per month. So the holiday ends and instead of saving 100,000,000 bushels of grain, when the holiday ends there will be no saving at all and the pledge would not have been kept. I would like to add right here that the distillers took great credit for turning over a few carloads of wheat to the Government when the agreement was made. The New York Journal of Commerce of December 11, 1947, carries the following statement in an article about the meeting held on December 10 by the President's Food Committee and the Department of Agriculture with the distillers' representatives:

> Some liquor distillers are headed for full-blast operations as soon as voluntary shutdown of the distilleries end on Christmas Day, it was learned today. During a stormy meeting of the Distillers Coordinating Committee and the Cabinet Food Committee, one large distiller completely rejected the proposal for a voluntary allocation plan. While still another very large operator advised the committee it refused to be bound by its recommendations.

This article goes on to say that unconfirmed reports state that some distillers were ordering substantial quantities of grain in anticipation of full-scale operations during January. The article further states that during the December–March 1946–47 period, the industry consumed roughly 30,000,000 bushels of grain. According to figures submitted by the Alcohol Tax Unit, the distilleries consumed during 1947, 2,974,000,000 pounds of grain which translated into bushels is between 80,000,000 and 100,000,000 bushels of grain.

The need for the adoption of this resolution is imminent. The people of this country, and rightly so, are being asked to conserve food, especially grain. Farmers are requested to cut down their rations to livestock in order that we may have more wheat and corn and other grains to provide food for starving people abroad. Furthermore, the outlook for the supply of wheat is not encouraging. It will be less in 1948 than 1947, and the demand is greater. Stocks of corn on hand are less than they have been for years, and yet if no action is taken we are going to permit 100,000,000 bushels of grain to go for unessential purposes at the same time we find this country with a shortage of grain for food.

Mr. Speaker, it has been contended that 100,000,000 bushels of grain is not a large part of the entire production. I call your attention to the fact that the carry-over of grain for July 1, 1947, was estimated at less than 100,000,000 bushels. A member of the Kansas City Board of Trade who testified recently before a committee of Congress said that if the carry-over for July 1, 1948, were less than 235,000,000 bushels it would be reckless. Secretary Anderson expressed alarm that our supplies of grain would be depleted to a dangerous point by next July, and yet if we do not take action the distillers will be operating full tilt after next week, using grain needed for food and for feed for livestock. It should be observed a bushel of wheat will provide nourishment for a starving child for 1 month.

Mr. Speaker, let us use a little common sense in dealing with this question. I appeal to the good judgment of the Members of this House. The farmers of this country have done a splendid job in their efforts to produce grains and food of all kinds. Is it not just a little unfair at this crucial time to permit grain valued at more than $300,000,000 to be used in this manner. We tell our farmers they must conserve their grain; that they must cut down the rations to livestock, and yet we approve the use of grain for unnecessary purposes. Then, to make the thing utterly unreasonable, is the fact I mentioned in the first instance, that the distillers have from 2 to 3 years' supply of distilled spirits on hand now.

Distillers make a good deal over the idea they are willing to substitute and cut the consumption of wheat. I remind you all grain is either good for food or for feed for livestock, which is thereby transformed into food.

The facts are we should have taken action a year ago. We would then have 100,000,000 bushels more of grain in storage than we have today. The price of grain would be lower and the cost of living affected thereby.

Mr. Speaker, this is an emergency measure. There should be no delay. In order to stop a diminishing supply of grain and in order to take care of our commitments to needy people abroad, as well as to care for the folks at home, this resolution should be approved now. We need more food and less liquor.

Mr. Speaker, this resolution is in the public interest. The conditions and the times require its approval. We must have action now.

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

Mr. REES. I am glad to yield to the distinguished gentleman, chairman of the Committee on Agriculture and a colleague from my own State of Kansas.

Mr. HOPE. I am sorry I was not in the Chamber at the time the gentleman began speaking. I rise now to inquire if he has called the attention of the House to the fact that the crop report which came out yesterday reduced the estimated wheat crop for 1947 in a very substantial amount.

Mr. REES. I appreciate having this information.

Mr. HOPE. As I recall the figure—and I hope the gentleman will verify it, the reduction in the estimate for 1947 is 41,000,000 bushels below the last estimate. That, of course, gives added force to what the gentleman has just said, with which I am in hearty agreement.

Mr. REES. I appreciate the gentleman's statement.

A few moments ago I called attention to the fact that we had in 1947 the smallest corn crop for a period of 11 years, and that the outlook for the wheat crop for next year was not as good as we would like.

TAFT-HARTLEY ACT SHOULD BE REPEALED

Mr. KLEIN. Mr. Speaker, when the Hartley labor bill was before the House early in this Congress, a number of us warned you and the country that the bill would be used to wreck unions, to defeat collective bargaining, and to foment industrial strife, and that the ultimate result would be reduction of wages, reduction of purchasing power, and reduction of production.

On April 15, 1947, I said in the well of this House:

> Our unions stand as the strongest bulwark for economic and political democracy because, without strong unions our economy will collapse through further drops in wages and purchasing power.

In the fifth month of the law's operation we can see before us the effort of a number of large companies to break the

unions in their plants throughout the country. Their tool is the Taft-Hartley law.

These employers are impartial. They use the law as a tool to smash at the unions which have chosen to use the machinery of the National Labor Relations Board. They use the law as a tool to smash at the unions which have elected not to use the NLRB facilities.

The International Longshoremen's Association, affiliated with the American Federation of Labor, voted in convention to submit to the Taft-Hartley Act. It was the first union to feel the heavy hand of the new law. The National Labor Relations Board obtained an injunction to break a 10-day strike in Albany. This injunction was signed by a court 300 miles away from the scene of the strike. The union had no opportunity to know what was in the injunction papers, or to take part in the hearing before it was granted.

The International Brotherhood of Electrical Workers, A. F. of L., is being sued for $700,000 in a Federal district court by another union over work jurisdiction, under provisions of the law.

The NLRB applied just last month for an injunction to prevent A. F. of L. carpenters in Chattanooga, Tenn., from picketing and boycotting a firm which had refused to sign a contract with the union. The carpenters have agreed to submit to the Board's jurisdiction.

On the other hand, the CIO Steelworkers Union is not submitting to the Board. The Globe Co., of Chicago, has filed a $75,000 damage suit against the United Steelworkers because they struck for a wage increase.

The United Mine Workers Union has elected not to use the Board. The NLRB has sought an injunction against mineworkers to prevent picketing of a mine which refused to sign a union contract. The Sentry Coal Co. has filed suit against the miners on charges of unfair labor practices under the Taft-Hartley Act.

Because an independent union, the Brotherhood of Shoe and Allied Craftsmen, refused to take a wage cut in the face of skyrocketing living costs, the Regal Boot and Shoe Co. has announced it will cut wages and operate on an open-shop basis.

LAW PLACES PREMIUM ON EXPLOITATION

Because great metropolitan daily newspapers are involved, as well as a highly skilled and long-organized trade with an honorable history running back for many years, the dispute between the International Typographical Union and the publishers and printing shops has been most widely publicized. Here the publishers clearly are trying to force the return of the open shop.

The Remington Rand Co. has broken off all negotiations with the CIO United Electrical, Radio and Machine Workers of America, has repudiated an agreement signed last July 26, and is now preparing to attempt to operate its vast industrial empire without any union contracts. UE elected not to use the Board facilities.

I could go on at length describing other instances which involve A. F. of L., CIO, and independent unions. They involve unions submitting to the Board and unions rejecting the Board's jurisdiction. They involve crafts and industries, and they occur in almost every industrial State.

These cases have one common characteristic: They all show that under a law which encourages employers to destroy long-established contracts, to drive down working standards, to avoid collective bargaining, and which places a premium on exploitation, many employers will take immediate advantage of the opportunity.

The ultimate result is that, under competitive conditions, other employers who would infinitely prefer to maintain harmonious labor relations and to preserve stability are forced to take the same action.

This is not a law to give new rights to workers, as was claimed during debate on the bill by its friends, who are necessarily friends of the NAM. It is not merely a law to restrain labor leaders.

It is, on the other hand, a law directed against the rank and file men and women workers of this country with grave implications for the future of the national economy.

REMINGTON RAND: AUTHOR OF THE "MOHAWK VALLEY FORMULA"

Mr. Speaker, the pattern of union-breaking by big companies under the sanction of this iniquitous law is most clearly seen in the history of the negotiations between Remington-Rand, Inc., and the United Electrical Workers, and I propose to describe more fully that history.

Remington Rand has a long and notorious history in labor relations.

The story begins, for my purposes here, with 1932 and 1933, when the National Association of Manufacturers took the lead in opposing section 7 (a) of the National Industrial Recovery Act, which guaranteed freedom of association to workingmen.

James Rand, Jr., president of Remington Rand, served on a special committee appointed at an NAM conference held April 28, 1933. This committee strenuously opposed the labor provisions of NRA, as reported in report 6, part 6, Senate Committee on Education and Labor, Seventy-sixth Congress, first session, Violations of Free Speech and Rights of Labor, page 76.

In the same pattern of stubborn resistance to a free labor movement, the manufacturers organized united opposition to enforcement of the National Labor Relations Act immediately after its passage in 1935, after having vigorously opposed its enactment. Eighty-three injunction suits were brought against the Board in 1935, 1936, and 1937. Among the companies which attempted to block the Board's work by injunction was Remington Rand, again as attested by the Senate report already cited.

In the period from 1933 to 1937 the NAM opposition to all progressive labor legislation was financed by a group of 262 corporations. James H. Rand, Jr., was active in the fund-raising campaign of the association as a member of the national industrial information committee.

BY BRUTE FORCE

Remington Rand's resistance to the law was not confined to organizing and financing the national propaganda campaign.

In 1936, this company, through the use of strikebreakers, detectives, munitions, street blocks, and planned violence, devised the ill-famed "Mohawk Valley formula" for strikebreaking and resistance to union organization.

The National Labor Relations Board found the company had violated the law. The Court of Appeals for the Second Circuit enforced the Board's order in 94 F. (2d) 862, and certiorari was denied by the Supreme Court.

The La Follette committee, after extensive testimony, reported:

> Official records contain few more comprehensive accounts of the purpose and function of strikebreakers and the strike guard than the Board's decision in this case.

In its concluding remarks, on page 123 of the report, the committee said:

> As at the other plants of the corporation, the strikebreakers at Middletown were used as part of Rand's comprehensive design to provoke violence, shake union morale, and deceive the community. They were an implement of his deliberate intent to destroy the collective bargaining agencies set up by his employees.

Such is the background of the employer in the latest and perhaps most serious dispute between labor and management in the jurisdiction of the Taft-Hartley Act.

REMINGTON RAND AND THE UNION

Peaceful collective bargaining relationships were, however, established with Remington Rand, during the last 10 years, and the union which represents the 10,000 workers of the company in seven plants—at Tonawanda, North Tonawanda, Ilion, and Syracuse, N. Y., and at Benton Harbor, Mich. Contracts beneficial to the workers have been negotiated at each of these plants.

Last spring a national pattern of an 11½-cent an hour wage increase, with six paid holidays, was set in the electrical, radio, and machine industry.

General Electric, Westinghouse, the electrical divisions of General Motors, and others agreed. Remington Rand refused.

WAGE AGREEMENT SIGNED AFTER STRIKE

On June 18, 1947, the United Electrical Workers Union locals in Remington Rand plants went out on strike for a wage increase of 11½ cents an hour and six paid holidays. The strike lasted 6 weeks.

The company then signed a strike settlement agreement with UE which provided for the six paid holidays, an immediate increase of 8 cents an hour, and an increase of 3½ cents an hour to begin on November 1. The company also agreed to negotiate local issues within 2 weeks and to submit any unsettled issues to arbitration at the end of that time, and to enter into negotiations for a national contract to expire April 1, 1949.

At this point, Mr. Speaker, I wish to insert a copy of the agreement between the union and the company.

UE-REMINGTON RAND AGREEMENTS

JULY 26, 1947.

James H. Rand, Jr., president of Remington Rand, Inc., and Albert J. Fitzgerald, president of the United Electrical, Radio and Machine Workers of America and other representatives of the company and the union after concluding 12 hours of continuous discussions on issues relating to the current strike of the company's employees represented by the union have entered into the following memorandum of understanding, subject to ratification by the union's locals involved:

1. A general wage increase of 8 cents an hour plus six paid holidays effective as of the date of the employees return to work. The paid holidays shall be New Years Day, Memorial Day, July Fourth, Labor Day, Thanksgiving Day, Christmas, when they fall on or are observed on a working day.

2. The parties shall submit the following issue to an arbitrator mutually agreed upon for final and binding decision:

How much, if anything, between 8 cents an hour and six paid holidays, and the 15 cents an hour package as requested by the union shall be granted to company employees represented by the union. Any award made by such arbitrator shall be effective as of November 1, 1947. Any such award shall be made on or before September 1, 1947.

3. The parties shall enter into a collective-bargaining agreement expiring April 1, 1949, covering all terms and conditions of employment of the company employees represented by the union. Such agreement shall be subject to reopening on wages and other money issues on April 1, 1948, upon 30 days' notice by either party. Any agreement thereon shall be effective April 1, 1948; if the parties cannot agree on or before April 1, 1948, the union shall have the right to strike, otherwise no strikes to be called for 2 years. The other provisions of such agreement shall continue in full force and effect during the life of such agreement.

4. All employees of the company represented by the union shall, upon ratification of this understanding, return to work without any discrimination by either party.

5. Local issues affecting employees at the respective plants of the company shall be negotiated by the respective union locals and plant management and any issues unresolved within 2 weeks from the date of this memorandum of understanding shall be submitted for final and binding decision to an arbitrator mutually agreed upon by the parties.

J. H. RAND, Jr.,
For Remington Rand, Inc.
A. J. FITZGERALD,
For United Electrical, Radio and Machine Workers of America.

JULY 26, 1947.

It is agreed by the company and the union that the company shall grant an additional general wage increase of 3½ cents per hour to all employees represented by the union effective as of November 1, 1947, to such employees then employed who are working on November 1, 1947, for all services rendered thereafter.

For Remington Rand, Inc.:
J. H. RAND, Jr.

For United Electrical, Radio and Machine Workers of America:
A. J. FITZGERALD.

COMPANY REPUDIATES SIGNED AGREEMENTS

Mr. Speaker, less than 2 weeks later the company unilaterally terminated the agreements and so notified the UE locals.

On August 29 Remington Rand submitted to the union proposals which show the full potential of the Taft-Hartley Act for retrogression in labor relations.

First. The company's proposed contract gave Remington Rand the absolute right to set all the important working conditions; none would be subject to grievance procedure.

Second. It gave the company the right to speed up incentive production or to cut rates.

Third. The proposals would mean other serious wage cuts by eliminating two 10-minute wash-up periods daily, the equivalent of a 6 cents an hour wage cut to each employee, and cutting the 10 cents an hour bonus to second shift employees for the two hours after midnight to 5 cents; group leaders would receive a bonus of 10 cents above their own rate instead of 10 cents above the maximum of the rate range; and the company would be able to change or add to job classifications, descriptions, and rates arbitrarily and unilaterally and without negotiation.

Fourth. Other established working conditions would be seriously weakened, with restrictive conditions placed on vacations and holidays; such privileges as smoking, lunch wagon, and group insurance would be canceled; and the paid 2 hours' voting time would be canceled.

Fifth. Seniority as a determinant in lay-offs, recalls, transfers, and promotions would be scrapped.

Sixth. Grievance procedure was watered down to a point where the union's only part would be to have representatives present at discussions.

Seventh. The union would completely give up the right to strike.

THE PAY-OFF

In return for all this sacrifice of hard-won union gains, the company offered the union the check-off privilege.

The union rejected the company's proposals.

On September 8 the company posted notices on all its plant bulletin boards which declared to the workers that "the Labor-Management Relations Act of 1947 has thrown off your shackles."

It notified the workers that no collective bargaining contracts exist in any plant, boasted that workers do not have to belong to a union, and said that workers can settle individual grievances without a union, among other things.

This, Mr. Speaker, is turning the clock back with a vengeance.

The union having rejected the company's proposed contract, Remington-Rand filed with the National Labor Relations Board a petition for an election of collective-bargaining agent.

However, the regional director of the board at Buffalo rejected the petition because the union had already elected not to use the service of the Board.

PERIL TO OUR ECONOMY

I have gone into such detail of the UE-Remington Rand situation, Mr. Speaker, because of the profound significance of the negotiations to the Nation as a whole. The moral is unmistakable.

Not one word uttered last spring in opposition to the Hartley bill was exaggerated or unfounded.

The so-called Labor-Management Relations Act of 1947 is revealed for what it is—a terrible weapon of oppression and exploitation handed to employers to turn the clock of history back to the industrial chaos of 20 years ago.

The pattern of its application began to emerge rapidly as the provisions of the law became effective.

Here in the Remington Rand negotiation you see it building to the climax.

During the 10 years of labor-management peace under the old Wagner Act, Remington Rand had never raised the issue of the right of UE to represent its workers. However, when the union rejected the company's retrogressive contract proposals, the company immediately turned to the NLRB and resorted to out-worn propaganda.

The Remington Rand objectives are clear: to drive down wages and the standards of working conditions.

Equally clear is the peril to the national economy.

Never in history has there been so high a proportion of any nation's population gainfully employed in the production of needed articles. Never before has there been such a huge mass buying power.

This unprecedented prosperity is based on the American formula of high wages, high efficiency, high production.

Now short-sighted employers like Remington Rand want to toss that proven formula of success into the waste-basket of historical oblivion and go back to sweatshop standards. That is the line of the NAM.

Last April 15 I told the House, Mr. Speaker, of how the paid representatives of the National Association of Manufacturers had drafted this law in a smoke-filled room in the House Office Building, and I warned that it did not even represent the desires of the vast majority of employers.

CHAOS TOO BIG A PRICE

The law is now beginning to reap its fruits, but not in benefits for the working men and women of this country.

The only benefits of the law have been to the selfish interests of those who wrote the act and lobbied it through—the NAM. Even employers know now, and increasingly recognize that chaos is a huge price to pay for such benefits.

We have heard it said, over and over again, that the country needs production; but you cannot have production if your labor relations are in constant turmoil.

That is why it is vitally important that the Taft-Hartley law should be repealed, and I will move soon after the Congress reconvenes that legislation to that end, already introduced, be given hearings before the Committee on Education and Labor, of which I have the honor to be a member.

PERMISSION TO COMMITTEE ON RULES TO FILE REPORT

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

Mr. SMITH of Ohio. Mr. Speaker, reserving the right to object, I objected to this request a few moments ago. I

have learned, however, that if the objection stands, the House will recess and permit the Rules Committee to deliberate the bill that is under consideration in the other body at the present time and report to the House, at which time the House will be reconvened by the Chair. They are still debating this proposition over on the other side of the Capitol, and I do not know how long they will debate it. I do not want to inconvenience the Members of the House. That being the procedure, I shall not object at this time.

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

There was no objection.

CONSIDERATION OF CONFERENCE REPORTS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order the balance of this week to consider conference reports at any time after they are presented, notwithstanding the provisions of clause 2, rule XXVIII.

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

Mr. SMITH of Ohio. Mr. Speaker, reserving the right to object, that is the same request I objected to before and unless it is changed to exclude a conference report relating to the so-called anti-inflation bill that is under consideration by the Senate, I will have to object. At this time I object.

RESIGNATIONS FROM COMMITTEES

The SPEAKER laid before the House the following communications which were read:

DECEMBER 18, 1947.

Hon. JOSEPH W. MARTIN, Jr.,
Speaker, House of Representatives.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on the Judiciary.

Respectfully,

ANGIER L. GOODWIN.

DECEMBER 18, 1947.

The SPEAKER: I hereby tender my resignation as a member of the Committee on House Administration effective immediately.

FRED E. BUSBEY.

DECEMBER 18, 1947.

Hon. JOSEPH W. MARTIN,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Banking and Currency.

Respectfully yours,

ELLSWORTH B. FOOTE.

Hon. JOSEPH W. MARTIN,
Speaker of the House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: I beg leave to inform you that I am hereby tendering my resignation as a member of the Committee on Expenditures in the Executive Departments to become effective today, December 18, 1947.

With great respect,

MITCHELL JENKINS.

The SPEAKER. Without objection, the resignations will be accepted.

There was no objection.

ELECTION OF MEMBERS TO COMMITTEES

Mr. HALLECK. Mr. Speaker, I offer a resolution (H. Res. 411) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the following Members be, and they are hereby, elected members of the following standing committees of the House of Representatives, to wit:

Banking and Currency: DONALD W. NICHOLSON, Massachusetts.

Expenditures in the Executive Departments: RALPH HARVEY, Indiana.

House Administration: RALPH HARVEY, Indiana.

Interstate and Foreign Commerce: FRED E. BUSBEY, Illinois.

Judiciary: ELLSWORTH B. FOOTE, Connecticut; and WILLIAM M. MCCULLOCH, Ohio.

Merchant Marine and Fisheries: CHARLES E. POTTER, Michigan.

Ways and Means: ANGIER L. GOODWIN, Massachusetts.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CURTIS asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in one to include a statement that he made before one of the committees.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes after any special orders heretofore entered for today.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

The SPEAKER. Under previous order of the House, the gentlewoman from California [Mrs. DOUGLAS] is recognized for 15 minutes.

CONTROLLING INFLATION

Mrs. DOUGLAS. Mr. Speaker, I ask unanimous consent to include as part of my remarks a table prepared for me by the legislative reference service of the Library of Congress showing how big business and monopoly interests have increased their earnings since 1939.

The SPEAKER. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS. Mr. Speaker, we have just come through a devastating and world-shaking war. Because we have failed to fully recognize the effect that the war had on our economy we have inflation today.

We should have learned in the last 2½ years that our economy cannot be picked up just where we left off. Because we haven't recognized this all-important fact our economy today is in danger of pulling apart. Prices are going through the ceiling and the consumer is being priced out of the market.

I warned last March—10 months ago—that if the Eightieth Congress did not take steps to control prices we were headed for inflation. Well, Congress didn't act and we have inflation. I say now that if Congress does not act we are headed for a crack-up within 6 months.

Congress gives no evidence that it has learned anything from its mistakes of this past year. Indeed, Congress has given every evidence in these last few weeks of continuing its reckless course in utter disregard of the welfare of the American people.

Mr. Speaker, there have been a lot of speeches against communism on this floor. You have to do more than make speeches against communism in order to preserve democracy. Specifically, we must buttress our democracy by an economy that is sound. In a democracy a sound economy is one that is supported by the purchasing power of all the people. The people today are being priced out of the durable market. Their purchasing power is evaporating. In the face of these facts Congress cannot stand idly by and do nothing. The recovery of the world—peace itself—depends upon the stability and health of our economy.

Mr. Speaker, I have introduced a tax bill which places its emphasis upon this crucial problem—the drawing together of the consumer and the market. My tax bill helps in two ways to bring the consumer and the market together. In the first place it grants relief through a cost-of-living credit to everybody and this is particularly important for the middle- and low-income taxpayer. At the same time it restores the ability of these groups to remain in the market by reducing the incentive for high prices through its imposition of an excess-profits tax.

The excess-profits tax is in this instance not a punitive measure but it is a positive step toward controlling runaway prices and a positive step toward saving business—big and little. If such a step is not taken, I tremble for the free enterprise system.

Why should we have an excess-profits tax in December 1947?

Corporations in 1947 will have profits after taxes which are 170 percent of their wartime peak. 1947 profits will be nearly double those for 1945, 3½ times the figure for 1939, and 7 times that for 1938.

Corporate profits after taxes, 1929, 1934, 1939–47:

1929	$8,420,000,000
1934	977,000,000
1939	5,005,000,000
1940	6,447,000,000
1941	9,369,000,000
1942	9,433,000,000
1943	10,363,000,000
1944	9,928,000,000
1945	8,939,000,000
1946	12,539,000,000
1947 (estimated)	17,000,000,000

I am including a table showing how big business and monopoly interests have increased their earnings since 1939.

I want to emphasize that these high current profits do not arise from increased production. Federal Reserve indexes show that the volume of physical

The excess profits tax is in this intime level. These profits are based on unfair and inequitable prices. These inflated prices will destroy the savings of the people and American business itself.

Controls imposed during the war generally prevented corporations from exacting the prices that a short supply and

heavy demand would encourage. An excess-profits tax helped to mop up surplus profits and assisted in keeping prices down. But with the end of the war, and in the face of the greatest consumer demand in history—and incidentally the greatest profit period—controls were abolished and the excess-profits tax repealed.

All corporation income taxes, including the excess-profits tax, which produced $14,800,000,000 in fiscal 1944, $16,000,000,000 in 1945, fell to $12,600,000,000 in 1946, and $9,600,000,000 in 1947. An excess-profits tax now would raise an additional $6,000,000,000 which could go a long way to finance the Marshall plan of aid to Europe, to pay off the debt, and to provide the basis for reducing the tax on low-income groups which are suffering most from inflation.

In spite of reduced corporation taxes, prices generally have advanced 24 percent since VJ-day. Food has gone up 40 percent. At the same time average weekly earnings of factory workers which in early 1945 exceeded $47 are now only about $50, a rise of 6 percent.

The mulcting of the general public must be prevented if our economy is to survive.

One way to absorb for the benefit of all the people the superprofits resulting from unreasonable price advances is to reimpose an excess-profits tax. The knowledge that excessive profits will be taxed would result in a lowering of prices and a restoration of profits to a just normal.

Without such a preventive we will continue in the least intelligent way to distribute goods in short supply—by inflation. This way will destroy the accumulated savings that hard-working labor built up during the war.

In destroying the savings of the people, business is laying the groundwork for the next depression.

Mr. Speaker, I have offered a tax bill that will help the American people in this crisis. I would like to hear one good reason from the other side of the aisle as to why this bill should not be passed.

I include now, Mr. Speaker, the table showing how big business and monopoly interests have increased their earnings since 1939. This table was compiled for me by the Legislative Reference Service of the Library of Congress.

APPENDIX A

1947 CORPORATION PROFITS

This is a selected list of manufacturing and mining companies earning profits at rate in excess of $5,000,000 per year in 1947. The list, for the most part, is confined to corporations whose profits so far as reported in 1947 exceed those for the corresponding period in 1946. Data for the full year 1939 are also given. The reference 2 following the name of a company indicates it is one of the 50 largest (in assets) manufacturing companies in the United States. Data on these 50 companies are reported even though 1947 profits are still unreported or, if reported, are less than the figures for 1946.

OIL COMPANIES

Corporation	1947		1946		1939 [1]	
	Number of months	Profits	Number of months	Profits	Number of months	Profits
Amerada Petroleum Corp. (and subsidiaries)	9	$10,371,503	9	$5,997,069	12	$1,230,764
Atlantic Refining Co. (and subsidiaries) [2]	9	10,836,518	9	4,922,052	12	5,028,212
Barnsdall Oil Co	9	6,281,252	9	3,535,553	12	1,720,292
Continental Oil Co. (and subsidiaries)	9	24,889,113	9	12,061,245	12	6,304,504
Gulf Oil Corp. [2]	6	42,510,375	6	26,746,013	12	15,315,781
Mid-Continent Petroleum Corp. (and subsidiaries)	9	12,763,617	9	7,662,872	12	2,650,502
Ohio Oil Co	6	13,246,116	6	8,263,962	12	1,492,068
Phillips Petroleum Co. [2]	9	25,706,157	9	14,763,153	12	9,833,314
Pure Oil Co. [2]	6	8,161,908	6	6,985,280	12	8,290,419
Richfield Oil Corp	9	7,940,170	9	4,473,441	12	2,601,926
Shell Union Oil Corp. [2]	9	38,676,876	9	23,981,773	12	11,805,713
Sinclair Oil Corp. (and subsidiaries)	6	20,476,207	6	12,051,203	12	7,540,881
Skelly Oil Co	9	13,448,167	9	6,484,106	12	2,360,783
Socony-Vacuum Oil Co., Inc. [2]	9	66,000,000	9	36,000,000	12	34,452,710
Standard Oil Co. of California [2]	9	66,544,580	9	48,990,458	12	17,882,505
Standard Oil Co. of Indiana [2]	6	40,936,430	6	33,668,845	12	34,142,643
Standard Oil Co. of New Jersey [2]	6	[3] 140,000,000	6	88,000,000	12	53,577,293
Standard Oil Co. of Ohio	6	7,191,037	6	5,154,885	12	5,602,499
Sun Oil Co. (and subsidiaries)	6	11,360,170	6	4,360,212	12	6,959,677
Texas Co. [2]	9	78,396,388	9	50,360,115	12	32,886,807
Tide Water Associated Oil Co. (and subsidiaries)	6	11,235,945	6	8,188,182	12	9,975,887
Union Oil Co. of California [2]	6	8,543,594	6	3,806,117	12	4,606,789

STEEL AND OTHER METALS COMPANIES

Allegheny Ludlum Steel Corp	9	$4,553,972	9	$4,599,139	12	$2,093,518
Aluminum Co. of America [2]	(4)	(4)	12	11,581,237	12	14,801,970
American Rolling Mill Co. (and subsidiaries) [2]	9	18,165,398	9	12,488,684	12	4,011,909
American Smelting & Refining Co. (and subsidiaries)	6	20,896,033	6	1,867,778	12	13,057,145
Anaconda Copper Mining Co. [2]	9	34,473,066	9	13,159,083	12	20,236,552
Bethlehem Steel Corp. [2]	9	38,710,728	9	29,794,650	12	24,638,384
Inland Steel Co. (and subsidiaries)	6	10,171,288	6	4,973,300	12	10,931,016
Jones & Laughlin Steel Corp. (and subsidiaries) [2]	9	16,682,738	9	6,109,260	12	3,188,944
Kennecott Copper Corp. [2]	6	46,086,826	6	4,508,933	12	33,947,443
Keystone Steel & Wire	12	6,087,002	12	2,777,605	12	927,542
National Lead Co	6	6,479,049	6	5,069,455	12	5,780,500
National Steel Corp. (and subsidiaries) [2]	9	19,903,655	9	13,941,320	12	12,581,636
Republic Steel Corp. (and subsidiaries) [2]	9	23,111,631	9	9,494,414	12	10,671,343
Revere Copper & Brass, Inc	9	6,676,295	9	3,198,104	12	1,615,069
St. Joseph Lead Co. (and domestic subsidiaries)	6	6,706,815	6	2,793,061	12	5,292,908
Sharon Steel Corp. (and subsidiaries)	9	4,756,350	9	2,042,349	12	255,497
United States Steel Corp. (and subsidiaries) [2]	9	43,578,696	9	12,443,381	12	41,119,934
Wheeling Steel Corp	9	8,430,261	9	3,188,041	12	5,560,753
Youngstown Sheet & Tube Co. [2]	9	19,446,836	9	9,176,395	12	5,004,484

AUTOMOBILE MANUFACTURERS

Chrysler Corp. [2]	9	$47,873,089	9	$10,292,645	12	$36,879,829
Ford Motor Co. [2]	(5)	(4)	(5)	(4)	12	16,402,746
General Motors Corp. [2]	9	213,217,476	9	14,012,370	12	183,403,399
Hudson Motor Car Co	9	5,158,854	9	560,192	12	[6] 1,356,750
Mack Trucks, Inc	9	5,265,883	9	[6] 316,626	12	682,987
Studebaker Corp	9	5,152,043	9	[6] 251,770	12	2,923,251
White Motor Co. (and subsidiaries)	9	3,926,586	(5)	(4)	12	[6] 2,412,618

Footnotes at end of table.

OTHER MANUFACTURERS, ETC.

Corporation	1947		1946		1939 [1]	
	Number of months	Profits	Number of months	Profits	Number of months	Profits
Allied Chemical & Dye Corp.[2]	(4)	(4)	12	$26,706,691	12	$21,042,211
American Can Co.[2]	(4)	(4)	12	8,828,983	12	18,284,964
American Cyanamid Co	9	$6,294,571	9	6,191,005	12	5,524,941
American Tobacco Co.[2]	9	24,178,000	12	29,886,557	12	26,427,934
American Viscose Corp. (and subsidiaries)	9	14,549,382	9	8,149,612	12	4,057,164
Anderson, Clayton & Co. (and subsidiaries)	12	19,787,829	12	14,006,998	(4)	(4)
Armour & Co.[2]	(4)	(4)	12	20,791,128	12	3,265,167
Bendix Home Appliances, Inc	9	7,127,044	12	3,178,180	12	[5] 311,935
Borden Co	6	[3] 9,975,000	6	[3] 8,875,000	12	7,979,838
Borg-Warner Corp. (and subsidiaries)	9	15,707,583	9	4,152,614	12	5,683,801
Caterpillar Tractor Co	10	6,458,128	10	4,975,559	12	3,235,709
Celanese Corp. of America	9	16,626,579	9	11,573,513	12	6,374,101
Colgate-Palmolive Peet Co	6	9,783,002	6	6,311,156	12	6,632,655
Commercial Solvents Corp. (and subsidiaries)	9	6,217,560	9	3,008,669	12	1,600,390
Continental Can Co., Inc. (and subsidiaries)	12	9,240,040	12	3,576,763	12	8,635,787
Corn Products Refining Co	9	13,092,583	9	5,592,283	12	10,120,398
Crane Co. (and domestic subsidiaries)	12	10,758,787	12	7,017,586	12	4,612,555
Cuban American Sugar Co	12	6,206,103	12	2,222,044	12	716,953
Curtis Wright Corp.[2]	9	[5] 465,315	9	5,151,643	12	5,218,259
Distillers Corp. Seagrams Ltd. (and subsidiaries)	12	43,112,502	12	24,530,122	12	6,566,313
Dow Chemical Co	12	12,729,991	12	6,707,215	12	4,178,485
E. I. du Pont de Nemours & Co.[2]	9	88,220,901	9	82,179,876	12	93,218,664
Eastman Kodak Co.[2]	6	20,299,661	6	15,992,256	12	21,537,577
Eaton Manufacturing Co. (and subsidiaries)	9	5,548,192	9	1,793,730	12	2,707,240
Firestone Tire & Rubber Co.[2]	6	14,168,206	6	12,845,926	12	6,722,046
General Cable Corp	9	4,627,400	9	1,333,719	12	733,166
General Electric Co.[2]	9	56,459,434	9	404,109	12	40,860,754
Gillette Safety Razor Co	9	7,617,803	9	7,513,639	12	2,941,890
Goodrich (B. F.) Co.[2]	6	11,264,245	6	12,470,330	12	6,653,278
Goodyear Tire & Rubber Co.[2]	6	11,601,416	6	15,088,189	12	9,838,797
(M. A.) Hanna Co	9	5,214,971	9	3,919,002	12	1,904,317
Hershey Chocolate Corp. (and subsidiaries)	9	6,017,778	9	4,847,224	12	6,233,304
International Business Machines Corp. (and subsidiaries)	9	17,610,802	9	13,115,986	12	9,092,692
International Harvester Co.[2]	(4)	(4)	12	22,326,257	12	7,952,810
International Paper Co. (and subsidiaries) [2]	9	43,124,402	9	21,252,904	12	4,893,591
Kimberly-Clark Corp. (and subsidiaries)	12	6,601,962	12	3,228,174	12	2,651,365
Libby-Owens-Ford Glass Co	9	8,727,826	9	2,616,681	12	8,062,753
Liggett & Myers Tobacco Co.[2]	9	16,520,000	12	18,368,928	12	20,705,549
Lone Star Cement Corp. (and subsidiaries)	9	4,536,519	9	3,582,102	12	3,561,093
Long-Bell Lumber Co	9	8,960,201	9	3,518,804	12	[5] 91,959
Maytag Co	9	4,459,476	9	2,067,609	12	1,398,981
McKesson & Robbins, Inc	12	9,604,558	12	8,586,157	12	3,364,790
Minneapolis-Honeywell Regulator Co. (and subsidiaries)	9	4,602,868	9	2,912,195	12	2,158,582
Monsanto Chemical Co	9	12,395,367	9	6,987,663	12	5,428,914
Nations[1] Cash Register Co. (and subsidiaries)	9	7,545,688	9	1,315,739	12	1,807,096
National Dairy Products Corp.[2]	6	9,649,223	6	11,802,554	12	13,034,157
National Supply Co. (and subsidiaries)	9	6,560,935	9	2,129,571	12	1,190,787
Owens-Illinois Glass Co. (and subsidiaries)	12	16,402,124	12	11,211,455	12	8,434,915
Pacific Mills	9	[3] 5,645,000	9	[3] 4,648,000	12	790,831
Pittsburgh Consolidation Coal Co. (and subsidiaries)	9	9,009,170	9	4,168,712	12	863,915
Pittsburgh Plate Glass Co. (and subsidiaries)	9	21,071,104	9	13,168,435	12	10,766,412
Quaker Oats Co	12	7,958,588	12	6,471,051	12	5,422,852
Remington Rand, Inc. (and subsidiaries)	6	6,525,727	6	5,770,505	12	1,750,391
Reynolds (R. J.) Tobacco Co.[2]	(4)	(4)	12	27,972,599	12	25,645,455
St. Regis Paper Co	9	11,055,144	9	3,775,622	12	547,820
Schenley Distillers Corp.[2]	12	26,844,733	12	49,129,975	12	4,129,080
Singer Manufacturing Co.[2]	(4)	(4)	12	15,227,817	12	3,065,105
Squibb & Sons (and subsidiaries)	12	5,525,386	12	5,151,468	12	2,060,978
Stokely-Van Camp, Inc	12	7,111,911	12	5,204,912	12	[5] 712,905
Swift & Co.[2]	(4)	(4)	12	16,394,739	12	10,321,523
Texas Gulf Sulphur Co	9	16,051,653	9	10,772,189	12	7,847,483
Timken Roller Bearing Co	9	9,144,682	9	1,194,357	12	7,287,911
Union Bag & Paper Corp	9	8,787,425	9	3,643,599	12	965,532
Union Carbide & Carbon Corp. (and subsidiaries)	9	54,865,182	9	40,331,671	12	35,847,400
United Merchants & Manufacturing, Inc	12	21,132,984	12	8,733,786	11	1,466,197
United States Gypsum Co	9	11,685,500	9	8,719,659	12	7,365,849
United States Rubber Co.[2]	6	11,020,729	6	9,906,886	12	10,218,849
Warner Bros. Pictures, Inc. (and subsidiaries)	9	19,134,639	9	14,749,202	12	1,740,908
Western Electric Co., Inc.[2]	(4)	(4)	12	12,336,076	12	16,476,086
Westinghouse Air Brake Co. (and subsidiaries)	9	9,780,117	9	6,748,715	12	2,765,629
Westinghouse Electric Corp.[2]	12	30,900,893	12	17,356,278	12	13,854,365
West Virginia Pulp & Paper Co. (and subsidiaries)	9	7,878,734	9	3,695,219	12	1,095,389
Worthington Pump & Machinery Corp	9	4,742,426	9	2,289,616	12	816,706
Wm. Wrigley, Jr., Co	9	6,058,464	9	4,813,106	12	8,650,976

[1] Calendar or fiscal year ending in 1939.
[2] 1 of 50 largest manufacturing companies in volume of assets.
[3] Estimated.
[4] No statement.
[5] Deficit.

The SPEAKER pro tempore [Mr. NICHOLSON]. Under previous order of the House, the gentleman from Massachusetts [Mr. McCORMACK] is recognized for 10 minutes.

Mr. McCORMACK: Mr. Speaker, the testimony given yesterday by Lt. Gen. Albert C. Weidemeyer on aid to China, before the Senate Committee on Appropriations, is important and significant. General Weidemeyer is well qualified to testify and his views are worthy of deep consideration. He went to China on a special mission for our country, being assigned to that important duty after General Marshall's trip and mission to China. General Wedemeyer has rendered a great public service by his testimony. He has recalled to the minds of Americans the important part China played in the war and is now playing in fighting the challenge that atheistic communism, backed by the Soviet Union, has hurled at the rest of the world. He refreshed our memory, although it was not necessary in my case, that China, under Generalissimo Chiang Kai-shek, kept 1,500,000 Japs engaged or tied up, preventing their use against our boys in the Philippines and elsewhere in the Far East. He further testified:

He has fought communism all his life, and he stood by us as an ally in the war when he might have accepted favorable peace terms from Japan, thereby releasing 1,500,000 Japanese soldiers to be used against our boys in the Philippines and elsewhere in the Pacific.

If Generalissimo Chiang Kai-shek had made peace terms with Japan the war in the Far East would have been longer and tens of thousands of our boys now alive would have either been killed or wounded.

His further testimony is significant. In speaking of Chiang, General Wedemeyer said:

> He is a fine character, the logical leader of China today, and I say this as one who was prepared not to like him when I went over there.

General Wedemeyer was emphatic that we should help China from a military and from an economic angle. The American people are being given a lot of false propaganda today about China. Of course, all things are not all right there. It will take a long time with the best of leadership to rub out generations of entrenched selfishness and exploitation. We have been given a great deal of false information, nothing but vicious propaganda by some Chinese who have visited the United States. And there is at least one here now who has shifted from side to side as expediency prompted him, and whose recent statements leave only one impression, that he is trying to stick a dagger in the back of Generalissimo Chiang Kai-shek.

One big test of decent leadership is whether the people of a country are given the right of religious freedom, freedom of their own religious conscience, and the freedom to exercise it attending the services of their church. Under Chiang and his government, that exists in China, and there must be a strong government there because of the chaotic conditions—only a strong government could exist—complete freedom both of conscience and the exercise of it exists. This does not exist in the Communist-dominated part of China. The missionaries of all creeds are treated with complete freedom under the Chiang government. They are captured, imprisoned, and even killed in those areas of China where the Communists are in control. Certainly it is for our national interest in hurling back the challenge of atheistic communism to support Chiang and his government. We should extend military aid to his government at once. We have plenty of military equipment and implements of a military nature that are surplus so far as our Government is concerned in the Far East that could be utilized in effectively carrying out our national policy of enabling countries to prevent aggression being used against them and in the rehabilitation economically of countries in order that they might take their normal place among the decent nations of the world.

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

Mr. McCORMACK. I yield.

Mr. KEEFE. The question of aid to China came before the House Deficiency Subcommittee on Appropriations, of which the gentleman who is now speaking is a member. We were only able to get very sketchy information. The gentleman is aware of the fact that a reduction in the amount of the appropriation below the authorization estimate of $597,000,000 was made and adopted by the House. I was pleased to say on the floor of the House that I was in hopes that the Senate would see fit to place some provision after thorough investigation for the relief of China in the bill as it will ultimately be passed.

Mr. McCORMACK. May I say I thoroughly agree with the gentleman. I hope that is done because I think it would at least have a very good psychological effect.

Mr. KEEFE. May I say to the gentleman who is prominent in the councils of the executive department of the Government——

Mr. McCORMACK. If the gentleman will pardon me for interrupting him, the gentleman pays me a compliment which probably exceeds the position that I occupy.

Mr. KEEFE. The gentleman quoted from the testimony of General Wedemeyer before the Senate committee.

Mr. McCORMACK. The gentleman from Massachusetts is making his own remarks now.

Mr. KEEFE. I understand that, and I am in accord with what the gentleman is saying.

Mr. McCORMACK. I am sure that later on when I make some suggestions concerning the State Department that my friend will be in accord with them too.

Mr. KEEFE. What I am worried about is the fact that General Wedemeyer, who in my opinion is one of America's ablest men——

Mr. McCORMACK. And I agree with the gentleman in that.

Mr. KEEFE. I am worried about the fact that General Wedemeyer went to China to make an investigation, and report, and he testified before the Senate that he was placed under an injunction by General Marshall and by the President not to disclose what that report is. We were told in our committee by the representative of the State Department that we could not have that report made available to us; that it was of the highest confidential character, and had been impressed and sealed by orders of the President. Now, what does the gentleman conceive could possibly be in a report that was made by General Wedemeyer that should cause the Administration to place the seal of security upon that report, so that even General Wedemeyer could not tell a Senate committee of the United States or the American people his views which he obtained as the result of going there and making the investigation so that the Congress and the people could be advised. I regret that we did not have the benefit of that information so that we could have acted intelligently in this House on that subject, and could have shown the people of China and the people of this country that this House wanted to do something for China.

Mr. McCORMACK. I cannot answer the gentleman's inquiry as to why the report is considered highly confidential. I assume, without knowing, that in the minds of some there is a justifiable reason. I am not saying that if I knew I would agree with that. We can discuss this without impugning the motives of anyone who is charged with responsibility, and I think my friend from Wisconsin will agree that General Wedemeyer's testimony yesterday gave to the people, particularly those who are discerning and who can interpret, valuable evidence. I was deeply impressed with it.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. I was so impressed with it that I asked for a special order, which is probably the second or third I have ever asked for in my 20 years here, because, as the gentleman knows, I like to participate under the 5-minute rule or on the amendment stage of the proceedings. But I thought possibly I might make some slight contribution by some observations I might make. I felt it was my duty, carrying out the dictates of my judgment and my conscience, to get a special order in order to make the observations which I have made and which I shall make. But you and I and others have got enough from General Wedemeyer's testimony to know how he feels when he said he went over there to China as he did, and I quote: "As one who was prepared not to like him when I went over there." Then he says, "He (Chiang) is a fine character and the logical leader of China today." Then he gave his other testimony and you and I got a clear insight as to his state of mind and probably some of the important aspects of the report which he made.

Mr. KEEFE. I want to compliment the gentleman for making this statement. It is that very statement of General Wedemeyer's which disturbed me, because the gentleman is aware of the fact that he was our commander in China, in that area, and he was there and he had contact with General Chiang Kai-shek. He then came back and was given this assignment, after the assignment of General Marshall collapsed and failed. I wonder whether he referred to the fact, when he said he went there with a preconceived notion of not liking him, or words to that effect, whether he meant that he went there on this last visit or whether that was his idea when he went over there and was assigned to be commander in chief of our forces in China.

Mr. McCORMACK. I would infer from his testimony that it was on his last visit, because he was testifying in relation to his last visit when he was over there on an important mission representing our country. I quote again:

> He is a fine character, the logical leader of China today, and I say this as one who was prepared not to like him when I went over there.

From that I would assume he meant when he went over there on the special mission. That is very evident.

Furthermore, you and I know that the very first thing that vicious and harsh dictatorial and totalitarian government

attacks is religion, organized religion. They want to destroy the dignity of the individual, for it is known that as long as there is religious freedom the dignity of the individual exists. Here we have in China a very basic thing, a very basic principle; that the dignity of the individual is dependent upon the right of a free religious conscience and the free exercise of it existing in China. The missionaries I have met—and I have met many—they are friends of mine, Catholics, Protestants, and yes, even Jews, but principally Catholics and Protestants in China, tell me there has never been any interference with them in China as far as the existence of complete religious conscience is concerned and, more important, the free exercise thereof; because a country may say they give freedom of religious conscience and then take it away from them by saying there shall be one priest or one minister for every 75,000 or 100,000 people, and from a practical angle this limits the free exercise of conscience.

Mr. PRIEST. Mr. Speaker, will the gentleman yield.

Mr. McCORMACK. I yield.

Mr. PRIEST. I have appreciated the speech made by the gentleman from Massachusetts. Unfortunately, I was called to the telephone just when he was discussing that phase of his message pertaining to possible military aid. I agree with the gentleman in that respect, we do have military supplies that could be used. If we did so it would be entirely in keeping with the policy we adopted with reference to Greece and Turkey, would it not?

Mr. McCORMACK. Exactly, because our policy is an affirmative policy to assist countries against aggression and then to attempt to rehabilitate them so they can take their proper place as healthy nations in the council of the nations of the world.

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

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

Mr. RICH I was very much interested in the gentleman's statement in reference to missionaries who were working in China—Catholic, Protestant, and Jewish—if there are any Jewish over there, I do not know; and I was wondering whether they have been free to do their work as they chose in China at the present time.

Mr. McCORMACK. My information from those who have been over there—and I am talking of Catholic priests and Protestant ministers—is that there is no interference. But it is different where the Communists are. As a matter of fact last week on the floor of the House I called attention to the plight of a Catholic priest who had been captured by the Communists and was held prisoner for months. When the Nationalist troops had overtaken the guerrilla band of Communists that had captured them and the Communists were trying to escape the priest fell and hurt himself and they killed him rather than leave him. He died a martyr to his great calling in the service of God and man. And there have been many similar cases I may say. That is not an isolated case but there are many others. There is no distinction as to creed.

Mr. RICH. Then in the Communist-dominated sections of China they are not free to teach religion or to do the work they are supposed to do.

Mr. McCORMACK. Absolutely. That is my information from those who were over there carrying on that great activity.

Mr. RICH. Have they confiscated their churches?

Mr. McCORMACK. Yes, and burned them, burned them. I was talking with a very fine Presbyterian minister I met the other evening. I met him at a reception to Archbishop Hu Pin of Nanking, a Catholic archbishop of China. His name I suggested to Dr. Montgomery the other day, suggested that he might have him offer the opening prayer in the House some day. His name momentarily escapes me. But he had been over there for years. He was a prisoner of the Japs and interned. He told me that on freedom over there there is no difficulty, and yet that is a country where the percentage of Christians to the total percentage is negligible. I think there are probably around 5,000,000 Catholics and probably not more than 10,000,000 or 12,000,000 Protestants, probably between 15,000,000 and 20,000,000 Christians altogether out of a total population of around 450,000,000 to 480,000,000 people. There is complete freedom and it is essential to any individual to possess that in order to maintain his dignity and personality as an individual.

From reliable information I have received word that time is of essence. We should extend also economic aid, but the first important element is military aid. A stabilized government in China with its people having an undying friendship for us is the best investment we can make and it can be made for both countries not only for our future generations of Americans but for the future generations of Chinese.

If the Senate inserts an appropriation for China in the bill that passed the House yesterday, even if it is a token one, it will have a psychological effect, and I hope the House conferees will accept it. In any event, in the long-range Marshall plan China should receive its proper consideration and our national interest calls for such action.

We must remember that in building up Europe economically those countries must have a foreign trade to sustain a rehabilitated national economy. To build them up and say, "You have to depend upon your own internal trade," will mean useless action. There will be a collapse economically. China and the Far East for years will give to European countries as well as our own country a vast area in which to trade. A peaceful, stabilized China is very important in itself. It is of great importance also in building up the economy of the European countries we are helping and will help.

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

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, an Assistant Secretary of State testified that the State Department is preparing a program for China that will be ready in January. For the benefit of the State Department and those preparing this program I want to suggest to and advise them that the sentiment in the Congress and among our people is very strong for immediate and complete aid to China. I make this observation so that those in the State Department will know and evaluate properly the sentiment for China that exists in this body. The giving of effective military and economic aid to China, our ally and our friend, in the immediate future is a matter of primary importance to the best interest of both countries and to the future peace and security of the world.

The Soviet Union is pulling no punches in its effort to bring about world uncertainty, confusion, and chaos in its vicious imperialistic dream for world domination territorially as well as ideologically. We should not pull our punches in our efforts for stability, security, and peace throughout the world and in acting for our own national interest.

The people of the United States and China are close friends today. America is strong today. China is potentially strong today and will be strong in reality in years to come after its pains of today are over and it can develop and build economically its great natural resources. We want and should strive to have the friendship of these two countries cemented strongly and we can do that by our actions so that the people of the United States and China will have for each other an unbreakable friendship that will last for countless generations to come.

The real test of friendship comes when one friend is in pain, distress, or trouble, and the other friend comes to his aid.

Mr. Speaker, in conclusion I want to make these few significant observations. China is our friend; the United States is China's friend. China is in trouble. We should come to her aid in a practical, realistic, and effective manner.

RECEPTION OF MESSAGES

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House today the Clerk be authorized to receive messages from the Senate and in the event such message contains a notification that the Senate has passed Senate Joint Resolution 167 that that joint resolution be printed as passed by the Senate.

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

There was no objection.

EXTENSION OF REMARKS

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

The SPEAKER. Under previous order of the House, the gentlewoman from

Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

VETERANS' LEGISLATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, many of us favor the passage of the veterans' subsistence allowance bill for the GIs. There are a great many of those veterans in Washington today asking for the passage of the bill. These veterans have come from every State in the Union. They cannot understand why all the money was appropriated for foreign aid and nothing for them. If this legislation is not passed thousands will ask the Members why the legislation was no passed when the Congressmen go home for Christmas.

Mr. Speaker, I have information compiled for me by Dr. T. A. Rousse, University of Texas, at the request of the University Veterans' Advisory Service, University of Texas, Austin, Tex. He states that all Texas universities involving senior colleges, junior colleges, and professional colleges, show the following freshman enrollment: In 1946, 24,731; in 1947, it dropped to 11,362. The University of Texas in 1946, had an enrollment of 3,607, and in 1947, it dropped to 200. The registrar of the University of Texas states that married veterans are dropping out fast.

If legislation be not passed, I think the GI training will come, I am afraid, to a very speedy and sad close. The men cannot live, the married men particularly, on the small subsistence allowance they receive today. They tell me that with the small increase in the Senate bill, and the Meade bill which is similar to the Senate bill in the House, that they can manage it.

Mr. ALBERT. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Oklahoma.

Mr. ALBERT. That is exactly the story I get from all over my own State, that the GI program, so far as married veterans are concerned, is going to break down if we do not increase the subsistence allowable, and I do hope that the gentlewoman can have her bill, or the Senate bill, brought before the House at an early date.

Mrs. ROGERS of Massachusetts. It is the Meade bill in the House. The Committee on Veterans' Affairs has voted it out unanimously, and many Members have said to me that the boys in their States have asked for the passage of this legislation. There is a dead line. Every day brings them nearer to despair. They have done a magnificent job in scholarship.

Mrs. ST. GEORGE. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. What is the increase in the subsistence allowance in the Meade bill ?

Mrs. ROGERS of Massachusetts. For the single men it is a $10 increase, $15 for a married man with one child, and an additional $15 for a married man with several children. It is a very small increase and will cost very little to the Government.

Mrs. ST. GEORGE. Does the gentlewoman consider that that will be sufficient to enable these men to continue?

Mrs. ROGERS of Massachusetts. The men have told me, and I have no doubt that they have told many of the other Members, that they can exist on a small increase, but that they must have that.

Mrs. ST. GEORGE. I sincerely hope that the bill will pass when it comes before the House.

Mrs. ROGERS of Massachusetts. The gentlewoman always has very constructive suggestions.

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

TANKERS

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

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

There was no objection.

Mr. WEICHEL. Mr. Speaker, the gentlewoman from Massachusetts has made a request with reference to information concerning idle tankers in the hands of the Maritime Commission. I have made a special request upon the Chairman of the Maritime Commission, and he has provided me with that information.

At the present time they have only 13 small tankers of 30,000 barrels each, 1 tanker for the Navy, 2 small tankers, and 2 special-type tankers, outside of 50 that the Navy has for its own use.

Mr. Speaker, I ask unanimous consent to include as part of my remarks a full report with reference to the disposal of tankers since the passage of the Ships Sales Act in March 1946, and a report covering the disposal of tankers since August 1, 1947, to this very date.

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

There was no objection.

Mr. WEICHEL. Mr. Speaker, the report to which I have referred is as follows:

UNITED STATES MARITIME COMMISSION,
Washington, December 17, 1947.

Hon. ALVIN F. WEICHEL,
Chairman, Merchant Marine and Fisheries Committee, House of Representatives, Washington, D. C.

DEAR MR. WEICHEL: In response to your telephonic request of this date, there is transmitted herewith three attachments (original and three copies) covering the desired information.

Very sincerely yours,
BURTON L. HUNTER,
Chief, Bureau of Purchase and Sales.

Excluding 24 T–2 military-type vessels being readied for Navy use (26 already transferred), the United States Maritime Commission, as of December 17, 1947, owns and has under its control, subject to the Merchant Ship Sales Act of 1946, the following tankers not approved for sale:

One T2–SE–A2, approximate cubic capacity 140,000 barrels, held for possible Navy use.

Thirteen T–1-type vessels with an approximate cubic capacity of 30,000 barrels each.

Two special-type vessels with an approximate cubic capacity of 100,000 barrels each.

Two military auxiliaries with an approximate cubic capacity of 15,000 barrels each.

Sales of tankers formalized by the U. S. Maritime Commission under the Merchant Ship Sales Act of 1946, approved Mar. 8, 1946

To—	T2-SE-A1	Liberty	Other	Total
United States citizens for United States operation	186	55	17	258
United States citizens for foreign operation	71	------	1	72
Foreign governments and nationals [1]	133	------	7	140
Total	390	55	25	470

[1] After vessels had been available for a reasonable period of time and no responsible offer had been made therefor by a citizen of the United States.

Sales of tankers formalized by the U. S. Maritime Commission since Aug. 1, 1947, under the Merchant Ship Sales Act of 1946, approved Mar. 8, 1946

To—	T2-SE-A1	Liberty	Other	Total
United States citizens for United States operation	129	53	1	183
United States citizens for foreign operation	6	------	------	6
Foreign governments and nationals [1]	83	------	3	86
Total	218	53	4	275

[1] After vessels had been available for a reasonable period of time and no responsible offer had been made therefor by a citizen of the United States.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. WEICHEL. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. The gentleman has the information that was requested by the Member from Massachusetts. I thank the gentleman very much. Naturally, nothing more need to be done about the resolution, because the House will have the information. I felt that the House was entitled to it and not just a committee of Congress or a Member from Massachusetts.

Mr. WEICHEL. This covers the information requested under House Resolution 381.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. WEICHEL. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. May I ask the chairman of the Committee on Merchant Marine and Fisheries whether or not he has received any complaint about the exorbitant prices that are now being charged for petroleum products? We have been able to work out some kind of an agreement whereby tankers will be available for transporting oil from the Gulf to the New England area, but now that we have the tankers we cannot get the oil. I received a letter today from one of our distributors in the Boston area stating that he had been offered No. 2 oil in the Gulf area at 13 cents a gallon, when the market price is less than 7 cents a gallon.

I do not know whether or not the people of the Northeast and the New England area are going to be victimized by black marketing in the oil situation,

but the letter I saw today from this jobber offering this oil at 13 cents a gallon indicated that such may be the case. This distributor has the tanker that was recently given to him under charter hire by the Maritime Commission, but he is unable to fill the tanker because he cannot get oil at the market price. We are told at the same time by the petroleum industry that there is ample oil in storage in the Gulf area, yet these jobbers are stepping in and asking this exorbitant rate of 13 cents a gallon. Has the gentleman heard of anything of that sort going on?

Mr. WEICHEL. We had numerous complaints in view of the fact of the committee investigation with reference to tankers and the export of gasoline, petroleum products, and fuel oil overseas. I have heard some complaint, especially since the special session, and before, with reference to exorbitant prices, and the situation is becoming worse.

Mr. BATES of Massachusetts. I turned this letter over today to one of our Members from Massachusetts, a member of the Committee on Interstate and Foreign Commerce. I hope that if this thing continues and black marketing is going to be injected into our oil-supply situation, there will be a Congressional investigation, because we do not intend to stand idly by and let that thing continue.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. WEICHEL. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. As the gentleman knows, I am trying to secure an embargo on tankers to foreign countries and also on the shipment of oil.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 157. Joint resolution to provide for the regulation of consumer installment credit for a temporary period; to the Committee on Banking and Currency.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1770. An act to amend the National Housing Act, as amended.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 58 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, December 19, 1947, at 10 a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1155. A letter from the Secretary of Labor, transmitting a report for the fiscal year ended June 30, 1947; to the Committee on the Judiciary.

1156. A letter from the Under Secretary of the Interior, transmitting pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936, one copy each of various legislation passed by the Municipal Council of St. Thomas and St. John and the Municipal Council of St. Croix; to the Committee on Public Lands.

1157. A letter from the Secretary of the Treasury, transmitting reports from various departments and independent establishments relative to moneys received during the fiscal year ended June 30, 1947, which were not paid into the general fund of the United States Treasury, and payments, if any, which were made from such moneys; to the Committee on Expenditures in the Executive Departments.

1158. A letter from the Postmaster General, transmitting a draft of a proposed bill to authorize the construction of an addition to the building of the mail equipment shops at Washington, D. C., and for other purposes; to the Committee on Public Works.

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. LECOMPTE: Committee on House Administration. House Resolution 390. Resolution for the relief of Lucy Rhind; without amendment (Rept. No. 1222). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 398. Resolution providing for the payment of 6 months' salary and $250 funeral expenses to the estate of James H. Neale, late an employee of the House; without amendment (Rept. No. 1223). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 399. Resolution providing for the payment to Genevieve Malone, as guardian to George V. Malone, Jr., son of George V. Malone, late employee of the House, 6 months' salary and an additional sum of $250 toward defraying his funeral expenses; without amendment (Rept. No. 1224). Referred to the House Calendar.

Mr. VORYS: Committee on Foreign Affairs. House Resolution 365. Resolution providing for an inquiry on dismantling and removal of plants from Germany; with an amendment (Rept. No. 1225). Referred to the House Calendar.

Mr. HOPE: Committee on Agriculture. House Joint Resolution 275. Joint resolution to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make loans to fur farmers, and for other purposes; without amendment (Rept. No. 1228). Referred to the Committee of the Whole House on the State of the Union.

Mr. PLOESER: Select Committee on Small Business. House Report No. 1229. Annual Report No. 1, reporting activities of the Select Committee on Small Business pursuant to House Resolution 18. Ordered to be printed.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 412. Resolution for consideration of Senate Joint Resolution 167, joint resolution to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes; without amendment (Rept. No. 1230). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 1912. A bill for the relief of John A. Dilboy; without amendment (Rept. No. 1226). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 2557. A bill for the relief of Mable Gladys Viducich; without amendment (Rept. No. 1227). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CHURCH:

H. R. 4789. A bill to encourage enterprise capital investment in production facilities, private research laboratories, rental homes, and other long-term assets; to the Committee on Ways and Means.

By Mr. KNUTSON:

H. R. 4790. A bill to reduce individual income-tax payments, and for other purposes; to the Committee on Ways and Means.

By Mr. KERSTEN of Wisconsin:

H. R. 4791. A bill to provide free postage for gift packages of food and clothing mailed to certain foreign countries; to the Committee on Post Office and Civil Service.

By Mr. MARTIN of Iowa:

H. R. 4792. A bill to amend section 22 (b) (5) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. McMILLAN of South Carolina:

H. R. 4793. A bill to amend the Railroad Retirement Act of 1937 so as to increase retirement annuities and to permit employees to be eligible for annuities after 30 years of service regardless of their age; to the Committee on Interstate and Foreign Commerce.

H. R. 4794. A bill to grant service pensions to veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. SHEPPARD:

H. R. 4795. A bill to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. WEICHEL:

H. R. 4796. A bill to authorize the Coast Guard to establish, maintain, and operate aids to navigation; to the Comittee on Merchant Marine and Fisheries.

By Mr. FOLGER:

H. R. 4797. A bill to amend section 7 of the act of October 15, 1914, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes"; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 4798. A bill to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. KEFAUVER:

H. R. 4799. A bill to amend the Second Decontrol Act of 1947; to the Committee on the Judiciary.

By Mr. REEVES:

H. R. 4800. A bill amending the Federal Unemployment Tax Act so as to allow a 100-percent credit for contributions to State unemployment funds; to the Committee on Ways and Means.

By Mr. ROSS:

H. R. 4801. A bill to amend the Servicemen's Readjustment Act of 1944, as amended, to provide homes for veterans, through veterans' homestead associations, and the public facilities essential therefor; to the Committee on Veterans' Affairs.

H. R. 4802. A bill to provide additional compensation for postmasters and employees of the postal service; to the Committee on Post Office and Civil Service.

By Mrs. ST. GEORGE:

H. R. 4803. A bill to provide clerical allowances at certain post offices of the fourth class; to the Committee on Post Office and Civil Service.

By Mr. WEICHEL:

H. R. 4804. A bill to allow service credit for certain enlisted men of the Coast Guard who acted as policemen and guards at the Ivigtut cryolite mine, Greenland, during 1940 and 1941; to the Committee on Merchant Marine and Fisheries.

By Mr. ALBERT:

H. R. 4805. A bill to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. KING:

H. R. 4806. A bill to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia; to the Committee on Post Office and Civil Service.

H. R. 4807. A bill to provide additional compensation for postmasters and employees of the postal service; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H. R. 4808. A bill to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. MACKINNON:

H. R. 4809. A bill to amend the act of February 10, 1920, in order to provide for the free distribution to veterans' organizations of blank ammunition for use in connection with the funeral ceremonies of deceased veterans; to the Committee on Armed Services.

By Mr. RAMEY:

H. R. 4810. A bill to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia; to the Committee on Post Office and Civil Service.

By Mrs. ROGERS of Massachusetts:

H. R. 4811. A bill to provide for an administrator's advisory group in the Veterans' Administration to insure review by the Administrator of certain decisions of the Board of Veterans' Appeals; to the Committee on Veterans' Affairs.

By Mr. WEICHEL:

H. R. 4812. A bill to give war veterans preference on surplus platted lands, one-family and two-family dwellings, ahead of nonusing Government agencies; to the Committee on Expenditures in the Executive Departments.

By Mr. REES:

H. J. Res. 284. Joint resolution to prohibit for 1 year the use of grains for the manufacture of intoxicating liquor and for other nonessential purposes; to the Committee on Agriculture.

By Mr. CASE of New Jersey:

H. Con. Res. 125. Concurrent resolution urging the creation of collective security arrangements in furtherance of the European recovery program and the participation of the United States therein; to the Committee on Foreign Affairs.

By Mr. CASE of South Dakota:

H. Con. Res. 126. Concurrent resolution to provide for the use of surplus eggs and poultry in foreign relief programs; to the Committee on Foreign Affairs.

By Mr. HUGH D. SCOTT, JR.:

H. Res. 408. Resolution to express the sense of the House that the United States should repatriate Hebrew displaced persons in the American zones of occupation by providing for their transportation to Palestine; to the Committee on Foreign Affairs.

By Mr. SOMERS:

H. Res. 409. Resolution to express the sense of the House that the United States should repatriate Hebrew displaced persons in the American zones of occupation by providing for their transportation to Palestine; to the Committee on Foreign Affairs.

By Mr. SUNDSTROM:

H. Res. 410. Resolution for the relief of Louise M. Clarkson; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. DOMENGEAUX:

H. R. 4813. A bill for the relief of Mrs. Elizabeth C. Grillet; to the Committee on the Judiciary.

By Mr. GOSSETT:

H. R. 4814. A bill for the relief of Walter E. Johns; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 4815. A bill for the relief of Mary Alice Keels; to the Committee on the Judiciary.

PETITIONS, ETC.

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

980. By Mr. BRADLEY: Petition of 42 residents of the Eighteenth Congressional District of California, urging that legislation establishing a system of universal military training for American young men be enacted; to the Committee on Armed Services.

981. Also, petition of 84 residents of the State of California, urging that legislation establishing a system of universal military training for American young men be enacted; to the Committee on Armed Services.

982. By Mr. BUCK: Petition of 47 residents of Staten Island, N. Y., submitted by the Women's Auxiliary of American Legion, Cotty-Capone-Amodeo Post, No. 1599, urging the enactment of a system of universal military training as recommended by the President's Advisory Commission on Military Training; to the Committee on Armed Services.

983. By Mr. CASE of South Dakota: Petition of Frank Vermillion, Kenel, S. Dak., and 34 others, urging enactment of legislation to establish a system of universal military training for American young men; to the Committee on Armed Services.

984. Also, petition of Mrs. A. L. Stueland, secretary, Bloom Prairie Ladies Aid, Toronto, S. Dak., and 29 others, urging enactment of legislation which would prohibit advertising liquor in interstate commerce and over the radio; to the Committee on Interstate and Foreign Commerce.

985. Also, petition of Mrs. I. C. Knutson and seven others, of Bison, S. Dak., urging enactment of legislation to prohibit advertising liquor in interstate commerce and over the radio; to the Committee on Interstate and Foreign Commerce.

986. Also, petition of Mrs. Frank McFarland, of Ellingson, S. Dak., and 16 others, urging enactment of legislation to prohibit the advertising of liquor in interstate commerce and over the radio; to the Committee on Interstate and Foreign Commerce.

987. Also, petition of Irving Cressman, commander of American Legion, Post No. 220, Herrick, S. Dak., and 23 others, urging enactment of legislation to establish a system of universal military training for American young men; to the Committee on Armed Services.

988. By Mr. GRAHAM: Petition of 27 residents of New Castle, Lawrence County, Pa., in support of legislation establishing a system of universal military training; to the Committee on Armed Services.

989. By Mr. LECOMPTE: Petition of sundry citizens of Centerville, Iowa, urging the establishment of a system of universal military training; to the Committee on Armed Services.

990. Also, petition of sundry citizens of Humeston, Iowa, urging the establishment of a system of universal military training; to the Committee on Armed Services.

991. Also, petition of sundry citizens of Grinnell, Iowa, urging the establishment of a system of universal military training; to the Committee on Armed Services.

992. By Mr. SMITH of Wisconsin: Petition by the members of Fred Semran Post, No. 361, Wilmot, Wis., urging passage of universal military training legislation; to the Committee on Armed Services.

993. By the SPEAKER: Petition of the business and professional division of the Passaic section of the National Council of Jewish Women, petitioning consideration of their resolution requesting that recommendations of the President's Committee on Civil Rights be immediately translated into law; to the Committee on the Judiciary.

994. Also, petition of the Maine Hospital Association, petitioning consideration of their resolution with reference to inclusion of hospital employees in the coverage of social-security benefits, and that the exemption of nonprofit hospitals should, therefore, be removed for old-age benefits only; to the Committee on Ways and Means.

995. Also, petition of the executive committee of the Maine State Bar Association, petitioning consideration of their resolution with reference to a bill to equalize Federal taxes in view of the community-property system and inequalities caused thereby; to the Committee on Ways and Means.

SENATE

FRIDAY, DECEMBER 19, 1947

(Legislative day of Thursday, December 4, 1947)

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

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

We thank Thee, O God, for the return of the wondrous spell of this Christmas season that brings its own sweet joy into our jaded and troubled hearts.

Forbid it, Lord, that we should celebrate without understanding what we celebrate, or, like our counterparts so long ago, fail to see the star or to hear the song of glorious promise.

As our hearts yield to the spirit of Christmas, may we discover that it is Thy Holy Spirit who comes—not a sentiment, but a power—to remind us of the only way by which there may be peace on the earth and good will among men.

May we not spend Christmas, but keep it, that we may be kept in its hope, through Him who emptied Himself in coming to us that we might be filled with peace and joy in returning to God. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, December 18, 1947, was dispensed with, and the Journal was approved.