United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 80th CONGRESS, SECOND SESSION

SENATE

FRIDAY, FEBRUARY 20, 1948

(Legislative day of Monday, February 2, 1948)

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:

O God, be merciful when we pray with half our heart or listen with half our mind, and pity us that we are torn as we are and bedeviled with compromises.

Vainly we long for life without such difficult decisions, yet we know that we have only ourselves to blame for the tensions in which we live.

We need to pray that our own eyes be opened to the truth. Deliver us from the reservations that would pray: "Thy kingdom come—but not yet; Thy will be done on earth—by other people." Help each one of us to see that if Thy Holy Spirit is to lead America, He must be permitted to lead us.

If Thy will is to be done, we must do it.

O God, most merciful, consider not our cowardice, but forgive our failings.

Harken to those prayers of our hearts which come to us in high moments when we forget ourselves and think of Thee. Amen.

THE JOURNAL

On request of Mr. TAFT, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 18, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. MAURER, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. JOHN M. ROBSION, late a Representative from the State of Kentucky, and transmitted the resolutions of the House thereon.

ENROLLED BILLS SIGNED

The message announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 257. An act for the relief of Yoneo Sakai;

S. 305. An act for the relief of Mrs. Hilda Margaret McGrew;

S. 310. An act authorizing the issuance of a patent in fee to Jonah Williams;

S. 311. An act authorizing the issuance of a patent in fee to Charles Ghost Bear, Sr.;

S. 312. An act authorizing the issuance of a patent in fee to Charles Kills the Enemy;

S. 313. An act authorizing the issuance of a patent in fee to Calvin W. Clincher;

S. 409. An act for the relief of Milan Jandrich;

S. 457. An act for the relief of Anna Kong Mei;

S. 499. An act authorizing the issuance of a patent in fee to Mrs. Bessie Two Elk-Poor Bear;

S. 522. An act to authorize the sale of certain lands of the L'Anse Band of Chippewa Indians, Michigan;

S. 542. An act authorizing the issuance of a patent in fee to Mrs. Ella White Bull;

S. 1133. An act providing for the per capita payment of certain moneys appropriated in settlement of certain claims of the Indians of the Fort Berthold Indian Reservation in North Dakota;

S. 1454. An act to amend the Public Health Service Act in regard to certain matters of personnel and administration, and for other purposes;

S. 1485. An act to authorize the Secretary of the Interior to dispose of certain lands heretofore acquired for the Albuquerque Indian School, New Mexico;

S. 1507. An act authorizing the sale of undisposed of lots in Michel addition to the town of Polson, Mont.; and

S. 1591. An act to transfer certain transmission lines, substations, appurtenances, and equipment in connection with the sale and disposition of electric energy generated at the Fort Peck project, Montana, and for other purposes.

JEFFERSON-JACKSON DAY ADDRESS BY THE PRESIDENT

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the address delivered last evening by the President of the United States at the Jefferson-Jackson Day dinner held at the Mayflower Hotel.

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

Mr. Chairman, my fellow citizens, it is a great experience to be present at this gathering this evening. I appreciate your generous welcome and the evidence of your friendship. Our meeting here is only one of many similar meetings that are being held throughout the country in tribute and in celebration. To all I send the warmest and most sincere greetings.

We meet tonight on the occasion of the one hundredth anniversary of the Democratic National Committee to honor two great Americans. These men early in our history inspired the people of this country to assert their rights against privilege. They endowed the United States with a liberal philosophy and tradition. And at the same time they were practical men, able to translate liberal philosophy into law and political fact.

I speak of the father of American liberalism—Thomas Jefferson.

I speak also of the man who later gave American liberalism a new and even richer meaning—Andrew Jackson.

Although these meetings tonight are political gatherings, the things I wish to talk about are important to every citizen in the Nation, no matter what political affiliation he or she may have.

The party system prevails in this country. I believe in it and have confidence in it. It constitutes the most effective means of presenting the issues of the day to the American people.

The party of progressive liberalism in the United States, the party that carries on the traditions of Jefferson and Jackson, the party that has four times in succession received the people's mandate is the Democratic Party.

This year its mandate must again be considered by the people for renewal.

This is a year of challenge. I propose that we meet that challenge head on.

The people will again decide whether they want the forces of positive, progressive liberalism to continue in office, or whether, in these challenging times, they want to entrust their Government to those forces of conservatism which believe in the benefit of the few at the expense of the many.

This is the choice that Americans have had to make since the earliest years of the Republic: a choice between a parcel labeled progressive liberalism and a parcel labeled reactionary conservatism. This being true, it is highly important to know what the American people have found in each of these parcels.

Our Constitution made no provision for government by political parties. But political parties were not long in developing in the early years of the Republic. Sharp differences of opinion arose in George Washington's Cabinet over the powers and purposes of the new Government.

Alexander Hamilton, first Secretary of the Treasury, frankly affirmed his belief that government should be controlled by the rich and the well-born. He believed that government should be aristocratic and that it should operate primarily in the interest of wealth and privilege.

Fortunately for the people, there was also in Washington's administration a powerful man, Thomas Jefferson, who believed just as strongly that government should be by the whole people and for the whole people. He was convinced that true democratic progress could be attained only by extending political and economic liberty, religious freedom, and educational opportunity. Jefferson passionately believed that the genius of America rested in the ranks of ordinary men, and that they must control the Government.

There could hardly have been a sharper cleavage than that between Hamilton and Jefferson.

The supporters of Jefferson organized a political party of progressive liberalism that has continued in American political life down to the present day. That party is today known as the Democratic Party.

The followers of Alexander Hamilton also banded themselves together as a political party. This, the party of conservatism, the

party of rule by and for the privileged few, has its counterpart in our national life today.

I have long been impressed by the continuity of these two political philosophies throughout American history.

I have been impressed because the policies of their disciples are such faithful images of the philosophies themselves. The parcel of reactionary conservatism may be wrapped in bright colors and gay tinsel, but when you open it you always find party rule for the benefit of the privileged few. Inside the parcel of progressive liberalism, however, you always find government for the benefit of all the people—true democratic government.

Jefferson was elected President in 1800. He and his party promptly swept away laws that restricted citizenship and threatened freedom of speech and the press. The judiciary, which had been rigged against popular rule, was reformed. Perhaps most important of all for the common man was Jefferson's success in arranging the Louisiana Purchase.

This purchase was strongly opposed by the conservatives, who rightly foresaw that the acquisition of this tremendous domain would diminish the political influence of wealthy men in the East. They also foresaw that it would cut down their supply of cheap labor.

The years following Jefferson were years of growth. Industries rose in the East and with them a new class of industrial workers. The States of the West grew rapidly in population and strength.

The votes of vigorous common men of eastern factories and western farms brought Andrew Jackson to the Presidency in 1829. During the next 8 years that illustrious son of the frontier carried out a second social and economic revolution in America. Jeffersonian liberalism thus gave birth to and was carried on by Jacksonian democracy.

When I consider the problems that confronted Andrew Jackson in the 1830's, I am struck by how little our national problems change. Most of the issues tackled by Jackson were merely new phases of issues that had earlier confronted Jefferson. And they were substantially the same problems that confronted the Nation a hundred years later, when one of the greatest Americans of all time came to the Presidency, Franklin D. Roosevelt.

One of these great national problems has been the undue influence of concentrated wealth.

Jackson abolished the United States Bank, which had given a few bankers an inside track in Washington and a powerful hold on the Federal Government. Jefferson before him and Woodrow Wilson much later, fought the same evils. Franklin Roosevelt continued the same fight and succeeded in bringing the National Capital from Wall Street back to Washington.

A second problem, important in Jackson's day and in ours, is the proper use of the Nation's resources for the benefits of all.

Jackson, in his fight to open up western land for settlement, was opposed by selfish men who profited by cheap labor and who tried to obstruct new opportunities for the ordinary man.

The land problem exists today, but its character has changed. There are vast acreages throughout the Nation that could be made productive and fit for settlement by means of reclamation, conservation, and irrigation. The struggle for new opportunities for the ordinary citizen has thus shifted to the building of dams, the generation of power, the irrigation of deserts, the control of floodwaters, and the prevention of erosion. These are the modern aspects of the land problem. They are just as vital to our democracy now as Jackson's fight for cheap land was a hunderd years ago.

The forces that Jefferson fought—and Jackson fought—and that progressive liberals have had to fight throughout our history have been the forces of selfish wealth and privilege.

The party of progressive liberalism—the Democratic Party—believes today, as it has always believed, that it is the duty of popular government to protect and promote the interests, not of just the privileged few, but of all the groups and individuals in our Nation.

The Democratic Party believes today, as it has always believed, that vigilance and action are needed not only to protect the people from concentrations of wealth and power, but to keep concentrated wealth and power from destroying itself, and the Nation with it.

It is easy to see why the Democratic Party knows that concentrated wealth and power must be held in check.

One might have supposed that those who dictated policy for 12 years after the First World War would have followed economic measures beneficial to the real and continuing welfare of industry. But no; in their reckless pursuit of immediate profits they encouraged economic policies that drained off so much in profits at the top—and allowed so little in wages to run out at the bottom—that the whole system broke down in 1929.

A second example: Billions of dollars were loaned to foreign countries after the First World War, and a vigorous foreign trade was developed. So far, so good. But those in control then proceeded to erect high tariff barriers that prevented those countries from paying back our loans by shipping us their products. The inevitable result was that our foreign loans and investments went down the drain and our flourishing foreign trade was cut down in its prime. We had the worst depression in history.

These experiences of the past teach us practical lessons:

Government run for the benefit of the few will inevitably destroy all.

Government run for the good of all will benefit all.

These lessons point out the course we must follow in building for tomorrow.

In my state of the Union message on January 7, I spoke to the Congress and to all the people of the Nation about our great goals—goals which can mean a glorious future for the United States. I set forth, in outline form, the production that our people can accomplish; the prosperity that they can enjoy; the improvements in social justice and social security, in education and in housing, that they can achieve.

I said in that message that there are some people in this country who look with fear and distrust upon planning for the future. I said that there are some who are afraid to look ahead despite the obvious fact that our great national achievements have been attained by men with vision—men who planned—men like Jefferson and Jackson, Wilson and Franklin Roosevelt.

The cries from reactionary quarters, after the state of the Union message, only prove the truth of my statement that some people are afraid to look ahead.

These men who live in the past remind me of a toy I'm sure all of you have seen. The toy is a small wooden bird called the floogie bird. Around the floogie bird's neck is a label reading: "I fly backward. I don't care where I'm going. I just want to see where I've been."

These backward-looking men refuse to see where courageous leadership can take this Nation in the years that lie before us. These men of small vision and faint hearts have set up their familiar cry, "Of course, it's a fine idea, but it can't be done."

How history repeats itself. How familiar all this must sound to those who study the story of Jefferson's Louisiana Purchase or Jackson's efforts to open up the West.

The men who ridiculed Jefferson and Jackson were men of small courage and big fears. Their political descendants are to be found among those who were afraid to attempt recovery in the 1930's, and who are now afraid to make farsighted preparations for American prosperity.

Let the farmers and workers and average businessmen of today—the kind of people in whom Jefferson and Jackson had such faith—ponder where they would be now if the timid men with little ideas had gained mastery during the more recent crises in our history.

In the depths of the great depression of the 1930's, when agriculture was in ruins, business in collapse, and labor in despair, these timid men could not generate the forces of recovery. They said that the required measures would imperil the Nation's credit. Their philosophy of government, running true to form, blinded them to the fact that the Nation's credit rests always on the welfare and prosperity of the people.

But how wrong they were. Through the efforts of the people, with the aid of the party of progressive liberalism to which the people turned, farm income increased from less than $2,000,000,000 in 1933 to almost $5,000,000,000 in 1940. In 1947 farm income stood at more than $18,000,000,000. This is the highest farm income in history.

But these accomplishments of a free people and their government have not changed the defeatists one iota. When I say—as in my recent state of the Union message—that we can steer between farm prices that are dangerously high and farm prices that are ruinously low; when I say that we can save the fertility of our farms through soil conservation; when I say that we can bring electricity and labor-saving devices to every farm; when I say that we can increase agricultural output by 10 percent over the next 10 years; when I say that good wages and general prosperity will provide the demand for this increased farm output—when I say these things now, we hear from the customary quarters, "It can't be done."

I know that it can be done, and we of the forward-looking faith must dedicate ourselves to the proposition that it will be done.

And where did the American worker find himself in 1932? He was either unemployed or expecting to be unemployed. His home was saddled with debt. His children were being drawn into the sweatshops. The unions which he had formed for his self-protection were disintegrating. The only thing left to him was an unswerving faith that somehow the American system would find a way to lift him out of the depths of despair and desolation.

That way was found, under the leadership of the party of progressive liberalism, the Democratic Party.

Employment increased from 39,000,000 jobs in 1933 to a peak of 60,000,000 jobs in 1947. The average weekly earnings of workers in manufacturing industries rose from $15 a week to $51 a week. Wages and salaries rose from $28,000,000,000 in 1933 to $49,000,000,000 by 1940. They stood at more than $120,000,000,000 in 1947.

Yet when I say that we should enact a 75-cent minimum wage now; when I say that we can reach 64,000,000 jobs within the next 10 years; when I say that we can lift our standard of living by another 27 percent within that time—when I say these things, again we hear the same old refrain, "It can't be done."

I know that it can be done, and we of the forward-looking faith must dedicate ourselves to the proposition that it will be done.

What happened to business under the tender custody of a reactionary administration, which some of the elder statesmen of the stock exchange politely called conservative and prudent?

In 1932 thoughtful businessmen were wondering how long life could remain sacred or property safe when hungry men could not secure food for their families.

I know that a small minority of businessmen, who are profoundly mistaken, harbor the thought that a liberal-minded government is hostile to them.

What are the facts?

In 1933 corporations went into the red to the tune of $400,000,000 after taxes. By 1940 they were earning $6,500,000,000 after taxes. By 1947 they earned $17,000,000,000 after taxes.

Looking at the record, I should think businessmen would want more of that kind of hostility.

When I speak of increasing our national output by one-third over the next 10 years, every person in his right mind knows that this will be beneficial to business. Under our system of enterprise, an expanded economy always means more opportunity for individual initiative. I want business earnings to grow as our whole economy thrives and prospers. But we know from experience that profits based upon excessive prices and inflation are built upon sand. The structure will crumble if the foundation is not made firm.

In the interest of business as much as any other group, we must win the fight against inflation to avoid disaster. In the interest of business as much as any other group, we must make the next 10 years a period of extraordinary achievement.

The timid people say that this can't be done.

I say that it can be done, and we of the forward-looking faith must dedicate ourselves to the proposition that it will be done.

Under our American system, the political party is the device around which men and women rally to a cause in which they believe. Progressive liberals will rally to the Democratic Party, even though they do not happen to be members of the party, because they know that the Democratic Party is their best fighting force for the triumphant achievement of worthy goals.

The Democratic Party, throughout its history, has served as that rallying point because it has remained true to its faith, and because its programs run true to the aspirations of the American people.

The 10-year program that I have outlined for American prosperity is founded on our faith in the ability of the American people to plan their future boldly and to move forward steadfastly toward their goals.

If anyone chooses to call this politics, then it is the politics of Jefferson and Jackson, Wilson and Roosevelt—and it is good enough for me.

PRESIDENT'S REPORT ON ACTIVITIES OF UNITED NATIONS

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read by the Chief Clerk, and, with the accompanying report, referred to the Committee on Foreign Relations:

To the Congress of the United States:

I transmit herewith to the Congress, pursuant to the United Nations Participation Act of 1945 (sec. 4, Public Law 264, 79th Cong., 59 Stat. 620), my second annual report on the activities of the United Nations and the participation of the United States therein covering the calendar year 1947.

The problems of international relations arising this past year in the meetings of the United Nations were met neither by evasion nor by meaningless compromises. The decisions and recommendations on the large number of problems noted in this report are straightforward expressions of the judgment held by the overwhelming majority of the members on the right and effective course to follow. The small minority holding opposing views on certain important problems, however, have presented to the organization a new question of disturbing character through their nonparticipation in carrying out the recommendations with which these members have disagreed.

By its recommendations, the United Nations is acting to maintain the independence and integrity of Greece, to bring independence to Korea, and to place the question of Palestine on the way to settlement on the basis of two independent states, one Arab and one Jewish. The General Assembly has been equipped to bring its full weight to bear on the maintenance of good relations between states during this next year, through the new Interim Committee. As decided upon by the General Assembly, remedies will be sought, through consultation among the great powers and by study among all members, to improve the functioning of the voting provisions of the Charter and hence to strengthen the organization by increasing the effectiveness of the Security Council.

Every principal organ of the United Nations is at work, and most of the necessary committees, commissions, and subcommittees have been established. In its handling of fundamental international problems during the past year, the United Nations has felt the profound changes in world relationships and the difficulties which we still face in all aspects of international relations. Naturally, therefore, its work is not free from disappointments. This is especially true in regard to the establishment of international control of atomic energy for peaceful purposes, and to various political, economic, and other problems that directly or indirectly affect progress toward attaining international security. But, whatever the disappointments, the United Nations is making headway.

The United States will continue as heretofore to carry its full share of responsibility and of leadership in the United Nations. We hope this will encourage every Member, in the same spirit, to help the United Nations to achieve the purposes that gave it birth and to give its principles realistic effect in the problems that come before it. Our faith in the United Nations is ever-constant. We shall seek to demonstrate that faith both by energetic support and by the spirit of our participation.

The accompanying report describes the efforts made by this Government to contribute to constructive achievement in the United Nations during the past year through the policies stated by United States representatives and through important proposals initiated in the various organs. These efforts were directed above all to assuring that the principles of the United Nations would be given full effect. The aim of our policy in matters not falling within the United Nations, but rather within direct United States relations with other governments, was to uphold the same basic principles. These principles are fundamentally those to which we have traditionally given allegiance.

It continues to be the intention of the United States to foster throughout our relations with other nations the fulfillment of the Charter in its entirety. We realize that nothing less than fidelity to the principles and faithful effort to achieve the purposes of the Charter will meet the genuine needs of any nation, whether large or small. Accordingly, the strengthening of the United Nations continues to be a cornerstone of the foreign policy of the United States.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 20, 1948.*

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT OF THE EXCHANGE STABILIZATION FUND

A letter from the Secretary of the Treasury, transmitting, pursuant to law, the annual report of the Exchange Stabilization Fund, for the fiscal year ended June 30, 1947, including a summary of operations of the fund from its establishment to June 30, 1947 (with an accompanying report); to the Committee on Banking and Currency.

EXTENSION OF TITLE VI OF PUBLIC HEALTH SERVICE ACT TO VIRGIN ISLANDS

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to extend the provisions of Title VI of the Public Health Service Act to the Virgin Islands (with an accompanying paper); to the Committee on Labor and Public Welfare.

REPORT OF NATIONAL LABOR RELATIONS BOARD

A letter from the Chairman of the National Labor Relations Board, transmitting, pursuant to law, the twelfth annual report of that Board for the year ended June 30, 1947, together with lists containing the names, salaries, and duties of all employees and officers in the employ or under the supervision of the Board (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS

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

By the PRESIDENT pro tempore:

The amended petition of Ohio Bell, of Cook County, Ill., relating to alleged disabilities incurred while in the military service; to the Committee on Armed Services.

Petitions of the Coconut Grove Townsend Club, No. 2, and the South Miami Townsend Club, No. 1, both in the State of Florida, praying for the enactment of legislation providing for a uniform national pension system; to the Committee on Finance.

By Mr. IVES:

A concurrent resolution of the Legislature of the State of New York; to the Committee on Foreign Relations:

"Senate Concurrent Resolution 70

"Whereas the United Nations has decreed that Palestine shall be partitioned into separate Arab and Jewish states; and

"Whereas the Arab nations, in defiance of the decree of the United Nations, have refused to participate in negotiations preparatory or subsequent to the vote on the partition plan; and

"Whereas the Arab nations have persistently followed a course of terror and violence designed to nullify and prevent the implementation of the United Nations Palestine decision; and

"Whereas the Jews of the world, in a spirit of amity and compromise born of the suffering and persecution which they have endured through the ages, have gratefully accepted and agreed to be bound by the decision of the United Nations on Palestine although it does not carry out promises

made to them in the Balfour Declaration; and

"Whereas the public press carries daily accounts of unprovoked mass Arab raids and terroristic attacks against the Jewish people in Palestine and the toll of wounded and dead Jewish people continues to mount with unabating intensity; and

"Whereas the Arab attacks on the Jews threaten to disturb the peace of the world and the Jewish people should be permitted, assisted, and encouraged to arm and defend themselves against such attacks; and

"Whereas this Nation, through its embargo on arms and munitions destined for shipment to the Middle East, has prevented the Jews of Palestine from obtaining the weapons of defense sorely needed by them to resist and defend themselves against the attacks of the Arabs, while the Arabs continue to secure arms and munitions from neighboring Arab and other states; and

"Whereas the Honorable William O'Dwyer has openly announced his opposition to the arms embargo and has urged the Government of the United States to cancel the same and to permit the immediate shipment of weapons and munitions to the embattled Jews of Palestine; and

"Whereas the people of the State of New York are justifiably disturbed and alarmed over the plight of these defenseless Jews in Palestine and urgently implore the President and the State Department to cancel the arms embargo without further delay: Now, therefore, be it

"*Resolved* (*if the assembly concur*), That the President, the State Department, and the Congress of the United States be and they are hereby respectfully memorialized to take such steps as may be necessary to cancel the present embargo on the shipment of arms and munitions to the Jewish people of Palestine who are defending the decision of the United Nations and make possible the immediate shipment of arms and munitions for the defense of the Jewish people of Palestine against the unprovoked acts of aggression and warfare of the Arabs; and be it further

"*Resolved* (*if the assembly concur*), That copies of this resolution be immediately transmitted to the President of the United States, the Secretary of State of the United States, the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, and to each Member of Congress duly elected from the State of New York."

The PRESIDENT pro tempore laid before the Senate a concurrent resolution of the Legislature of the State of New York, identical with the foregoing, which was referred to the Committee on Foreign Relations.

PROHIBITION AGAINST LIQUOR ADVERTISING—PETITIONS

Mr. WILLIAMS. Mr. President, I ask unanimous consent to present for appropriate reference a petition transmitted to me by Mrs. Robert E. Lewis, of Dover, Del., containing the names of 369 citizens of Delaware urging the enactment of S. 265, a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of such advertising over the radio.

The PRESIDENT pro tempore. Without objection, the petition will be received and referred to the Committee on Interstate and Foreign Commerce.

Mr. WILLIAMS. Mr. President, I also ask unanimous consent to present for appropriate reference a petition transmitted to me by Mrs. Nora B. Powell, State legislative director of the Delaware Woman's Christian Temperance Union, containing the names of 415 citizens of Delaware urging the enactment of S. 265, a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of such advertising over the radio.

The PRESIDENT pro tempore. Without objection, the petition will be received and referred to the Committee on Interstate and Foreign Commerce.

USE OF PROFESSIONAL ENGINEERS IN ADMINISTRATION OF MARSHALL EUROPEAN RECOVERY PROGRAM

Mr. FLANDERS. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a petition embodying a resolution of the National Society of Professional Engineers, with reference to the use of professional engineers in the administration of the Marshall European recovery program.

There being no objection, the petition was received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

A PETITION TO THE CONGRESS OF THE UNITED STATES OF AMERICA BY THE NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

We, the members of the National Society of Professional Engineers, which is composed of 17,000 registered professional engineers and organized through local chapters and State societies, do hereby respectfully petition our duly chosen representatives to give consideration to the views of our organization with regard to the administration of the European recovery program, as hereinafter set forth.

We earnestly urge that the European recovery program will not accomplish its avowed purpose of rebuilding the economy and productive capacity of the free nations of Europe unless it is administered with the aid and assistance of those persons who are qualified by training and experience to apply the technical principles which have raised the productive capacity of our Nation to the highest point in the history of the world.

We respectfully urge that one of the primary responsibilities of the administering body will be to utilize the resources of our Nation for this purpose in order that the production, distribution, and communications of the European nations which receive our aid shall be raised to the point where such nations may become self-sustaining in their economy. We believe that this integrated program of technical assistance may not be fully effective if it is not guided by those who have demonstrated similar achievements in our Nation. We therefore urge that in the administration of the European recovery program there be provided the advice and services of registered professional engineers to assure the full and effective use of our technical assistance, and we call to the attention of the Congress a resolution to this effect as adopted by the board of directors of the National Society of Professional Engineers in convention assembled on December 5, 1947, at Buffalo, N. Y.:

"Resolution 17–47

"Whereas the United States Congress will consider proposals for the relief and rehabilitation of European countries which are suffering from hunger and economic disorder as the aftermath of World War II; and

"Whereas relief and rehabilitation legislation will be ineffective unless it is designed to restore such countries to a self-sufficient and stable economic position; and

"Whereas such a self-sufficient and stable economic position cannot be established without the rebuilding and construction of many plants and facilities; and

"Whereas adequate planning, rebuilding, and construction work can only be done properly under the supervision of a professional engineer or engineers: Therefore be it

"*Resolved*, That the National Society of Professional Engineers shall petition Congress to provide that professional engineers be placed on any boards (or other agencies) designated to administer such relief and rehabilitation legislation as may be enacted."

Respectfully submitted.

NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS,
By PAUL H. ROBBINS,
Executive Director.

FREE MAIL FOR VETERANS IN HOSPITALS

Mr. LODGE. Mr. President, on behalf of my colleague the senior Senator from Massachusetts [Mr. SALTONSTALL] and myself, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Board of Aldermen of the City of Chelsea, Mass., relating to free mail for veterans in hospitals.

There being no objection, the resolution was received, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

FREE MAIL FOR VETERANS IN HOSPITALS

Resolved, That the Board of Aldermen of the City of Chelsea, Mass., are in favor and request the Postmaster General to furnish, without charge, facilities for canceling stamps on first-class mail sent by veterans or members of armed forces in hospitals or other institutions, subject, however, to any necessary rules that he may promulgate.

Resolved, That a copy of this resolution be sent to the President of the United States, Temporary President of the Senate VANDENBERG, Speaker of the National House of Representatives MARTIN, Senators SALTONSTALL and LODGE, JR., and Congressman LANE.

DAVID NEWMAN.

In board of aldermen, February 9, 1948, adopted.

Approved February 11, 1948.

THOMAS A. KEATING, *Mayor.*

A true copy.

Attest:

JOSEPH A. TYRRELL, *City Clerk.*

CHARTER FOR JEWISH WAR VETERANS

Mr. LODGE. Mr. President, on behalf of my colleague the senior Senator from Massachusetts [Mr. SALTONSTALL] and myself, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Board of Aldermen of the City of Chelsea, Mass., relating to a national charter for Jewish War Veterans.

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

Whereas there is legislation now pending in the National Congress to grant a national charter to the Jewish War Veterans; and

Whereas this organization has been in existence since World War I; and

Whereas the patriotic work and endeavors carried on by the Jewish War Veterans have received commendation from the people of the United States: Now therefore

Resolved, That the Board of Aldermen of Chelsea, Mass., endorses the passage of this bill and asks the National Government to grant the Jewish War Veterans this charter, with the same powers granted to the other great veterans' organizations.

Resolved, That a copy of this resolution be sent to the President of the United States, Temporary President of the Senate VANDENBERG, Speaker of the National House of Representatives MARTIN, United States Senators SALTONSTALL and LODGE, JR., and Congressman LANE.

Joseph B. Greenfield, President; Harry Coltun; Joseph E. Thornton; Robert H. Brown; George Gallant; Joseph Margolis; David Newman; Andrew P. Murphy; Daniel E. Carroll.

In board of aldermen, February 9, 1948, adopted.

Approved February 11, 1948.

THOMAS A. KEATING, *Mayor*.

A true copy.

Attest:

JOSEPH A. TYRRELL, *City Clerk*.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. CAPPER, from the Committee on Agriculture and Forestry:

S. 2142. A bill to make the Government-owned alcohol plant at Muscatine, Iowa, available for processing agricultural commodities in the furtherance of authorized programs of the Department of Agriculture, and for other purposes; with amendments (Rept. No. 898); and

H. R. 1809. A bill to facilitate the use and occupancy of national-forest lands, and for other purposes; without amendment (Rept. No. 899).

ALLOCATION AND INVENTORY CONTROL OF GRAIN FOR DISTILLING PURPOSES

Mr. FLANDERS. Mr. President, from the Committee on Banking and Currency, I ask unanimous consent to report an original joint resolution to authorize the allocation and inventory control of grain for production of ethyl alcohol, and I submit a report (No. 900) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received, and the joint resolution will be placed on the calendar.

The joint resolution (S. J. Res. 186) to authorize allocation and inventory control of grain for the production of ethyl alcohol, to conserve grain in aid of the national defense, and in furtherance of stabilization of the national economy, reported by Mr. FLANDERS, was received, read twice by its title, and ordered to be placed on the calendar.

INVESTIGATION OF NATIONAL DEFENSE PROGRAM—RENEGOTIATION (PT. 2 OF REPT. NO. 440)

Mr. BREWSTER. Mr. President, from the Special Committee To Investigate the National Defense Program, I ask unanimous consent to submit a report on its investigation on renegotiation, and how it worked. Copies of the report have been prepared, and a copy is on the desk of every Senator.

Before sending the report to the desk I desire to make a brief statement concerning the committee's investigation. It will be recalled that renegotiation of war contracts was an emergency procedure, adopted in the early days of the war to prevent or at least curtail war profiteering. Our experience during the war has proved that in spite of efforts to control profiteering many millionaires were made solely because of the great volume of business resulting from the war needs. The thought of profiteering during the war at a time when others are called upon to give their lives for their country is repugnant to the American people. At the same time experience indicated that efficient, prompt, greatly expanded production could not be achieved from patriotism alone, and that business must be left with a reasonable profit incentive. It was felt that the setting of a definite percentage of profit on war work was not satisfactory, as the percentage would be too generous in some cases and unjust in others. The renegotiation of war contracts, therefore, was based on the theory that each contractor would be allowed to retain only profits that could be considered reasonable in view of all the circumstances in each case.

This committee in its first annual report, January 15, 1942, recommended that war contracts be reviewed to prevent excessive profits. Subsequently, in April of 1942, the first renegotiation law was passed. In substance this law provided that certain war contractors who had more than $100,000 worth of annual war business should be renegotiated. The act provided that the renegotiation officials consider all the factors involved, and if they felt that in that year the contractor had made excessive profits from his war business, to that extent it could be recovered by the Government.

Following objections to the lack of uniformity in the administration of the 1942 act and to the lack of standards to be considered in determining the reasonableness of profits, the Congress rewrote the Renegotiation Act by enacting the Renegotiation Act of 1943. This act created the War Contracts Price Adjustment Board, made up of a representative of each of the governmental agencies specified in the act. This act eliminated all contractors whose gross annual wartime business was less than $500,000. I may say that our committee recommended that change, although we have since decided it was not wise. The act expressly set forth seven factors which the price adjustment boards were required to consider in determining whether or not a contractor had realized excessive profits.

From time to time during the war, this committee held hearings on the subject of renegotiation and made reports as to its findings. In 1947 during the last stages of the administration of this act, this committee made a further study on renegotiation and held public hearings to determine what had been accomplished in the way of eliminating war profiteering.

The committee felt that the persons responsible for the administration of the Renegotiation Act could make constructive recommendations for the improvement of the laws as a result of their wartime experience. For this reason the recent hearings on renegotiation were held.

The committee feels that considering the magnitude and importance of the job, the unique nature of the Renegotiation Act, and the problems involved in obtaining adequate personnel, the administrators of the Renegotiation Act on the whole performed a difficult task ably and efficiently. Many of the top officials in the administration of the Renegotiation Act left important civilian jobs at a personal sacrifice and plunged into the turmoil of administering an entirely new law. The success of the Renegotiation Act, because of its flexibility, was due in a great measure to the ability of the men who carried out its administration.

Mr. President, I, personally, and I am sure the committee, feel that the Renegotiation Act was a contribution in taking the unreasonable profits out of war. As I pointed out in the report which I am about to submit the price adjustment boards renegotiated more than $190,000,000,000 of war business. In the final analysis after taking into consideration the amount of profits which would have been recovered through excess-profits taxes we find that the renegotiation of war contracts resulted in a saving to the Government of between three and four billion dollars. Notwithstanding this fine record, we now find as a result of our wartime experience in the handling of renegotiation, that there were some deficiencies in the Renegotiation Act and its administration. The committee has pointed out these deficiencies in the conclusions and recommendations of the report which I am about to submit to the Senate.

There are certain facts which were developed during the course of these hearings which I feel, Mr. President, it is desirable to emphasize today. One of the recommendations of the committee is that a renegotiation system should be prepared now and should be incorporated in a general industrial mobilization plan, ready to be put into operation at once in the event of an emergency. A thorough examination should be made by some congressional committee looking to the future and an act should be drafted in order to have on the statute books a well-thought-out plan to eliminate excessive profits for war. If such an act is placed on the statute books now it can be placed in immediate effect in the event of some future national emergency and thus save time and energy necessary to study and enact such legislation at a time when we are already in war. Furthermore, the agencies of Government which are now responsible for the planning of industrial mobilization in time of emergency can work out now skeleton organizations which can be available immediately for the administration of the renegotiation act when needed. Furthermore, the public should know before we get in a war that the Congress had made every possible provision, foresightedly, to prevent war profiteering. The public is entitled to know and to have assurance that the Congress is doing everything in its power to equalize the hardships of war or at least to prevent some unscrupulous persons from unduly profiting while others die.

I also wish to emphasize some of the other recommendations which the committee has made in its report. The committee recommended that all contractors with an annual war business exceeding $100,000 be subject to renegotiation rather than only those having gross annual war business in excess of $500,000, as was provided in the Renegotiation Act of 1943. It appears that the limitation for renegotiation was raised from $100,000 to $500,000 because at the time

it was felt that the handling of the numerous contracts under $500,000 would be an impossible administrative burden for renegotiation officials. We now find that the administration of these small contracts would not have been an unnecessarily burdensome thing to handle and would have resulted in the recapture of a substantial amount of excessive profits which were made by small firms.

I may say in that connection that some small concerns stopped at $490,000 rather than go into renegotiation, when they could have rendered a service by going beyond. There was a tendency to break up contracts among many corporations. While they undertook to show that they were under common control and that the total business was under control, it was still very difficult to apply the rule in practice.

I also address my remarks to the recommendation of the committee wherein it is suggested that all mandatory and permissive exemptions be eliminated. Without dwelling on this particular recommendation at any length, I merely refer to two of the mandatory exemptions which are specified in the 1943 act, namely, first, exemption of contracts for the products of mines, wells, or timber, prior to processing, and, second, the exemption of contracts with organizations exempt from taxation under section 101 (6) of the Internal Revenue Code.

I may say in that connection, Mr. President, that the internal revenue law provides that due account can be taken of the matter of depletion, and that seems to be adequate in renegotiation as well.

Mr. President, I will dwell for a moment on the exemption of contracts for the production of coal, oil, timber, and similar items. It is my understanding that these exemptions were specified in the 1943 act on the theory that the production of such items depleted the capital of the contractor involved. With that statement, I agree. The production of oil, coal, timber, and the like does deplete the capital of the producer. However, I do not believe that merely because a contractor is engaged in production of this type that he should be allowed to make unreasonable war profits. It is apparent to all of us that many large producers of minerals, lumber, and other items exempt under the Renegotiation Act of 1943 did, in fact, make large and excessive profits during the war. This was particularly true with many of the large oil companies. I wish to reiterate that I believe that the profits from this type of production should be subject to renegotiation, but I do feel—and I wish particularly to emphasize this point—that in renegotiating the contracts of these producers consideration should be given to the fact that they are depleting their capital resources. In other words, the fact that there is a depletion of capital should be considered in determining whether profits are excessive rather than entirely exempting that type of contractor. In this way I am sure that no injustice will result, either to the contractor or to the public.

As I stated above, another class of contractor which was exempt from renegotiation included those organizations exempt from taxation under section 101 (6) of the Internal Revenue Code. This section of the code exempts religious, charitable, educational, scientific, and similar types of organizations from taxation. Our committee has learned that certain corporations and organizations of this type, which are often referred to as foundations, were engaged in the production of war material, but, under existing law, were not subject to renegotiation. The committee is of the opinion that no organization should be allowed to make excessive profits as a result of war work, regardless of the purpose of the organization.

I might summarize my opinion of mandatory exemptions from renegotiation by pointing out that it is my sincere belief that every effort should be made to take unreasonable and excessive profits out of war. No business, large or small, and no organization, regardless of its purpose or the material it produces, should be allowed to engage in the handling of war contracts without being subject to renegotiation.

It appeared toward the end of the war that many so-called charitable organizations were being formed to engage in war work, and it is possible that there may have been serious abuses, or that in the future in a similar emergency very serious abuses could result.

The committee found that in many cases profit was considered largely in relation to total sales rather than to the net worth of a company. The committee found that in several cases more than 400 percent of profit per annum had been realized by a company when related to the net worth of the company. That seems to be a situation which should receive very careful consideration.

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

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

Mr. TOBEY. Is the Senator referring to the May-Garsson Corp., which ran its capital up to approximately $60,000,000?

Mr. BREWSTER. No. I was not referring to that corporation.

Mr. TOBEY. The magnitude of the figures in that wretched aggregation is astonishing. The name of such aggregations of capital is legion.

Mr. BREWSTER. When we consider the total volume of the 10-percent profit on the total volume of sales, under war conditions, the net worth of a company might become fantastic. Some of the persons who operated the company were recognized in the form of high salaries, and the fact of personal service itself could enter into it; but where we find the figures multiplied by 700 percent in cases such as this——

Mr. TOBEY. The tragic part is that we have lost the sense of righteous indignation in this country, and no one, outside of a few of us, becomes aroused. Huge salaries have been augmented by bonuses. That was the kind of "gravy" that was received.

Mr. BREWSTER. If it were possible—and this, I think, applies to what the Senator from New Hampshire was inquiring about—if it were possible, all persons should have the same relative financial position at the end of a war as they had at its beginning. Obviously, this is impossible, and no plan seeking to achieve such even justice is feasible. However, we should be conscious that the closer we approach this goal the better we have done our jobs.

The testimony before the committee indicated that under their interpretation of the statute the renegotiation officials gave insufficient weight to the factor of net worth in considering what was a reasonable profit. It appeared that greater emphasis was given to the total volume of sales. The result was that many persons who started the war with very small capital investment were permitted to retain large profits.

The committee realizes that the renegotiation law must be flexible to be workable. However, the committee desires to point out most emphatically that every safeguard must be maintained during a war to prevent persons becoming extremely wealthy as a result of the war. It should be pointed out that employees properly can be paid large salaries when the company is doing a large volume of business. However, when the volume of sales is large solely because of war business, there seems to be no good reason for permitting the stockholders or the owners to realize an unreasonably large return on their investment. Therefore, the committee feels that any future renegotiation law should emphasize this factor and it should constantly be kept in mind by those who administer such law.

The suggestion that persons will not employ their capital in the business of war production unless they earn 400 or 500 percent each year on the investment would seem to be a rather severe reflection on the American people in the event of any future crisis such as the one we have experienced.

I now send the report to the desk, and request that it be printed, and be printed in the RECORD.

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

INVESTIGATION OF THE NATIONAL DEFENSE PROGRAM—RENEGOTIATION

INTRODUCTION

Renegotiation of war contracts was an emergency procedure adopted in the early days of the last war to prevent war profiteering. Recent wars have produced millionaires in spite of efforts taken to control profiteering. In the First World War the use of cost-plus-a-percentage-of-cost contracts and the enactment of excessive-profits taxes did not prevent some contractors from accumulating millions of dollars in profits. The thought of profiteering during a war, at a time when others are called upon to give their lives for their country, is repugnant to the American people. At the same time experience indicated that efficient, prompt, greatly expanded production could not be achieved through patriotism alone and that business must be left with a reasonable profit incentive. However, the setting of a definite percentage of profit on war work was not satisfactory as the percentage would be too generous in some cases and insufficient in others. The renegotiation of war contracts was therefore based on the theory that each contractor would be allowed to retain only profits that could be considered reasonable in view of all the circumstances in each case.

This committee in its first annual report, January 15, 1942, recommended that war contracts be reviewed to prevent excessive profits. At that time the committee stated:

"The committee believes that reimbursement and Government-protection problems should be treated on a broader basis than their mere connection with tax matters. The committee therefore recommends that section 124 (i) of the Internal Revenue Code be repealed, but that some form of substantial contract review be substituted, so that defense contractors will be prevented from taking advantage of the Government. Since such a substitute provision would not be restricted to tax matters, it should not be included as a part of the Internal Revenue Code.

"Such contract review should be geared to the contract clearance processes of the Division of Purchases, Office of Production Management. The committee's findings in relation to reimbursement and Government-protection problems indicate the wisdom of such contract review. Such review should also protect the Government as to matters of price, delivery dates, and other contract terms, whether or not the particular contract is one held by a taxpayer who wishes to take advantage of the 60-month amortization benefits. Since the Government will be the purchaser of over one-half of the Nation's output in 1942, it is particularly important that prices on Government contracts should be maintained at a reasonable level so as to avoid aggravating the already obvious tendency toward price inflation. Contract review will not delay the performance of contracts, since it can be carried on concurrently with such performance, and the possibility of review will afford a powerful incentive to the contractor to make as good a production record as possible."

On April 28, 1942, the first renegotiation law was passed. However, the committee continued its interest in the subject and reported to the Senate on the administration of the act and recommended amendments it considered desirable. In 1947, during the last stages of administration of this act, the committee made a further study of renegotiation and held public hearings to determine what had been accomplished in the way of eliminating war profiteering.

The purpose of this report is to point out some of the results of renegotiation as well as to point out weaknesses in the act and its administration.

HISTORY OF RENEGOTIATION

The need for some method of recovering or preventing excess profits on war contracts was apparent to all engaged in Government procurement work during the early days of the war. Even though a substantial amount of defense contracts had been awarded during 1940 and 1941 these contracts were minor compared with the procurement that was necessitated by our entry into World War II. Manufacturers were asked to produce articles with which they were completely unfamiliar. Many war products had never been produced before. They were asked to produce military and normal commercial items in unheard of quantities. New production facilities had to be constructed and equipped. At the same time business was faced with uncertainties on every hand. Material shortages became more and more severe; material usually plentiful became scarce; trained manpower rapidly became unavailable and new recruits had to be trained in work frequently foreign to the manufacturer's accustomed work; and Government regulation of material and manpower under intricate priority and allocation systems placed additional procedural and accounting burdens on business.

Under these circumstances it was impossible for contractors and Government procurement officers to make any accurate cost estimates as the basis for contracts. A tendency developed to fix prices at a level which would compensate the contractor for all business contingencies and assure him some measure of profit. Consequently if the worst fears of a contractor failed to materialize, or he succeeded in manufacturing an article in a different and more efficient manner, his profits might become tremendous. Many contractors who went through this period and realized extremely large profits had neither the desire nor intention of retaining more than they thought reasonable for the work they had performed. These contractors voluntarily refunded to the Government a portion of their profits.

In order to eliminate excessive profits from war business, Congress, on April 28, 1942, enacted section 403 of the Sixth Supplemental National Defense Appropriation Act of 1942. This was called the Renegotiation Act. In general, it provided a procedure for the renegotiation of war contracts and the elimination of excessive profits from war business. The act was applicable to profits made in fiscal years ending prior to June 30, 1943, on contracts awarded by the War Department, Navy Department, Treasury Department, Maritime Commission, War Shipping Administration, and the Reconstruction Finance Corporation and its subsidiaries. Any company receiving $100,000 or more under contracts with these agencies was brought within the terms of the act. Each agency set up its own Price Adjustment Board to administer the act. As each Board was independent there was a lack of uniformity in the administration of the act.

Following objections to the lack of uniformity in the administration of the 1942 act and to the lack of standards to be considered in determining the reasonableness of profits, the Congress rewrote the Renegotiation Act by enacting, on February 25, 1944, the Renegotiation Act of 1943 applicable to fiscal years ending subsequent to June 30, 1943. The 1943 law differed from the 1942 law in four principal ways:

1. A War Contracts Price Adjustment Board was created. Its membership included a representative from each of the named governmental agencies. This Board was to formulate renegotiation policies and to be responsible for administration of the act.

2. The act provided that contested renegotiation determinations could be appealed to the Tax Court of the United States.

3. The act eliminated from renegotiation all contractors whose gross annual wartime business was less than $500,000.

4. The act expressly set forth seven factors which the price adjustment boards were required to consider in determining whether a contractor had realized excessive profits.

In addition, the 1943 act made it mandatory for a contractor subject to the terms of the act to file a report on his wartime business rather than leaving it up to the boards to locate contractors subject to renegotiation. It also exempted from renegotiation contracts for certain types of articles and permitted the exemption of certain other contracts. By subsequent amendments the 1943 act was extended until December 31, 1945.

ADMINISTRATION OF RENEGOTIATION

The committee feels that considering the magnitude and importance of the job, the unique nature of the Renegotiation Act, and the problems involved in obtaining proper and adequate personnel, the administrators of the Renegotiation Act on the whole performed a difficult task ably and efficiently. Many of the top officials in the administration of the Renegotiation Act left important positions in private life or put aside the peacefulness of life in retirement after successfull business or professional careers and plunged into the turmoil of administering a law, felt by many to be not only unconstitutional but repugnant to the American system of private enterprise. The success of the Renegotiation Act, because of its flexibility, was due in a great measure to the ability which these men brought to their jobs and the confidence they generated in the individuals with whom they dealt.

Accomplishments

Mr. John R. Paull, Chairman of the War Contracts Price Adjustment Board during 1947, testified before the committee that based on the latest figures then available, the price adjustment boards had renegotiated more than $190,000,000,000 of war business and recovered excessive profits of over $10,000,000,000.[1] As excess-profits taxes would have recovered about $7,000,000,000 of this amount, the actual recovery directly attributable to renegotiation was between three and four billion dollars. The cost of making this recovery was about $37,000,000, or slightly over 1 percent of the net amount recovered.

In addition to the cash recoveries other less determinable but even more beneficial results were brought about by renegotiation. For example, during the renegotiation period contract price reductions in the amount of $4,500,000,000 were brought about partly by information derived from renegotiation and partly by the independent action of contracting officials. Further savings were realized by permitting contractors to waive termination settlements, thereby eliminating the contract-settlement procedure. The War Department has informed the committee that renegotiation also contributed to resisting the inflationary trend for services and supplies in the wartime market and had a tendency to control the pricing policies of contractors when bids were submitted. Greater efficiency in production was stimulated by the fact that during renegotiation larger profits would be allowed a contractor for close pricing, low costs, and efficient operation.

The committee found that most accountants who had been active on renegotiation work felt that the Renegotiation Act had been administered fairly and had accomplished its purpose. However, some accountants felt that price adjustment boards were not generous enough with the low-cost, efficient wartime producers.

The testimony disclosed that the price-adjustment boards had been assigned 118,131 cases for renegotiation. The majority of these, 85,611, were cleared or canceled, that is, a determination was made that there were no excessive profits in these cases. Refunds were requested in 31,091 cases. Renegotiation of the remaining 1,429 assignments has not been completed. Under the act, price-adjustment boards were empowered to enter into bilateral agreements with contractors stating that both parties agreed that the contractor had received excessive profits in a stated amount and agreed to refund that amount. The price-adjustment boards also were authorized to make unilateral determinations. These were resorted to only when a contractor would not agree to the existence, or the amount of excessive profits. Mr. Paull reported that of the 31,091 cases involving refunds, only 1,696 were the result of unilateral determinations.

Business in general was satisfied with the manner in which this law was administered. Most complaints from businessmen were found to be unfounded because in nearly every case their complaint was not that they were not allowed a reasonable profit but that their business had been left with a smaller percentage of profit than some similar business. The information on which these complaints were based was nearly always inaccurate. The small number of cases that were appealed to the Tax Court is further evidence

[1] See appendix.

that few companies thought the Price Adjustment Board's decisions were improper. If anything, this would tend to indicate that the price-adjustment boards were liberal toward the contractors. In a few cases the Tax Court, which does not review the Price Adjustment Board's findings but initiates a de novo proceeding, has demanded a larger refund from a company than the Price Adjustment Board had assessed.

Procedure

The War Contracts Price Adjustment Board has referred to the Department of Justice only 83 cases of suspected fraud. These cases are not yet disposed of but at least one-third were dropped for insufficient evidence to support prosecution. The renegotiation procedure was not designed to detect any but the most flagrant types of fraud by war contractors. Independent Government audits were not made to ascertain the accuracy of information supplied the boards. The procedure adopted required a contractor, subject to the act, to supply certain information itemized on a standard form. This information was accompanied by a copy of the contractor's income-tax return and an audit report prepared by an independent accounting firm. However, in a few cases, if contractor employed no special independent accounting firm, then properly documented audits by its own organization were accepted in renegotiation. The information furnished was then analyzed by the Board's staff of accountants and auditors. The boards relied heavily on a reconciliation of this data with the tax return. Cost figures were frequently compared by the Board's accountants with cost figures of competitive firms of like size and nature. Supplementary data was obtained when it was considered necessary. Conferences were then held with the contractor and finally a determination made as to the existence and amount of excessive profits.

The administrators of renegotiation stated that Government audits of each renegotiation would have imposed an impossible burden on the boards and as a practical matter would have been impossible because of the scarcity of qualified accountants. They also considered such audits unnecessary in view of their analysis of the data submitted by the company and also because the act provided that any renegotiation settlement obtained through fraud, malfeasance or willful misrepresentation of a material fact could be reopened. By making renegotiation settlements final except for fraud, contractors were assured of finality of renegotiation settlements. A subsequent internal revenue audit disclosing the existence of fraud could reopen the renegotiation of a company. However, such audits are frequently delayed several years and the committee knows of no existing procedure for the handling of any such case in the event one is discovered after the departmental price adjustment boards conclude their work, probably late in 1948. The present act provides no satisfactory method of disclosing excessive profits resulting from erroneous accounting methods or calculations. If a future renegotiation law is necessary, serious consideration should be given to the desirability of authorizing the General Accounting Office or the Bureau of Internal Revenue to audit, after the national emergency is over, any renegotiation decision they might desire to attempt to discover fraud. Furthermore, consideration should be given to the feasibility of renegotiation agents making current spot audits of sizable companies undergoing renegotiation as a police measure to discourage attempts to defraud.

Factors affecting profits

The 1943 Renegotiation Act set forth the following seven factors to be considered by price-adjustment boards in determining excessive profits:

1. Efficiency of contractor, with particular regard to attainment of quantity and quality production, reduction of costs and economy in the use of materials, facilities, and manpower.

2. Reasonableness of costs and profits, with particular regard to volume of production, normal prewar earnings, and comparison of war and peacetime products.

3. Amount and source of public and private capital employed and net worth.

4. Extent of risk assumed, including the risk incident to reasonable pricing policies.

5. Nature and extent of contribution to the war effort, including inventive and developmental contribution and cooperation with the Government and other contractors in supplying technical assistance.

6. Character of business, including complexity of manufacturing technique, character and extent of subcontracting, and rate of turn-over.

7. Such other factors the consideration of which the public interest and fair and equitable dealing may require, which factors shall be published in the regulations of the Board from time to time as adopted.

The act did not indicate which one, if any, of these factors should be given preference over the others, and it would appear as a practical matter that the determination of excessive profits was left largely to the discretion of the administrators of the act. The term "excessive profits" is vague and the definition in the act was not precise. Excessive profits was described as that portion of the profits determined to be excessive. As a result of this situation, the operation of the boards necessarily was very flexible. Profits before the impact of Federal income taxes were computed by the price-adjustment boards in dollars which for the convenience of contractors were stated as a percentage of gross adjusted sales rather than as a rate of return on a concern's net worth devoted to war business.

The committee discovered when profit was related to net worth rather than gross sales that the percentage of profit frequently appeared entirely unreasonable. There are cases where such profit was in excess of 400 percent.

The testimony before the committee indicated that under their interpretation of the statute the renegotiation officials gave insufficient weight to the factor of net worth in considering what was a reasonable profit. It appeared that greater emphasis was given to the total volume of sales. The result was that many persons who started the war with very small capital investment were permitted to retain large profits.

The committee realizes that the renegotiation law must be flexible to be workable. However, the committee desires to point out most emphatically that every safeguard must be maintained during a war to prevent persons becoming extremely wealthy as a result of the war. It should be pointed out that employees properly can be paid large salaries when the company is doing a large volume of business. However, when the volume of sales is large solely because of war business, there seems to be no good reason for permitting the stockholders or the owners to realize an unreasonably large return on their investment. Therefore, the committee feels that any future renegotiation law should emphasize this factor and it should constantly be kept in mind by those who administer such law.

The boards seem to have attempted to draw distinctions between different companies, allow manufacturers more profit than assemblers or brokers, reward unusual efficiency, and to treat all contractors equitably.

However, other things being equal, the boards have maintained a certain uniformity in the percentage of profit allowed contractors of similar articles.

The average profits allowed contractors from whom recoveries were obtained was approximately 10 percent. For example, in 1943 and 1944, the average profit was 10.7 percent, and in 1945 it was 10.4 percent. This is an average figure made up of a great many individual cases where profits ranged from a very small percent of gross sales to a relatively substantial percent of such sales. It is interesting that the average remained so constant.

WEAKNESSES OF RENEGOTIATION

The members of the War Contracts Price Adjustment Board were unanimous in recommending that certain phases of the Renegotiation Act and its administration could be improved by—

1. Making renegotiation effective upon the declaration of the existence of a state of emergency.

2. Bringing under renegotiation the contracts of all Government agencies that have a defense or war-end use.

3. Making renegotiation apply to all contractors receiving contracts amounting to over $100,000 annually rather than $500,000.

4. Eliminating most of the mandatory exemptions and all of the discretionary exemptions from renegotiation authorized under the 1943 act.

5. Giving the price adjustment boards discretion to renegotiate affiliated companies on a consolidated basis when they considered this desirable.

The Navy Department recommended in addition that the Tax Court review permitted by the 1943 act should not be a de novo proceeding but should be limited to the customary review of administrative decisions, i. e., only to determine whether or not the action of the Price Adjustment Board had been arbitrary or unreasonable.

The Procurement Branch of the War Department advised the committee that it thought the War Contracts Price Adjustment Board should operate as an independent agency rather than as it did through the various Government departments, but that it should maintain very close liaison and exchange of information with the various departments. In addition, this branch agreed with the recommendation of the price adjustment boards that all earnings of $100,000 and over be subject to renegotiation; and that a renegotiation act be on the statute books during peacetime to become effective in case of an emergency. This branch, however, felt that the right to authorize permissive exemptions from renegotiation should be left in the hands of procurement.

All concerned thought that if a renegotiation law was in existence so that business could be familiar with its provisions, or if it at least was made effective when an emergency was declared, the Government would benefit by the tendency to hold down profits and there would be a real incentive for fast, efficient production.

The mandatory exemptions from renegotiation specified in the 1943 act were briefly:

1. Contracts between a department and any other department, State, or foreign agency.

2. Contracts for the product of a mine, well, or timber prior to processing.

3. Contracts for agricultural commodities.

4. Contracts with organizations exempt from taxation under section 101 (6) of the Internal Revenue Code.

5. Construction contracts awarded after competitive bidding.

6. Any subcontracts under the types of contracts listed above.

The administrators of renegotiation testified that they thought very large profits were made by some concerns whose business in whole or in part was exempted from renegotiation under some of these provisions of the act. No proof for this statement was offered because they had no access to the records of companies except to the extent of their nonexempt Government business.

The only one of these exemptions they considered necessary or desirable was the first, relating to contracts between departments or with states or foreign governments. The other exemptions placed contractors who qualified under them in a completely unjustified favorable position, they contended. The second exemption, authorized because the products covered are depletive types of capital assets for which owners may well be entitled to larger profits, could be brought under the act and the renegotiators directed to give proper consideration to this factor just as the income-tax laws do. They thought profits of tax-free organizations should be treated the same as other contractors' profits and stated that toward the end of the war there was a noticeable tendency for contractors to convert their operation into a tax-free organization and claim this exemption. Competitive bidding in wartime when true competitive conditions cannot exist should not be the basis for an exemption. Subcontracts under contracts exempted by these provisions are also exempt and with no more justification; particularly in the case of the exemption of tax-free organizations as their subcontractors are not necessarily also tax-free organizations.

In view of the universal feeling among renegotiation officials that the mandatory exemptions permitted the accumulation of unreasonable profits, serious consideration should be given to the elimination of such mandatory provisions in the event that a renegotiation law is considered in the future.

The act of 1943 also authorized the War Contracts Price Adjustment Board, in its discretion, to exempt from renegotiation contracts or subcontracts:

1. For work to be performed outside the United States or Alaska.

2. Under which profits can be determined with reasonable certainty such as certain contracts for personal services, real property, perishable goods, leases, when prices are fixed by a regulatory body, and when performance will be completed within 30 days.

3. Where provisions are considered adequate to prevent excessive profits.

4. For standard commercial articles if competitive conditions are adequate to protect against excessive profits.

5. When competitive conditions are likely to result in effective competition.

6. Either individually or by classes when it is not administratively feasible to determine and segregate profits made under them from profits realized on nonrenegotiable business.

The War Contracts Price Adjustment Board under other provisions of the act, delegated the discretion to exempt such contracts from renegotiation to the heads of the various departments covered by the act. In the case of the War Department, this authority was redelegated to the heads of the several technical branches.

The administrators of the act were unanimous in recommending that discretionary exemptions be eliminated from any future renegotiation law even though relatively few such exemptions were authorized by the departments. The exact number of contracts exempted from renegotiation in this manner is, however, unknown because the purchasing services were not required to, and did not, keep a record of them.

Some procurement officials think that it is desirable to exempt occasional contracts from renegotiation when production costs are readily determinable. This contention, however, overlooks the possibility that a contractor may increase his profits by unforeseeable economies, resorting to a new method of production, or reducing subcontractor's prices. Undoubtedly, the greatest possibility of a contractor increasing his profits manyfold were ascribed to the tremendous ballooning of his war business. Some contractors ballooned their sales over a thousand times without greatly increasing their own plant investment or their own working capital—principally through advances and loans from Government agencies. Again there are no available statistics on whether or not exempted contracts resulted in permitting contractors to retain unreasonable profits. The committee, however, knows of one contractor who was awarded contracts exempted from renegotiation and who was so successful in improving the efficiency of his operation that he voluntarily refunded over $18,000,000 which he considered excessive profits.

Renegotiation officials object to both mandatory and discretionary exemptions because they think they are unjustified and demoralizing to other contractors and because they make renegotiation more difficult. Whenever a war contractor has exempt business the renegotiators have the problem of segregating that business from the renegotiable business and allocating general expenses and overload between the two. Administratively it is much easier for the renegotiators if all war business of a contractor is subject to renegotiation.

The committee recommends that all Government contracts for articles with a defense or war-end use be brought under renegotiation regardless of the contracting agency. The end use of the product, not the accident of who happens to make the purchase should be the determining factor. For example, contracts made by the Department of Agriculture for processed foods for lend-lease and the Quartermaster Corps were not under the act. Some but not all of these contracts carried provisions requiring renegotiation. An issue has been raised in the Tax Court requiring a decision as to whether wartime construction and supply contracts awarded by the Panama Canal, are subject to the act. It is contended that the Panama Canal is a separate Government agency, and was not included in the agencies covered by the act. Some Panama Canal construction contracts were extremely profitable and some contractors also qualified under section 251 of the Internal Revenue Code and were exempt from taxation. Consideration should be given to legislation making all wartime Government contracts subject to renegotiation to prevent excessive profiteering.

The administrators of the act also urge that the base for renegotiation be reduced from $500,000 to $100,000. The original act in 1942 applied to all annual business in excess of $100,000 but this was raised in the 1943 act to $500,000 at the request of the price-adjustment boards. At that time very slow progress had been made in renegotiation and a vast volume of work was facing the boards. It was felt that the possible recovery from concerns in the $100,000 to $500,000 bracket would not justify the time and expense of renegotiating them. At that time this committee also recommended the elimination of concerns with less than $500,000 in war business. The committee now feels in view of our wartime experience in the administration of the renegotiation laws that this recommendation was a mistake. It should be noted, however, prior to the passage of the 1943 act, Senator CARL HATCH, then chairman of the Subcommittee on Renegotiation, of this committee, testified before the Senate Committee on Finance that further studies by his subcommittee indicated that the backlog of cases before the boards was rapidly dwindling and that it might not be desirable to make the change. He pointed out that excessive profits on $100,000 of business were very possible.

The administrators of the act testified that recoveries of excessive profits from contractors in this bracket probably would not be large. The principal reason for this recommendation, they stated, was that in their experience most of the complaints they received about excessive profiteering during the war were directed at contractors with less than $500,000 annual war business. It was damaging to war morale, they thought, to let contractors in this bracket retain excessive profits while neighboring contractors with over $500,000 war business annually were renegotiated. It also frequently happened that contractors about whom complaints were received were located in small communities where it soon became common knowledge that the contractor was profiting excessively.

The War Department Price Adjustment Board furnished the committee a study of the renegotiation of companies in the $100,000 to $500,000 bracket under the 1942 act. Of 3,728 cases in this bracket 1,631 or 44 percent were found to have made excessive profits totaling $57,371,000. Even more interesting is a tabulation of a group of 13 companies selected at random, and all in the $100,000 to $500,000 bracket during 1943 and therefore not subject to renegotiation. These companies had average profits of 38.1 percent of gross sales. One company's profits were 91 percent of its $152,880 in gross sales.

Administrators of the act testified that companies in this bracket could be renegotiated with very few more renegotiators and that the cost of renegotiating them would be very small.

There was some indication that the $500,000 limitation also served to discourage some subcontractors from accepting additional war work that would have put their gross business over this amount and subject them to renegotiation. There was also evidence that an attempt to avoid the base limitation was made by some individuals who set up new businesses to take war work that would subject the individual to renegotiation. This was discouraged to a certain extent by the statutory provision and regulations bringing within renegotiation concerns under common control if the gross aggregate business was in excess of $500,000. However, proof of common control was at times hard to establish and no doubt where such common control was not obvious the companies avoided renegotiation.

CERTIFICATES OF NECESSITY

Certificates of necessity are mentioned in this report on the renegotiation law only because they have been the source of considerable war profiteering. Section 124 of the Internal Revenue Code provided that companies constructing new facilities for war production could under certain conditions obtain a certificate of necessity permitting them to amortize the cost of such facilities over a 5-year period. Furthermore, if the emergency period was declared over prior to the end of the 5-year period, the company could accelerate the amortization over the period up to the date of such a declaration. About 43,500 certificates covering facilities valued at $6,000,000,000 were issued during the war. Until December 1943 the War and Navy Departments were authorized to issue these certificates, and they issued about 39,000. After December 1943 the War Production Board issued the balance.

Practically all the certificates issued by the War and Navy Departments were on a 100-percent basis. Thus, a company could amortize the facility's entire cost over the 5-year period or less. However, the War Production Board official responsible for issuing certificates of necessity testified that about 80 percent of the certificates issued by that Board were for only 35 percent of the cost of the facilities. The percentage certificates take into consideration the postwar value of the facility and only allow amortization of the war use of the facility. He testified that in his opinion the cost of the war could have been reduced by $3,000,000,000 if the War and Navy Departments had used a similar percentage method.

Legal profiteering resulted from certificates of necessity. Many companies came out of the war with new, valuable, fully amortized facilities which they could either use or, as some have done, sell. In this way a facility

actually paid for out of a contractor's war taxes was additional war profit to him to the extent of its postwar value.

High-profit war contractors profited even more when they were permitted to accelerate the rate of amortization over the period from the date of the certificate to the date of the declaration ending the war emergency. This period might be any length of time up to 5 years. When a contractor elected to do this his resulting increased annual amortization expense was credited against excessive profits that price-adjustment boards may have assessed against him. He would therefore have to refund a lesser amount of excessive profits and would own a fully depreciated and probably valuable facility. For example, the committee found that 20 of the largest oil companies were able to credit amortization in the amount of $59,000,000 against excessive profits determined after renegotiation to be $65,000,000. These companies had to refund only $6,000,000 and in fact paid for these facilities out of their excessive war profits. It would seem that these results redounded to the financial benefit of the high-profit producer rather than the war contractors who had priced closely and made no excessive profits.

Serious study should be given to the formulation of a procedure under which war facilities could be financed by private capital to the greatest extent possible and at the same time unreasonable profits prevented. Many administrators of the Renegotiation Act think that the largest unjustifiable war profits were made as a result of the certificate-of-necessity program.

CONCLUSIONS

1. The committee believes that the renegotiation law, coupled with the excess-profits tax, is more likely to be successful and equitable than any other less flexible method. No more desirable method of reducing war profiteering was suggested to the committee.

2. The renegotiation system should be incorporated in a general industrial mobilization plan ready to be put into operation at once in the event of an emergency.

3. The factors to be considered in determining what is a fair profit in time of war should be set forth more specifically and with greater particularity.

4. In deciding what is a fair profit, the committee feels that any future renegotiation law should emphasize the importance of net worth as a factor in deciding a fair profit for a company during a war. In this way the growth of war millionaires could be prevented or greatly curtailed.

5. The renegotiation agency should be a separate agency, independent from any procurement authority, designed to handle the renegotiation of all services and branches of the Government.

6. The committee believes that any future Renegotiation Act be improved in the following specific ways:

(a) By bringing within its operation all contractors with an annual war business exceeding $100,000.

(b) Including war contracts of all Government agencies.

(c) By eliminating all mandatory and permissive exemptions so that all Government contractors with more than an annual business of $100,000 are renegotiated.

7. The committee recommends the establishment of regional price adjustment boards in each area, in order to eliminate duplication of facilities and services. Each final decision should be cleared through a central authority to establish uniformity of rulings and equal treatment in all regions of the country.

8. The committee believes that the Bureau of Internal Revenue should audit the income tax of war contractors and these should be made available for renegotiation authorities on a current basis. Every effort should be made to correlate their activities with the renegotiation agency especially in the matter of audits. If this is not possible because of a manpower shortage, then spot audits should be made to encourage contractors to submit accurate figures.

9. The committee is of the opinion that the Comptroller General should be permitted to audit all war contracts including subcontracts whenever, in his discretion, he so desires. Such audits, however, should be directed only to the accuracy of the accounts and representation of costs made by the contractor.

10. Renegotiation officials should be authorized to consider profits which have accrued from certificates of necessity, and to recover that portion which it deems excessive.

11. The committee recommends that any future Renegotiation Act provide that in renegotiating for any given year the renegotiation officials be allowed to take into consideration the profits or losses of the contractor during the preceding war years.

APPENDIX

[Source: War Contracts Price Adjustment Board]

Renegotiation data as of Feb. 7, 1947

[000 omitted]

Department	Number of cases	Dollar amount of contracts renegotiated [1]	Gross dollar amount recovered [2]	Estimated net dollar amount recovered [3]
War Department	35,266	$125,543,246	$6,821,885	$2,046,565
Navy Department	9,698	49,605,457	2,633,686	790,106
Maritime Commission	1,255	6,426,597	278,053	83,416
War Shipping Administration	704	668,918	44,563	13,369
Treasury Department	292	614,032	40,402	12,120
Reconstruction Finance Corporation	1,575	7,833,529	377,109	113,133
Total	48,790	190,691,779	10,195,698	3,058,709

[1] Figures do not include construction contracts renegotiated on a completed contract basis. Neither do they include any renegotiations of brokers, agents, or sales engineers. However, the gross dollar amount recovered includes all amounts recovered on this business. Cancellations, totaling 56,618, have been eliminated from this tabulation since it is not possible to obtain statistical data showing sales and profits on all canceled cases.

[2] Before adjustment for applicable Federal tax credit.

[3] After estimated adjustment for applicable Federal tax credit.

Comparison of profits before and after renegotiation on all renegotiable sales involving refunds [1] through Feb. 7, 1947

[000 omitted]

Fiscal years ending—	Number of cases	Before adjustment			After adjustment		
		Fixed price net sales	Fixed price basic profit (before taxes)	Percent of sales	Fixed price net sales	Fixed price basic profit (before taxes)	Percent of sales
1942	5,294	$26,101,326	$5,573,759	21.4	$23,079,982	$2,565,701	11.1
1943	4,870	39,871,011	7,504,386	18.8	36,285,979	3,870,529	10.7
1944	3,805	33,709,029	5,529,057	16.4	31,664,858	3,397,458	10.7
1945	1,360	5,367,492	862,208	16.1	5,054,830	524,611	10.4
1946	52	120,920	17,384	14.4	115,758	11,753	10.2
Total	15,381	105,169,778	19,486,794	18.5	96,201,407	10,370,052	10.8

[1] Figures do not include CPFF contracts, or construction contracts renegotiated on a completed contract basis. Neither do they include any renegotiations of brokers, agents, or sales engineers.

Attention is directed to the fact that 11,458 clearance cases, involving renegotiable sales of $54,970,865,000 and basic profits of $4,021,975,000 (7.3%) have been eliminated from this tabulation. Also 56,618 cancellations have been eliminated since it is not possible to obtain statistical data showing sales and profits on all canceled cases.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. LANGER, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, February 20, 1948, he presented to the President of the United States the following enrolled bills:

S. 257. An act for the relief of Yoneo Sakai;

S. 305. An act for the relief of Mrs. Hilda Margaret McGrew;

S. 310. An act authorizing the issuance of a patent in fee to Jonah Williams;

S. 311. An act authorizing the issuance of a patent in fee to Charles Ghost Bear, Sr.;

S. 312. An act authorizing the issuance of a patent in fee to Charles Kills the Enemy;

S. 313. An act authorizing the issuance of a patent in fee to Calvin W. Clincher;

S. 409. An act for the relief of Milan Jandrich;

S. 457. An act for the relief of Anna Kong Mei;

S. 499. An act authorizing the issuance of a patent in fee to Mrs. Bessie Two Elk-Poor Bear;

S. 522. An act to authorize the sale of certain lands of the L'Anse Band of Chippewa Indians, Michigan;

S. 542. An act authorizing the issuance of a patent in fee to Mrs. Ella White Bull;

S. 1133. An act providing for the per capita payment of certain moneys appropriated in settlement of certain claims of the Indians of the Fort Berthold Indian Reservation in North Dakota;

S. 1454. An act to amend the Public Health Service Act in regard to certain matters of personnel and administration, and for other purposes;

S. 1485. An act to authorize the Secretary of the Interior to dispose of certain lands

heretofore acquired for the Albuquerque Indian School, New Mexico;

S. 1507. An act authorizing the sale of undisposed of lots in Michel addition to the town of Polson, Mont.; and

S. 1591. An act to transfer certain transmission lines, appurtenances, and equipment in connection with the sale and disposition of electric energy generated at the Fort Peck project, Montana, and for other purposes.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. BUSHFIELD:

S. 2183. A bill to authorize and direct the Secretary of the Interior to issue to Leonard G. Jones a patent in fee to certain land;

S. 2184. A bill to authorize and direct the Secretary of the Interior to issue to John DeMarrias a patent in fee to certain land; and

S. 2185. A bill to authorize and direct the Secretary of the Interior to issue to Chauncey N. Fire a patent in fee to certain land; to the Committee on Interior and Insular Affairs.

By Mr. TOBEY (by request):

S. 2186. A bill to amend section 5 of the act entitled "An act to amend the laws relating to navigation, and for other purposes"; to the Committee on Interstate and Foreign Commerce.

By Mr. BRICKER (for himself, Mr. CAIN, and Mr. ROBERTSON of Virginia):

S. 2187. A bill to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes; to the Committee on Banking and Currency.

(Mr. BROOKS introduced Senate bill 2188, for the relief of Col. Wlodzimierz Onacewicz, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

(Mr. SALTONSTALL (for himself, Mr. CORDON, and Mr. HILL) introduced Senate bill 2189, to assist the States in the development and maintenance of local public-health units, and for other purposes, which was referred to the Committee on Labor and Public Welfare, and appears under a separate heading.)

By Mr. O'CONOR:

S. 2190. A bill to authorize the Secretary of the Army to furnish headstones to mark the honorary burial places of certain deceased members of the armed services and to authorize the burial in national cemeteries of the widows of certain deceased members of the armed services; to the Committee on Armed Services.

By Mr. KILGORE:

S. 2191. A bill for the relief of Louis Bernard Lapides; to the Committee on the Judiciary.

By Mr. MOORE:

S. 2192. A bill to amend the Interstate Commerce Act so as to permit the issuance of free passes to agents of carriers subject to part I of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. BREWSTER (for himself, Mr. DOWNEY, Mr. MARTIN, Mr. MYERS, and Mr. SALTONSTALL):

S. 2193. A bill to provide for nautical education in the Territories, to facilitate nautical education in the States and Territories, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Colorado:

S. 2194. A bill authorizing the Alien Property Custodian to return certain real property and water rights to Ernestine Block Grigsby and Josephine Block Miles; to the Committee on the Judiciary.

By Mr. BUCK:

S. 2195. A bill to extend for the period of one year the provisions of the District of Columbia Emergency Rent Act, approved December 2, 1941, as amended; to the Committee on the District of Columbia.

By Mr. MARTIN:

S. J. Res. 185. Joint resolution to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of the termination of the war with Spain; to the Committee on Banking and Currency.

(Mr. FLANDERS, from the Committee on Banking and Currency, reported an original joint resolution (S. J. Res. 186) to authorize allocation and inventory control of grain for the production of ethyl alcohol, to conserve grain in aid of the national defense, and in furtherance of stabilization of the national economy, which was ordered to be placed on the calendar, and appears under a separate heading.)

(Mr. AIKEN introduced Senate Joint Resolution 187, authorizing the Secretary of Agriculture to utilize section 32 funds to encourage the exportation of surplus agricultural commodities and products thereof under foreign-aid programs, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

(Mr. KILGORE introduced Senate Joint Resolution 188, authorizing the President to issue a proclamation designating October 31 of each year as Youth Honor Day, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

COL. WLODZIMIERZ ONACEWICZ

Mr. BROOKS. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to facilitate the extension of citizenship to a distinguished son of an unhappy country, who has rendered such valuable service to the land which may soon adopt him that he has been decorated with the Legion of Merit, officer class. I refer to Col. W. Onacewicz, former military attaché of the embassy of Poland when that unfortunate nation was independent.

All freedom-loving Americans look forward to the day when the red hand of communism will be lifted from Poland and that nation can once again take her place in the family of nations as a free and independent nation. The present regime in Poland is not truly representative of a people who contributed to the epic of American freedom, but is a foreign clique foisted upon a people divided and decimated by Nazi and Communist aggression, but whose love of liberty still lives. False elections have deprived Poland of independence, but I am confident that such deprivation is temporary, another era of brutal darkness, and that Poland will have a new birth of freedom under which she will continue to pour out cultural and economic contributions to the benefit of mankind.

I request consent to have printed in the RECORD a brief résumé of the colonel's career, which details his services in behalf of this country, and in fighting in three wars for independence for his own land, now under Red Fascist rule.

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

There being no objection, the bill (S. 2188) for the relief of Col. Wlodzimierz Onacewicz, introduced by Mr. BROOKS, was received, read twice by its title, and referred to the Committee on the Judiciary.

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

MILITARY SERVICE OF WLODZIMIERZ ONACEWICZ, COLONEL, POLISH ARMY, RETIRED

Col. W. Onacewicz, veteran of three wars, fought in the First World War with the Russian Army as a junior horse artillery officer. After the Bolshevik revolution he escaped to Poland.

In 1920, when the Red armies invaded Poland, he was in command of a Polish volunteer field artillery battery.

In 1923 he graduated from the War College and General Staff School of Warsaw, became its professor and taught at the war college from 1923 to 1929. After that he served in different capacities in the general staff and with the troops.

At the outbreak of the Second World War, on September 1, 1939, he was on the staff of the Minister of War and was appointed liaison officer to the headquarters of the commander-in chief.

September 17, 1939, when the Russian armies invaded Poland and were only a few miles from the headquarters of the Polish high command, he was ordered to cross the border into Rumania and proceed to France, where a new Polish army was to be organized in order to continue the fight on the Allied side.

In Rumania he was interned, as all Polish soldiers, but fled from the internment camp and reached Paris in November 1939. He was appointed by the new commander in chief, General Sikorski, to command the First Polish Artillery Regiment in France, which he organized and trained in the first months of 1940.

He fought in the French campaign of 1940 as commander of the First Artillery Regiment, First Polish Grenadier Division, first in the battle of the Maginot line, and then in the general retreat of the French Army. During the last 8 days of the French campaign, the First Polish Grenadier Division lost in heavy fighting 45 percent of its men in killed and wounded.

When the French armies capitulated on June 21, 1940, the Polish divisions refused to surrender with the French. On orders of the general commanding the First Polish Grenadier Division, Colonel Onacewicz broke his regiment in small groups and directed them to steal at night through German lines encircling French armies and to try to reach the south of France. He himself took nine men from his regiment and succeeded in crossing with them the German lines in the Vosges Mountains at night. Then they walked 300 miles in 3 weeks through the German armies, and, after many adventures, among them capture of himself and two of his companions by the Germans, the whole group, though dispersed, reached unoccupied France. Most of the Polish soldiers escaped German captivity.

In August 1940 he reached Great Britain and joined again the Polish Army. For his command in the French campaign he was awarded the Order of Virtuti Militari (Polish equivalent of the Congressional Medal) and promoted to full colonel. He was appointed chief of the military cabinet of the commander in chief, General Sikorski, in London and served in this capacity until April 1941.

In April 1941 he was sent to Washington as military attaché, to represent the Polish armed forces in the United States and later to organize collaboration between the Polish and the United States Army. For his war work in Washington he has been awarded

by the United States Government the Legion of Merit, degree of officer, with the enclosed citation.

In July 1945, after the establishment in Warsaw of a Soviet puppet government, he resigned from the Embassy, retired from the Polish Army, and asked for the United States immigration visa, which he was granted September 17, 1945. Actually, he is working with the Department of the Army, Army Map Service.

Besides the Legion of Merit and the Polish Virtuti Militari, he holds the French Legion of Honor and Military Cross, 1940, and other Polish and foreign decorations.

He has a fluent knowledge of English and four European tongues and is a graduate of St. Petersburg University, Russia, in Far Eastern languages.

DEVELOPMENT AND MAINTENANCE OF LOCAL PUBLIC HEALTH UNITS

Mr. SALTONSTALL. Mr. President, on my own behalf, and on behalf of the Senator from Oregon [Mr. CORDON] and the Senator from Alabama [Mr. HILL], I ask unanimous consent to introduce for appropriate reference a bill to assist the States in the development and maintenance of local public health units, and for other purposes.

The purpose of the bill is to have the Federal Government assist States and localities in providing better public health services. At present less than 10,000,000 of our total population live in areas served by local units which meet basic requirements of public health standards, while more than 40,000,000 persons in the United States live in areas not served by any local public health units. I believe this fact alone calls for careful consideration by Congress.

This bill has been favorably acted upon by the National Congress of Parents and Teachers. It has been approved by the Association of State and Territorial Health Officers. The president of this association is Dr. Vlado A. Getting, Commission of Public Health of the Commonwealth of Massachusetts. In principle, the bill has been approved by some 65 representatives of national organizations acting in their individual capacities. These individuals, naturally, cannot commit their organizations.

We are introducing the bill at the present time because there are a number of bills concerning health pending before the Committee on Labor and Public Welfare. This bill approaches the health problem from a somewhat different angle from that of bills now under consideration. It represents an effort on the part of the Federal Government to cooperate with States in improving the health of our citizens. Fundamentally, it is cheaper, in the long run, to keep people healthy than to make sick people well.

In introducing the bill I wish to make it perfectly clear that I am opposed to the socialization of medicine. I am not in favor of interfering with the freedom of action of individual doctors. I am not specifically in favor of all the details contained in this bill. We all know of the high percentage of our young men who were rejected by the Army for physical reasons during both world wars. The general subject of health has been brought emphatically to our attention because of the war and because of our positive knowledge that general conditions of health in our country can be vastly improved. For these reasons we feel that Congress, before it reaches its conclusions as to what is the best course to take on this important problem, should have all points of view before it for consideration.

It is with these thoughts in mind, and without specific endorsement by us in detail of the provisions this bill contains, that I now ask, at the request of the National Association of Parents and Teachers, unanimous consent to introduce it.

There being no objection, the bill (S. 2189) to assist the States in the development and maintenance of local public health units, and for other purposes, introduced by Mr. SALTONSTALL (for himself, Mr. CORDON, and Mr. HILL), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

EXPORTATION OF SURPLUS AGRICULTURAL COMMODITIES UNDER FOREIGN-AID PROGRAM

Mr. AIKEN. Mr. President, I ask unanimous consent to introduce for appropriate reference a joint resolution which would enable the Secretary of Agriculture to encourage the exportation of agricultural commodities from the fund originally designed by the Congress for that purpose; that is, section 32, Public Law 320, Seventy-fourth Congress, as amended.

Surplus perishable agricultural commodities, such as potatoes, dried eggs, citrus, deciduous fruit—fresh and dried—are in abundant supply today, and the Department of Agriculture has neither sufficient section 32 funds nor sufficient authority under the Foreign Aid Act of 1947 to dispose of these commodities to the best advantage of the American farmer and the United States Government.

The Foreign Aid Act of 1947 provides that commodities acquired by any agency of the Government under a price-support program shall be utilized under certain conditions in providing assistance to foreign countries, and such commodities may be disposed of at the domestic market price of a quantity of wheat having a caloric value equal to that of the quantity of the commodity so disposed of. The Third Supplemental Appropriation Act of 1948—Public Law 393, Eightieth Congress, approved December 23, 1947—provides that losses incurred by agencies of the Government through the sales of commodities in accordance with the terms of the Foreign Aid Act of 1947 shall not exceed $57,500,000. These funds are fully committed at the present time. Additional perishable agricultural commodities are in abundant domestic supply and should be diverted from normal channels of trade into either foreign outlets or domestic outlets, whichever appears to be more advantageous. This resolution will have the effect of making an additional $40,000,000 available to the Department of Agriculture, any part of which sum, if used to dispose of agricultural commodities in foreign outlets, will have to be at least matched out of other funds available for foreign assistance. It is believed that these additional section 32 funds will be adequate for the remainder of the 1948 fiscal year for disposing of commodities for which there is an urgent need for an outlet at this time. These funds may also be used for domestic distribution of commodities if such commodities can be used in a more timely and effective manner in domestic outlets. Since the $57,500,000 is exhausted, and the Commodity Credit Corporation is not authorized to dispose of price-support inventories in domestic channels of trade for food purposes at less than parity—and unless there is danger of deterioration, and Commodity Credit Corporation could not, in any event, as a practical matter, sell below its support price, which in most instances is 90 percent of parity—the Department of Agriculture is for practical purposes blocked from disposing of food for human consumption. Unless domestic requirements develop which enable disposition through normal channels of trade, without these additional funds the Department will be forced to divert such surplus food as potatoes to feed or alcohol. The Department should not be forced to follow this policy when food is so urgently needed throughout the world.

Farmers should be given this assistance in shifting from the present high to a more normal level of production. Favorable action on this measure will also facilitate the foreign-aid program while retaining for agriculture a means of properly adjusting our agricultural economy.

There being no objection, the joint resolution (S. J. Res. 187) authorizing the Secretary of Agriculture to utilize section 32 funds to encourage the exportation of surplus agricultural commodities and products thereof under foreign-aid programs, introduced by Mr. AIKEN, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

YOUTH HONOR DAY

Mr. KILGORE. Mr. President, I ask unanimous consent to introduce for appropriate reference a joint resolution authorizing the President to issue a proclamation to designate October 31 of each year Youth Honor Day.

I merely wish to say that the introduction of this joint resolution—and I hope it may be enacted—is based on experiments which have been carried on in various States. It has been found by civic clubs and fraternal orders in a number of cities that on Halloween, for instance, property has been damaged and similar things have happened, which could be avoided if youth were put on their honor, and were shown how to observe Halloween without destroying property.

There being no objection, the joint resolution (S. J. Res. 188) authorizing the President to issue a proclamation designating October 31 of each year as Youth Honor Day, introduced by Mr. KILGORE, was received, read twice by its title, and referred to the Committee on the Judiciary.

EXTENSION OF RENT CONTROL—AMENDMENTS

Mr. McCARTHY and Mr. CAIN each submitted two amendments intended to be proposed by them, respectively, to

the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, which were severally ordered to lie on the table and to be printed.

Mr. IVES (for himself and Mr. BALDWIN) submitted amendments intended to be proposed by them, jointly, to Senate bill 2182, supra, which were ordered to lie on the table and to be printed.

Mr. CAPEHART submitted amendments intended to be proposed by him to the bill (S. 2182) supra, which were ordered to lie on the table and to be printed.

ST. LAWRENCE SEAWAY—AMENDMENTS

Mr. SALTONSTALL (for Mr. BRIDGES) submitted an amendment intended to be proposed by Mr. BRIDGES to the joint resolution (S. J. Res. 111) approving the agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin with the exception of certain provisions thereof; expressing the sense of the Congress with respect to the negotiation of certain treaties; providing for making the St. Lawrence seaway self-liquidating; and for other purposes, which was ordered to lie on the table and to be printed.

Mr. BALL submitted an amendment intended to be proposed by him to Senate Joint Resolution 111, supra, which was ordered to lie on the table and to be printed.

REDUCTION OF INDIVIDUAL INCOME TAXES—AMENDMENT

Mr. LODGE. Mr. President, I ask unanimous consent to submit for appropriate reference an amendment intended to be proposed by me to the bill (H. R. 4790) to reduce individual income-tax payments, and for other purposes, and I request that an explanatory statement regarding the amendment prepared by me may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the amendment will be received and referred to the Committee on Finance, and, without objection, the explanatory statement will be printed in the RECORD.

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

Senator H. C. LODGE, JR., Republican, Massachusetts, introduced in the Senate today an amendment to H. R. 4790, the pending tax-reduction bill. LODGE made the following statement regarding this amendment:

"There is considerable and justifiable complaint about certain so-called 'nonresident' aliens who have come to this country and are making large amounts of money and big profits in capital gains without paying any Federal income tax on these transactions. To permit such a practice to continue is to discriminate against American citizens who are required to pay income taxes on their capital gains.

"This discrimination seems to me of particular importance today as we are about to commence consideration of the European recovery program. It is both unreasonable and unjust that a small, selfish group of Europeans should be permitted to escape their fair share of the tax burden by a loophole in the tax laws while the everyday people of America are being called on to aid Europe.

"The amendment I have introduced to the tax-reduction bill is an effort to remove this discrimination by considering a nonresident alien individual to be engaged in trade or business in the United States if he is physically present in this country for a period or periods of time aggregating a total of 90 days or more and if he effects transactions consummated in the United States in taxable years after December 31, 1947.

"This amendment is designed to supplement the proposal which I made and which has been accepted by the Foreign Relations Committee providing that the countries participating in the Marshall plan must make efficient and practical use of their resources, including the location and control of assets of their citizens which are located in this country.

"The combination of these two provisions will tend to insure that the burden of the Marshall plan is fairly distributed, both here and abroad, and that the well-to-do European does his part."

INVESTIGATION OF SOCIAL SECURITY PROGRAM—INCREASE IN LIMIT OF EXPENDITURES

Mr. MILLIKIN submitted the following resolution (S. Res. 202), which was referred to the Committee on Finance:

Resolved, That the limit of expenditures authorized under Senate Resolution 141, Eightieth Congress, agreed to July 23, 1947 (authorizing an investigation by the Committee on Finance of old-age and survivors insurance and other aspects of the social-security program), is hereby increased by $25,000.

EXTENSION OF TIME FOR FILING REPORT ON INVESTIGATION OF OPERATIONS OF RFC

Mr. BUCK submitted the following resolution (S. Res. 203), which was referred to the Committee on Banking and Currency:

Resolved, That section 2 of Senate Resolution 132, Eightieth Congress, agreed to July 23, 1947, to investigate the operations of the Reconstruction Finance Corporation and its subsidiaries, is amended by striking out "March 1, 1948" and inserting in lieu thereof "April 1, 1948."

HEARING BY SUBCOMMITTEE ON EDUCATION OF COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. IVES. Mr. President, I ask unanimous consent that the subcommittee on education of the Committee on Labor and Public Welfare be permitted to sit throughout the day for the purpose of holding a hearing on Senate bill 1390.

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

ADDRESS BY SENATOR McCLELLAN BEFORE THE MISSISSIPPI VALLEY ASSOCIATION

[Mr. OVERTON asked and obtained leave to have printed in the RECORD an address delivered by Senator MCCLELLAN at the annual dinner of the Mississippi Valley Association at St. Louis, Mo., on January 23, 1948, which appears in the Appendix.]

GEORGIA, AN ADVENTURE IN FREEDOM—ADDRESS BY SENATOR GEORGE

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an address delivered by Senator GEORGE at the Library of Congress, Washington, D. C., February 14, 1948, on opening the exhibit commemorating the two hundred and fifteenth anniversary of the founding of the Georgia Colony, which appears in the Appendix.]

LINCOLN DAY ADDRESS BY SENATOR THYE

[Mr. DWORSHAK asked and obtained leave to have printed in the RECORD a Lincoln Day address delivered by Senator THYE at Boise, Idaho, on February 14, 1948, which appears in the Appendix.]

LINCOLN DAY ADDRESS BY SENATOR FLANDERS

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an address entitled "The Party of Lincoln in This Year of Grace," delivered by Senator FLANDERS at Detroit, Mich., on February 10, 1948, which appears in the Appendix.]

LINCOLN DAY ADDRESS BY SENATOR TAFT AT ST. PAUL, MINN.

[Mr. THYE asked and obtained leave to have printed in the RECORD the Lincoln Day address delivered by Senator TAFT to the Lincoln Republican Club at St. Paul, Minn., which appears in the Appendix.]

THE WORLD FOOD AND MARKET SITUATION—ADDRESS BY THE SECRETARY OF AGRICULTURE

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address entitled "Taking Stock of the World Food and Market Situation," delivered by Hon. Clinton P. Anderson, Secretary of Agriculture, at the National Press Club, Washington, D. C., on February 18, 1948, which appears in the Appendix.]

TREATMENT OF INDIANS—VETO OF GIDEON PEON BILL

[Mr. ECTON asked and obtained leave to have printed in the RECORD an article entitled "Gideon Peon in the Background of a Presidential Veto," by John H. Holst, which appears in the Appendix.]

MAHATMA GANDHI—EDITORIAL FROM THE CHRISTIAN ADVOCATE

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an editorial entitled "An Indian Saint," from the February 19 issue of the Christian Advocate, which appears in the Appendix.]

CONTROL OF MARGINS ON COMMODITY EXCHANGES—TELEGRAM FROM ROBERT M. HARRISS

[Mr. O'DANIEL asked and obtained leave to have printed in the RECORD a telegram dated February 18, 1948, from Robert M. Harriss, of Harriss & Vose, New York, dealing with the subject of control of margins on commodity exchanges, which appears in the Appendix.]

FEDERAL CONTROL OF OIL—TELEGRAM FROM H. R. CULLEN

[Mr. O'DANIEL asked and obtained leave to have printed in the RECORD a telegram dated February 14, 1948, from H. R. Cullen, of Houston, Tex., addressed to a number of persons and dealing with the oil situation, which appears in the Appendix.]

IT'S TIME TO DO SOMETHING ABOUT GERMANY—ARTICLE BY O. K. ARMSTRONG

[Mr. KEM asked and obtained leave to have printed in the RECORD an article entitled "It's Time To Do Something About Germany," written by O. K. Armstrong and published in the Reader's Digest for March 1948, which appears in the Appendix.]

RESTRICTION OF LIQUOR ADVERTISING—EDITORIAL FROM COTTONWOOD COUNTY (MINN.) CITIZEN

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial entitled "Curbing Liquor Advertising," published in a recent issue of the Cottonwood County (Minn.) Citizen, which appears in the Appendix.]

SENATOR CAPEHART'S PROPOSAL—EDITORIAL FROM THE MARION (IND.) CHRONICLE

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Senator Capehart's Proposal," published in the Marion (Ind.) Chronicle of February 10, 1948, which appears in the Appendix.]

THE FEDERAL TRADE COMMISSION—MINORITY RECOMMENDATIONS BY COMMISSIONER MASON

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD certain statements by Commissioner Mason in support of his minority recommendations as to Federal Trade Commission practice, which appear in the Appendix.]

JEFFERSON DAY ADDRESS BY SENATOR BYRD

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks the speech I delivered last night at the Virginia Jefferson Day Democratic dinner in the city of Richmond, Va.

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

SPEECH BY SENATOR HARRY F. BYRD, OF VIRGINIA, AT THE VIRGINIA JEFFERSON DAY DINNER, RICHMOND, VA., FEBRUARY 19, 1948

We meet here tonight to pay tribute to the man who gave the breath of life to the principles that have made the Democratic Party a virile agency throughout the years for the preservation of our representative democracy and the freedom of the individual.

If the sentient spirit of Thomas Jefferson could look down upon us, I feel certain he would be shocked and alarmed to know that a Democratic President, speaking for the National Democratic Party, has recently proposed enactment by the Federal Government of measures which, taken in their entirety, constitute a mass invasion of States' rights never before even suggested, much less recommended, by any previous President of any party affiliation in the Nation's history. Above all else, Thomas Jefferson preached and constantly emphasized that the preservation of our form of representative democracy, to which he contributed so much, depended upon the dignity and sovereignty of the States in matters of local self-government.

The President of the United States has accepted and endorsed the conclusions of the committee known as the President's Committee on Civil Rights. He has recommended to the Congress the immediate passage of legislation to implement these recommendations.

By one measure—the enactment of the Federal Employment Practices Commission—it is proposed to establish another costly, powerful, and inquisitorial bureau of the Federal Government to send the strong arm of the National Government into the daily transactions of virtually every man's private business; to tell employers who to hire, who to fire, and who to promote. The Federal inquisitors appointed by a Federal commission would have the right, under this legislation, to enter every employer's place of business to examine his books and papers without processes of any court; to search for evidence on which to base charges against him. It would deprive people of their constitutional rights by forcing them to give evidence against themselves. It would provide for federally appointed examiners to hear the evidence, and the record could be sent to Washington, where a decision could be rendered against an employer in his absence. Fines and imprisonment are provided for any person who hinders the operation of this Federal commission.

The purpose of it is, by Federal coercion, to force employers in the South to give employment in privately owned businesses to members of a minority race, even though such action may not be justified by the worth of the person to be employed. An employer may not have the power to discharge one of his own employees who is not satisfactory. He may not have the power to hire a new employee or the power to control the promotions of his employees. All of this can be done under the direction of this Federal bureau, acting upon their own determination of whether an unfair practice has been committed by a private business in the employment or dismissal of any person in terms of that person's race, creed, color, national origin, or ancestry, or compensation or conditions of employment.

This legislation is now on the Senate Calendar. It was reported favorably by the Republican-controlled Committee on Labor and Public Welfare, and a Democratic President has endorsed the principles of the so-called fair-employment-practice legislation.

It is then proposed to enact an antilynching law to be enforced by Federal agents with prosecution in Federal courts. Such a Federal law has long been considered unconstitutional since it involves no interstate aspects. The fact that only one lynching occurred in the South in the year 1947, and the dominant desire clearly manifested by the southern people to prevent lynching by all possible means, have not deterred the proponents of this legislation from asking for its immediate enactment. It is clearly an invasion of States' rights and, if enacted, would establish a precedent for the Federal Government to take jurisdiction in other State crimes which are punishable under the laws of the respective States.

Virginia is proud of her record against lynching. In 1928 the strongest antilynching law that any State has ever passed was placed on the statute books by the General Assembly of Virginia. This, combined with the militant public opinion in Virginia against lynching, is responsible for the record of not having a single lynching in Virginia for 20 years.

The President's Commission proposes, and he endorsed, not only the specific abolition of the poll tax in Federal elections, but also an authorization to the Department of Justice to use all civil and criminal powers of the Federal Government to supervise primaries and elections of representatives of the respective States in the Federal Government. It is even recommended that the Federal Government be given the power to supervise the discussion of matters in the States relating to national political issues.

All of this is in direct defiance of the first article of the Constitution of the United States, which, in plain language, gives to the States the right to establish the qualifications of voters and to conduct all elections. It is obvious that if the Federal Government undertakes to establish such qualifications and to supervise the conduct of elections, as well as the public discussions thereof, then the very basic principle upon which the confederation of States was established is destroyed. If the Federal Government can constitutionally abolish a poll tax, legally adopted by a State as a prerequisite to voting, it can otherwise regulate State elections in provisions for registration of voters, period of residence, etc. Abolition of the poll tax has been recommended before, but no President, so far as I can learn, since the carpetbagger days following the War Between the States, has asked that the Department of Justice at Washington be given the power to use both civil and criminal sanctions to supervise and intervene in State elections. I quote the recommendation: The power to "participate in Federal election campaigns and discussion of matters relating to national political issues" shall be given to the Department of Justice.

This opens up a possible field of Federal abuse of power which may be used to prevent the free discussion of the record of the party in power. This could very conceivably lead to dictatorship. Hitler and Stalin, in securing unanimous elections, did this very thing.

This amazing proposal strikes at the very heart of free speech and is certainly a long step toward total Federal Government and the abolition of State lines.

Again, the proponents of this legislation ignore the fact that in States in the South the question of the poll tax and other such matters are being submitted, under constitutional procedure, to the people of the Southern States for their rightful decision.

It is then proposed that the segregation laws be repealed by the Federal Government in all matters affecting interstate commerce. If the various States and localities refuse to repeal all local segregation laws in the "public schools, public housing, or other public services and facilities generally," then it is proposed to deny to such States all Federal grants in aid.

I venture the assertion that never before in the history of our Republic has any President requested legislation whereby States and subdivisions thereof are directed to change their local laws and, if not, be penalized by the denial of Federal grants, to which the citizens of these States had contributed through their taxes.

Governor Tuck made a masterly address at his inauguration calling attention to the growing evil of the increasing dependence of the States on Federal aid and grants, with all of which I entirely agree. But even he, I dare say, did not anticipate that the blunt threat would be made that, unless we conform our local laws to the Federal pattern, our proportionate share of our own money, set aside for grants to the States, would be withheld if we did not become a puppet to the whim and fancy of the President, and to the National Congress, many of whom obviously cannot possibly understand our local problems.

If such coercion becomes a reality, by passage of the legislation as proposed, I pray God that Virginia will lead the Southern States in renouncing for all time every dollar of Federal aid. We must not sell our right of self-government for a mess of Federal pottage. For Virginia to do less would make us unworthy of a Henry, a Jefferson, a Washington. We would betray our highest traditions.

But let me interject, independent of this outrageous proposal, the sooner Federal grants are abolished, the better. The money comes from the States and then is given back to us after the hundreds of bureaus at Washington have deducted their toll, which represents fully 20 percent of the total. This is a costly price to pay to the Federal Government which now proposes to intimidate us by denying funds which come from taxes levied on our own citizens.

The consequence of the enactment of this legislation is emphasized still more by the fact that the President proposes to create a Federal commission on civil rights with an army of lawyers to direct the Federal Bureau of Investigation in an intensive campaign to strike down any form of any existing law or ordinance which might provide for segregation in schools, hospitals, swimming pools, restaurants, and hotels.

Senator RUSSELL, of Georgia, interprets this proposal to mean that: "He, the President, would divert the FBI from its normal position as an agency to detect criminals and use these Federal agents to chase around and intimidate city councils and to declare invalid any local ordinance or State law providing for segregation, or to prosecute any person who undertook to defend segregation."

The picture is complete. It should be obvious to any thoughtful person that the result of this program would be a complete break-down of local self-goverment and the concentration of nearly all power in the Federal Government.

We in the South must face the situation frankly and with a view to consideration of all the implications involved. This legislation is admittedly aimed at the South. What, let me ask, has the South done to justify this treatment from the national Democratic Party? In good times and bad we have remained loyal to the Democratic Party in all national elections. Without the South there would be no national Democratic Party today.

It is true that four of our States fell by the wayside in that heated campaign of 1928, but those of you who are here tonight who were participants will sustain me when I say that never, since the reconstruction days, did the democracy of the Southern States fight more valiantly to carry the Democratic banner. In what way have we failed? And why should we be singled out by our leaders who seem determined to destroy the things that made it possible for the South to rise from the ashes of the devastation of the War Between the States? Do they scorn the fact that by the strength of our own determination, our own sweat and toil, the South, among all the sections of America, today stands on a threshold of the greatest progress?

And let us recall that in the terrible days of reconstruction we had no southern recovery plan; no outside hand was extended to the South to aid us. We had only our own character and determination to go forward to our greater destiny.

Call the roll of the States against whom this assault is being made, and, as I mention their names, let each of us recall in our thoughts the great traditions and achievements of these Southern sovereign States—Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Arkansas, Texas, Louisiana, Florida, and Oklahoma. I challenge any proponent of this anti-Southern legislation to name any other galaxy of 11 American States which, as a group, can point to a greater contribution to the achievements of our Republic.

We stand alone. The two great political parties are preparing to engage in competitive bidding for the votes of small pressure groups in Northern States by attacking the traditions, customs, and institutions of the Southland.

The leader of our party has challenged the Republican majority in the House and Senate to pass this legislation. This challenge has been accepted. The wheels have already begun to turn, and the stage is being set to enact it so that both parties can make a bid for the votes of these minority groups. The stakes are high. Highly placed politicians think that whichever party can gain the most advantage by the humiliation of the South may win the Presidency, because it is claimed that these minorities have a balance of power in pivotal States. Even though we are small in number, I am not willing to admit that the South is impotent to protect our rightful interests. I am not willing to admit that political expediency can take the place of fundamental principles.

Every southern Congressman, so far as I am aware, and every southern Senator, with the possible exception of one, is prepared to oppose this legislation by every legislative device within our power. We may lose the battle, and then will be time enough to decide what action the Southern States should take. Let us wait the result and calmly and deliberately make our decisions in the light of events that will happen in the coming days.

I ask your pardon for a personal reference. As Governor of Virginia, and as a Senator from Virginia, not one word has ever passed my lips which could be used to inflame any prejudice between the races. I deplore such action on the part of any public man. As Governor, and as Senator, my office door has always been open to every citizen of Virginia, regardless of race, creed, or color. As a public official, I have never failed to do all within my power to advance the proper interests of the Negro citizens of Virginia. As Governor—and pardon me for repeating—I sponsored the most drastic antilynching law that exists on the statute books of any State.

I have seen, with gratification and approval, the steady improvement in the economic condition of the Negroes of Virginia and throughout the South. I want to see this progress continue. It is my sincere conviction that passage of the legislation as now proposed will do irreparable injury to the true interests of the southern Negro.

We must not short-cut the Constitution of the United States, either by direct act or by Federal coercion. Our racial problems—and I admit there are many—must be worked out by constitutional methods and by the calm and considered action of the leaders of both races. For both of the two great political parties to gang up on the South in an indecent race to endeavor to secure for their own particular party the most political advantage in the pending Presidential campaign will result in lighting anew the flames of race hatred and bigotry.

The southern people have their pride and, if I know them rightly, they do not intend to submit tamely to having their customs and traditions made a political football for the benefit of political aspirants.

Before this movement has gone too far, I hope with all my heart that at least the national Democratic Party, which owes the South so much, may realize the irreparable injury that is being done to party unity and southern conditions.

Let me quote Thomas Jefferson, who said, in expressing his opinion on the French treaties: "The law of self-preservation overrules the law of obligation to others."

I want our President and our national Democratic leaders to ponder over this quotation.

It has not been a pleasant thing for me to make this report to the democracy of Virginia. I do so only under the impulse of the strongest sense of duty to those who have honored me. The crisis is here. We must face it in the open, and only a free discussion can enable us to determine our course.

STATEMENT BY HERBERT HOOVER ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

Mr. LODGE. Mr. President, for the information of the Senate I ask that there be printed at this point in my remarks a statement issued by former President Herbert Hoover, Chairman of the Commission on the Organization of the Executive Branch of the Government, regarding the progress of the work of that body.

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

Mr. Herbert Hoover, Chairman of the Commission on the Organization of the Executive Branch of the Government, the members of which are Dean Acheson, former Under Secretary of State; Arthur S. Flemming, Civil Service Commissioner; James Forrestal, Secretary of Defense; George H. Mead, industrialist; Senator George D. Aiken; former Ambassador Joseph P. Kennedy; Senator John L. McClellan; Dr. James K. Pollock, of the University of Michigan; Congressmen Clarence Brown and Carter Manasco; and James Rowe, Jr., former administrative assistant to the President, made the following statement today as to the progress of the work of the Commission:

"In accordance with the Commission's policy of enlisting eminent and experienced citizens and organizations to advise upon specific functions of the executive branch, the following further arrangements have been made since the last report. An examination and report are being made upon executive relations to independent regulatory agencies by Mr. Owen D. Young, ex-Senator Robert M. La Follette, and Prof. Robert Bowie, of the Harvard Law School.

"An examination and report upon Indian Affairs are being made by Mr. Charles J. Rhoads, former Commissioner of Indian Affairs, and president of the board of trustees of Bryn Mawr College; Dr. John R. Nichols, president of the New Mexico College of Agriculture and Mechanic Arts; the Reverend Dr. Gilbert Darlington, treasurer of the American Bible Society; and Dr. George Graham, professor of political science at Princeton University.

"A study is being conducted into the executive management of natural resources by a committee under the chairmanship of ex-Gov. Leslie Miller, of Wyoming. The other members of the committee are Dr. Isaiah Bowman, president of Johns Hopkins University; Prof. Samuel Trask Dana, dean of the School of Forestry and Conservation, University of Michigan; Mr. Donald H. McLaughlin, formerly dean of the College of Engineering at the University of California; Mr. Gilbert F. White, president of Haverford College; Mr. John J. Dempsey, former Governor of New Mexico and former Under Secretary of the Interior; and Mr. Horace Albright, former Director of the National Park Service.

"A study of the medical services of the Government, except those of the National Military Establishment, is being made by a committee under the chairmanship of Mr. Tracy S. Voorhees, president of the Long Island College Hospital, Brooklyn, N. Y. The other members of the committee are: Dr. O. H. P. Pepper, professor of medicine at the University of Pennsylvania; Dr. Hugh Jackson Morgan, professor of medicine at Vanderbilt University; Dr. Allen O. Whipple, professor emeritus of surgery, Columbia University; Dr. W. C. Menninger of the Menninger Foundation, Topeka, Kans.; Dr. Ray Lyman Wilbur, of Stanford University; Dr. Frank R. Bradley, of Barnes Hospital at St. Louis; Dr. R. C. Buerki, dean of the school of medicine at the University of Pennsylvania; Mr. Charles F. Rowley, former trustee of Massachusetts Investors Trust; Mr. Henry Isham, president of the board of trustees of Passavant Hospital at Chicago; Dr. Paul R. Hawley, formerly chief medical director of the Veterans' Administration; and Dr. Michael DeBakey, associate professor of surgery, Tulane University. Rear Adm. Joel T. Boone, secretary of the Secretary of Defense's committee on the medical and hospital services of the Armed Forces, is also secretary of this committee.

"The personnel and civil-service committee, under the chairmanship of Mr. John A. Stevenson, president of the Penn Mutual Life Insurance Co., which now comprises, Mr. James P. Mitchell, vice president, Bloomingdale Bros., Inc.; Dr. George D. Stoddard, president, University of Illinois; Mr. Rawleigh Warner, chairman of the board of Pure Oil Co.; Mr. Alfred H. Williams, president, Federal Reserve Bank of Philadelphia; Mr. Lawrence Appley, vice president, Montgomery Ward & Co.; Dr. Vannevar Bush, chairman of the Research and Development Board; Mr. Alvin Dodd, president of the American Management Association; Col. Franklin D'Olier, chairman of the Prudential Insurance Co.; Dr. Alvin Eurich, vice president of Stanford University; Dr. Earl G. Harrison, dean of the law school at the University of Pennsylvania; Dr. Robert L. Johnson, president of Temple University; Mr. David Lilienthal, chairman of the Atomic Energy

Commission; Mr. Robert Ramspeck, vice president, Air Transport Association; Mr. Andrew Robertson, chairman of the board of Westinghouse Electric Corp.; Senator Harry F. Byrd of Virginia; Mr. Tracy S. Voorhees, president of the Long Island College Hospital, Brooklyn, N. Y.; and Dr. Leonard D. White, professor of political science at the University of Chicago; held its first meeting in Washington on February 17. The management engineering firm of Cresap, McCormick & Paget, has been retained to advise the committee on certain phases of its work.

"That part of the study and report on the Federal Treasury, and Budgetary and Accounting methods, under the chairmanship of Mr. John W. Hanes, former under secretary of the Treasury, having to do with the accounting phases of the work, will be made by Mr. T. Coleman Andrews, chairman of the committee on Federal Government accounting of the American Institute of Accountants, with the collaboration of the following members of the committee on Federal Government accounting of the institute: Mr. Edward A. Kracke, Maurice E. Peloubet, J. S. Seidman, Weston Rankin, Harry E. Howell, and Donald F. Stewart.

"Mr. A. E. Buck, a member of the staff of the Institute of Public Administration, of New York, will direct that part of Mr. Hanes' study concerned with governmental budgets.

"In coordinating this work with the executive agencies, Mr. Edward P. Bartelt will represent the Treasury, Mr. Walter F. Frese will represent the General Accounting Office, and Mr. Frederick J. Lawton will represent the Bureau of the Budget.

"The Committee on Federal-State relationships, under the chairmanship of Mr. Thomas Jefferson Coolidge, now consists of Dr. William Anderson, of the University of Michigan; Mr. John Burton, director of the New York State Budget; Senator HARRY F. BYRD, of Virginia; Governor Frank Carlson, of Kansas; Mr. William L. Chenery, publisher of Collier's Weekly; Mr. John W. Davis, senior partner of the firm of Davis, Polk, Warwell, Sunderland, and Kiendl, of New York City; former Governor Charles A. Edison, of New Jersey; Dean William I. Myers, of Cornell; and former Senator Sinclair Weeks, of Massachusetts. Mr. Frank Bane of the Council of State Governments directs the committee's research.

"A committee has been set up to consider the organization of the agricultural activities of the Federal Government consisting of Dean W. H. Martin, of Rutgers College, New Jersey; Dean H. P. Rusk, of the Illinois State College of Agriculture; Dr. D. Howard Doane, president of the Doane Agriculture Service; Mr. F. W. Peck, managing director of the Farm Foundation; Professor John Gaus, of Harvard; Mr. Chester Davis, president of the Federal Reserve Bank of St. Louis; Mr. Rhea Blake, of the National Cotton Council, Memphis, Tenn.; and Dean W. A. Schoenfeld, of Oregon State College, Corvallis, Oreg. Mr. G. Harris Collingwood is in charge of the research work of this committee."

The organization of studies and reports upon the following executive functions has already been announced: Public works, Mr. Robert Moses; veterans' affairs, other than hospitals, Col. Franklin D'Olier; revolving funds, other than lending agencies, Maj. Gen. Arthur H. Carter; lending agencies, Mr. Paul Grady; the post office, Robert Heller and associates; transportation, Brookings Institution; public welfare, Brookings Institution; Foreign affairs, Messrs. Harvey Bundy and James Grafton Rogers, with Henry L. Stimson as adviser; Federal field offices, Klein & Saks; Federal procurement, Mr. Russell Forbes; relations of the Presidency to the executive branch, Herbert Hoover with Don K. Price and the Bureau of the Budget.

JAMES BLACK DOG

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 402) to authorize and direct the Secretary of the Interior to issue to James Black Dog a patent in fee to certain land, which was, in line 8, after the word "acres", to insert ": *Provided*, That when the land herein described is offered for sale, the Fort Peck Tribe or any Indian who is a member of said tribe shall have 90 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase."

Mr. ECTON. I move that the Senate accept the amendment of the House.

The motion was agreed to.

TOM EAGLEMAN

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 500) authorizing the issuance of a patent in fee to Tom Eagleman, which was, in line 9, after "Dakota", to insert ": *Provided*, That when the land herein described is offered for sale, the Crow Creek Sioux, and the Lower Brule Sioux Tribes or any Indian who is a member of said tribes shall have 90 days in which to execute preferential rights to purchase said tract at a price offered to the seller by a prospective buyer willing and able to purchase."

Mr. ECTON. I move that the Senate accept the amendment of the House.

The motion was agreed to.

INTERNATIONAL AGREEMENT REGARDING REGULATION OF PRODUCTION AND MARKETING OF SUGAR—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDENT pro tempore. As in executive session, the Chair lays before the Senate Executive C, Eightieth Congress, second session, a protocol dated in London, August 29, 1947, prolonging for 1 year after August 31, 1947, the international agreement regarding the regulation of production and marketing of sugar, signed at London on May 6, 1937. Without objection, the injunction of secrecy will be removed from the protocol, and it will be referred to the Committee on Foreign Relations and printed in the RECORD. The Chair hears no objection.

The protocol is as follows:

To the Senate of the United States:

To the end that the Senate may give its advice and consent to ratification, if it approve thereof, I transmit herewith a certified copy of a protocol dated in London August 29, 1947, prolonging for 1 year after August 31, 1947, the international agreement regarding the regulation of production and marketing of sugar, signed at London on May 6, 1937.

I also transmit for the information of the Senate the report made to me by the Secretary of State with respect to this matter.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 20, 1948.*

(Enclosures: (1) Report of the Secretary of State; (2) certified copy of protocol of August 29, 1947.)

DEPARTMENT OF STATE,
Washington, February 19, 1948.

The PRESIDENT,
The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a certified copy of a protocol dated in London August 29, 1947, prolonging for 1 year after August 31, 1947, the international agreement regarding the regulation of production and marketing of sugar, signed at London on May 6, 1937.

The American Ambassador in London, acting in pursuance of full powers issued to him for that purpose by the President, signed the protocol for the Government of the United States of America with a reservation, "Subject to ratification."

The protocol was signed also by the respective plenipotentiaries of 16 other governments, as follows: the Union of South Africa, the Commonwealth of Australia, Belgium, Brazil, Cuba, Czechoslovakia, the Dominican Republic, the French Republic, the United Kingdom of Great Britain and Northern Ireland, Haiti, the Netherlands, Peru, the Republic of the Philippines, Poland, Portugal, and Yugoslavia.

The present protocol is designed to maintain between the respective interested governments the bases established by the international sugar agreement of May 6, 1937, for cooperation in the regulation of the world sugar market. That agreement was signed by the respective plenipotentiaries of 22 governments, including the United States of America, and was enforced and prolonged without change for a period of 2 years after August 31, 1942, by a protocol dated in London July 22, 1942. The agreement had for its purpose the establishing and maintaining of an orderly relationship between the supply and demand for sugar in the world market, in a manner equitable to both producers and consumers. A detailed explanation with respect to the purposes and application of the agreement may be found in Senate Executive T, Seventy-fifth Congress, first session, and Senate Executive J, Seventy-eighth Congress, second session.

In articles 29, 30, 31, and 32 of the agreement provisions were made for the establishment in London of a permanent organization, the International Sugar Council, in which all countries parties to the agreement are represented with a view to regulating the sugar market in a way which is fair to each country and to consumers as well as producers. The powers and duties of the Council are defined in articles 6 and 33 of the agreement.

Under the authority of the Sugar Act of 1937 approved September 1, 1937, as amended, and other measures enacted by Congress (50 Stat. 903; 52 Stat. 26, 747; 53 Stat. 632, 975; 54 Stat. 1178; 55 Stat. 438, 872; 56 Stat. 694, 695; 57 Stat. 398, 418; 58 Stat. 283, 430, 453, 741; 59 Stat. 141, 158; 60 Stat. 274, 289, 706; 61 Stat. 528, 922), the United States Government has taken measures for cooperation with the governments of other countries with a view to the international regulation of the production and marketing of sugar and has participated and continues to participate in the work of the International Sugar Council.

The desire of the interested governments to maintain the framework of the international sugar agreement of 1937 in order to facilitate international cooperation in regulation of the world sugar market, and the absence of any definitive action for revising the agreement, has resulted in the formulation and signing in London of additional protocols dated, respectively, August 31, 1944 (S. Ex. J and Ex. Rept. No. 5, 78th Cong., 2d sess.), August 31, 1945 (S. Ex. B and Ex. Rept. No. 2, 79th Cong., 2d sess.), August 30, 1946 (S. Ex. E and Ex. Rept. No. 2, 80th Cong., 1st sess.), and August 29, 1947, prolonging the agreement of 1937, with the exception of chapters III, IV, and V The provisions of each of the aforementioned protocols are identical in substance.

The agreement of May 6, 1937, together with the 1942 and 1944 protocols, was proclaimed by the President on April 20, 1945, and has been published as Treaty Series 990 (59 Stat. 922). The protocols of 1945 and

1946 were proclaimed by the President on June 10, 1946, and May 27, 1947, respectively, and have been printed respectively as Treaties and Other International Acts Series 1523 (60 Stat. 1373) and 1614.

The present protocol of August 29, 1947, has a preamble and five articles. It is provided in article 1 that, subject to the provisions of article 2, the agreement of 1937 shall continue in force between the governments signatory of the protocol for a period of 1 year after August 31, 1947. Article 2 provides that during the period specified in article 1 the provisions of chapters III (obligations of countries not exporting to the free market), IV (export quotas for the free market), and V (stocks) of the agreement shall be inoperative. It is stated in article 3 that the signatory governments recognize that revision of the agreement is necessary and should be undertaken as soon as the time appears opportune, the existing agreement to constitute a basis for discussion of any such revision. Article 3 provides that, for the purpose of such a revision of the agreement, due account shall be taken of any general principles of commodity policy embodied in any agreement concluded under the auspices of the United Nations.

It is provided in article 4 that before the conclusion of the period of 1 year specified in article 1 the contracting governments will discuss the question of a further renewal of the agreement if the steps contemplated in article 3 have not been taken.

In accordance with article 5, the protocol is dated August 29, 1947, and although it remained open for signature until September 30, 1947, signatures appended after August 30 are deemed to have effect as from that date.

Respectfully submitted.

G. C. MARSHALL.

(Enclosure: Certified copy of protocol of August 29, 1947.)

PROTOCOL

Whereas an International Agreement regarding the Regulation of the Production and Marketing of Sugar (hereinafter referred to as "the Agreement") was signed in London on the 6th May, 1937;

And whereas by a Protocol signed in London on the 22nd July, 1942, the Agreement was regarded as having come into force on the 1st September, 1947, in respect to the Governments signatory of the Protocol;

And whereas it was provided in the said Protocol that the Agreement should continue in force between the said Governments for a period of two years after the 31st August, 1942;

And whereas by further Protocols signed in London on the 31st August, 1944, the 31st August, 1945, and the 30th August, 1946, it was agreed that, subject to the provisions of Article 2 of the said Protocols, the Agreement should continue in force between the Governments signatory thereof for periods of one year terminating on the 31st August, 1945, the 31st August, 1946, and the 31st August, 1947, respectively;

Now, therefore, the Governments signatory of the present Protocol, considering that it is expedient that the Agreement should be prolonged for a further term as between themselves, subject, in view of the present situation, to the conditions stated below, have agreed as follows:

ARTICLE 1

Subject to the provisions of Article 2 hereof, the Agreement shall continue in force between the Governments signatory of this Protocol for a period of one year after the 31st August, 1947.

ARTICLE 2

During the period specified in Article 1 above the provisions of Chapters III, IV, and V of the Agreement shall be inoperative.

ARTICLE 3

1. The Governments signatory of the present Protocol recognise that revision of the Agreement is necessary and should be undertaken as soon as the time appears opportune. Discussion of any such revision should take the existing Agreement as the starting point.

2. For the purposes of such revision due account shall be taken of any general principles of commodity policy embodied in any agreements which may be concluded under the auspices of the United Nations.

ARTICLE 4

Before the conclusion of the period of one year specified in Article 1, the contracting Governments, if the steps contemplated in Article 3 have not been taken, will discuss the question of a further renewal of the Agreement.

ARTICLE 5

The present Protocol shall bear the date the 29th August, 1947, and shall remain open for signature until the 30th September, 1947; provided however that any signatures appended after the 30th August, 1947, shall be deemed to have effect as from that date.

In witness whereof the undersigned being duly authorised thereto by their respective Governments have signed the present Protocol.

Done in London on the 29th day of August, 1947, in a single copy which shall be deposited in the archives of the Government of the United Kingdom of Great Britain and Northern Ireland, and of which certified copies shall be furnished to the signatory Governments.

For the Government of the Union of South Africa:

G. HEATON NICHOLLS.

For the Government of the Commonwealth of Australia:

JOHN A. BEASLEY.

For the Government of Belgium:

G. WALRAVENS.

For the Government of Brazil:

MONIZ DE ARAGÃO.

For the Government of Cuba:

MIGUEL ANTONIO RIVA.

For the Government of Czechoslovakia:

B. G. KRATOCHVIL.

For the Government of the Dominican Republic:

EMILIO ZELLER.

For the Government of the French Republic:

J. C. H. DE SAILLY.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

T. G. JENKINS.

For the Government of Hayti:

STEPHEN ALEXIS.

For the Government of the Netherlands:

A. BENTINCK.

For the Government of Peru:

FERNANDO BERCKEMEYER.

For the Government of the Republic of the Philippines:

J. M. ELIZALDE.

For the Government of Poland:

A. SZEMINSKI.

For the Government of Portugal:

MIGUEL D'ALMEIDA PILE.

For the Government of the Union of Soviet Socialist Republics:

_____.

For the Government of the United States of America (subject to ratification):

L. W. DOUGLAS.

For the Government of the Federal People's Republic of Yugoslavia:

Dr. FRANC KOS.

Certified a true copy.

[SEAL] D. A. BIGBY,
Acting Librarian and Keeper of the Papers for the Secretary of State for Foreign Affairs.

OCTOBER 9, 1947.

THE ST. LAWRENCE SEAWAY

The Senate resumed the consideration of the joint resolution (S. J. Res. 111) approving the agreement between the United States and Canada relating to the Great Lakes-St. Lawrence Basin with the exception of certain provisions thereof.

The PRESIDENT pro tempore. The question is on agreeing to the first amendment of the Committee on Foreign Relations.

EXTENSION OF RENT CONTROL

Mr. TAFT. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 2182, Calendar No. 941, the rent-control bill.

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

The CHIEF CLERK. A bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Ohio that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the bill which has just been stated by title?

There being no objection, the Senate proceeded to consider the bill.

Mr. TAFT. Mr. President, it is probable that we will not be able to complete consideration of the bill and the amendments today. If there is any substantial objection, as there may be, to voting on any amendment today, it may be necessary to put it over, and it might come in conflict with the St. Lawrence seaway measure on Monday. I hope that if the St. Lawrence seaway measure is resumed on Monday under the unanimous-consent agreement it may not be for long, and that we may proceed to the consideration of the rent-control bill to a conclusion.

Mr. LODGE. Mr. President, I wish to say in connection with the program on Monday that I shall seek recognition for 10 or 15 minutes to make a statement regarding the St. Lawrence seaway. I make that statement in the light of the statement made by the Senator from Ohio [Mr. TAFT] that he hoped there would be no business taken up at that time having to do with the St. Lawrence seaway. I shall seek recognition on Monday to make a statement of 10 or 15 minutes' duration.

The PRESIDENT pro tempore. The notice will be recorded in the RECORD.

Mr. IVES. Mr. President, I wish to make a brief statement in regard to the St. Lawrence seaway. There happens to be a slight matter in the RECORD which needs correction. I am merely awaiting the return of the distinguished Senator from Wisconsin [Mr. WILEY] in order to be able to make the correction.

DEATH OF REPRESENTATIVE ROBSION, OF KENTUCKY

Mr. BARKLEY. Mr. President, inasmuch as I may not be on the floor when

the House resolution regarding the death of the Honorable JOHN M. ROBSION, of Kentucky, is laid before the Senate, I wish to say a brief word in regard to Mr. ROBSION.

I am sure that in my expressions of regret over his death I speak the sentiments of all who knew Mr. ROBSION. He served in the Congress of the United States for more than two decades. He served in the Senate for a while under appointment by the Governor of Kentucky when the then Senator from Kentucky, the Honorable Frederick Sackett, was appointed Ambassador to Germany by President Hoover. He had previously served for many years in the House of Representatives, and went back to the House of Representatives after his service here for a year or two under the appointment to which I have referred. So that over the years he has been a Member of the two Houses of Congress as long as a vast majority, and even longer than a vast majority of Members serve in the Congress of the United States.

Mr. ROBSION was an ardent Republican. I am, of course, as almost everyone knows, the same kind of a Democrat. But all during the service of Mr. ROBSION in the House and in the Senate he and I maintained the warmest personal friendship. There was not only such a friendship between him and me, but between his family and mine. As so often happens in both branches of the Congress, some of the warmest personal friendships exist between members of different political affiliations. That is perfectly natural and perfectly proper, because while we may differ vigorously with respect to public matters and political problems, we always recognize the personal virtues, character, personality, sincerity, and honesty of those with whom we associate in the legislative process.

I had the greatest respect for Mr. ROBSION, and I think that respect was reciprocated. On many occasions he had an opportunity to do me a personal favor or to speak a personal word of commendation, which he was always ready and willing to do.

So I mourn his death as a friend, and I am sure that a vast concourse of people in Kentucky who have known him during his entire public life will mourn his death and will miss him in the political and social councils of the State which he represented in Congress for so long.

I am glad to speak this word in tribute to him and express my deep regret at the news of his death.

Mr. TAFT. Mr. President, I should like also to express from this side of the aisle, and for myself personally, the deep regret which all of us feel at the death of JOHN M. ROBSION. He was a personal friend of mine. He came from a neighboring State. I have known him personally for many years. He came from a Republican district. He was, as the distinguished Senator from Kentucky has said, a strong Republican; but he was much more than that—he was a great citizen of Kentucky and of the United States. He was a man of unquestioned integrity and of great ability. He acquired a complete knowledge of the legislative process, and he presented his views and represented the people of his district and his State in a most effective and convincing manner in the House of Representatives.

He was also, as has been stated, a former Member of this body, in which he served for a short period after the resignation of Senator Sackett.

I do not believe that anyone could be a better example of the type of man to whom the American people desire to entrust their interests in the Congress of the United States. I wish to testify to my own deep regret and sympathy with his friends and constituents, and express unending sorrow that he should have been taken at this time from his service in the House of Representatives.

IRREGULARITIES IN WILMINGTON, DEL., OFFICE OF COLLECTOR OF INTERNAL REVENUE

Mr. WILLIAMS. Mr. President, about 2 months ago the Senator from Delaware [Mr. BUCK] and I called the attention of the Treasury Department to a situation which existed in the tax office in Wilmington, Del. At that time we pointed out that there had been embezzlement of some of the taxpayers' funds. Since that time the cashier of the office has pleaded guilty and has been sentenced to a term of 4 years. Apparently it is the intention of the Treasury Department to let the matter drop as it stands now.

I have before me a copy of a letter, which I wish to have printed in the RECORD, which points out the fact that there is evidence on file in the Treasury Department which proves beyond any doubt that the collector and assistant collector both knew of this embezzlement prior to the time they took any action, and that during the time they were sitting around doing nothing funds were still being embezzled. We have called this matter to the attention of the Commissioner on two separate occasions, and so far we have not received any reply. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks another letter written to the Commissioner, asking that some attention be paid to the situation.

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

FEBRUARY 19, 1948.

Mr. GEORGE J. SCHOENEMAN,
Commissioner, Bureau of Internal Revenue, Washington, D. C.

DEAR MR. SCHOENEMAN: On February 4, 1948, we wrote to you calling your attention to what we considered a most serious situation existing in your Wilmington office. Since that date we have received neither a reply to, nor an acknowledgment of, our letter.

As representatives of the citizens of Delaware we are disturbed for the reasons which are hereinafter set forth.

At least as early as November 15, 1946, the collector and the assistant collector of the Wilmington office were notified in writing by one of their employees that several of the Delaware taxpayers' accounts had been manipulated in what appeared to be a systematic and sizable manner. Any casual examination would have disclosed that it was the work of a thief within their office.

As far as we know, neither the collector nor the assistant collector made any report either to you or to any prosecuting or investigating authority until May 28, 1947—more than 6 months later.

In December 1946 your auditors made an examination of that office. The information which the collector and the assistant collector had then in their possession as to the manipulations of accounts within their office was withheld from your own auditors.

During the 6-month period, possibly in an effort to discover the total amount of the embezzlements, several taxpayers were questioned at length by agents of the Bureau of Internal Revenue. Rather than disclose to the taxpayers that the purpose of the investigation was to find out how much a thief within your own organization had stolen the taxpayer was made to feel that his own actions were under scrutiny.

When in May 1947, the collector finally made the facts available to Mr. J. E. McNamee, Chief of the Investigation Staff of the Treasury Department, an investigation was made. He reported as follows:

"In this connection, it is well to note that during the period November 1946, when the collector was first notified by the assistant cashier of an apparent discrepancy in the accounts, the cashier, Mr. Flynn, was left in complete control of his duties by the collector and no satisfactory explanation has been forthcoming from the collector as to why this situation was allowed to exist. The collector failed to acquaint the supervisors, or the Bureau, with his knowledge of this irregularity for 6 months after he found it out, during which period the cashier carried on his defalcations. As indicated by the report a total of $2,939.26 was embezzled during the period November 1946 to May 28, 1947."

This report by one of your own men speaks for itself. The collector and the assistant collector, after they had knowledge of the situation, permitted the thief to remain in a responsible position in their office as cashier for 6 months, during which time he continued to steal the money from the taxpayers.

Mr. McNamee further reported that he asked the thief why he had not admitted the discrepancies earlier, and he replied, "My bosses did not open their mouths, so why should I tell."

We believe that men in public life should conduct themselves in such a way that they maintain public respect. This is especially so in a Bureau such as yours where you constantly and, often critically, scrutinize the acts of many citizens.

It is our present opinion that the actions of the collector and the assistant collector indicate either serious malfeasance or utter incompetence. However, we have been informed that both the collector and the assistant collector have recently been promoted. On the other hand, the employee who discovered and reported the embezzlements remains at the same salary.

We feel it is of vital importance that you attempt to regain some semblance of public respect for your Delaware office by making a complete investigation of this situation and reporting your findings to the public.

If the facts related above are incorrect, we would be glad to hear from you. In any event we would appreciate the courtesy of a response.

Yours sincerely,

C. DOUGLASS BUCK,
JOHN J. WILLIAMS,
J. CALEB BOGGS,
Congressman.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where

conditions justifying such controls no longer exist, and for other purposes.

Mr. CAIN obtained the floor.

Mr. TAFT. Mr. President, will the Senator yield for the purpose of permitting me to suggest the absence of a quorum?

Mr. CAIN. I yield.

Mr. TAFT. 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	Gurney	Murray
Ball	Hawkes	Myers
Barkley	Hayden	O'Conor
Brewster	Hickenlooper	O'Daniel
Bricker	Hill	O'Mahoney
Brooks	Hoey	Overton
Buck	Holland	Reed
Bushfield	Ives	Revercomb
Butler	Jenner	Russell
Byrd	Johnson, Colo.	Saltonstall
Cain	Johnston, S. C.	Smith
Capehart	Kem	Stennis
Capper	Kilgore	Stewart
Connally	Knowland	Taft
Cordon	Langer	Thomas, Okla.
Donnell	Lodge	Thomas, Utah
Downey	McCarthy	Thye
Dworshak	McClellan	Tobey
Eastland	McFarland	Vandenberg
Ecton	McGrath	Watkins
Ferguson	McKellar	Williams
Flanders	Malone	Wilson
Fulbright	Martin	Young
George	Millikin	
Green	Moore	

Mr. TAFT. I announce that the Senator from Connecticut [Mr. BALDWIN], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Oregon [Mr. MORSE], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Kentucky [Mr. COOPER] is absent on official business, attending the funeral of the late Hon. John M. Robsion.

The Senator from Wisconsin [Mr. WILEY] is absent because of illness.

Mr. BARKLEY. I announce that the Senators from New Mexico [Mr. CHAVEZ and Mr. HATCH], the Senator from Louisiana [Mr. ELLENDER], the Senator from Connecticut [Mr. MCMAHON], the Senator from Florida [Mr. PEPPER], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Nevada [Mr. MCCARRAN] are absent by leave of the Senate.

The Senator from Virginia [Mr. ROBERTSON] is absent on official business.

The Senator from Idaho [Mr. TAYLOR], the Senator from North Carolina [Mr. UMSTEAD], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

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

Mr. CAIN. Mr. President, I offer for consideration Senate bill 2182, a bill to extend certain provisions of the Housing and Rent Act of 1947; to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

The Senate fully understands that the Housing and Rent Act of 1947 would continue controls over rents through February 29, 1948. Unless a rent-control act for 1948 is approved, or unless the 1947 act is extended by congressional action, all rent controls will expire a little more than a week from now.

During the past several months the administration and both Houses of the Congress have declared their intention of continuing, for an unspecified period, rent controls in some form. Because of this declaration by responsible administration and party leaders, the Banking and Currency Committee of the Senate charged its subcommittee on rents and housing with the responsibility of recommending rent-control legislation to replace the Housing and Rent Act of 1947. The subcommittee has had as its members the senior Senator from Delaware [Mr. BUCK], the junior Senator from Ohio [Mr. BRICKER], the junior Senator from Arkansas [Mr. FULBRIGHT], the senior Senator from Idaho [Mr. TAYLOR], and the junior Senator from Washington [Mr. CAIN]. After completing three full weeks of thorough hearings, the subcommittee submitted its recommendations to the Banking and Currency Committee beginning on Thursday, February 5. The full committee studied the proposals from that date through Monday, February 16, when S. 2182 was reported to the Senate by unanimous vote. The bill before the Senate represents the recommendations advanced by the subcommittee, except for some of its proposals which were rejected and eliminated by the full committee. There will be a discussion of the deleted proposals at a later stage in the proceedings.

I shall take for granted that the Senate is familiar with the provisions contained in the Housing and Rent Act of 1947. For the purpose of the present discussion, it is only necessary for the Senate to recall that the law of 1947 was designed to accomplish the following objectives:

A. Rent controls were to terminate on February 29, 1948.

B. Local boards and subboards were established in the six-hundred-odd defense-rental areas situated throughout the Nation. It was thought that the creation of these boards would speed up the decontrol of rent areas throughout America, and that greater justice and a fuller degree of fair treatment would be afforded to both property owner and tenant through the action of local boards, which were to be peopled by competent and representative local citizens. The boards were authorized to make recommendations concerning (1) decontrol of a defense-rental area or any portion of an area; (2) the adequacy of the general rent level in the area; (3) operations generally of the local rent area, with particular reference to hardship cases.

C. Leases were authorized which called for an increase of not to exceed 15 percent above the rent figure prevailing on the date of enactment of the 1947 law, and which were voluntarily signed between tenant and property owner.

D. The Housing Expediter and his many field agents were encouraged to act upon rent-hardship applications with a minimum of delay, and to make certain that owners of private rental property would not be required to operate at a loss.

The Congress was extremely hopeful that the 1947 Rent and Housing Act would be properly administered, and that rent controls could be discontinued following the expiration date of the 1947 act. It now appears to be a fact that the Congress wishes to extend rent controls, and it is a fact, supported by the record which was developed through weeks of painstaking hearings, that the Housing and Rent Act of 1947 has not been adequately or, in instances, competently administered, nor has the administration of the act carried out all the reasonable purposes and objectives the Congress intended.

If there is need for continuing rent controls, and if it be true that the 1947 act has not been administered properly and in keeping with the intent of Congress, it is imperatively important that we determine that a 1948 rent law shall actually serve its intended purpose before the law is made effective.

Senate bill 2182, which is now before the Senate, is presented as being an improvement over the Housing and Rent Act of 1947. It continues most of the provisions of the 1947 act.

There are, however, 10 items which have been added to the proposed 1948 control bill. These new items are:

First. Eliminates permit requirement for recreational and amusement facilities—title I.

Second. Decontrols all facilities renting for $225 per month or more.

Third. Decontrols nonhousekeeping furnished rooms within a private family home, which is not a rooming or boarding house.

Fourth. Authority is given the Expediter to decontrol a class of housing accommodations—an example, rooming and boarding houses—within an area.

Fifth. Liberalizes hardship or inequity cases. No owner shall operate at a loss.

Sixth. Extends or continues the 15-percent lease provision of the 1947 law to termination date of the new law which is—

Seventh. April 30, 1948.

Eighth. Permits Expediter to appoint members to local advisory boards if the governor has not recommended appointees within 30 days.

Ninth. New bill reinstates criminal sanctions; that is, Attorney General may prosecute violations of the law—1 year, $1,000.

Tenth. Tenants evicted for reasons other than nonpayment of rent or nuisance must be given a 60-day notice.

Mr. President, Senate bill 2182 contains more administrative suggestions and directions than has been the case before, but the authors of the bill are absolutely convinced that there is no other method through which the law

of 1948 can be made effective. Because of what the Office of the Housing Expediter has failed to do in the past, and because of some of the unnecessary and unauthorized things which that Office has done on its own initiative, the Banking and Currency Committee will seek to secure from the Office of the Housing Expediter, before the 1948 act becomes effective, an acknowledgment that every provision of the new act will be administered in accordance with the intent of the legislation. The Acting Housing Expediter has agreed that his nomination to be the Housing Expediter shall not be considered further by the Banking and Currency Committee until that committee is convinced that the Acting Housing Expediter understands the new law and that he will administer that law in accordance with the legislative spirit, wish, and detail.

While not an impossible thing to accomplish, it is extremely difficult to write or extend or amend a rent-control law which is fair to the property owner and tenants of America, when the very foundation of any rent-control law is both unfair and discriminatory. Every member of the Banking and Currency Committee recognizes that in controlling rents in America we are penalizing a segment of our society to the benefit and advantage of other groups within our national economy. In recommending that rent controls be continued in America we must frankly acknowledge that we can justify their retention only because of an admitted emergency, which we find it hard accurately to gage or define, and for reasons of pure expediency. There is no member of the committee who does not wish that we could rid the Nation of rent controls today. There is no member of the committee who does not recognize that we must eliminate rent controls at the earliest possible moment. These convictions lend strength to the need for an effective administration of whatever legislation is finally agreed upon by the Congress.

This presentation will include a wide range of constructive criticisms of the Office of the Housing Expediter. Our purpose is simply that of explaining past errors in hope that they will be, as they must be, avoided in the future if we are determined to be fair to the citizens of the Nation which we represent.

The one salutary effect which has resulted from the Housing and Rent Act of 1947 is that the Congress is being given an opportunity now to examine and reexamine the administration and the maladministration of the present act since its passage in July of 1947. On the basis of this examination, which can be read and studied by any interested Senator, it is conspicuously obvious that those who were charged with administering the 1947 act were entirely and completely unaware of and unimpressed by what the Congress really had in mind when it passed the act. The junior Senator from Washington willingly admits to having had but a brief experience in the Senate and with Federal administrative agencies and bureaus. Brief as that experience has been it has, however, been full, and I may say that never have I been confronted by an administrative agency, either within or beyond the confines of public life, which had such a total disregard for its delegated responsibility. When the Congress passed the Housing and Rent Act of 1947 it did two things: First, it charged the Expediter with looking for ways in which rent-control areas and portions of areas could be safely decontrolled. Second, it told the Expediter that the reasonable wishes of local communities, as expressed by the created local rent boards, should prevail. The Expediter has neither intelligently sought to decontrol areas nor has he responded in adequate fashion to the recommendations made by local rent-control boards. The Office of the Expediter has lacked imagination. It has lacked the degree of competence which Congress was entitled to expect, and on the basis of its day-to-day conduct it has created a standard which would continue the office in perpetuity.

Vigorous and challenging and distressing as these charges are, I defy anyone who will read the record to deny a single allegation.

Despite the truth of these statements, I think the present Acting Housing Expediter and those of his staff whom the committee has come to know, are willing and even anxious to be guided by what Congress has in mind. They have learned to appreciate that it is not for them to second guess or to make up their minds about what the legislative body wants. They have become convinced that the Congress bears the responsibility for laying down a directive which an administrative agency must follow to the letter. Had we appreciated last year what was needed to make a law effective it would not now be necessary for us to disembowel with a word-trowel an executive agency in order to make it work.

Senate bill 2182 recommends that the Rent and Housing Act of 1948 be continued through April 30, 1949. This is a limited period, much shorter than recommended by some Senators, and by the Acting Housing Expediter, but there is sound reason for a relatively short extension of the law.

In my opinion, a few examples of misguided effort on the part of the Office of Housing Expediter will convince the Senate of the wisdom of not extending Federal rent controls for an over-long period. First, the Office of Housing Expediter devoted a great deal of effort to preparing a handbook as a guide for local advisory boards functioning in local defense-rental areas under the existing Federal rent-control law. But nowhere in that book of 19 pages did the Housing Expediter advise the local boards of the procedure they must follow in order to perform in an acceptable manner their statutory duties to recommend decontrol of areas or to make recommendations as to the adequacy of general rent levels in the areas. The Housing Expediter's remarks on this subject were confined to suggested actions the local boards should or might take. Because of the inadequacy of these instructions many boards devoted a great deal of time and effort to the conscientious performance of their statutory duties, only to receive in return from the Housing Expediter a reply longer in most instances than the board's recommendations, informing the board for the first time what it ought to do in order to substantiate its recommendations in a manner acceptable to the Housing Expediter. As a result of this faulty and meaningless procedure, boards became demoralized and discouraged to such an extent that some of them now exist in name only and do not achieve the purpose intended by the Housing and Rent Act of 1947. It is sad to reflect that this inept administrative procedure was not remedied until the Subcommittee on Housing and Rents drew from the present Acting Housing Expediter an admission that the procedure was not working in a satisfactory manner, and a promise that he would revise the instructions issuing from his office to the local advisory boards in such manner as to inform those boards what actions they must take in order to make the fruits of their conscientious labor acceptable to the Office of the Housing Expediter.

The Housing Expediter has now agreed to prepare a checklist for use by all local advisory boards in connection with their recommendations for increases in the general rent level of an area. It is his expressed intent that if this checklist, and a similar one relating to recommendations for decontrol, are followed the Office of Housing Expediter will be in a position to accept such recommendations more readily than it can in the absence of such checklists. In this plan lies the promise of providing far more effectiveness to the local advisory boards than they now possess. The basic structure of the 1947 Housing and Rent Act rested firmly on the theory that local rent-control boards would be successful, and that the Housing Expediter would treat them as responsible bodies. That more of these boards have not thrown in the sponge and quit because of the unwillingness of the Expediter to treat them as the voice of the people at the local level of Government is cause for astonishment and surprise. It is hoped that the Expediter's new checklist policy will cause local boards to take heart and try again to do a worth-while and positive job. If they do not—if the local rent boards and their members throughout America cannot be reencouraged by the Congress to proceed in performing an important job, any rent act which is passed by Congress today, tomorrow, or in the future, and which is tied to local boards, will be largely worthless and a complete waste of the time given to the creation of the act by its sponsors and by Members of the Congress generally.

The philosophy embodied in Senate bill 2182 is one of decontrol at the earliest practicable date. On the basis of the record of the Office of Housing Expediter up to this time this philosophy can hardly be said to have been given an opportunity to develop. It appears that when the Office of Housing Expediter received a recommendation for decontrol of an area, or for an increase in the general rent level in the area, it was very careful to insist that such recommendations be completely substantiated. However, when that Office received recommendations for a continuation of controls or a continuance of the existing general rent

level in the area, no action was taken by the Office of Housing Expediter beyond acknowledging their receipt and filing them as expressions of opinion on the theory that no positive action was necessary and no supporting data were required. This practice was followed despite provisions of the Housing and Rent Act of 1947, and the Handbook for Rent Advisory Boards issued by the Office of Housing Expediter, November 1947 revision, which stated that recommendations of local advisory boards must be appropriately substantiated.

That was the mandate of Congress six or seven long months ago, and it was so provided in the Expediter's own manual; but, almost from the very moment of the issuance of the manual which advised local boards what they must do in such instances, the highest authorities in the Office of the Housing Expediter repudiated not only their own written manual, but a directive written and designed by the Congress of the United States.

By this failure to follow its own handbook, the Office of Housing Expediter has neglected a great opportunity to achieve speedy decontrol of housing accommodations in defense-rental areas in those cases where recommendations for continuance of controls or recommendations that the existing general rent level in the area is adequate were not appropriately or otherwise substantiated.

The Acting Housing Expediter admitted to the subcommittee at the hearings that the national Office made a serious mistake in this respect; that he did not know nor had any attempt been made to learn how many of these recommendations which were treated by his office as mere expressions of opinion were appropriately substantiated. His testimony as it appears on page 61 of part I of the printed hearings naively points out:

> In addition to the recommendations for decontrol and general rent increases, the Office of the Housing Expediter has received 358 expressions of opinion from rent-advisory boards indicating the need for continuing rent control for approximately 8,000,000 housing units. The Office has also received 148 expressions of opinion by rent-advisory boards that no general rent increases should be made at this time for approximately 2,000,000 housing units.

The Office of Housing Expediter does not know how many of these approximately 10,000,000 housing units might, through a competent survey by his office, be ready for decontrol or general rent increases. A mere expression of opinion by a local rent board means nothing, and the Acting Housing Expediter and his staff have been conscious that it meant absolutely nothing. The Acting Housing Expediter has agreed to remedy this unexplainable situation, but only after his attention had been invited to the problem at the hearings before the Subcommittee on Housing and Rents.

Closely related to the problem I have just mentioned is the fact that until recently the Office of Housing Expediter insisted that recommendations for decontrol or for an increase in the general rent level of an area were not acceptable from any defense-rental area having more than one local advisory board, unless all such boards in that area acted as a single board in making such recommendations. However—and I think we ought carefully to study this premise—when recommendations or expressions of opinion for continuation of controls or to the effect that existing general rent levels were adequate, were received from any one of the boards in such an area, the Office of Housing Expediter accepted and filed them rather than insist that such recommendations should also be made by all boards in the defense-rental area acting as a single board. The latter procedure was directly contrary to instructions set forth on page 14 of the November 1947 revision of the Handbook previously mentioned. When the Acting Housing Expediter was asked what he would do about that conflict, he replied that he "will make the rules apply whether it is a recommendation for decontrol or a recommendation for continuation of rent control." But again this agreement was obtained only as the result of a congressional hearing, which was held many months after the 1947 act became law.

It should here be pointed out that a change in policy concerning individual action by local advisory boards was speeded up and action taken by the Office of Housing Expediter as a result of a hearing the junior Senator from Washington held in Seattle on December 29, 1947. On an individual basis, the Office of Housing Expediter reviewed defense-rental areas having more than one board and determined which of those boards could act by themselves in making recommendations to the Housing Expediter under the existing Federal rent-control statute and which of them would still have to act as a part of one or more other boards in the same area in making such recommendations. The following criterion was used in this task:

Can the recommendations of the individual board be put into effect in the portion of the local defense area it serves without illogically affecting other portions of the defense-rental area?

This, Mr. President, was a constructive step to grant local advisory boards a greater measure of autonomy, but again it took a congressional hearing to achieve it.

Before we depart completely from the subject of expressions of opinion, it is interesting to note that on November 1, 1947, in a pamphlet entitled "Across the Board," issued by region 8 of the Office of Housing Expediter, Mr. Ward Cox, regional rent administrator, explained the purpose of obtaining such expressions. I suggest that Senators who are present and those who will have access to the record pay particular attention to what Mr. Cox had in mind with reference to operations in the Nation's Capital. Mr. Cox admonished each board under his jurisdiction—and that includes all the Western States, if I correctly understand—that its responsibility in making such expressions of opinion was a grave one, since the continuation of Federal rent controls in housing-hungry sections of the Nation would largely depend upon the collective views expressed by the local advisory boards.

He made this interesting observation:

> The evidence assembled by the boards will be presented to Congress by the Housing Expediter when he makes his report to the congressional committees when Congress convenes next January. Congress undoubtedly will pay close attention to the reports of these boards.

Mr. President, what were those recommendations as expressions of opinion based upon? They were based merely upon an unsupported declaration of an individual's opinion. Yet a Federal agent on the west coast, as the rent director of region 8, had the temerity and had such a lack of understanding of what his responsibility was that he assumed in writing that the Congress would make up its mind on an important national subject on the basis of unsupported allegations.

Mr. President, it so happens that in his presentation to our subcommittee the Acting Housing Expediter did relate a summary of these expressions of opinion in connection with his appeal for continuation of the Federal rent control law. Compare volume 7, page 1146.

However, when the matter of these expressions of opinion was examined more closely in his presence the Acting Housing Expediter was quick to recognize and admit that neither he nor his office could state whether any of those expressions of opinion meant anything. Few were supported by a single fact. Yet the Congress had urged decontrol wherever possible.

This same pamphlet, entitled "Across the Board," contained other propaganda defending a theory that rent control is not an unusual power and is well founded in history. I cannot help but read for the benefit of thoughtful men everywhere, both in and outside of Congress, this attempt to inculcate the idea that maybe Federal rent control is an old, conservative custom which had its foundations in the beginning of the world. The item in question, written officially, and circulated likewise, by a responsible Federal agent, takes us back to Adam and Eve. I am going to quote precisely what American citizens have been urged to read and to be guided by as it comes from this pamphlet. It says:

> Many people think that rent control is something new. It is not. Adam and Eve conceivably could be considered the first to suffer an eviction notice.

Mr. President, at this point I might say that when the writer of that propaganda suggests that rent control can be considered to have begun in the days of Adam and Eve, even up to the date to which he next refers, he takes as an assumption—and because he is presumed to be a responsible man, his assumption will be believed by too many persons throughout this country—that there might have been rent controls from the beginning of man.

Mr. Cox continues as follows:

> Our first record of rent control, however, dates back to 1470 when Pope Paul II decreed that a tenant could not be evicted from his dwelling in Rome unless the landlord desired to occupy the dwelling himself. About 75 years later Pope Paul III, preparing for the forthcoming Holy Jubilee Year, decreed that any landlord who evicted a tenant on the grounds the landlord himself desired to occupy the dwelling, and then failed to occupy

the dwelling for at least a year, would be fined a year's rent, half to go to the tenant and half to the Vatican. That system of splitting the fines between the governing agency and the tenant was employed by our Federal Government until the old Rent Act expired on June 30 of this year. Rent control has been exercised by many nations down through the centuries, in one form or another, especially during wartime periods and postwar eras, and our system is a refined form designed for our especial housing problems.

Obviously, Mr. President, I make no comment on the historical accuracy of the context of this quotation; but I do challenge, and very seriously, the propriety of including such material in a Federal publication, the only purpose of which, according to the Acting Housing Expediter—volume 7, page 2133—was to serve as a vehicle to acquaint local advisory boards with problems which other such boards in their region were meeting. Were such attitudes condoned and permitted to prevail, America, in my considered opinion, would have rent controls for at least 1,000 years to come.

Again, Mr. President, when this matter was bluntly called to the attention of the Acting Housing Expediter, he promptly issued instructions stopping all such publications—volume 7, page 1154—until the National Office of Housing Expediter could decide whether to issue an editorial policy for such publications or whether to supplant them with a central information service conducted by the national office.

As a further example of the maladministration and lack of decision apparent in the conduct of the Office of Housing Expediter, let me cite the following circumstances: The existing Federal rent-control law allows landlords to petition, does it not, the Housing Expediter, through his field offices, for an upward adjustment of the maximum rent applicable to the housing accommodations identified in the petition, in instances where the landlord could demonstrate to the satisfaction of the Office of Housing Expediter that the rent ceiling prevailing in his case upon the date of the petition resulted in hardship to him, involving in many cases the operation of the housing accommodations at a net loss. However, although such a petition often took months in processing before it was granted, the relief applied only as of the date on which the petition was finally granted.

Mr. President, I wonder if there is a Senator or a Member of the House of Representatives who on numerous occasions during recent years has not received bitter, burning criticisms from some of his constituents who have said, "Our case as of the day we submitted it was as good as it was on the day, 5 months later, when the application for relief was granted." Where, in Heaven's name, Mr. President, is there any justice in not applying relief back to the date when the application for hardship relief was made?

The Acting Housing Expediter was asked during the hearings before our rent subcommittee why, insofar as Federal law is concerned, the granting of the petition was not made effective as of the date upon which the petition was formally filed with his office. Again the now Acting Housing Expediter was prompt to admit that equity, as well as justice, would call for such a ruling, because the facts establishing the landlord's right to relief existed on the day the petition was filed. However, a conference with the aides who accompanied the Acting Housing Expediter at the hearing disclosed, as far as the record is concerned, a mass of indecision as to why such a ruling had not been issued. The Acting Housing Expediter stated he had had the ruling under consideration for some time and wanted to issue it. However, although none of his aides expressed for the record any reason why such a ruling should not be issued, the fact remains that no such ruling was actually issued until the chairman of the subcommittee requested that it be done, not in 2 weeks or a month, but at once. The Acting Housing Expediter agreed to do so, and now has done so. But here again is cause for caustic criticism of an executive agency of a people's government which cannot bring itself to issue regulations that it considers to be wise and equitable until it is prompted to do so by a committee of the Congress.

Mr. President, allow me to give but one further instance of the maladministration of the Housing and Rent Act of 1947 under the Office of Housing Expediter. I wish to give another example for the simple reason that those of us on the Banking and Currency Committee are as convinced as we can ever be convinced of anything, that we are wasting our time in the writing of a law for 1948 if that law is not going to be better administered than the previous laws on this subject have been.

Section 204 (b) of the act of 1947 allowed landlords and tenants to enter into leases in good faith at a rental not representing an increase of more than 15 percent over the maximum rent which would apply in the absence of a lease. It further provided for decontrol of such leased accommodations on December 31, 1947, upon the filing of a copy of the lease in due time with the Office of Housing Expediter. On the first day of hearings before the subcommittee, the Acting Housing Expediter stated he knew of only one case of a lease meeting all requirements of the act being rejected by the Office of Housing Expediter because the rental prescribed in the lease did not represent a substantial increase above the maximum rent which could be charged in the absence of a voluntary lease. But, during the course of the hearings, it developed that there were many other rejections under the same circumstances of which the Acting Housing Expediter was not aware. This unwarranted rejection of leases, signed between freemen as the result of an authority granted by the Congress, gave rise to a situation wherein the landlord and the tenant did not know whether the leased accommodations were under control or decontrolled, even though all mandatory requirements of the voluntary-lease provision of the Housing and Rent Act of 1947 had been complied with. The Acting Housing Expediter assured the subcommittee, and later on the full committee, that these errors in administration would be remedied whenever they were brought to his attention; but under proper administrative procedures, which no one can construe should have been difficult to design, such tragic and costly and unreasonable errors would not have occurred.

Despite the willingness of the Acting Housing Expediter to correct errors when they are brought to his attention, the lack of decision and the ineptitude in administration of the Housing and Rent Act of 1947 have caused the committee to refrain from recommending that the Office of Housing Expediter be granted any more authority than is in the committee's considered opinion necessary to achieve the purpose of Congress in any continuation of that legislation.

Although the policy recited in the 1947 act clearly expressed a philosophy of decontrol at the earliest practicable date, the practices of the Office of Housing Expediter have indicated a positive lack of interest in executing that philosophy.

I wish to emphasize, Mr. President, that Senate bill 2182 reiterates and strongly endorses that policy of decontrolling at the earliest possible moment. I hope that, individually and collectively, with respect to the measure now under consideration, Senators will decide for themselves and make their determinations known to the Housing Expediter, in the event a new rent law is enacted. Is the Senate in favor of decontrol, or is it not? If Senators favor decontrol, as everyone of the Senators at one time or another has said he does, then it is encumbent upon them to see that their intention and purpose is effectuated by those who work essentially as administrative agents. The Acting Housing Expediter has agreed to confer with members of the committee in order to arrive at a meeting of the minds concerning the intent of Congress expressed in the provisions of the bill. He has also agreed to implement any bill on this subject enacted into law in such a manner as to imbue his organization with the spirit of decontrol of housing accommodations as soon as practicable. The carrying out of this procedure should vastly strengthen the accomplishment of the purposes of the bill. In my opinion, Mr. President, the Office of Housing Expediter must realize that it is its function to do justice to property owners on the basis of the standards of the law, as well as to safeguard the interests of the tenant.

The Housing Expediter does not write the law, but he must subscribe to its provisions as they affect both property owners and tenants. The pending measure seeks to give justice and protection to both property owner and tenant. Not all landlords are large, wealthy corporations. No, only a small minority of landlords fall within this classification. The vast majority of landlords are people of moderate means, a typical small-business man. Sturdy legislative efforts are and have been made by this Congress to encourage the small-business man who happens to be engaged in other fields of endeavor. With respect to the rental industry the same Congress has unwittingly forced this little-business man to subsidize those who occupy his premises.

It seems to certain members of the Committee on Banking and Currency that if tenants are ever to need a subsidy, such subsidy must of necessity come from the Government, not out of the hides of people themselves, who, as property owners, seek for the most part only to continue in business with a fair return on their investment.

There seems to be growing an undercurrent of feeling, as expressed by too many witnesses during the hearing, that landlords as a class are unscrupulous, miserly, and heartless, waiting only for a chance to take unfair advantage of every tenant who happens to occupy the housing accommodations owned by him. At the same time, these witnesses are wont to picture tenants as a class which includes nearly all Senators, as underprivileged, impoverished individuals almost totally incapable of exercising independent judgment and wholly dependent upon the Federal Government for the explanation and protection of their rights.

I may say further that even those in charge of rent control, in asking for the authority to sue property owners for treble damages, were perfectly willing to ask for that authority, because of their belief that the average American citizen could not read or understand the law under which he was provided with protection, and that it took a Federal agency to do for the ordinary average American citizen that which he is totally well qualified, in nine hundred and ninety-nine cases out of a thousand, to do for himself.

I am certain that most Senators will agree with me that neither of these concepts is a fair characterization of either class. The record and files of the committee are replete with instances of landlords who are suffering financial losses through the operation of rental housing. In many instances, their tenants may be far wealthier than the landlord. The hearings established the fact that in the Chicago area the cost of operating rental housing accommodations has increased by over 40 percent since 1942, while rents on the average have advanced not over 6 percent during the same period. Landlords as a class are undoubtedly the largest single class of individuals still under Federal controls, although the commodities and services they use are no longer under Federal controls. This general situation led one of the witnesses who testified before our subcommittee, a sturdy and patriotic Texan, to comment as follows with reference to the Housing and Rent Act of 1947:

> Just a sentence, and I have said it all:
> Don't extend it or amend it. You can't defend it. End it.

Having said that, he returned to Texas.

Some of us in this body, and the junior Senator from Washington is among them, are convinced that the quoted witness is much more right than wrong in the position he proudly maintained.

However, while still hoping that the time will soon arrive when it will be practicable to restore landlords and tenants to the freedom of contract they have historically enjoyed in this country, the committee was impressed by testimony indicating that, as an aftermath of the war, there still exists a serious housing shortage in some areas of the Nation. For that reason it is recommending the continuation of Federal rent controls for a period of 14 months. It has also largely granted the requests made by the administration to strengthen compliance with continued Federal rent controls.

In order to afford a clear presentation of the legislation recommended by the committee, let us now examine, so that, later, we shall have an opportunity to reexamine it in the record, first, the salient provisions of the Housing and Rent Act of 1947; second, the changes therein requested by witnesses representing the Administration; third, the extent to which these requests were granted; fourth, the reasons for denying the remainder of such requests; and fifth, other changes suggested by the committee.

Title I of the Housing and Rent Act of 1947 contains four sections. Section 1 (a) deals with liquidating functions concerning enforcement of veterans' preferences and maximum sales prices of houses, premium payments for scarce building materials, and market-guaranty agreements for the manufacture of houses. As requested by the Acting Housing Expediter, these functions are not eliminated. They are continued in the Housing Expediter, whose title the bill changes to Rent Administrator, by omitting mention of them in the bill.

Section 1 (b) of the 1947 act granted power to the Housing Expediter to require the obtaining of permits as a condition precedent to carrying on construction of facilities for amusement or recreational purposes. The Acting Housing Expediter requested continuation of such power, but explained that it could not be made effective except with a sizable increase in his staff and unless legislation were to be adopted to authorize the allocation of building materials. Since there appears to be considerable doubt as to how much of the building material saved by this program is suitable for use in the construction of housing, and since the power affects less than 6 percent of all commercial building, the committee is of the opinion the power ought not to be continued. Section 2 of the bill therefore repeals the power. Sections 2 and 3 of the 1947 act authorize the National Housing Administrator to insure loans for the construction and manufacture of houses. The power will expire March 31, 1948. The Acting Housing Expediter did not request and the bill does not make any change in these sections.

Section 4 of the 1947 act granted veterans of World War II and their families a preference to purchase or rent houses constructed after June 30, 1947, but before March 1, 1948, during a period of 30 days after the completion of construction, and prohibited sale or rental to others at a price less than that at which it is offered to such veterans. The Acting Housing Expediter requested the extension of these preference rights and the committee is pleased to accede to that request. Veterans and their families represent the largest segment of our citizens who were uprooted from their housing accommodations during the war and are therefore in most need of finding dwelling places after the war.

Section 3 of the bill extends the foregoing rights as to houses constructed prior to May 1, 1949. The new date is consistent with extension of Federal rent controls to the close of April 30, 1949.

Title II of the 1947 act deals with maximum rents. Section 201 of that act contains the declaration of the policy of Congress in continuing Federal rent controls. It states that unnecessary or unduly prolonged controls over rents would be inconsistent with the return to a peacetime economy, and urges the termination of all Federal restrictions on rents at the earliest practicable date. Section 201 also recognizes the existence of an emergency and determines that it is necessary for a limited time to restrict certain rents to prevent inflation and achieve stability in the level of rents during the postwar transition period. It requires prompt adjustment of hardships suffered by owners of rental housing accommodations due to inadequacies of maximum rents. It further encourages the making of adjustments by local advisory boards with a minimum of control by any central agency.

Section 201 of the bill reiterates the foregoing declarations except that it eliminates the reference to the prevention of inflation as one of the purposes of rent control. While the 1947 act chose the theory that a growing demand for a comparatively constant supply will produce inflationary results, the committee was of the opinion that other factors prevent application of the theory in this instance. The rent savings of the tenant are apt to find their way into the market for still other scarce goods, thus feeding the fires of inflation on that front.

The bill strengthens its constitutional basis by emphasizing that continuation of rent controls is necessary to remedy evils arising from the rise and progress of the war. The bill makes it definite that hardship adjustments should be adequate as well as prompt. In order to bring to the fore the concept that the bill should be administered in such a manner as to encourage and attain the termination of rent controls by areas or class of accommodations as soon as practicable, the bill includes an express statement to that effect.

Section 202 (a) of the 1947 act defines "person." As presently administered, this definition includes the Federal Government within the scope of persons who may be subject to rent control. The bill makes no change in this provision and thus adopts the foregoing interpretation of the present definition.

Section 202 (b) of the 1947 act defines "housing accommodations." No change is made in this provision by the bill.

Section 202 (c) of the 1947 act defines "controlled housing accommodations" and in so doing expressly lists the types of accommodations excluded from that category. Under paragraph (1) of that section hotels commonly known as such in their communities which provide customary hotel services such as maid service, linen service, telephone and desk service, furniture and fixtures and bellboy service, were decontrolled. However, by regulation the Housing Expediter required all the named types of service to be furnished and some of his offices maintained that to be provided, such services must be actually accepted

and received by the tenant, not merely made available by the landlord. Section 202 of the bill makes it clear that services need only be made available by the landlord and that not all the listed services need be made available if enough of them are provided to constitute customary hotel services in the community. The thought of the provision as a whole is to exclude from control hotels serving transient guests. Under the language of the bill, many hotels used for residential purposes are kept under Federal rent controls, but other hotels in that class may well remain decontrolled as they are at present. The committee does not desire to recontrol any accommodations not now under control except where a need for such recontrol is shown. In the committee's opinion, this need has not been shown to its satisfaction in the residential-hotel field in its entirety. An investigation made into certain allegations of sizable increases upon decontrol of certain hotels claimed to be residential in character resulted in a finding that the allegations were not substantiated. Other testimony showed a sufficient vacancy rate in such hotels in areas deemed to be representative to warrant leaving such accommodations in a state of decontrol. The administration did not request recontrol of these accommodations.

Section 202 (c) (2) of the 1947 act also decontrols motor courts and tourist homes serving transient guests. By regulation, the Office of the Housing Expediter also decontrolled trailers and trailer space. The committee decided to continue trailers and trailer space in the category of decontrolled accommodations. Section 202 of the bill therefore expressly decontrols them.

Section 202 (c) (3) of the 1947 act further decontrolled housing accommodations completed or converted on or after February 1, 1947, except that veterans' preference rights were protected. Section 202 of the bill extends that general theory by providing decontrol for all newly constructed or converted housing. The administration did not request recontrol of new housing with the same exception.

Section 202 (c) (3) of the 1947 act further provides for decontrol of housing units which at no time between February 1, 1945, and January 31, 1947, inclusive, were rented as housing accommodations other than to members of the immediate family of the occupant. Section 202 of the bill extends this general theory by decontrolling all housing accommodations in this category for any successive 24 months between February 1, 1945, and the date of enactment of the bill. It also clarifies the meaning of the provision by changing the word "occupant" to "landlord." The intent of the committee is that such accommodations shall be decontrolled only if the occupant is the landlord or a member of his immediate family, or if the dwelling unit is unoccupied.

In order to clarify a doubt as to its status under Federal rent control, section 202 of the bill also decontrols houses built between February 1, 1945, and February 1, 1947, and occupied by the landlord or his family, or unoccupied through June 30, 1947. Under the 1947 act, such dwellings built before February 1, 1945, or on or after February 1, 1947, were decontrolled. But since section 204 (b) of the 1947 act continued maximum rent ceilings only for units as to which such ceilings were in effect on June 30, 1947, the controlled status of houses built between February 1, 1945, and February 1, 1947, remained subject to dispute.

Section 202 of the bill adds to accommodations which are decontrolled luxury apartments—that is, those leased or rented to one individual or one family and renting for $225 a month, or more, 60 days before the adoption of the bill—and nonhousekeeping, furnished accommodations in a single dwelling unit not used as a rooming or boarding house, as defined by the present regulations, and the remainder of which is occupied by the landlord or his immediate family. Decontrol of luxury apartments as a class was favored by witnesses having widely divergent views in other respects. Included among them were the Acting Housing Expediter, an operator of luxury apartments, a representative of a fair-rent committee, a national labor-union leader, and a representative of a Statewide tenants organization. Testimony indicates that decontrol of such units will likely result in their conversion into additional housing units, and that this type of accommodation is not in short supply.

The other class newly decontrolled includes the typical case of a private family which takes in not more than two roomers. The 1947 act already allows eviction in these cases. The committee is of the opinion that the time has come to decontrol this class of accommodations, as in most cases it is believed the accommodations were made available as a favor rather than purely out of a profit motive. Consequently, decontrol in this case is not likely to lead to abuse and strengthens the maxim that "A man's home is his castle."

Definitions of "defense-rental area" and "rent" in section 202 (d) and (e) of the 1947 act are left unchanged by the bill.

Neither does the bill make any change in section 203 of the 1947 act, which removes authority to set maximum rent ceilings under the Emergency Price Control Act of 1942 and provides for distribution to the States, upon request, of records of the Office of the Housing Expediter.

Section 204 (a) of the 1947 act, in general, empowers the Housing Expediter to administer all of the rent-control functions and certain of the housing functions named in the act. It also continues his office until February 29, 1948. Section 203 of the bill extends this authority to the close of April 30, 1949. As previously explained, 14 months was selected as an appropriate time, because it will afford the next Congress sufficient time to examine the administration of the new legislation, and will allow that examination to be made in the not too distant future. The administration had requested that the authority of the Housing Expediter be extended to March 31, 1950, but this request was not fully granted, because it was not in accord with the foregoing principle of an early review of administration.

In section 204 (b) of the 1947 act are found some very important provisions establishing as the basic maximum of rents on controlled housing accommodations the maximum in effect on June 30, 1947; directing the Housing Expediter to adjust inequities therein; and permitting decontrol of such accommodations on December 31, 1947, through the procedure of executing by December 31, 1947, and filing with the Office of Housing Expediter a lease expiring not earlier than December 31, 1948, and providing for a rental which does not represent an increase of more than 15 percent over the maximum rent which would otherwise apply in the absence of a lease. Section 203 (b) of the bill continues the same basic maximum for rents, but expressly directs the Rent Administrator to make necessary adjustments therein to prevent any person from suffering a loss in the operation of controlled accommodations as well as to correct hardships of other types and other inequities. It also allows immediate decontrol of accommodations which become the subject of a lease executed by December 31, 1948, providing for any rental agreed upon but not in excess of 15 percent over the ceiling which would apply in the absence of a lease on the date of enactment of the bill now being considered.

Let us look for a moment at the inequities provision of the 1947 act. In case after case witnesses before our subcommittee complained that under the Housing Expediter's definition of inequities as it was administered, they were able to obtain no adjustment of rents which would do more than allow them an opportunity to lose annually in operations of rental housing no more than they lost in the average in any two successive years since 1939. Moreover, I cite the experience of a man named Fliss, who owned and operated some apartments in the city of Chicago. It is reported that he was not in a financial position to make needed repairs to the boilers in his establishment and, therefore, in April 1947 notified his tenants that after October of that year he would collect no more rent from them. In due course, however, Mr. Fliss was served with a mandatory injunction obtained in the Federal court upon the petition of the Housing Expediter, requiring him to repair the boilers. For failure to do so he was thereafter cited for contempt and upon conviction sentenced to a prison term pending his compliance with the mandatory injunction. The net result is that through this procedure, a landlord may be compelled to continue in the business of renting housing accommodations despite his desire to cease that business. While to this extent the landlord is treated as if he were engaged in a public utility, as the 1947 act is administered, he is not assured of the opportunity to make a reasonable profit. Sections 205 and 302 are intended to remedy this situation by allowing a landlord in good faith to regain possession of his housing accommodations if he in good faith desires to withdraw them from the rental market, and by providing that he shall not be required to offer them for rent.

In order to make hardship adjustments more effective, the subcommittee had recommended to the Committee on Banking and Currency that there be incorporated in the bill a formula allowing an increase of 15 percent in the general rent level in any area or autonomous portion thereof upon a showing to the satisfaction of the Housing Expediter or, upon appeal, to the Federal courts, that operating costs in the area involved had increased by 30 percent or more since the freeze date. Legal protection was afforded the tenant in the bill by allowing him to show to the Rent Administrator or, upon appeal, to the court, that the area increases in operating costs were not applicable to the housing accommodations occupied by him. In that event, the increase in maximum rent would not apply to his accommodations. Mr. President, the subcommittee possessed no ulterior motive in offering this formula for consideration, although that has been intimated in some quarters. I thought the suggestion was sound in principle and I continue to think so.

The subcommittee was of the opinion that no landlord should be required to subsidize his tenant merely because the operating costs to which the landlord was subjected, not being under Federal control, had increased appreciably since the date fixed as a measure of the rent he was entitled to receive. The subcommittee expressly rejected the idea of an across-the-board increase in maximum rents in favor of the theory that increases should be granted only where objective facts showed them to be required. It was believed that this formula constituted a means of attaining the objective facts without allowing them to be distorted by the use of emotional appeals. However, the Committee on Banking and Currency, in its wisdom, saw fit to reject the use of the proposed formula. The subcommittee accepts the decision of the committee. However, it is only fair to invite attention to the fact that this decision places a greater administrative burden upon the local boards in their efforts to adjust hardship cases adequately and properly.

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

The PRESIDING OFFICER (Mr. IVES in the chair). Does the Senator from Washington yield to the Senator from Colorado?

Mr. CAIN. I yield.

Mr. MILLIKIN. I have a telegram from a constituent which states:

> A newspaper story declares that proposed rent-control extension bill, Senate Banking Committee, contemplates reestablishment of criminal prosecutions. If so, I solemnly protest against this return to the worst excesses of bureaucratic bullyism of the OPA. Threat of criminal prosecution was used as a practical matter to enforce compliance, not with the law, but with the caprice of the Federal agency. It is a historic fact that many property owners were defeated in their legal rights in the OPA period by threat of prosecution if they asserted them. Others were put in jail by certain Federal courts for acts which the Federal Emergency Court of Appeals held owners had a perfect right to do. Many property owners who might understand an extension of the present act as a matter of temporary exigency would view with grave concern the prospect of harassment through a new feature permitting malicious prosecutions.

Can the Senator from Washington give me some idea of the reasons calling for the restoration of these criminal penalties?

Mr. CAIN. Mr. President, I hope the Senator from Colorado will permit us to do it fully after the conclusion of the premise the committee is attempting to establish before the Senate.

Mr. MILLIKIN. I shall be glad to defer until that time. I do not like to interrupt the continuity of a fine presentation such as the Senator is making.

Mr. CAIN. We should like to have a very thorough examination into the wisdom of accepting the recommendation which the committee has made for what appear to be valid reasons.

Mr. MILLIKIN. And that will come along later on.

Mr. CAIN. Yes.

Mr. MILLIKIN. I thank the Senator.

Mr. CAIN. Mr. President, as previously mentioned, section 204 (b) of the 1947 act also contained a voluntary-lease provision. This fact in and of itself made it exceedingly difficult for the committee to arrive at a proposal for additional legislation which would, in its opinion, be equitable to the greatest number of people. The administration requested that all housing accommodations subject to voluntary leases, entered into under the 1947 act, be recontrolled. This did not appear to the committee to be a proper solution of the problem. The 1947 act had emphasized in its policy declaration that early decontrol, where practicable, constituted one of the main purposes of the legislation. It did not seem proper to the committee to bring back under control all housing accommodations which, in the case of approximately 1,660,000 housing accommodations, had been decontrolled in accordance with procedure prescribed by the 1947 act. Although many general statements were made by witnesses throughout the hearings that decontrol of accommodations had been the subject of exorbitant increases in rents, upon further examination the general statement did not seem to be supported in any large number of cases.

The subcommittee was anxious to return the freedom of contract to landlords and tenants. It, therefore, vigorously opposed recontrolling in their entirety the accommodations under voluntary leases entered into under the 1947 act. In order, however, to strengthen the provisions of the act against possible abuse by the exceedingly small number of landlords who would engage in such practices, the subcommittee recommended that such accommodations be recontrolled in the event the lease should be terminated prior to its expiration date, insofar as the maximum rent to be charged for such accommodations was concerned. The plan presented by the subcommittee would have allowed such accommodations to remain decontrolled in the event the landlord and tenant in good faith could agree upon a lease expiring not earlier than December 31, 1949. In a further attempt to afford equity to those who had signed voluntary leases under the 1947 act, the subcommittee further recommended that the maximum rent ceiling prevailing during the term of the lease should continue until April 30, 1949, to prevail as to such accommodations in cases where the lease expired by its own terms prior to April 30, 1949. Both of these provisions were adopted by the committee and presently appear in section 203 (b) of the bill.

In furtherance of its philosophy looking toward restoration of free bargaining between landlord and tenant at as early a date as practicable, the subcommittee also recommended, and fought for its adoption, that new voluntary leases for a term expiring not before December 31, 1949, could be entered into prior to December 31, 1948, providing for any rental agreed upon between the landlord and tenant. The committee saw fit to place a ceiling on the rental which could be prescribed by such leases. Section 203 (b) of the bill, therefore, requires that such rental may not be in excess of 15 percentum over the maximum rent which in the absence of a lease would prevail on the date of enactment of the bill.

In general, therefore, it is a fair statement to say that the bill continues the voluntary lease provision of the existing act. Nevertheless, there is this fundamental difference. Under the bill the accommodations subject to new voluntary leases are decontrolled immediately upon execution of such leases. They are, however, subject to recontrol insofar as the maximum rent is concerned in the event the lease terminates before its expiration date. As a further safeguard to the rights of tenants presently occupying accommodations which may become subject to such leases, the same section of the bill provides that before such premises are decontrolled the landlord must file with the rent administrator a statement signed by the tenant before he executes the lease to the effect that he is entering into the lease voluntarily and in good faith and understands that he is not required to enter into such a lease and cannot be compelled to vacate the accommodations for failure to do so. This provision should be effective to still the fears of such tenants who may not happen to be familiar with the provisions of the legislation affecting their housing accommodations. In the opinion of the subcommittee, these and similar protections for the tenant amply justify the decision of the subcommittee to allow the landlord and tenant to enter into a long-term voluntary lease having the effect of releasing the accommodations from the restrictions of Federal rent control. It was expected that if such a provision should be enacted into law, the tenant would keep a closer check upon the amount of rent agreed upon in any lease executed by him. It would restore the landlord and tenant to a position of free bargaining in which the tenant would be placed in a better position to demand additional facilities in return for the amount of rental agreed upon in the lease. Dissatisfaction was expressed over the 15 percent rental ceiling allowed in the lease on the ground that that figure tended to deprive the landlord and

tenant of this opportunity for free bargaining and tended to become the normal amount of increase requested by the landlord upon his offer to the tenant of an opportunity to sign a lease.

By the provisions of section 204 (c) of the 1947 act, the Housing Expediter is directed to remove maximum rents in areas where, in his judgment, they are no longer needed. Section 203 (c) of the bill extends this power to any class of housing accommodations in any area. Convincing testimony was presented to the subcommittee indicating a surplus of rooming and boarding-house accommodations in certain metropolitan areas deemed to constitute representative areas. The subcommittee, following the spirit of decontrol as soon as practicable, recommended decontrol of rooming and boarding houses as a class. Certain members of the committee expressed the opinion that in some college towns such action might work to the detriment of some students. Thereupon the subcommittee requested and was granted permission to prepare the compromise now appearing in section 203 (c) of the bill.

As Senators will remember, rider A appeared in the law of 1947. The subcommittee had also prepared a formula whereby upon a survey by the Bureau of the Census, the Expediter would be required to decontrol areas having a vacancy rate of 1 percent or more for ordinary habitable dwelling units offered for sale or for rent. Again, in this respect the subcommittee was following the policy of the 1947 act calling for decontrol of housing accommodations where controls over rent are no longer required. It was the purpose of the subcommittee to place the determination of vacancies upon an objective standard removed from the byplay of human emotions. The committee agreed in principle with this principle but was unable to reach a satisfactory agreement concerning the particular percentage of vacancy which should be required under the formula. Therefore the subcommittee withdrew its recommendation. Decontrol is therefore dependent under the bill upon recommendations of the local advisory boards and independent surveys by the Office of Rent Control. The agreement by the acting Housing Expediter to prepare a check list for the use of local advisory boards in this matter should result in an improvement of administration and result in more speedy decontrol of areas which are ready for decontrol. It would be more constructive and more helpful, however, if the Congress could agree on a mandatory decontrol formula which would take the exercise of judgment from the Expediter.

Section 204 (d) of the 1947 act authorizes the Housing Expediter to issue regulations and orders to carry out the provisions of sections 202 (c) and 204. The former deals with controlled housing accommodations, and the latter concerns itself with maximum rents. The bill allows these provisions to remain unchanged.

Section 204 (e) of the 1947 act provides for the creation of local advisory boards. Throughout the hearings witnesses complained of the composition of the boards, some charging that they were weighted in favor of the landlord and others making with equal fervor the charge that they were stacked in favor of tenants. While both charges may have been correct as related to specific boards it was the intent of Congress that they be fairly representative of all affected interests in the area. The bill expressly so provides in section 203 (d). In the further interest of achieving impartial action, that section of the bill also requires the board to hold a hearing at the request of either party to a hardship application. Their power has also been increased in that they may make recommendations concerning the decontrol of any class of housing accommodations in the area or portion thereof served by the board.

Under the 1947 act, the respective State Governors were empowered to nominate candidates for such boards. In some instances, however, notably that of Colorado, the Governors have not exercised this power, leaving areas without a functioning local advisory board. I think I am accurate in stating that Colorado is the only State in the Union which does not have any local rent-control boards. In such circumstances the bill empowers the Rent Administrator to make original appointments of board members or fill vacancies in board membership if the Governor fails to make necessary nominations within 30 days after the Rent Administrator requests them.

Section 204 (e) of the 1947 act also requires the Housing Expediter to provide suitable office space and assistance for local advisory boards, and requires him to accept recommendations of local boards which are appropriately substantiated. In order to place the responsibility for determining whether recommendations are appropriately substantiated squarely upon the Rent Administrator, section 203 (e) of the bill expressly so provides.

Section 204 (e) (4) of the 1947 act admonishes the Housing Expediter to communicate with the State Governors concerning their duties in recommending members for local advisory boards, and it terminates the maximum rent section of the act on February 29, 1949. Section 203 (f) of the bill alters these provisions merely by requiring that the Governors also be advised of the areas and positions thereof in which boards are to be appointed. Section 203 (g) of the bill extends the rent-control provisions of the 1947 act until the close of April 30, 1949.

Section 205 of the 1947 act grants tenants the right to bring treble damage actions against landlords for overcharges of rent. The bill does nothing to repeal this section. The administration had requested that the Rent Administrator be granted the right to institute such suits if the tenants failed to do so. The committee denied this request. With the addition in the bill of a criminal penalty for willful violation of any position of the rent-control provisions of the act, it was the opinion of the committee that this adequately protected the tenant against any unlawful action threatened by the landlord to discourage the tenant from instituting an action for treble damages. The committee looked with disfavor on granting additional powers to the Office of the Expediter. Its first task is to learn to use properly what it has.

Section 206 of the 1947 act makes unlawful only an overcharge of rent and empowers the Housing Expediter to petition the courts for an injunction only in the event of an overcharge. The administration requested that violation of any provision of the rent-control portion of the 1947 act be made unlawful and that the injunctory power of the Housing Expediter be extended to all such cases. Section 204 of the bill grants both of these requests in order to strengthen compliance enforcement. The committee believes no further enforcement procedures are advisable. This section of the bill prescribes a fine of not more than $1,000 or imprisonment for not more than 1 year, or both, upon conviction of willful violations of the 1947 act, as amended by the bill presently under discussion.

Section 207 of the 1947 act had nothing to do with rent control, but was inserted as a rider in order to bar action for certain violations of maximum price regulation 188 under the Emergency Price Control Act of 1942, as amended. The bill makes no mention of this section.

Section 208 of the 1947 act is a mere administrative procedure providing for the transfer of property, personnel, and funds from the Office of Temporary Controls to the Office of Housing Expediter. This section also authorizes necessary appropriations to carry out the 1947 act. The bill makes no changes in this section.

Section 209 (a) of the 1947 act specifies the conditions under which tenants may be evicted from controlled housing accommodations. Certain of these causes are due to malfeasance of the tenant, such as violation of obligations of his tenancy or nonpayment of rent, or the commission of a nuisance. As to these, no change is made in the pending bill. The committee considered other causes for eviction, such as reoccupancy by the landlord, sale of the dwelling to another owner, the alteration, remodeling, or demolition of existing housing accommodations, and housing accommodations located within a single dwelling unit the remainder of which is occupied by the landlord or his family. As to the latter category of causes for eviction, the committee decided, and section 205 (e) of the bill provides, that no tenant need surrender possession until 60 days after written notice from the landlord of his desire to recover possession for one of the allotted causes of eviction. Testimony received during the hearings developed the fact that under several existing State laws the legal period required for eviction is less than 60 days. In view of other changes made in the causes for eviction, the committee also was of the opinion that the 60-day requirement would grant added protection to the tenant.

Section 209 (a) (2) of the 1947 act allowed the landlord to recover possession only for his immediate and personal use as housing accommodations. Section 205 (a) of the pending bill also al-

lows him to recover such possession for use as housing accommodations by his father, mother, grandfather, grandmother, son, or daughter. That section of the bill further includes a provision designed to prevent operation of the cooperative housing racket, so-called, concerning which the subcommittee received considerable testimony. The new provision requires the consent of at least 65 percent of the tenants in any cooperative structure before eviction proceedings may be instituted against other tenants by reason of sale of proprietary leases of the accommodations which they occupy.

Section 209 (a) (4) of the 1947 act permitted recovery of possession for the purpose of substantially altering or remodeling the premises or demolishing them and replacing them with new construction. The altering or remodeling was required to be reasonably necessary to protect and conserve the housing accommodations, before tenants could be evicted for either of those purposes.

In order to encourage the creation of additional housing accommodations through conversion, section 205 (b) of the bill removes the requirement that the planned alteration or remodeling must be necessary to protect and conserve the housing accommodations.

Since section 205 (d) of the bill permits the landlord to recover possession for the immediate purpose of withdrawing housing accommodations from the rental market, the provision in the 1947 act relating to demolition of housing accommodations was accordingly changed to remove the requirement that new construction replace the structure demolished.

Section 205 (c) of the bill removes as unnecessary the category of a guest in a private home as a cause for eviction, since other portions of the bill will completely decontrol such accommodations.

Section 210 of the 1947 act makes the Administrative Procedure Act inapplicable. By section 301 that act is likewise made inapplicable to this bill.

Section 211 of the 1947 act provided that the rent-control features of the law were applicable to the States, Territories, and possessions, but not to the District of Columbia. That provision is not changed by the pending bill.

Section 301 of the 1947 act is a separability provision. A similar provision is contained in section 305 of the bill which is now before the Senate.

Section 303 of the bill contains a provision preventing recontrol of defense rental areas or classes of housing accommodations, wherever they are decontrolled by the administrative action under the 1947 act. This section also contains a provision making certain that nothing in the bill is to be construed as affecting any adjustment in maximum rent made under the 1947 act.

Section 304 of the bill changes the title of "Housing Expediter" to "Rent Administrator," and changes the title of "Office of Housing Expediter" to "Office of Rent Control." This action was taken because it seems better so to describe the functions of the Housing Expediter after amendment of the 1947 act in the manner proposed by the bill.

Section 306 provides that this act shall become effective on the first day of the first calendar month following the date of its enactment.

Mr. President, by what has been said up to this point, I have attempted, as fairly and as objectively as it is possible for me to do, to analyze and define and defend Senate bill 2182. If the Congress wants to continue rent controls in 1948, I am fully satisfied and convinced, and I think that full committee is, too, that the proposals before the Senate in Senate bill 2182 are more equitable, more fair, and more reasonable than the provisions of any rent-control measure under which the Nation has previously labored. Should Senate bill 2182 pass without amendment, it would be a step, although a very meager one, in the right direction. In my considered view, the bill does not go far enough in reestablishing a free contractual relationship between free citizens, or making decontrol mandatory, or providing for automatic rent increases where operational cost increases justify such action.

The Banking and Currency Committee gave serious consideration to my contentions along these lines, and denied them. I have absolutely no personal resentment toward the decisions taken by a majority of the committee. It is for the Senate to consider the bill in the light of the recommended provisions which were stricken from it. The bill as finally passed by the Senate ought to reflect fully the convictions and views of the Senate.

I hope the Senate will be patient for a few minutes more, because the junior Senator from Washington desires to reflect as chairman of the subcommittee on rents and housing, of the Banking and Currency Committee, as well as in his capacity as an individual Senator, on what he considers to be some of the dangers inherent fundamentally in rent controls. We should bear these dangers in mind as we prepare to take action on Senate bill 2182, and we should always have them in mind when the subject of rent control is under discussion.

Mr. President, I think it very proper to say that the junior Senator from Washington expects to work for the passage of the very best bill that can come out of the Senate; and once that bill has been passed, even though it does not include everything that I myself as an individual Senator would like to have it include, I have every intention of supporting it and working for its passage by the other House and for its ultimate enactment into law. However, despite my willingness to work for the enactment of such legislation, I wish to invite the attention of the Senate, for the purpose of the RECORD and also in order that others may have an opportunity perhaps to consider items they have never thought about before, to some of the reasons why a very good and substantial case can be made for the present-day elimination of most, if not all, of the rent controls we are presently analyzing.

So much confusion has been created on the subject of rent control that many of us forget how America's present rental housing came into being. We forget that the vast bulk of it was built when there were no rent controls. Americans were able to rent homes in any community—in any rent range, with or without any particular services; they were able to better their own living and housing standards and to move freely from one community to another as often as they desired. That is no longer true in this country. A great many citizens are frozen where they now live, whether it is convenient or desirable or not.

Today's rental housing is becoming shabby and run-down. It is wearing out and it will not last forever. Some day it will no longer be habitable. What then for America's tenants?

Under restrictive rent control the owners of much of America's rental property cannot maintain their properties as they and as Senators would like them maintained. They cannot know what types of buildings to erect or what facilities to include within them, or how many buildings are needed, or how large, or what kind of renovating and remodeling is needed on existing buildings, until they have the right to bargain freely with tenants and build or remodel to the specifications for which they are able and freely willing to pay.

I cannot be certain that the day is here when Congress could authorize the reestablishment of that contractual relationship between free Americans, but one thing a great many Senators do know is that we shall never materially improve the rental housing situation throughout the 48 States until rent controls are over and done with. If that be a correct premise, and I believe it to be, and if that premise were supported by a majority of the Members of the Senate, how much harder should we work than ever before to find ways and means of decontrolling rents in America?

Partly because of the research that a committee does over an extended period of time, partly because of individual convictions on a subject, I am rather convinced that too many of those who seek to perpetuate rent controls in America have fanned the fears of tenants to fantastic extremes, with dire threats of what would happen with the termination of controls. Senators should think in terms of terminating the controls at some time, either today or at a later time. The fear of wholesale evictions has been played up out of all proportion. In my opinion—and certainly I hope I am right—there would be no wave of evictions without rent control. There were no waves of evictions before we had rent control. It occurs to many Senators that owners must have tenants in order to remain very long in business.

There are few forms of coercion an owner can use to compel a tenant to pay more rental than he wishes to pay. Unless Americans are freely willing and able to pay higher rentals, owners will not be able to collect them. No new rental rate becomes an actual rental until some tenant voluntarily pays it. The termination of rent control would, of course, mean that some rentals would rise, but only to the point the tenant agrees. Rentals for many families would not be affected, for others they

would be reduced. There would simply be an adjustment of rate, space, or services that would reflect comparative values as tenants view them today—not as they were several years ago under completely different conditions.

Perhaps it will be recalled that in an earlier part of my remarks it was said that the committee had stricken from the law of 1947 any reference to the fact that rent control prevented inflation. That was done in the belief that rent controls had no such force or effect. Rent control has not even remotely prevented inflation. The simple proof is that in the years of rent control there has been the greatest inflation. Rent control has obviously and admittedly kept the cost of housing down for some families, but generally that has been accomplished only at the expense of others. It has forced millions—and I use the word "millions" advisedly—to buy or build homes at prices far higher than would have been the case had rent control not been in effect. The cost of such purchased homes must be included in the cost of America's housing and America's living.

In many instances rent control has been most costly to the tenant it has presumed to protect. That cost is the cost of services and comforts he cannot get—of deterioration of the unit in which he lives—the cost in the lack of constant improvements and higher living standards which newer and finer buildings might have provided if they could have been built. The most important effects of rent control have been to encourage inefficient use of existing rental space, to drive hundreds of thousands of rental units out of the rental market, and to prevent greater production of more rental housing. Tenants have been denied newer and better housing standards.

I think, time permitting, I could prove that every one of those particular comments is based on facts which should be considered in weighing the merits of the proposed housing and rent bill of 1948, which admittedly, and in the firm belief of the committee, is a much better bill than its predecessor, the Rent and Housing Act of 1947.

More and more tenants are realizing that their rent dollars do not buy the same services and comforts that they bought before rent control. More and more tenants realize that it is only out of the property owner's rental income that he can provide those missing services and standards. More and more tenants realize that if they had been allowed to pay a more equitable rent in the last few years while their own incomes were rising, their rented homes would have been more satisfactorily maintained and modernized, thereby reducing to some extent the pressure for new housing.

The tenant is not always concerned primarily with the amount of rent he pays, but with what he gets for his money, just as in any other line of human endeavor. One of the unfortunate results of rent control is that the amount of rent he pays has been fixed for him and placed first in importance, to the detriment of his right of occupancy, his serenity of occupancy, his comforts, and his services.

I believe that there is good reason to believe that the original, fundamental, and sound reason for rent control in America has very largely ceased to exist. The wartime emergency is over. There are no mass movements of workers pouring into communities to produce the weapons and instruments of war. There are no longer any mushrooming Army or Navy training centers or ports of embarkation where wives and families of servicemen tend to congregate in great numbers, as was the case when the Nation was physically at war. The violent upheavals of the rental market which led in part to rent control are no longer present. I believe, completely apart from this bill, but having a connection with the bill as we consider it, that it is very important for America to think now in terms of rental housing based on the new postwar, peacetime pattern, that emergency treatments merely prolong the seeming emergency. Certainly in many instances, in which there has been great resistance to wartime controls, there has been a beneficial result. In some instances the reverse is true. But if we can make facts out of assumptions—and I think we can—it gives us a better point of view with reference to this legislation.

The Congress has been told a thousand times that a stringent housing emergency still exists.

Admittedly, many of us do not have the kinds of housing we would like to have. Admittedly, most of us are dissatisfied with our present run-down and depreciated living quarters. Admittedly many of us cannot locate the newer or better rental-housing units we seek. Admittedly we are frozen in our present quarters, whether they are satisfactory or not. But the census figures are very interesting. They show, by our own prewar standards of 1940—and these are the figures of the Bureau of the Census; they are not mine—that America has more housing per person now than ever before in the history of this or any other nation. From that point of view there is no actual shortage of housing. But there is something which we have not always had before. There is a desperate shortage of housing for rent. One reason is that rentals have been held below their natural levels, and countless persons have occupied more space than they were able to afford before the war. That is why between 1940 and 1946 almost 3,000,000 living units became occupied by only one or two persons instead of by larger families. This trend appears to be continuing. The housing is still there, but no man who has studied the problem will admit or agree that the housing which is available is being properly, economically, or reasonably used.

I know it is most difficult to realize that our present-day widely accepted shortages are not shortages of housing space, but are shortages of units available for rent.

I should like to call the Senate's attention to another comparison of housing reports of the Bureau of the Census. In every one of the 34 metropolitan districts of the United States covered by special study less than a year ago, in the year 1947, the percentage of dwelling units which were rented declined from the 1940 figures. These are not mild declines. I want to emphasize that point and to quote the figures, because, if they indicate a continuing trend, and if we do not find some reasonable way in which to rid ourselves of rent controls, it will be for others to suggest how we shall provide more quarters for rent in the face of a direction which indicates that rental units by the millions are going off the rental markets in America.

In Akron, Ohio, from which the junior Senator from Ohio [Mr. BRICKER] comes, 47½ percent of its dwellings were rented in 1940. In 1947 only 31 percent were rented. Presumably, there is in Akron a shortage of rental units. The problem is to find out where they are going and why.

In Atlanta, Ga., 67 percent of that city's dwellings were rented in 1940. In 1947 the figure was 50 percent. That is not a mild decline; it is 17 percent in less than 8 years.

In Dallas, Tex., the figure was 61 percent in 1940, with a drop of 21 percent, or 40 percent in 8 years.

In San Antonio, in the same State, the figure dropped from 58 percent to 38 percent.

Do not these comparisons begin to arouse the curiosity of the Senate as to what is happening to the rental business in America under rent control? Do they not indicate, anyway, why the renter is in an increasingly desperate plight in every area in America, under rent control? Our large metropolitan cities are facing an unhappy situation with reference to rental facilities to be used in the future. They are all losing ground, and renters will be worse off 5 years from now under rent control, according to the record, than they are today. I only wish I knew, in concert with all of the Members of the Senate, where the solution actually lies.

In Philadelphia, in the State of Pennsylvania, there were 432,680 rented homes in 1940. What was the situation in 1947? There were 380,046. There were more than 50,000 fewer rented homes after rent controls in one of our great American cities than there were 8 years ago. Small wonder that a committee, charged with a serious study, is not enthusiastic regarding recommending any rent-control law for the future, regardless of what its provisions may be, because there is not a provision in this bill, nor could we have one, that would do very much to offset the losses from which American rental property appears to be suffering.

In Pittsburgh there were 305,520 rented homes in 1940. The number has fallen off to 272,210 in 1947, a loss of a little more than 30,000 in 8 years.

In Chicago there were 863,020 rented homes in 1940. In 1947 Chicago had 818,125. All the cities mentioned had increases in population, but they had fewer homes for rent. Is it any wonder that newcomers have a difficult time finding rental housing? The housing is still there, the houses have not been torn down, but they are not for rent. These

figures help a little to tell the story of rent control and what it is doing. Aside from the damage it has done to the property owners of the United States, the figures begin to show the harm it is doing to the renters of America.

The housing situation is called desperate in the New York area. It is desperate. Let us look at what makes it desperate. Residents are more dependent on rental housing there than in any other area in the Nation. In 1940, 76 percent of the homes in the metropolitan district were rented. In 1947, after 5 years of rent control, the percentage had dropped to 67. In the Scranton-Wilkes-Barre area there has been a population decline of 15 percent, but there still is a desperate shortage of rental vacancies. Why? In 1940, 57 percent of its homes were rented. In 1947, 49 percent. Is it not clear that rent control has driven enormous numbers of rental units out of the rental market? What possible reason is there for rent control in an area where there has been a 15-percent loss in population—and where the result has been to create a critical shortage of rental vacancies where there was none before? Is that an emergency defense-rental area which demands emergency Federal attention?

If rent control is not the contributing cause of the decline which gives all of us so much concern, what is the cause? We have never heard any Senator state what the cause was. Many persons are studying the housing problem in all its phases and aspects. The Joint Housing Committee, authorized by both Houses of Congress, has not been able to tell us why thousands and thousands—in fact, millions—of houses went into the rental market in 1940, but are not there today, save that we have rent control today and did not have it in 1940.

Those sharp declines do not show that fewer persons want to rent, or that rental units are going begging for lack of tenants. They show simply that as much as one-third of the dwellings which were on the rental market in 1940 were not on the rental market in 1947. Can any factor, other than rent control, be named which could have driven so many homes out of the rental market in so short a time?

If rent control is not the reason for the decline, what is the answer? One cannot pick up a newspaper or listen to the radio for a short time without hearing someone who assumes to be an authority telling that we in America are in a terrible housing plight. Last year we built approximately a million new units; but we almost lost ground, possibly we did lose ground. Only a small percentage of the new houses constructed last year, in the very large building boom, were for rent. It is probably fair to say that more houses went off the rental market last year than came on through new construction. There simply will not be any places to rent in this country 10 years from now if the present trend, which, it has been established clearly, existed over a period since 1940, continues.

Everyone recognizes a tenant's desire for more spacious living quarters. It was out of such desires for better living standards that the American way of living was established and the rental housing industry was made possible. Today it seems clear, whatever the reasons may be—and our committee does not claim to be an authority concerning all the reasons—that housing desires and housing requirements are all out of balance. The picture is so distorted that it is impossible for the investor to measure the amount of housing desired or required and at what rental levels. It is only on a free market—when that market comes, either this year or the next, or some time in the future—that we can learn how many rental units actually are needed to house our rental population in the way it wishes to be housed.

Mr. President, like many other Senators, I have had opportunity to live and travel abroad, which accounts for my conviction concerning the statement I am about to make.

Every nation in Europe affords us an object lesson in the deterioration and stagnation of the building industry which inevitably follows in the wake of rent control. This is history, this is fact. This is not rumor or fancy. In spite of the desperate need and the war damage, there is little home construction, because the only ones who are able to provide it have no incentive to do so. To a considerable degree we are today following that European pattern in the United States of America.

Before World War II we saw countless examples of those who preferred home construction to other investments which were bidding for their money. Today, with rents alone controlled, we cannot measure the relative demand for housing that way, because tenants are not allowed to express their desires.

It so happens, Mr. President, that the Senator now addressing the Senate happens to be a veteran. I am concerned about the housing problem as it affects veterans. I think we have done a very bad job. Whoever the persons were who thought up the idea that a veteran was something different from what he actually was, that somehow, at the average age of 21 or less, he was possessed of sufficient money to buy himself a new house, and however well-intentioned they were, they did to veterans everywhere the greatest injustice I have ever yet encountered.

The veteran was and is a young man who is looking for a place to live. He wore the uniform because he volunteered, or his country called him, and he wanted to serve his country. In whatever way he got into the war, he wants a place in which to live, a place to rent. On the average, the veteran is not yet qualified to buy a home, and I would assume that tens of thousands of those who have bought homes as a result of the national policy of a new house for everybody are going to have their mortgages foreclosed, and will wake up a few years from now, at a time when they should have a reasonable stake in a home, and have to start all over again. I am making this statement because of the point I am about to read in my prepared remarks.

One of the cruelest inequities of rent control has been the freezing in of the stay-at-home families who moved in while veterans were in service. It has frozen out the returning servicemen. Truly, the returning veteran and his family have been the greatest victims of rent control. It could not have been anticipated. No one wanted it to happen as it did. But let us not say it is not so.

We believe the best way in which a veteran can be helped to find a home to rent is to provide a reasonable selection of rental vacancies—in all rent ranges and in all communities. Those vacancies can be provided only by the redistribution of existing housing space not efficiently used, or by new rental construction. Rent control has acted as a barrier to either course. Redistribution of existing space can most quickly and most fairly be accomplished by the immediate termination of rent control. New construction will be tremendously speeded as soon as the rental market is clarified so that the owner of new construction will have to compete with existing structures.

Mr. President, I conclude by saying that in representing the Banking and Currency Committee in presenting this fascinating and difficult and confused subject of rent control, the junior Senator from Washington has spoken at great length, and he has taxed the patience of Senators who have come and gone, but in my opinion there is a very sound reason for a full presentation of the subject. I think it is extremely important for the Senate and for the Congress and the administration to base its decision with reference to what it wants to do in the future about rent controls on facts to the greatest degree possible. Everyone has said, "We want to continue rent control." The committee was given that as a direction and as a charge. There were five Senators on the subcommittee, four of whom worked very hard on this matter. Unfortunately there were only four, for the fifth was in the hospital. I refer to the Senator from Idaho [Mr. TAYLOR]. That subcommittee did a serious and conscientious bit of work and research out of which there came an improvement over the law of 1947. The full committee, after concerning itself very seriously and thoroughly with the proposals, eliminated some of the recommendations of the subcommittee, did not add anything to the bill, as I recall, and it was then reported to the Senate as a better instrument than the Rent and Housing Act of 1947.

It has, however, been my function to challenge the thinking of all of us generally beyond the scope of the legislation, which can only be admitted to be an expedient, pure and simple. Any rent-control act we pass will violate the rights of certain groups of people in our economy. History tells us that such controls have been detrimental to every nation in the world that has ever tried them. The statistics I have just read to the Senate indicate that if we pass a law for 1948, on its expiration date, when we gather again, there will be fewer rental vacancies in America than there are now, and there are approximately 30 percent less today than there were in 1940.

It is for those very clear reasons that I have suggested, in representing the committee, and after having worked on the subject, that if we want a law, we should endeavor to decide on the best law we can write. Let us not work hastily. Let us move with caution and thought, because one of these days Congress is going to say that history, among other things, tells us that the way to end rent controls is to end them. I cannot be convinced that that day is here, but I take it that if more people will talk about the facts and deal less with the emotions, we are likely to come out with a better decision for the benefit of the country than we have made in the years which have recently gone by.

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

Mr. CAIN. I yield.

Mr. SALTONSTALL. May I first congratulate the Senator from Washington upon the very able presentation he has made.

I should like to ask him a question with relation to the proviso in the first paragraph on page 6 of the bill—the paragraph which permits the Rent Administrator, by regulation or order, to make special adjustments to prevent a person from suffering a loss. As I read the provision, there is no specification as to what items enter into the computation of the loss.

My second question is, If the Rent Administrator does not make adjustments in favor of the person suffering a loss, what appeal has such a person? Is provision for appeal contained in the bill?

Mr. CAIN. I wish at the moment I could give a more satisfactory answer than I can to the Senator from Massachusetts. The answer must of necessity be something like this: The full committee agreed that they were not going to ask American citizens in the future to rent their facilities at a loss, and they were going to write such a provision into the law. That is what the committee has done. Yesterday the full Banking and Currency Committee had a meeting with the Acting Housing Expediter, and he said that he, representing his whole establishment officially, was thoroughly in sympathy with the principle we are laying down that a presentation of facts which supported the landlord's contention that he was losing money must result in the granting of relief. In order, however, to try to be more certain that the intent of Congress would be translated into administrative effectiveness, the Expediter at the present time is working out a formula which he is going to present to the Banking and Currency Committee to the end that we will have an opportunity to say, "In our opinion, that is impracticable; it is unreasonable; it will not work. Will you not try to do it in this other way?"

The only satisfaction I can give to the Senator from Massachusetts is that that formula will be agreed to by the Banking and Currency Committee before the law has had an opportunity to come into operation.

Mr. SALTONSTALL. Will the Senator answer the second part of my question? Assume the Rent Administrator makes a decision, and the landlord, or the person who feels he is suffering a loss, is not adequately compensated, what appeal will he have, if any, from the Rent Administrator's decision?

Mr. CAIN. The answer to the Senator's question is that at the present time, as the law is written, if a property owner makes a presentation that he is losing money, and the Rent Expediter refuses to believe the figures for any of a number of reasons, there would not be anything the landlord could do. A formula was proposed to the committee which would have permitted the landlord, or the tenant, as the case might be, to go to a court, and the committee saw fit, for various reasons, to eliminate it from the provision. I would have to confer with our counsel as to whether or not we could incorporate a provision that if the request for relief against a loss was denied, the applicant would have the right of recourse to some court.

Mr. SALTONSTALL. In other words, the Senator agrees with me then that at the present time there is no provision for appeal in the bill?

Mr. CAIN. No; there is not. Perhaps we overlooked in part the Senator's contention. But if we did, it was for the reason that when the Congress writes into a law that no man shall be expected to operate at a loss, perhaps we are doing what we should not do, which is to take for granted that that language could not possibly be misunderstood by anyone.

Is the Senator from Massachusetts aware, as many persons are not, that since the very first day of rent control in America thousands of ordinary Americans have been required to operate their facilities at a loss? Whenever a man went, as a hardship case, to the office of the Expediter and said, "I am losing money and I need some help," the Expediter did what he thought it was then his function and responsibility to do. He said, "Let us see the figures. The figures show you are losing money." The Expediter said, "This is all I can do for you. Our base year is 1939. We will permit you to take the best 2 years of operational experience you have had in the years since 1939 and we will raise your rents up to whatever your operating figure was in your best 2 years." But in thousands of instances there were not any good years. In depressed areas rents were frozen in 1939, as Senators will remember, at figures which simply were not economic. So all the Housing Expediter could do in cases of that character between the years 1940 and 1947 was to say, "You shall lose no more money than you were losing in your best 2 years," even though in his best 2 years the owner was losing money. The intent and purpose of the phrase to which the Senator refers is to make such a situation impossible in the future.

Mr. SALTONSTALL. In other words, the committee hopes to get from the Rent Administrator a set of regulations under which a man who thinks he is losing money may obtain relief.

Mr. CAIN. That is correct. We are principally concerned not with the large operators but with the small ones. The large operators of real property have their books and accountants. There is no problem in that connection. One can tell almost immediately whether an operation is losing or making money. However, we are concerned with the bulk of the owners of rental property in America; and that is why we want such a formula. Let me say to the Senator from Massachusetts that I am convinced that the committee will get it, because I am thoroughly satisfied that the Acting Housing Expediter wants to do a good job.

Mr. SALTONSTALL. Let me ask the Senator another question. I read the bill yesterday afternoon and tried to understand all its provisions. As I understand—and I should like to be corrected if I am in error—a tenant and a landlord may voluntarily agree to a new lease increasing the amount of rental 15 percent, if it has not already been done in a voluntary lease, and such lease may run until December 31, 1949, or thereafter. It is then provided in the bill that if the lease is canceled prior to that time, the effect of this provision is eliminated and the rent goes back to the former maximum rent. As I understand, the proposed act is to expire on April 30, 1949. Assume that the cancellation took place on June 30, 1949. How could there be any compulsion to go back to the former maximum rent, after the act had ceased to have effect?

Mr. CAIN. There could not possibly be, because upon the termination of the act—and the proposed law is to terminate on April 30, 1949—if we take it for granted that the law expires April 30, 1949, all rules and regulations cease to exist. The Office of Housing Expediter is automatically closed.

Mr. SALTONSTALL. Then what is the meaning of this provision?

Mr. CAIN. Will the Senator refer me to the specific provision which he has in mind?

Mr. SALTONSTALL. I was referring to the provision at the bottom of page 7 and the top of page 8 of the bill. I understood the Senator to say that all the provisions in question would expire on April 30, 1949, because the act would then expire.

Mr. CAIN. Yes.

Mr. SALTONSTALL. My question is this: Is it not misleading to have a provision which states conditions which must go into a lease which runs after April 30, 1949?

Mr. CAIN. I think not, for the simple reason that when a lease is signed, it becomes a legal instrument in itself. It is binding on tenant and landlord after the expiration of the rent-control law which authorized it.

Mr. SALTONSTALL. Then the operation would be entirely by contract?

Mr. CAIN. Yes.

Mr. SALTONSTALL. Assume that on June 30, 1949, the two parties who have made a voluntary lease increasing the rent by 15 percent cancel their lease. Then, under the provisions of the bill, as I read it, there is a compulsion on the landlord as to what he may charge for the property after the lease is broken.

Mr. CAIN. After June 1949.

Mr. SALTONSTALL. That is the date which I am assuming.

Mr. CAIN. I should like to speak with our attorneys about that question, because I am satisfied that the situation is not as the Senator has described it. Under the proposed law we are merely extending the principle and operation of the law of 1947 with reference to the lease privilege. We are saying that if under the new law a tenant and a landlord sign a lease before December 31, 1948, to terminate after December 31, 1949, such lease shall be taken away from the control of the Office of Housing Expediter and the landlord and tenant may agree to a rent increase not in excess of 15 percent of the rental during the base year. But if, after the expiration date of the law, the tenant and the landlord cancel the lease, the property is—and in my opinion properly should be—placed on a free market. If the bill is different from that, that was not our intention. I should like to have the privilege of studying the provision.

Mr. SALTONSTALL. I may read the provision incorrectly, but it seems to me that the rental goes back to the former maximum rate.

Mr. CAIN. We are satisfied that it does not. I should like to have the opportunity of obtaining some further information so that I may speak authoritatively.

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

Mr. CAIN. I yield

Mr. MILLIKIN. Would it now be convenient for the Senator to discuss the criminal penalty which has been proposed? I remind the distinguished Senator that a constituent of mine protests the imposition of criminal penalties, pointing out—I think quite properly and accurately—that the criminal penalty was used as a bludgeon and as an instrument of oppression in many cases during the reign of OPA. An honest man may submit to a dishonest claim in order to avoid the disgrace of criminal procedure. Why would not a civil penalty, together with injunctive relief, suffice for the purposes of the proposed act?

Mr. CAIN. Let me say to the Senator from Colorado that I am delighted that he has brought up this subject, because very frankly, I am not certain about the wisdom of including such a provision. I believe that the reasoning of the committee was something like this: The Housing Expediter asked for the authority to sue for treble damages when a tenant saw fit, for one reason or another, not to do so. We were strongly opposed to giving such power and authority into the hands of a Housing Expediter, whoever he might be. In the first place, we thought that the average tenant was perfectly qualified and intelligent enough to sue for treble damages himself. But in order to provide for better enforcement and protection, the committee leaning over backward, reasoned—if I correctly understand the reasoning of the committee—that it would permit or encourage the Attorney General to bring to trial any violator of any portion of the law, upon the determination by the Attorney General that the representations of facts laid before him by the Housing Administrator were substantially correct. I think that is why it was done.

Mr. MILLIKIN. Regardless of the wisdom of the final decision of the Attorney General as to whether there should be a prosecution, we found by experience during the days of the OPA that the threat of prosecution was sufficient to cause good people to yield to the threat and do things which should not have been required. I am not so much worried about the Attorney General's decision, but I am worried about leaving a power of this kind in the hands of subordinate officials who may use it—and it has been so used—to oppress the citizen. I wonder if those in charge of the bill might not be willing to reconsider that provision and possibly be satisfied with civil remedies, rather than to equip every one who works in this field with a power to oppress inconsistent with our system of government.

Mr. CAIN. Certainly that is the very last thing to which we want to be a party.

Mr. MILLIKIN. Yes.

Mr. CAIN. But I wonder whether the fact that it must be a willful violation changes the Senator's attitude toward this provision of the bill.

Mr. MILLIKIN. It does not change my attitude, because I want the willful violator to suffer for his action. But while convicting for willful violation, there are opportunities for subordinate officials to hold out the threat of a prosecution in hundreds of cases which will never come to the Attorney General and where the element of willful violation is absent. Nevertheless, in such cases the citizen may yield to the threat because he does not wish to be put in disgrace. I know from personal experience that honest people in my own State have submitted to that sort of thing rather than to have their names dragged through the newspapers as being criminals or as being charged with having committed a criminal act. I think it would be most unfortunate to go back to anything of that kind in this field where we are dealing with an extraordinary and debatable remedy.

Mr. CAIN. I wish to be as clear as I can in saying that the Senator and I are in agreement on the positions we are taking. If I understand this provision of the proposed law—and I am somewhat hesitant about it because I am not a lawyer—it is to be left entirely to the Attorney General to determine whether the presentations made to him by the Office of Housing Expediter are legitimate. As I understand the situation—and I may be wrong—neither the Housing Expediter nor any of his agents would carry out any actions based on their recommendation that someone was violating the law, but the Housing Expediter would send a memorandum on the matter to the Attorney General.

But I take it that the Senator from Colorado holds a contrary view.

Mr. MILLIKIN. I repeat, Mr. President, that I am not so much worried about the justice of the decisions of the Attorney General, but I am worried about what precedes those decisions, and I am worried about the power such an arrangement gives to subordinate officials to threaten our citizens with criminal prosecutions.

Mr. CAIN. In this particular instance the Senator from Colorado obviously refers to the Office of Housing Expediter and his agents throughout the country.

Mr. MILLIKIN. Yes; to his agents throughout the country.

Mr. CAIN. And I take it that the Senator's experience is that a particular agent—let us say an agent at Denver, Colo.—might say to a citizen, "Let me tell you that I have reason to think you are considering breaking the law or have broken the law, and we are going to fine you a thousand dollars." Is that what the Senator from Colorado is thinking about?

Mr. MILLIKIN. Yes. Under OPA, that sort of thing was done repeatedly. I am not speaking of any particular agent in the section of the country to which the Senator has referred.

Mr. CAIN. Oh, no; of course the Senator is not.

Mr. MILLIKIN. But I know that sort of thing occurred repeatedly during the reign of the OPA, and it was one of the most offensive features of that reign.

I respectfully suggest that we should be very careful not to reinstate something of that kind at this time.

Mr. CAIN. Despite the fact that the full committee is not now in the Chamber, I know I can speak for the committee in this instance: The committee wished to provide for a reasonable amount of protection under the law. We do not believe in having anyone break a law which is on the statute books, but of course we want to provide against a resumption of certain of the practices to which the Senator from Colorado has referred. Certainly it was our opinion that in this respect we would be using the easier of the two proposed ways, and that in providing that it be done through the Attorney General, we would keep the Office of Housing Expediter from having itself to sue anyone for treble damages at any time, for reasons which might be either manufactured or real.

Mr. MILLIKIN. Mr. President, I make this suggestion most respectfully: Let us assume that when such matters go to the Attorney General, just decisions will be made by him. But the argument is fallacious, I submit, because it does not take account of the coercive pressures which can be brought to bear prior to the time such matters reach the Attorney General.

Mr. CAIN. Would the approach I am about to suggest satisfy the Senator from Colorado? As we understand the situation, in connection with this bill, no action is intended to be taken this afternoon on any matters which happen to be in dispute. I should like to take up this matter again with the other members of our committee, and then we shall rediscuss it on the floor of the Senate on Monday or whenever the bill comes up again for consideration.

Mr. MILLIKIN. Let me urge that that be done. I have great respect for the committee, and I hope the Senator from Washington and his colleagues will not attach themselves to the renaissance of a practice which was so foul and so much

to be condemned when it was operating under the OPA.

Mr. CAIN. We shall be happy to take another look at it.

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

Mr. CAIN. I yield.

Mr. SALTONSTALL. Let me ask whether the Senator from Washington and his committee would consider in the same spirit in which the Senator from Washington has just considered the suggestions of the Senator from Colorado an amendment on page 8, in lines 5 and 6, whereby the words "named in the lease," at the end of line 5 and at the beginning of line 6, would be stricken cut, and instead the words "of this act" would be inserted, so that the language then would read, "before the expiration date of this act."

I believe such a change would not alter the meaning of the section in any way, but would clarify the point I tried to bring out. Perhaps it is a technical point, but at the same time perhaps the present wording would confuse a person not familiar with the law.

Mr. CAIN. Mr. President, with the permission of the Senator from Massachusetts, I should like to reexamine that sentence, in light of the Senator's contention, so as to see whether both of us can be certain that the purpose of the provision will be carried out and also will be set forth in language which can be adequately understood by everyone. I suggest that we bring up that point also at our next session.

Mr. SALTONSTALL. I thank the Senator.

Mr. CAIN. I thank the Senator from Massachusetts for calling it to my attention.

Mr. President, in the absence of other questions at the moment, I wish the RECORD to show some rather interesting figures which I obtained because of the hearings. If I were sitting as a private citizen considering the subject of rents, I would soon be convinced that the landlords in the United States were one of the biggest types of big business. We do not need to argue for the moment that they are sometimes portrayed as being vicious, and so forth; but certainly under the circumstances I have stated, most persons would soon be convinced that landlords were big business, involving "big money." I did not know, and I do not think the other members of the committee knew, that in the over-all picture the situation may be considered to be quite otherwise. Our research established the fact that in the United States approximately eight and one-half million property owners are in the rental business. Certainly that figure—eight and one-half million—makes the rental business in the United States look like small business. So, Mr. President, I have obtained some figures which I suggest that we examine.

The following figures are taken from a United States Census Bureau survey made in October 1947: The number of non-farm-dwelling units surveyed was 15,300,000. The number of that type in the United States in October 1947, renting for $50 or more a month, was 1,900,000. The number in the United States, at that time, renting for $20 a month or less was 4,160,000. The number of non-farm-dwelling units in the United States renting for from $20 to $40 a month was 9,240,000. Those figures indicate a range of rents in the United States with which most of us on the committee were not previously familiar.

The median rent of all units was $29.33. The median rent of urban units was $31.64. The median rent of rural nonfarm units was $18.62.

Mr. President, some other figures from the Bureau of the Census deserve our consideration. For instance, in 1940 there were 6,763,881 single-family dwelling units in the United States. Of two-unit dwellings there were 3,529,581; of three-unit accommodations, 1,094,000; of four-unit accommodations, 741,461. One- to four-unit dwellings with commercial facilities on the ground floor numbered 632,549, which is to say that the total of units, including one to four units, represented 78.1 percent of the rental industry of the country in 1940, which I think is a way of suggesting that we are primarily concerned in this problem, if on one aspect of the problem greater emphasis must be placed than on another as affecting the small-business man. He is the man for whom a reasonable solution of the problem is sought.

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

Mr. CAIN. I yield.

Mr. MOORE. I wish to congratulate the Senator from Washington on his presentation of facts, to which I have listened with very great interest. The only thing about which I am puzzled is how the Senator can arrive at the conclusion that there should be rent control at all. The Senator has, in my opinion, presented a very convincing reason for ending it now.

Mr. CAIN. I suggested earlier in my remarks that, after I shall have finished my presentation of the bill on behalf of the Banking and Currency Committee, which it is my responsibility to do, there is an excellent case to be made for ending rent controls today. What I shall never be able to forget is that during the time rent controls have been in effect we have been losing ground every year with reference to the availability of rental units. We have done it for 8 years, though such a thing had never happened before. The assumption is that despite the fact that there are virtues in rent control, there are also great vices, and the time comes sooner or later when the vice eats up the virtue. It was in that sense, I may say to the Senator from Oklahoma, that I was expressing my own deep personal conviction on the basis of the facts as I see them.

Mr. MOORE. I did not understand the Senator to say that he was presenting this matter for any other reason than to advocate the passage of the bill. The point I make is that the Senator's facts as elicited by inquiry are certainly very revealing, and I am only stating that from those facts I have reached the conclusion that there should be no rent control.

Mr. CAIN. That is a very interesting observation and one to which I most certainly do not take exception. As I understand the legislative responsibility, if a particular Senator, together with his conferees, is charged with the activities of a subcommittee in developing legislation on a controversial subject, it is not for him to say that because he does not believe in the legislation he will not become a party to it by serving with those who must accept the responsibility. It is necessary for someone to assume responsibility. Specifically, in the case of rent control, a subcommittee consisting of three Senators from this side of the aisle and two from the other side, took the 1947 law and tried to amend it so as to present an improved 1948 bill. The subcommittee is absolutely convinced that it has succeeded in that attempt, but I feel that, as chairman of the subcommittee, I have a responsibility to the country as well as to that particular subcommittee. Therefore I have presented the bill as best I could and I have stated my belief that it is better than the 1947 law. I think I should be most derelict in my duty if I did not express any doubts that I had any reason whatever to believe should be expressed.

Mr. MOORE. I certainly am not intending to criticize the conclusion of the Senator from Washington in recommending the bill.

Mr. CAIN. I appreciate that.

Mr. MOORE. As I said before, I listened very carefully to all the facts and testimony presented by the Senator. I was especially struck with the statements of the Acting Housing Expediter, which were in the nature of admissions of maladministration. I have, of course, seen many instances of maladministration on the part of bureaus; in fact, I have never seen much of anything except maladministration. I have seen very few bureaus which were ever concerned about the intent of Congress, once the authority had been given to them.

The Senator called the Acting Housing Expediter before the committee, and the Expediter has admitted many instances of maldaministration. He has also apparently shown a complete indifference to the intent of Congress. He has been chastised, and the committee has obtained his promise that he will do better if given further opportunity. I should like to ask the Senator from Washington how much confidence he has in that promise.

Mr. CAIN. I want to say very seriously that I have a great deal of confidence in what the Acting Housing Expediter has said not only to me but to every other member of the committee, at least to all the members who were present, and to every member of the Senate subcommittee. I feel that I am justified in believing what he has said. It seemed to me that our subcommittee was the first responsible body to say to a Housing Expediter, "You did not know, and so we are not going to be too critical of what has happened in the past, but you are now, and you have been, living in the past. You have been pursuing practices which have been part and parcel of Government routine for a long time. You are doing what was the normal practice in recent years, taking an act of Congress and doing with it as you like." All that

the subcommittee said to the Housing Expediter was, "This is 1948, we are moving ahead, we are not moving backward, and we want you and every member of your staff to get on board and comply with the intent of Congress. We are not going to do any more by way of criticizing you because of your dereliction." The dereliction was a staggering thing, although the Expediter was merely following a custom followed by too many in the executive bureaus. I think he will do his very best. Further than that, and by way of paying him a compliment, although I have never mentioned his name in so doing, I am satisfied that if after conference with the Committee on Banking and Currency with reference to the bill, when it is passed, if it shall be passed, if he says, "Yes, I understand it, and I can administer it the way the Congress wants it administered," I am satisfied that, if he later finds he cannot administer it in that way, he will resign.

Mr. MOORE. I hope the Senator will not be disillusioned in his confidence in the Housing Expediter.

Mr. CAIN. One must take a chance, and I think my belief is fully justified.

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

Mr. CAIN. I yield.

Mr. HOLLAND. I wish to join other Senators in expressing appreciation of the courtesy exhibited by the distinguished junior Senator from Washington during his very thorough argument on the pending measure. I wish to advert, if I may, to that portion of the bill appearing in lines 8 to 14, page 6, which was referred to by the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] in his question awhile ago.

I desire to ask the Senator if, in his opinion, it is not true that the placing in that particular part of the bill of the words "making such adjustments in such maximum rents as may be necessary to prevent any person from suffering a loss in the operation of any controlled housing accommodations" would mean that the sole ground for adjustment of rents because of the financial question would be only that, and that the effect of including that provision would be simply to put the committee and the Congress on record, if the bill shall be passed, of forever doing away with any profit motive in connection with the operation of rental property, at least through the period of the operation of the extension law?

Mr. CAIN. My only answer at the moment is that certainly that is not and was not our intention in framing this provision. The subcommittee worked at some length with the Acting Housing Expediter in an effort to work out a formula which would guarantee a fair return on investment, just as in the case of construction under Federal auspices a return of 6½ percent on investment was permitted. We were not in any agreement on a formula of that character. This was our compromise. With full knowledge of what the committee had in mind, the Expediter has given evidence of his willingness not only to see that a man shall not lose money on his investment, but to permit him, in the absence of a formula, to receive a reasonable return on his investment. There will be certain differences of opinion, obviously, between the landlords and the Expediter, but we do not consider the provision to be as restrictive as does the Senator.

Mr. HOLLAND. If the Senator will permit me to make this brief remark, it would be my humble opinion, from a careful study of the wording of the bill, that the result of the inclusion of those words would be to preclude the consideration of any reasonable profit or any money return above that return which will guarantee against suffering a loss, and to confine adjustments to seeing that a landlord does not suffer a loss. In other words, it would confine the meaning of the removal of hardships or the correcting of other inequities to other than financial matters and other than those having to do with the adequacy of return.

I do not believe it was the intention of the committee or of the able chairman to put himself or the committee, much less to suggest that the Senate or the Congress be so placed, into the position in which I am sure they would be placed by the passage of the bill with its present wording, of frowning irrevocably upon the continuance of any profit motive in the field of controlled renting through the operation of the law.

Mr. CAIN. I may respond by saying I am very grateful that the Senator has brought that possibility to our attention. We shall certainly reconcile the committee's thinking with the Senator's feeling before we ask for any action, because the last thing we want to do is to preclude a reasonable return on a man's investment in the field of housing or in any other field.

Mr. HOLLAND. I am glad that the chairman of the committee has that feeling. I am not surprised, because I did not think that he intended such an interpretation of the wording.

Will the Senator yield for another question?

Mr. CAIN. Certainly.

Mr. HOLLAND. It seems to me that the distinguished Senator made a very fine case for the committee bill in the first 2 hours of his presentation. It was a very able presentation. Then he proceeded meticulously to demolish that case in the last hour of his presentation. I thought he did as good a job in demolishing it as he had done in erecting it in the first 2 hours of his presentation. I think it is the Senator's privilege to speak his own views on the subject, but I am wondering if it had occurred to the distinguished Senator that in the light of the recent decision of the United States Supreme Court several days ago the only ground, as I read the decision, upon which the extension of rent controls can be legally justified is the continuance of wartime conditions, whereas, as I understood the distinguished Senator in the last hour of his address, he made the statement not once but several times that there was no continuance of wartime conditions and that the war was over, thereby negativing the recitals on page 2, lines 21 and 22, of the bill, in which, very properly, as a peg on which to hang the proposed law, it is stated that—

> Such restrictions are necessary in the interest of national security and necessary to the successful completion of the war.

Do I correctly understand from the presentation of the Senator that he does not believe there is any soundness to those recitals which I have just read, and that there is nothing to the recitals that it is necessary to the successful completion of the war and in the interest of national security that rent control be extended?

Mr. CAIN. I think there is no doubt that the Supreme Court has recently said there is legal ground for continuing rent controls. I certainly would not want to be misunderstood to be taking exception to a declaration by the Supreme Court. I think that where I have unintentionally misled the Senator was in giving my own personal conviction, which was not a legal approach to the problem, that much of what we refer to as being a war condition is not so any longer. That is my opinion. It has nothing to do in itself with the Supreme Court's decision. I do not happen to know, may I suggest to my very warm friend, the Senator from Florida, whether he was present at the time I said my responsibility was to work for the passage of the very best possible bill if we are to have a rent law. I maintain that position. I shall work very hard to that end. But I feel impelled to cast some reflection, doubt, and uncertainty on the wisdom of the whole subject of rent control in America.

Mr. HOLLAND. I honor the Senator, I appreciate his frankness, and I hope he will read the RECORD with this in mind, that everything he has said has become a part of the legislative record in the consideration of this bill, and I fear that as the official sponsor of the bill he has probably very successfully removed, in the last hour of his very able address, the very slender foundations upon which the bill might be legally predicated. I hope he will check his remarks with that in view, because I know, after reading the court's decision, of no other basis upon which it can be predicated as the legal extension of a war-control measure except upon the continued existence of war conditions and the necessity for the law in the successful completion of the war, as recited most ably by the Senator and his colleagues in the portion of the bill which I have quoted. In other words, I fear that the Senator, in his desire to express frankly to his colleagues his own personal opinions, has completely demolished the only foundation upon which the bill might have been imposed. I simply wish respectfully to call that matter to his attention.

Mr. CAIN. I am grateful that the Senator has raised the question. I shall make it very plain that there was certainly no intention on the part of the junior Senator from Washington, in speaking about the bill, to cast any possible doubt as to its future constitutionality. We took particular steps, I may suggest to the junior Senator from Florida, to improve its constitutional position. So far as I am concerned, if I understand the Senator's contention, by

no means am I looking for any remote way in which to cast doubt on the bill in a legal sense, and whatever is necessary to make that clear in the RECORD, either this afternoon or on a following day, the Senator may rest assured I shall present.

Mr. HOLLAND. I thank the Senator.

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

Mr. CAIN. I yield to the Senator from Utah.

Mr. WATKINS. I should like to ask the Senator a question in connection with the one just propounded by the Senator from Florida. As I understand the remarks the Senator made with reference to the war having ended, and there being no justification, as a matter of fact for continuance of rent control, was that his own conclusion, or the conclusion of the committee as well, with respect to the facts?

Mr. CAIN. With reference to the latter part of my remarks, from the time I concluded explaining and justifying and defining the bill, what I said belongs particularly and solely to me, and I thought I made that rather clear.

Mr. WATKINS. Did the committee receive evidence which would justify the conclusion the Senator stated—that the situation no longer exists which called for the Rent Control Act in the beginning?

Mr. CAIN. I could not answer that question, for the simple reason that the subcommittee, and then the full committee, voted for a bill. But I could draw from the evidence submitted, as an individual, a defense, from my point of view, for every comment I made this afternoon in the latter part of my presentation.

Mr. WATKINS. Would the Senator consider that the preponderance of the evidence at least justified the position he took when he stated the fact to be that conditions were not such as to justify rent control?

Mr. CAIN. If the decision were to lie—and perhaps it does—between continuing rent controls in approximately the form provided in the last bill, in 1947, and prior to that time, and abolishing rent controls, and if the Senator is speaking to me now as an individual Senator, I say the conditions in this country as I see them justify giving serious consideration to eliminating rent controls, because I think primarily the record shows that rent controls per se have added to an artificial shortage of housing space any way one looks at it, and no one has yet talked his way around that.

Mr. WATKINS. Was testimony presented to show that in certain sections of the United States where rent controls were in force there was not a shortage of houses?

Mr. CAIN. Oh, yes.

Mr. WATKINS. And that there was no justification for further rent control?

Mr. CAIN. I remember one example in the hearings, perhaps 3 weeks ago, or approximately that time. I have forgotten the exact figures, but in a general way they showed this situation: A city known as Bremerton, Wash., had a population in 1940 of from 12,000 to 15,000. As a result of the war, because Bremerton was a naval repair base, the population rose to between 80,000 and 90,000. Rent controls were imposed in 1941 or 1942 and are still in force. But in the past 2 years 50,000 people have moved out of Bremerton and gone elsewhere. The presentation was made before our committee by an ex-mayor of Bremerton, who is now a Member of the House of Representatives, and who came before our committee and said, "Why should we continue rent control?" On a basis of logic and reason, we said, "Let us ask the Housing Expediter." We asked him if he would not look into the matter. He replied that of course he would. I raised the question with him yesterday when the Committee on Banking and Currency was talking about the bill with the Acting Housing Expediter. He said, "A survey is being made, and we hope to be able very soon to answer your question." That was one instance.

Let us turn now to the city of Chicago, which presented a very interesting case, which was discussed by an engineer almost with a slide rule. As I recall, his story went something like this: In 1940 there were 40,000 vacant units of rental housing in Chicago. Unlike most American large cities, Chicago did not either benefit or suffer during the war from an enlarged population. The record indicates that there are about 23,000 more white people in Chicago today than there were in 1940. There were in the neighborhood of 73,000 more housing units built in that period—73,000 more housing units constructed, 23,000 additional people; 40,000 vacancies in 1940, and in 1948 a desperate housing shortage. Again on the basis of the facts, there is much more housing in Chicago than there was 8 years ago, when there was no housing shortage, and there are relatively fewer people, yet there is a housing shortage now, and there was not in 1940.

Mr. WATKINS. How does the bill attempt to remedy such a situation? What are the effective measures?

Mr. CAIN. The effective measure is the approach the bill makes. For example, the Housing Expediter can decontrol on his own decision a defense-rental area, or a portion of that area, or any class of housing within the area or within a portion of the area, and so far as local rent control boards in any area in America are concerned, the bill provides that they make the same recommendations.

The subcommittee had proposed a formula to the full committee, which merely provided that when there was a vacancy of 1 percent of ordinary habitable houses for rent and for sale, there would appear to be no housing shortage. The only justification the committee or the Congress has ever had for rent control is that there was a housing shortage.

The suggestion was made that the Bureau of the Census should make a census of housing, because evidently the Housing Expediter had not done so—he had no figures to present to us—and when there was not a shortage in an area surveyed by the Census, automatically decontrol should take place.

The committee thought it not wise to accept the formula recommended by the subcommittee, because the committee was not certain whether 1 percent was the proper figure. What the committee actually did, after a good deal of discussion—every member of the committee agreeing with the principle—was to vote to have 2½ percent substituted for the 1 percent vacancy rate.

I should like to point out to the Senator from Utah that when I said a 1-percent vacancy rate leading to decontrol, I meant 1 percent of ordinary habitable houses, which excludes from consideration trailer camps, boarding houses, and rooming houses. So it is not 1 percent of the actual total vacancies; it is nearer 4 or 5 percent.

But to answer the question, that formula was rejected by the committee, and the entire discretion with reference to decontrol lies in the local board, on the one hand, and the Housing Expediter, on the other.

Mr. WATKINS. That is where it has been all the time.

Mr. CAIN. Yes; and I tried to point out, as plainly as I could in the presentation this afternoon, why the power which has previously been there has not properly been used.

Mr. WATKINS. What is the guaranty that it will be so in the future?

Mr. CAIN. There simply is no guaranty.

Mr. WATKINS. Did the committee consider writing into the bill sufficient instructions in such a way that they could not be ignored?

Mr. CAIN. The committee went as far as it thought it could go in that connection in a bill which is going to rely upon the effectiveness of local control boards throughout the country, and on a national housing expediter, with a staff of presumably qualified and competent men situated in approximately 600 different locations throughout America. The Acting Housing Expediter has admitted in a score of different ways that he and his staff have not been adequately conscious of the fact that the Congress said plainly in the law of 1947, "Every time there is an opportunity to decontrol anything, decontrol it." The housing problem of the country will never be solved without decontrol. What has happened? Many areas in the country have actually been decontrolled in the last couple of years by the Office of the Housing Expediter, but that is more impressive on paper than it is in fact. When we take a look at the decontrolled areas, it will be found that, in fact, they cover only about 300,000 people. Under the present law today, there are 14,000,000 controlled housing units in America. It simply does not stand to reason that throughout the country there is a continuing need for rent control. The law merely charges the Expediter and the local boards with doing a much better job of research than they have done heretofore.

Let me refer to the matter of expressions of opinion. A national agent, known as the Housing Expediter, was willing to take opinions, over the signatures of the chairmen of local rent-control boards something to this effect: "We think that rent controls are justified in towns X, Y, and Z for the present and for as far into the future as we can

see." The Housing Expediter has taken such statements of opinion as fact. He has filed them. Then he has come before our committee as a competent witness and said, "Look, 358 American communities want to continue rent control." I asked him, "In what manner do you figure that to be so?" He replied, "I have here expressions of opinion to that effect." The members of the committee naturally asked, "What are the expressions of opinion?" We have not received an answer as yet to the question. In most instances those expressions of opinion were not worth the paper on which they were written.

Mr. WATKINS. May I make one further inquiry? Did the committee go into the matter of the formation of local boards, as to whether or not the governors of the various States were cooperating in naming such boards, so that the landlords who had hardship cases to present could obtain some relief, or at least be given a hearing?

Mr. CAIN. On the basis of the evidence we received, both from within the office of the Housing Expediter and from outside sources we were able to conclude that roughly 80 percent of the boards now operating in America are qualified and prepared to do a constructive and competent job. There is only one State in the Union in which, for reasons not known to us presently, no nominations were made by the governor of the State. The charge was made in some instances that a board was too largely representative of landlord interest, and that other boards were too heavily weighted with tenant representatives. But by and large the boards, if encouraged and stimulated from the national level, will, in the opinion of the committee, do an excellent job, and a much better one in the future than they have been able to do in the face of uncertainty in the past.

Mr. WATKINS. I may observe that in the State of Utah, and particularly in one of the larger counties, only in recent weeks has the Governor appointed a board, as required by the act. The landlords there have been wholly unable to obtain any relief whatsoever, although the rentals which were fixed there were fixed on a depression level. I refer to the town of Provo, Utah, adjacent to the large Geneva steel plant development in that area.

Mr. CAIN. I do not think there is any doubt that there are similar instances. The Senator has given one instance. It is a pity that no board has been established in that area. An injustice has been done to the landlords, and the law itself has been violated.

Mr. WATKINS. I am not making these observations simply to make talk or conversation. I ask the Senator from Washington if the committee has put any teeth in the bill to require governors or others to provide boards?

Mr. CAIN. Yes.

Mr. WATKINS. Does the bill provide for making it mandatory that such boards be appointed?

Mr. CAIN. Yes.

Mr. WATKINS. And also that landlords be given some representation?

Mr. CAIN. There are two provisions in the bill which would cover the dilemma suggested by the Senator.

Mr. WATKINS. I should be glad to have the Senator point them out to me.

Mr. CAIN. The first is that the Housing Expediter shall notify the governor of the need that he either appoint new members or reappoint old members, as the case may be, and if there has been no response from the governor within 30 days, the Housing Expediter is given authority, under the bill which he did not have under the 1947 law, himself directly to appoint the boards.

Mr. WATKINS. So, as I understand, the Expediter can himself in such a case, appoint members of the board?

Mr. CAIN. Yes.

Mr. WATKINS. But if the Expediter is not in sympathy with granting relief in hardship cases, what will happen to those who are suffering hardship? How are they going to obtain any relief? Assume the governor will not appoint a board, and then the matter is left, by the provisions of the bill, to the Expediter.

Mr. CAIN. If we have in this country such a situation as the Senator has spoken of, where a responsible local official, namely, the governor of a State, and responsible Federal officials, namely, the Housing Expediter and his staff, are not willing to cooperate among themselves and with the people in granting justice and fair play, we had better get rid of the theory of the law which we are now advancing and which the Congress adopted last year. On the basis of the Senator's assumption I would not know of any way to turn if the people of the country will not cooperate in the doing of a job which needs to be done. If we have a bad governor and a bad Federal Government, we have no government left anyway.

Mr. WATKINS. Would it not be wise to provide in the bill that action shall be made mandatory upon the governor or upon the Federal Housing Expediter, rather than permissive?

Mr. CAIN. The Senator may be correct in that. But to what extent could Congress in an act make it mandatory upon a governor to do a certain thing?

Mr. WATKINS. Not on the governor, but Congress can make it mandatory that the Expediter do a certain thing. I have not examined the measure closely enough to know exactly what it provides. It may be the bill contains a mandatory provision. If it does not, I think a mandatory provision should be placed in it. I point out that I think it should be mandatory that the governor give the home owners and those who rent dwellings representation on such a board.

Mr. CAIN. We have given as much encouragement to make representative appointments as we can from the Federal level. On page 9, beginning in line 24, the following language appears:

(e) (1) The Rent Administrator is authorized and directed to create in each defense-rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are citizens of the area and who, insofar as practicable, as a group are representative of the affected interests in the area, to be appointed by the Rent Administrator, from recommendations made by the respective governors: *Provided*, That in any case where the governor has made no recommendations for original appointments to local boards or appointments to fill vacancies, within 30 days after request therefor (subsequent to the date of enactment of the Housing and Rent Act of 1948), from the Rent Administrator, the Rent Administrator may, without such recommendations, appoint the original members of such boards or such members as may be required to fill vacancies.

We used the word "may" instead of "must."

Mr. WATKINS. That is permissive only. Why should it not be mandatory? Why should not the provision be that the Expediter must appoint, if the governor has not done his duty?

Mr. CAIN. There was a very good reason for our not having done so, because of our assumption that there would be no repetition of a case in which a governor did not cooperate.

Mr. WATKINS. I have already called the Senator's attention to a case in which the governor did not cooperate until within the last few weeks. If that has happened once, it can happen again.

Mr. CAIN. Speaking only for the members of the committee, I would say we would not be in opposition to such an amendment.

Mr. WATKINS. I should like to make an observation in connection with the questions asked by the Senator from Florida [Mr. HOLLAND] of the Senator from Washington, and the assurance by the Senator from Washington that the Expediter and his staff are going to obey the law from now on. The committee is relying, as I understand, on their present assurance that they will obey the law now that its provisions have been called to their attention. I did not understand from what the Senator said that they did not know what the law was before. The Senator did not mean that, did he?

Mr. CAIN. What I meant was simply this: After the law of 1947 was passed the Housing Expediter and his staff understood the law all right from their point of view. By regulation and administrative edict they said, "This is what the law of 1947 means." It was months later before those of us in the Banking and Currency Committee charged with this work discovered that the Housing Expediter's interpretations were far different from what we conceived to be the intent of Congress.

Our best offset to that argument is that the Banking and Currency Committee wants to try an experiment. I, for one, think it is an excellent trend to establish. We do not yet know what the final law will have in it; but the Committee on Banking and Currency of the Senate, through some of its representatives, will sit down with the Housing Expediter and his staff, with a reporter, and they will go over the legislation line by line to determine conclusively that the Housing Expediter, who is to administer the law, understands how the body which initiated the law wants it administered. That is the only conceivable answer we have to the futility of the past, but we think the plan will work. Certainly it is deserving of a trial.

Mr. WATKINS. I cannot conceive of any greater pledge given by any of those men than their oath of office when they raised their right hands and swore to uphold the laws of the United States, which in this particular case, involving the Housing Expediter, is this very law. I do not think we are getting any greater assurance out of him that he is going to do better in the future than he has done in the past. It seems to me that the legislation should contain such language that there could be no doubt about its meaning, directing the Expediter and all other representatives of the Federal Government in such a way that they must comply or be removed from office.

We must bear in mind that there have been many hardship cases among landlords who have maintained rental properties. They have now lost a year because this man did not understand the law or did not want to enforce it.

I very much appreciate what the Senator has done today. He has given a wonderful explanation of the bill and the background for it. He has told us what the committee was trying to accomplish by the bill. After he had concluded I was almost convinced that there should be no rent control. I came here with a rather open mind. The remarks which have been made reinforce that conviction. That is the net effect of the bill so far as I see it.

I should like to ask one further question of the Senator. What is the justification for excluding hotels, motor courts, rooming houses, and similar types of rental properties, and retaining under control homes and apartments which are rented by literally hundreds of thousands of citizens in modest circumstances who depend upon their rentals for a living? What is the justification for excluding other types of rental property from rent control, and retaining homes and apartments under control?

Mr. CAIN. In the past the assumption has been that there was no longer a shortage in the types of facilities to which the Senator refers, and that for that reason they should be decontrolled. However, there continues to be a shortage of housing rental units, which are becoming less numerous every year. Since 1941, approximately 4,000,000 houses which were formerly rented have been sold and taken off the market.

Mr. WATKINS. Does the Senator mean that the shortage is actually feeding the shortage, and creating a greater shortage?

Mr. CAIN. All I can suggest is that the record be examined. There are 25 or 30 percent fewer houses for rent in America today than there were in 1940.

Mr. WATKINS. All we need to do is to continue this program for a few more years, and at the rate we are going we shall not have any.

Mr. CAIN. The Congress and the administration have said that they wanted to continue rent control. We have before us for consideration a pretty good rent-control law, in my opinion. However, we are confronted with some of the questions raised by the Senator, not on the basis of rumor, but of fact. Where have these rental units gone? With such a great reduction in 8 years of the number of available units, where will we be 5 years from now?

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

Mr. CAIN. I yield.

Mr. HOLLAND. The Senator has been most courteous and candid, and I am grateful to him. I do not wish to offend in any way. At the same time I confess that after the colloquy which the Senator has had with the Senator from Utah, I am even more puzzled than I was before as to what is the conclusion of the Senator, who is chairman of the subcommittee, and who is handling the bill. If it does not offend, therefore, I should like to address this question to the Senator: Is it the Senator's conclusion, based upon his own sound judgment—and I have found his judgment to be sound—that the case made at the hearings justifies the extension of rent control, as embraced in this particular bill? Or, to the contrary, does the Senator oppose this particular bill?

Mr. CAIN. I hope I can give the Senator an answer which is very clear. Obviously, I happen to be in an awkward and dual capacity. From the hearings, a part of which I think every Senator has before him, the subcommittee decided that because of a continuing doubt as to whether the time had come to decontrol flatly, it was willing to recommend a 1948 law which was, if I may use the term, considerably more liberal in approach than the bill which was finally reported by the full committee.

The members of the subcommittee were not trying to be obstructionists. Among the membership of the subcommittee there were men with varying views concerning this subject. The subcommittee was willing to recommend such a law because responsible Members of the Congress and the President of the United States had said—and they have said repeatedly—"We must have continuing rent controls."

The subcommittee was charged with writing a rent-control bill. Its first objective was to write a better law—not technically, but a better law because of improved circumstances—than the law of 1947.

The subcommittee presented its views to the full committee, and did not complain over some of the deletions which were made from the bill, because those things can be discussed in a free body such as this. The full committee was more certain about the need for continuing control.

Further in answer to the Senator's question, depending upon how one wishes to look at the question, it is possible to cite chapter and verse from the hearings and build the finest possible case for immediate decontrol of rents. From the same text, because of the variety of witnesses, one can build an excellent case for the continuance of controls, not only for 14 months, as we have recommended, but for 6, 7, or 10 years.

Further answering the Senator's question, I do not feel that I am being disloyal to my committee. I am thoroughly conversant with the reasons why it recommended this bill. I think the law should be liberalized. If permitted to do so, I shall endeavor to be sympathetic to amendments to make the new law more liberal than the present law. I expect to vote for the bill, because it was my task to bring it before the Senate and fight for it. But I think the questions I have raised about the effect of rent control on the construction of rental units have not thus far been raised by others; and I do not want to be a party to having the Senate rapidly and casually pass a rent-control law, without looking at it from all sides as thoroughly and as critically as we can.

I have already raised in the minds of Senators questions in regard to where we in America are headed in this respect. If we pass such a law, I want to consider where it will take us. It has taken other countries in very unfortunate directions, with very bad results from which they have never recovered. I have tried as best I could to study the French experience, for instance. In France, rent controls were established 33 years ago. At that time the declaration was made by a responsible French Government official that they would remove rent controls as soon as the supply equaled the demand. However, today, 33 years later, they still do not have a sufficient supply. That is because in France the people, whatever their income may be, are buying a product—housing—at prices comparable to the prices 33 years ago. Today the people of the United States are buying housing at prices which, generally speaking, are the equivalent of twice the prices in 1941. Why should not people buy twice the housing for what they used to be able to afford, inasmuch as they are buying at so greatly inflated prices?

Mr. President, if we are going to pass such a bill and if the Congress likes the theory of the 1947 act, then I suggest, without fear of successful contradiction, that Senate bill 2182 is a better instrument in every way, shape, and form than was the Housing and Rent Act of 1947, and I also suggest that we have found ways and means of administering it more effectively. We are satisfied that this measure will bring greater justice and fair play to more people.

Then we come to the question, Do we want any law on this subject? We read in the newspapers that very responsible people almost everywhere say, "We must have rent controls." But, Mr. President, they do not say why. So I thought it timely to say, "Let us slow up a little and take a look at the facts of the case." I do not consider that action on my part to be an act of treason to the committee, for which I have the highest regard.

Mr. HOLLAND. Mr. President, I thank the Senator; and I shall not renew my question.

Mr. CAIN. Mr. President, it is my understanding that we are not to take action today on the amendments.

The PRESIDING OFFICER. The Chair so understands.

Mr. CAIN. For that reason, inasmuch as I have concluded the presentation I wish to make, and inasmuch as I have also responded to all questions which Senators wished to ask, I feel quite ready to yield the floor.

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. CAIN. I do.

FOREST CONSERVATION AND DEVELOPMENT

Mr. KILGORE. Mr. President, in this period of high national income we are too inclined to think of the wealth of the Nation in terms of dollars. Too frequently we overlook the fact that the real wealth of this country is in its resources. Too frequently we think of the dollar as the basis of our national wealth, rather than as the basic unit of our rate of exchange. We should clearly recognize that the dollar will be of little value if we waste our real wealth—our natural resources.

In his economic report to Congress last month, President Truman stressed the need for conserving our great natural wealth. He said:

> Development of natural resources in land, water power, minerals, and forests requires that we make up as soon as possible for the lapses in many of these efforts during the pressures of war and postwar reconversion. Wise conservation and development efforts are now all the more needed because in many respects these resources were subjected to excessive drains to supply wartime production.

The Secretary of the Interior has wisely pointed out on many occasions that we do not have an unlimited reservoir of two of the most valuable of the natural resources—oil and gas. This is also true in the case of our forests, another of our major resources.

I wish to point out to my colleagues the urgent need to expand our forestry program. The same is true with respect to many other of our natural resources.

Fortunately, we have a tremendous reserve of coal; but, as I shall point out at a later date, we are only beginning to realize the full value of this coal. Today we have a fuel shortage in many sections of our Nation, even though production is at an all-time peak. This high rate of production must of necessity further deplete our known reserves of oil and gas.

The only immediate answer to the present shortage is wise use of existing supplies. The long-range answer lies in the development of liquid and gaseous fuels from coal and oil shale. Much valuable work has been done in this field in the past, but, unfortunately, it has been too limited in nature because of inadequate congressional appropriations.

I think the Congress should applaud the vigor with which the Department of the Interior is tackling this tremendously important matter. This Department is moving rapidly to expand the synthetic-fuel development work.

Mr. President, in this connection I wish to say that I think all of us give too little credit to the technical experts of the Government agencies. We fail to give proper recognition to these valuable Government scientists who have contributed so much toward the development of our Nation. I am strongly in favor of congressional recognition for these scientists and their solid contributions to our national welfare. They deserve our praise. It has been long overdue.

Dr. W. C. Schroeder, Chief of the Synthetic Fuels Division of the Bureau of Mines, and his staff deserve high praise for the development and expansion of our synthetic-fuels program which will be of tremendous benefit to our Nation. There is much work ahead in that field. The same is true in other fields, and the time has come to make a supreme effort to fully utilize our natural resources for the benefit of all our people.

Mr. President, the real wealth of this country is in its resources.

I wish to invite the attention of my colleagues to the urgent need to expand our work in the field of forestry—one of our basic resources. If we build up our forest resources and see to it that they are given good management, we shall create new wealth. If we neglect our forests, it will cost us far more in the end.

We can make no sounder investment than to pay heed to the warnings of our Forest Service. The facts are clear: We are still taking from our forests more saw timber than is being replaced by growth. We are not providing adequate means for developing our forest and range watersheds. The watershed situation is apparently getting worse each year, along with the decline of our timber. This means not only a decreased timber supply, at a time when lumber and paper and pulp are in increased demand, but also decreased livestock production, at a time when the need is greatest.

My own State of West Virginia provides a typical case study of the forestry situation in our country today. Two-thirds of all West Virginia is forest land. There are nearly 10,000,000 acres of forest, as compared with less than 4,000,000 acres of cropland in farms. That means, of course, that the forests are of very great importance to West Virginia.

Lumbering was one of the earliest industries in our State, and it is still a big industry. In recent years, West Virginia has led all other States in production of hardwoods. Its forests support more than 1,500 sawmills, several pulp and paper plants, and a great many other woodworking industries. The value of the primary forest crop in 1946 was over $40,000,000; the value of finished wood products and the labor returns from the forests were probably well over $200,000,000.

So it is quite evident that the future welfare and prosperity of West Virginia are bound up in no small measure with her forests. Certainly, our State cannot achieve its full measure of progress if it neglects to maintain the productive values on two-thirds of all its land.

As I said a minute ago, two-thirds of all West Virginia is forest land. What is the condition of those forests today? The virgin timber is all but gone. Second-growth timber must be the present and future supply. According to the reappraisal just recently completed by the United States Forest Service, only 43 percent of our forest land now has second-growth of saw-timber size.

I cannot find much cause for pride in the fact that although West Virginia has something over 2 percent of all the forest land in the United States, it has only about one-half of 1 percent of the remaining saw timber. I regret to say that our saw-timber trees are being removed faster than they are growing. The growth rate is reckoned at about 449,000,000 board feet a year, while about 891,000,000 board feet is being cut.

Here is the serious side of the timber situation in West Virginia: Trees of saw-timber size are being cut almost twice as fast as they are being grown, and much of the new growth each year is in small trees and the less valuable kinds of trees, while the heaviest inroads are being made in the choicest saw-timber trees. Sustained crops of valuable trees cannot be provided with that kind of system.

All of these things plainly indicate that it is time to sit up and take notice of what is happening to our forestry heritage. We do not want to have to reduce our yearly harvest of timber any more than necessary. Thus, the obvious thing to to do is to increase the growth.

West Virginia can grow fine timber. Foresters tell me that a great deal of our forest land could, with good management, grow two or three times as much timber as it is producing now.

I am describing these things in West Virginia not only because it is my home State, and these things are therefore of particular concern to me, but because the forest situation in West Virginia is more or less representative of many other States. What I am saying about my State applies in considerable degree to the country as a whole.

FOREST-FIRE CONTROL

There is, of course, a positive side to the picture. All of West Virginia's forest lands are receiving organized protection from fire. West Virginia is classed as one of the more progressive States in the field of forest-fire control. For the fiscal year 1947, the State budgeted a total of $484,044 for the protection of State and privately owned woodlands from fire. The Federal Government, through appropriations under the Clarke-McNary law, furnished $193,329 of this amount. This total budget was the largest ever made available for forest-fire control in West Virginia.

From 1942 to 1946, the acreage of woodland burned in West Virginia was more than cut in half. But there was still a total of 115,000 acres burned over in 1946. This is due at least in part to the fact that the funds available to accomplish the forest-fire protection job are spread pretty thin in many portions of the State.

To get on top of this fire-protection job, we need everybody's cooperation in preventing fires caused by carelessness. We need strict State laws and adequate law enforcement to stop forest fires that are willfully or maliciously set. And we need to intensify protection on all areas by making available funds to provide additional equipment and manpower. Wholehearted cooperation from all our conservation-minded citizens plus strict enforcement of fire laws will go a long way toward reducing the present-day heavy fire losses.

West Virginia has a great asset in the Monongahela National Forest. We are justly proud of the fact that this was one of the earliest national forests established under the Weeks law of 1911, which authorized Federal purchase of lands for public-forest purposes. Much of the area purchased was badly depleted by wasteful logging and fire at

the time it was acquired. Under Government protection and management it is coming back with fine timber growth, and yielding steadily increasing crops of timber.

The national forest has complete fire protection, and the timber is managed for sustained yields.

WATERSHED, WILDLIFE PROTECTION

The Monongahela National Forest protects part of the headwaters of the Potomac River and of several streams draining into the Ohio, and watershed protection was one of the primary purposes for its establishment. The wildlife population of the forest has been built up; the latest Forest Service game census showed a total of 14,000 whitetail deer.

The area has some of the East's outstanding scenic attractions, and the Forest Service is developing its road system and recreation facilities. To date, the Forest Service has spent nearly $6,000,000 for road and trail construction or betterment in the forest. I can heartily recommend a visit to the Monongahela National Forest in the spring when the laurel and flame azalea are in bloom; in the summer when its cool green hills and clear streams offer pleasant relief from the heat of the cities, or in the fall months when autumn paints the leaves with vivid colors.

Several counties share in the returns from sale of national forest timber and other forest receipts. The law provides that 25 percent of all national-forest receipts shall be turned over to the States for distribution to the counties in which the forests are located, for road and school funds. Last year the counties received a total of $27,765 from national-forest receipts. There are several thousand acres of non-Government land within the designated boundaries that eventually should be purchased to complete the development of the Monongahela National Forest.

In studying the forestry situation, we must recognize that Federal and State forests represent only about 10 percent of the total forest area of West Virginia. Ninety percent of the forest lands are in private ownership. So the bulk of our timber supply must be produced by private owners. Most of our forest land is in small ownerships, with tracts averaging 81 acres in size per owner. Nearly 3,000,000 acres are owned by farmers with farm woodlands averaging 42 acres.

A recent survey of timber-cutting practices showed that only 3 percent of all timber cutting on private forest lands in West Virginia is good enough to leave the stands in condition for adequate future growth of the right kinds of timber. On 17 percent of the private woodlands, cutting practices were classed as fair—good enough only to maintain some growing stock of commercial timber. But on 80 percent, present cutting is poor to destructive, leaving the land with little or no means for quickly growing new crops of timber. Much of this land is left without any timber values whatever. Certainly, our future cutting practices must certainly average much better than this if the timber-growing stock is to be built up and kept up to maintain our State's forest industries.

GOOD FOREST MANAGEMENT

The United States Forest Service is cooperating with the State of West Virginia in an excellent program to encourage good forest management on farm woodlands and other small private woodlands. This is the farm woodland management and marketing program authorized by the Norris-Doxey law. There are now six Norris-Doxey farm foresters in West Virginia, located at Summersville, Harrisville, Elkins, Weston, New Martinsville, and Lewisburg. Last year these six farm foresters advised and assisted 504 farmers in carrying out improved management practices on 36,472 acres of woodland. These farmers harvested over 65,000,000 board feet of woodland products, with a return of $277,399. The cost of this program was paid with $14,337 of State funds and $11,801 of Federal funds. For every dollar of Federal Norris-Doxey funds spent to provide assistance in timber growing, good cutting practice, and proper selling, the woodland owner received $24. Each of the woodlands involved was improved, and management plans were set up to produce continuous crops of trees for future harvest. In addition, the local communities benefited through increased employment and income.

But six farm foresters are not nearly enough to do the job needed. These 6 men are trying to cover 17 counties. In all of West Virginia there are nearly 90,000 separate owners of forest land. It is estimated that to even begin to handle the job of expert assistance in woodland management that should be done, at least 12 additional Norris-Doxey farm foresters are needed.

It is most important that we put the forest lands of our State to work producing at full capacity. But even such a great and enterprising State as West Virginia will not be able to supply all the timber needs of the country. The forest conditions I have described in my home State can be found in varying degree throughout the United States. Nation-wide, we are cutting timber faster than we are growing it. We are paying scarcity prices for products that we could grow in abundance. We are carrying millions of acres of stripped and denuded land largely as dead weight when it should be paying its way growing good timber.

Our States are interdependent in timber supply. West Virginia's forests are largely hardwood forests; we must depend on other regions for softwood construction lumber. We need the white-paper products of the North, the pine lumber and the kraft papers of the South, and the high-quality timber of the West. The Plains States need the products of the forest States.

The forests are important not only for timber but for watershed protection. If West Virginia's forests are poorly handled, it can increase the danger of floods in the Ohio valley. If they are well handled it can reduce flood danger. There are watershed problems in many parts of the country and they are not defined by State boundaries.

The Federal Government must carry a big share of the load in forest reconstruction. The job is too big for the State alone. It is Nation-wide in scope. I want to see prompt action taken on an adequate scale.

FUTURE FORESTRY NEEDS

Specifically, we need, first of all, increased appropriations for cooperative forest-fire protection so that the Federal Government will come nearer to carrying its fair share of the load in this program. At present, 27 percent of our State and privately owned forest land is still without any form of organized protection against fire. This means that 120,000,000 acres of forest land in our country cannot contribute their maximum in benefits so long as they are inadequately protected against fire.

We need a great deal of expansion of the work of giving expert assistance to woodland owners, under the Norris-Doxey farm-forestry program. We need more funds for tree planting, to reforest wastelands. We need to speed up the development of our national forests.

Perhaps our foremost need is to support a larger program of research, to find better ways of handling forest lands, both public and private, and to find better ways of using wood, with less waste. There needs to be fuller use made of low-grade material and wood waste, to make natural and improved wood give better service, to increase the use of unpopular species, and to develop further the field of chemical conversion. Further studies are needed for laminating structural timber, for making use of sawdust, for utilizing hemicellulose byproducts.

Our present laboratory research has gone into such studies as the use of woods for prefabricated housing, for structures using radiant heating, for lighter wood crates. The difficulty is that although our Forest Service has obtained much knowledge of how to reduce wood waste, they need increased means for applying this knowledge.

Today, when housing needs are so great, when newsprint supply is still short, when the use of crates for shipment is at an all-time high, we should be developing much more extensive use of every source of wood and pulp.

Mr. Lyle Watts, Chief Forester, and his staff are doing excellent work with a very limited appropriation. Increased appropriations will enable our Forest Service to render far greater service than present means allow. All the recommended improvements together would cost only a tiny fraction of 1 cent out of the present tax dollar.

I am for governmental economy, along with everybody else, but I do not favor saving pennies and wasting dollars.

In not very many years our great natural resources will be gone unless we provide better control over them. I hope our foresight will enable us to keep our country rich in its natural wealth for many more generations.

The heritage of a nation is rooted in the soil. Our Nation cannot long endure as the richest and most powerful on earth unless we make wise use of our soil and its products.

Our forests are a line of defense in our national security program. When we waste our forests, we are wasting one of our most precious resources.

We can ill afford to continue the course of waste and lack of proper management of major sectors of our forest land. In a large measure our security hinges on the preservation of our forest land. We are today depleting our forests at a dangerous rate.

Congress must act wisely now to implement the excellent program being carried out by the United States Forest Service if our Nation is to preserve for future generations our forests, truly one of our greatest natural assets.

The least Congress can do to measure up to this responsibility is to appropriate the full amount requested by President Truman in his budget for the next fiscal year.

PROGRESSIVE LIBERALISM—PROMISES AND PERFORMANCES

Mr. FERGUSON. Mr. President, I rise at this late hour to make a few remarks in relation to promises and performances.

Last night the President of the United States made a speech. So that there may be no confusion, I think we should look at the record.

I read from the New York Times a sentence from the President's speech:

> Conditions are too grave in the world at this time to put a Congress in control of the purse strings of this country—

At that point there is a comma, but the next word, the article "a," is capitalized, indicating that that was the end of the thought. Then it continues:

> A Congress which does not and cares not to understand what the facts are.

Mr. President, so that we may compare promises with performances, I think it is clearly indicated that the present administration cannot tolerate, or feels that it cannot tolerate, Congress and what some members of the administration call the shackles of the Constitution.

One great difficulty is that at times liberality is confused with liberalism. The fact is clear that there is a belief in some quarters that the Constitution is a shackle upon the liberties of the people. I wish to read section 7 of article I of the Constitution:

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

Section 8 of article I provides as follows:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts—

I emphasize those words—

> to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

Mr. President, those two sections are clear: First, that all revenue measures shall originate in the House; second, that all appropriations shall be made by the Congress.

I am sure, Mr. President, that the present Congress has labored hard to get the facts. Its Members are greatly interested in the facts. But because I am on the Appropriations Committee of this great body—the Senate of the United States—I feel that I should make these remarks today. The President's statement that he cannot tolerate the purse strings being placed in the Congress of the United States, although the Constitution has placed them there, may be confusing to the public. But that is not the only remark, Mr. President, that leads me to the conclusion that I should speak today and compare promises with performances.

Much is said about liberalism, but I ask the Senate the question, Are the performances we have witnessed in keeping with true democracy within the President's definition? Are they progressive liberalism? On two occasions last year the President usurped the congressional power over the purse when he vetoed tax-reduction bills. His first tax-bill veto was on June 6, 1947. The second was on July 18, 1947. That was only the second time in the history of the United States that a President had attempted to take unto himself the powers of the purse strings. The late President Roosevelt vetoed a tax bill in 1944, but the bill was passed over his veto. I shall always remember the remarks of the able majority leader, now the minority leader, on that occasion.

President Truman wishes to take unto himself the power of appropriation, as well as the power of taxation.

The President expressed his contempt for government by the people a few months after he took office. At a press conference in January 1946, shortly after the strike in the steel industry and the resulting increase in the price of steel, the President claimed that that was not inflation, that it was only a bulge in the price line, and that if the people would cooperate with the Government there would be no inflation.

The implication was that government is the master, not the servant, of the people.

A few months later the President admitted that his administration would have seized cattle from the ranges of farmers had not such a course been so difficult and impracticable. On October 14, 1946, President Truman stated, according to the New York Times of October 15, 1946:

> We gave long and serious consideration (to the proposal that the Government go out onto the farms and ranges and seize the cattle for slaughter). We decided against the use of this extreme wartime emergency power of the Government. It would be wholly impracticable because the cattle are spread throughout all parts of the country.

Mr. President, is this true democracy within the President's definition? Is this progressive liberalism? No; this is performance compared to promise.

President Truman further attacked the freedom of private citizens when he recommended that Congress grant him the power to draft strikers into the armed forces. On May 25, 1946, addressing a joint session of Congress, he said:

> I request the Congress immediately to authorize the President to draft into the armed forces of the United States all workers who are on strike against their Government.

Is this true democracy, within the President's definition? Is this progressive liberalism? No; this is performance compared to promise. This proposal, Republicans strongly and effectively opposed. I shall never forget the night the proposal came upon the floor of this great body. No Senator should ever forget that night, because the proposal went to the very fundamental, inalienable rights which are protected by the Constitution of the United States.

On another recent occasion the freedom of the individual was seriously compromised by the decision of the New Deal-appointed Supreme Court that search without warrant is valid. The Court held:

> There is nothing in the fourth amendment which inhibits the seizure by law-enforcement agents of Government property the possession of which is a crime even though the officers are not aware that such property is on the premises when the search is initiated. That abuses sometimes occur is no basis for giving sinister coloration to procedures which are basically reasonable. (Official Reports of the Supreme Court, Preliminary Print, vol. 331, U. S. No. 1, p. 146.)

I ask, is this true democracy, within the President's definition? Is it progressive liberalism? Such a holding practically destroys the fundamental protection of the people from unreasonable search and seizure.

A few months ago a proposed code of security regulations drawn up at the President's request became public. It was proposed that Government documents be classified into four categories—top secret, secret, confidential, and restricted. No document classified in one of these categories would have been made public. The freedom of the press would have been so circumscribed by this code that Government documents could not have been made public if they caused "serious administrative embarrassment or difficulty."

Mr. President, is that true democracy, within the President's definition? Is that progressive liberalism? That is comparing promises with performances. The regulations were withdrawn only after strong protest by newspapers, columnists, and editors throughout this great land.

Of course, since the New Dealers came into office the Executive has been granted extensive powers, which many years ago were recognized to be fraught with danger to individual liberty. President Roosevelt stated in 1936:

> In 34 months we have built up new instruments of public power. In the hands of a people's government this power is wholesome and proper. But in the hands of political puppets of an economic autocracy such power would prove shackles for the liberties of the people.

President Truman has demonstrated that he does not want "a people's government," if he stated what he was quoted by the New York Times to have said in his impromptu speech. It appears that we get the real truth and the facts when the President speaks impromptu. Then we hear what is actually felt and what is actually thought.

In view of what I have drawn to the attention of the Senate, we may find that instead of having progressive liberalism, we will have shackles on the liberties of the people.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. IVES in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

EXECUTIVE NOMINATIONS CONFIRMED

Mr. KNOWLAND. Mr. President, as in executive session, I ask unanimous consent that the nominations on the Executive Calendar be considered at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF COMMERCE

The Chief Clerk read the nomination of Isaac N. P. Stokes, of the District of Columbia, to be solicitor of the Department of Commerce.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL RESERVE BOARD

The Chief Clerk read the nomination of M. S. Szymczak, of Illinois, to be a member of the Board of Governors of the Federal Reserve System.

The PRESIDING OFFICER. Without objection, the nomination is confirmed, and, without objection, the President will be immediately notified of the confirmations of today.

DEATH OF REPRESENTATIVE ROBSION, OF KENTUCKY

The PRESIDING OFFICER. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The Chief Clerk read the resolution (H. Res. 470), as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
February 19, 1948.

Resolved, That the House has heard with profound sorrow of the death of Hon. JOHN M. ROBSION, a Representative from the State of Kentucky.

Resolved, That a committee of five Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. KNOWLAND. Mr. President, on behalf of the senior Senator from Kentucky [Mr. BARKLEY] and the junior Senator from Kentucky [Mr. COOPER], I send to the desk a resolution which I ask to have read and immediately considered.

The resolution (S. Res. 204) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN M. ROBSION, late a Representative from the State of Kentucky.

Resolved, That a committee of two Senators be appointed by the Presiding Officer of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER. The Chair names as the committee on behalf of the Senate provided for in the resolution just agreed to the senior Senator from Kentucky [Mr. BARKLEY] and the junior Senator from Kentucky [Mr. COOPER].

Mr. KNOWLAND. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate now recess until 12 o'clock noon on Monday next.

The motion was unanimously agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until Monday, February 23, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 20 (legislative day of February 2), 1948:

DIPLOMATIC AND FOREIGN SERVICE

John C. Wiley, of Indiana, now Ambassador Extraordinary and Plenipotentiary to Portugal, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iran.

Monnett B. Davis, of Colorado, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Panama.

Richard P. Butrick, of New York, a Foreign Service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Iceland.

CIVIL AERONAUTICS BOARD

Harold Armstrong Jones, of California, to be a member of the Civil Aeronautics Board for the term of 6 years expiring December 31, 1952.

UNITED STATES MARSHAL

John Joseph McGowan, of Minnesota, to be United States marshal for the district of Minnesota. (He is now serving under a recess appointment.)

IN THE AIR FORCE

PROMOTIONS IN THE UNITED STATES AIR FORCE

(Those officers whose names are preceded by the symbol (×) are subject to examination required by law. All others have been examined and found qualified for promotion.)

To be colonels

×Col. Early Edward Walters Duncan, AO7588, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Wallace William Millard, AO7613, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. George Luke Usher, AO8050, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Joseph Henry Davidson, AO8098, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Robert Kauch, AO8345, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Douglas Johnston, AO8467, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Shiras Alexander Blair, AO8497, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Col. David Charles George Schlenker, AO8603, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Desmond O'Keefe, AO8621, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Hugh Whitt, AO9556, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Col. Ray Aloysious Dunn, AO9561, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Col. Frederick Foster Christine, AO8719, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Isham Moore, AO9649, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Richard Cox Coupland, AO9792, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. James Franklin Powell, AO9823, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Alonzo Maning Drake, AO9841, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Victor Herbert Strahm, AO9843, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Byron Turner Burt, Jr., AO9874, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Earle Gene Harper, AO9875, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Lotha August Smith, AO9879, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Guy Malcolm Kinman, AO9989, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Joseph Leonard Stromme, AO9998, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Col. Frank Denis Hackett, AO10040, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Theodore Joseph Koenig, AO10183, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Omer Osmer Niergarth, AO10207, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Hugh Gibson Culton, AO10325, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Auby Casey Strickland, AO10338, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Ulysses Grant Jones, AO10388, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Dache McClain Reeves, AO10462, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Carroll Kennedy, AO10464, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Edmund Pendleton Gaines, AO10472, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Maj. Gen. Clayton Lawrence Bissell, AO10474, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Robert Victor Ignico, AO10491, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Clifford Cameron Nutt, AO10498, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Isaiah Davies, AO10505, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Arthur William Vanaman, AO10506, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Fred Cyrus Nelson, AO10519, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Clarence Herbert Welch, AO10571, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. George Godfrey Lundberg, AO10579, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Bayard Johnson, AO10657, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Frank Martyn Paul, AO10586, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Phillips Melville, AO10696, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Brig. Gen. John Gordon Williams, AO10697, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Albert Brown Pitts, AO10703, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Robert Duane Knapp, AO10707, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. William Bettencourt Souza, AO10719, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Joseph Alexis Wilson, AO10723, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Charles Yawkey Banfill, AO10738, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Walter Raymond Peck, AO10768, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Emil Charles Kiel, AO10787, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Charles Hale Dowman, AO10805, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Thomas Welch Blackburn, AO10814, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Harry Anton Johnson, AO10825, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Max Frank Schneider, AO10840, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Bernard Tobias Castor, AO10897, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Edgar Eugene Glenn, AO10914, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Cortlandt Spencer Johnson, AO10922, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Charles Wesley Sullivan, AO10946, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Neal Dow Franklin, AO10959, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Melvin B. Asp, AO10971, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Malcolm Nebeker Stewart, AO10982, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Newton Longfellow, AO10995, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Wendell Brown McCoy, AO11009, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Martinus Stenseth, AO11014, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. James Atwater Woodruff, AO11041, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Arthur Ignatius Ennis, AO11051, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Frederick Whiteley, AO11099, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Guy Lewis McNeil, AO11103, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Clarence Prescott Talbot, AO11112, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Robert Theodore Zane, AO11159, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Lucas Victor Beau, AO11175, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. James Milligan Gillespie, AO11186, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. David Robert Stinson, AO11266, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Joseph Theodore Morris, AO11267, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. George Allan McHenry, AO11279, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Paul Hyde Prentiss, AO11299, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Warren Arthur Maxwell, AO11303, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Paul Edmund Burrows, AO11331, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Vernon Hart, AO11367, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Donald David FitzGerald, AO11393, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Austin Walrath Martenstein, AO11399, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Levi L. Beery, AO11410, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Warren Rice Carter, AO11425, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Harold Alling McGinnis, AO11443, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Morton Howard McKinnon, AO11446, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. George Hendricks Beverley, AO11455, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Wallace Gordon Smith, AO11471, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Charles Adam Horn, AO11473, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Byron Elihu Gates, AO11476, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Emile Tisdale Kennedy, AO11498, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. George William Goddard, AO11514, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Thomas Herbert Chapman, AO11520, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Angier Hobbs Foster, AO11528, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Clarence Edgar Crumrine, AO11599, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Ross Morgan, AO11611, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Charles Edwin Thomas, Jr., AO11615, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. James Bumer Jordan, AO11624, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Col. Jack Clemens Hodgson, AO11668, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Stanton Thomas Smith, AO11796, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Joseph Popenjoy Bailey, AO11844, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Pardoe Martin, AO11890, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Charles Backes, AO11968, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Sigmund Franklin Landers, AO11980, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Ned Schramm, AO12014, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Don McNeal, AO12018, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Francis Bassett Valentine, AO12129, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Hobart Reed Yeager, AO12148, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Harry Earl Fisher, AO12671, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Donald Frank Stace, AO12708, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. John Ferral McBlain, AO12791, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Harlan Thurston McCormick, AO12808, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Joseph Vincent de Paul Dillon, AO12836, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Edward Barber, AO14632, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Edmund Clarence Langmead, AO14738, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Maj. Gen. James Millikin Bevans, AO14723, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Col. Paul Hanes Kemmer, AO14732, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Cecil Elmore Archer, AO14824, Air Force of the United States (lieutenant colonel, U. S. Air Force).

×Col. Louis Meline Merrick, AO14875, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Ray Henry Clark, AO14860, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Homer Wilbur Ferguson, AO14857, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Robert William Calvert Wimsatt, AO14823, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Donald Fowler Fritch, AO14835, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Sharpe Griffith, AO14852, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Alfred August Kessler, Jr., AO14903, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Stephen Cecil Lombard, AO14942, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. James Wrathall Spry, AO14953, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Gilbert Hayden, AO14998, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Hilbert Milton Wittkop, AO15006, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Leo Henry Dawson, AO15040, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Ralph Adel Snavely, AO15100, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Wesley Warren, AO15139, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Patrick Weston Timberlake, AO15165, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Clyde Kenneth Rich, AO15167, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Russell J. Minty, AO15201, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. James Francis Joseph Early, AO15212, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Thomas Merritt Lowe, AO15223, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Wilfrid Henry Hardy, AO15245, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Joseph Smith, AO15249, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Lt. Col. Joseph Harold Hicks, AO15252, United States Air Force.

Brig. Gen. Robert Chaffee Oliver, AO15275, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. John Maurice Weikert, AO15290, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John George Salsman, AO15318, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. James Michael Fitzmaurice, AO15346, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Walter Cornelius White, AO15371, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Archibald Yarborough Smith, AO15422, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. David Jerome Ellinger, AO15532, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. William Lloyd Richardson, AO15586, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. John Phillips Kirkendall, AO15666, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Robert Roy Selway, Jr., AO15673, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Leonard Henry Rodieck, AO15729, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. George Hinkle Steel, AO15743, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. Edward Higgins White, AO15761, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. William Olmstead Eareckson, AO15775, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Ralph Emanuel Fisher, AO15814, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Carl Joseph Crane, AO15936, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Howard Eugene Engler, AO15977, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Brig. Gen. George Francis Schulgen, AO15999, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Wilfred Joseph Paul, AO16010, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Glenn L. Davasher, AO16011, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Walter William Wise, AO41376, Air Force of the United States (lieutenant colonel, U. S. Air Force).

Col. Colby Maxwell Myers, AO16057, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. William Ludlow Ritchie, AO16059, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Russell Edward Randall, AO16081, Air Force of the United States (major, U. S. Air Force).

Col. Oscar Carl Maier, AO16096, Air Force of the United States (major, U. S. Air Force).

Col. William Frank Steer, AO16101, Air Force of the United States (major, U. S. Air Force).

Col. Wiley Thomas Moore, AO16102, Air Force of the United States (major, U. S. Air Force).

Col. Joseph Cyril Augustin Denniston, AO16177, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. John Halliday McCormick, AO16195, Air Force of the United States (major, U. S. Air Force).

Col. Milton Taylor Hankins, AO16199, Air Force of the United States (major, U. S. Air Force).

Col. John Porter Kidwell, AO16229, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Charles Henry Caldwell, AO16250, Air Force of the United States (major, U. S. Air Force).

Col. James Keller De Armond, AO16274, Air Force of the United States (major, U. S. Air Force).

Col. James Gordon Pratt, AO16308, Air Force of the United States (major, U. S. Air Force).

Col. Lee Quintus Wasser, AO16310, Air Force of the United States (major, U. S. Air Force).

Col. Benjamin Thomas Starkey, AO16314, Air Force of the United States (major, U. S. Air Force).

Col. George Henry Dietz, AO16332, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Glenn Oscar Barcus, AO16339, Air Force of the United States (major, U. S. Air Force).

Col. Brintnall Hill Merchant, AO28814, Air Force of the United States (major, U. S. Air Force).

Col. Robert Nevill Isbell, AO28830, Air Force of the United States (major, U. S. Air Force).

Col. Leo Isaac Herman, AO39533, Air Force of the United States (major, U. S. Air Force).

Lt. Col. Wallace Stribling Dawson, AO41427, Air Force of the United States (major, U. S. Air Force).

Col. Herbert William Ehrgott, AO16373, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Francis LeRoy Ankenbrandt, AO16375, Air Force of the United States (major, U. S. Air Force).

Col. Francis Xavier Purcell, Jr., AO16380, Air Force of the United States (major, U. S. Air Force).

Col. Raymond Coleman Maude, AO16382, Air Force of the United States (major, U. S. Air Force).

Col. Alfred Henry Johnson, AO16398, Air Force of the United States (major, U. S. Air Force).

Col. John Colt Beaumont Elliott, AO16411, Air Force of the United States (major, U. S. Air Force).

Col. Samuel Russ Harris, Jr., AO16412, Air Force of the United States (major, U. S. Air Force).

Col. Shelton Ezra Prudhomme, AO16427, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. John Paul Doyle, AO16428, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Leon William Johnson, AO16429, Air Force of the United States (major, U. S. Air Force).

Col. Basil Littleton Riggs, AO16459, Air Force of the United States (major, U. S. Air Force).

Col. Joseph Halversen, AO16470, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Morris Robert Nelson, AO16480, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Kenneth Perry McNaughton, AO16491, Air Force of the United States (major, U. S. Air Force).

Col. James Eell Burwell, AO16504, Air Force of the United States (major, U. S. Air Force).

Col. Wilson Turner Douglas, AO16508, Air Force of the United States (major, U. S. Air Force).

×Col. Marvin John McKinney, AO16510, Air Force of the United States (major, U. S. Air Force).

Col. Thomas Benjamin White, AO16511, Air Force of the United States (major, U. S. Air Force).

Col. Charles Herman Deerwester, AO16559, Air Force of the United States (major, U. S. Air Force).

Col. Bernard Alexander Bridget, AO16561, Air Force of the United States (major, U. S. Air Force).

Col. Charles Arthur Bassett, AO16564, Air Force of the United States (major, U. S. Air Force).

Col. Dixon McCarty Allison, AO16571, Air Force of the United States (major, U. S. Air Force).

Col. Alva Lee Harvey, AO16574, Air Force of the United States (major, U. S. Air Force).

Col. William Edwin Carpenter, AO28872, Air Force of the United States (major, U. S. Air Force).

Col. James William Andrew, AO16591, Air Force of the United States (major, U. S. Air Force).

Col. George J. Eppright, AO16593, Air Force of the United States (major, U. S. Air Force).

Col. Clarence Daniel Wheeler, AO16612, Air Force of the United States (major, U. S. Air Force).

Col. Walter Sylvester Lee, AO16614, Air Force of the United States (major, U. S. Air Force).

Col. Manning Eugene Tillery, AO16615, Air Force of the United States (major, U. S. Air Force).

Col. Elmer Joseph Rogers, Jr., AO16622, Air Force of the United States (major, U. S. Air Force).

Col. John Caswell Crosthwaite, AO16628, Air Force of the United States (major, U. S. Air Force).

×Col. Clarence Shortridge Irvine, AO16630, Air Force of the United States (major, U. S. Air Force).

Col. Ralph Emerson Holmes, AO16636, Air Force of the United States (major, U. S. Air Force).

Col. Darr Hayes Alkire, AO16639, Air Force of the United States (major, U. S. Air Force).

×Col. Thurston H. Baxter, AO16641, Air Force of the United States (major, U. S. Air Force).

Col. John Titcomb Sprague, AO16645, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Yantis Halbert Taylor, AO16655, Air Force of the United States (major, U. S. Air Force).

Col. Claire Stroh, AO16660, Air Force of the United States (major, U. S. Air Force).

Col. Oscar Frederick Carlson, AO16676, Air Force of the United States (major, U. S. Air Force).

Col. George Edley Henry, AO16679, Air Force of the United States (major, U. S. Air Force).

Col. Signa Allen Gilkey, AO16685, Air Force of the United States (major, U. S. Air Force).

Col. Reuben Kyle, Jr., AO16697, Air Force of the United States (major, U. S. Air Force).

Col. Julius Aubrie Kolb, AO28873, Air Force of the United States (major, U. S. Air Force).

Col. John Ludden Mousseau des Islets, AO28875, Air Force of the United States (major, U. S. Air Force).

Col. Herbert Miller Kidner, AO41451, Air Force of the United States (major, U. S. Air Force).

Col. Andrew Joseph Kerwin Malone, AO16715, Air Force of the United States (major, U. S. Air Force).

Col. John Edward Bodle, AO16720, Air Force of the United States (major, U. S. Air Force).

Col. Russell Scott, AO16722, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Burton Murdock Hovey, AO16723, Air Force of the United States (major, U. S. Air Force).

Col. Dale Davis Fisher, AO16726, Air Force of the United States (major, U. S. Air Force).

Col. Henry Weisbrod Dorr, AO16727, Air Force of the United States (major, U. S. Air Force).

Col. Carlisle Iverson Ferris, AO16730, Air Force of the United States (major, U. S. Air Force).

Col. Willard Roland Wolfinbarger, AO16732, Air Force of the United States (major, U. S. Air Force).

Col. Monro MacCloskey, AO28922, Air Force of the United States (major, U. S. Air Force).

Col. John Robert Crume, Jr., AO16747, Air Force of the United States (major, U. S. Air Force).

Col. George Woodburne McGregor, AO16748, Air Force of the United States (major, U. S. Air Force).

Col. Charles Albert Harrington, AO16750, Air Force of the United States (major, U. S. Air Force).

Col. Elmer Blair Garland, AO16753, Air Force of the United States (major, U. S. Air Force).

Col. Woodbury Megrew Burgess, AO16757, Air Force of the United States (major, U. S. Air Force).

Col. Manuel José Asensio, ÁO16758, Air Force of the United States (major, U. S. Air Force).

Col. Alvin Louis Pachynski, AO16763, Air Force of the United States (major, U. S. Air Force).

Maj. Gen. Laurence Sherman Kuter, AO16777, Air Force of the United States (major, U. S. Air Force).

Col. George McCoy, Jr., AO16793, Air Force of the United States (major, U. S. Air Force).

Col. Edward Pont Mechling, AO16798, Air Force of the United States (major, U. S. Air Force).

Col. John Mills Sterling, AO16814, Air Force of the United States (major, U. S. Air Force).

Col. Orrin Leigh Grover, AO16831, Air Force of the United States (major, U. S. Air Force).

Col. Milton Merrill Towner, AO16850, Air Force of the United States (major, U. S. Air Force).

Col. Matthew Kemp Deichelmann, AO16859, Air Force of the United States (major, U. S. Air Force).

Col. Neil Bosworth Harding, AO16930, Air Force of the United States (major, U. S. Air Force).

Col. Charles Bernard Overacker, Jr., AO17007, Air Force of the United States (major, U. S. Air Force).

Col. Hoyt Leroy Prindle, AO17012, Air Force of the United States (major, U. S. Air Force).

Col. Donald Wright Benner, AO17016, Air Force of the United States (major, U. S. Air Force).

Col. Lawrence Henry Douthit, AO17020, Air Force of the United States (major, U. S. Air Force).

×Brig. Gen. George Robert Acheson, AO17021, Air Force of the United States (major, U. S. Air Force).

Col. Frank Hamlet Robinson, AO17024, Air Force of the United States (major, U. S. Air Force).

Col. Waldine Winston Messmore, AO17025, Air Force of the United States (major, U. S. Air Force).

Col. Allen Ralph Springer, AO17027, Air Force of the United States (major, U. S. Air Force).

Col. Joseph Gerard Hopkins, AO17032, Air Force of the United States (major, U. S. Air Force).

Col. Clayton Cyril Berry, AO41472, Air Force of the United States (major, U. S. Air Force).

Col. Joseph Battersby Duckworth, AO38613, Air Force of the United States (major, U. S. Air Force).

Col. Maurice Milton Beach, AO28992, Air Force of the United States (major, U. S. Air Force).

Col. Elmer Perry Rose, AO17044, Air Force of the United States (major, U. S. Air Force).

Col. Ford J. Lauer, AO17048, Air Force of the United States (major, U. S. Air Force).

Col. Fay Oliver Dice, AO17049, Air Force of the United States (major, U. S. Air Force).

Col. Edward Harold Porter, AO17054, Air Force of the United States (major, U. S. Air Force).

Maj. Gen. Joseph Hampton Atkinson, AO17055, Air Force of the United States (major, U. S. Air Force).

Col. Robert Leonard Schoenlein, AO17056, Air Force of the United States (major, U. S. Air Force).

Col. Frederick William Ott, AO17057, Air Force of the United States (major, U. S. Air Force).

Col. Wentworth Goss, AO17059, Air Force of the United States (major, U. S. Air Force).

Col. James Leslie Daniel, Jr., AO17060, Air Force of the United States (major, U. S. Air Force).

Col. Budd John Peaslee, AO17061, Air Force of the United States (major, U. S. Air Force).

Col. Louie Percy Turner, AO17069, Air Force of the United States (major, U. S. Air Force).

Col. William Tell Hefley, AO17079, Air Force of the United States (major, U. S. Air Force).

Col. Robert Scott Israel, Jr., AO17087, Air Force of the United States (major, U. S. Air Force).

Col. Donald Bertrand Smith, AO17089, Air Force of the United States (major, U. S. Air Force).

Col. James Elbert Briggs, AO17103, Air Force of the United States (major, U. S. Air Force).

Col. John Stewart Mills, AO17106, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. George Warren Mundy, AO17112, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Alfred Rockwood Maxwell, AO17113, Air Force of the United States (major, U. S. Air Force).

Col. Roscoe Charles Wilson, AO17120, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Walter Edwin Todd, AO17121, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Bryant LeMaire Boatner, AO17123, Air Force of the United States (major, U. S. Air Force).

Col. Robert Frederick Tate, AO17128, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Samuel Robert Brentnall, AO17132, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Charles Franklin Born, AO17143, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Frank Fort Everest, AO17145, Air Force of the United States (major, U. S. Air Force).

Col. John Jordan Morrow, AO17150, Air Force of the United States (major, U. S. Air Force).

Col. Robert Loyal Easton, AO17155, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Norris Brown Harbold, AO17159, Air Force of the United States (major, U. S. Air Force).

×Col. Charles Grant Goodrich, AO17166, Air Force of the United States (major, U. S. Air Force).

Col. Alvord Van Patten Anderson, Jr., AO17172, Air Force of the United States (major, U. S. Air Force).

Col. Thayer Stevens Olds, AO17179, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Robert Falligant Travis, AO17187, Air Force of the United States (major, U. S. Air Force).

Maj. Gen. William Henry Tunner, AO17195, Air Force of the United States (major, U. S. Air Force).

Col. Ralph Edward Koon, AO17197, Air Force of the United States (major, U. S. Air Force).

Col. Howard Graham Bunker, AO17200, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. John Alexander Samford, AO17206, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Roger Maxwell Ramey, AO17231, Air Force of the United States (major, U. S. Air Force).

Col. Forrest Gordon Allen, AO17236, Air Force of the United States (major, U. S. Air Force).

Maj. Gen. Samuel Egbert Anderson, AO17244, Air Force of the United States (major, U. S. Air Force).

Col. Joseph Arthur Bulger, AO17251, Air Force of the United States (major, U. S. Air Force).

Col. George Ferrow Smith, AO17258, Air Force of the United States (major, U. S. Air Force).

Col. Allen Wilson Reed, AO17259, Air Force of the United States (major, U. S. Air Force).

×Col. James Elmer Totten, AO17267, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Truman Hempel Landon, AO17268, Air Force of the United States (major, U. S. Air Force).

Col. Harry Edgar Wilson, AO17274, Air Force of the United States (major, U. S. Air Force).

Col. Robert Williams Warren, AO17276, Air Force of the United States (major, U. S. Air Force).

Col. Delmar Taft Spivey, AO17278, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. August Walter Kissner, AO17282, Air Force of the United States (major, U. S. Air Force).

Maj. Gen. Emmett O'Donnell, Jr., AO17299, Air Force of the United States (major, U. S. Air Force).

Col. Donald Winston Titus, AO17302, Air Force of the United States (major, U. S. Air Force).

Col. Emmett Felix Yost, AO17303, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Robert Kinder Taylor, AO17309, Air Force of the United States (major, U. S. Air Force).

Col. James Wilson Brown, Jr., AO17316, Air Force of the United States (major, U. S. Air Force).

Col. William Columbus Sams, AO17317, Air Force of the United States (major, U. S. Air Force).

Col. James Francis Olive, Jr., AO17326, Air Force of the United States (major, U. S. Air Force).

×Col. Edgar Alexander Sirmyer, Jr., AO17327, Air Force of the United States (major, U. S. Air Force).

Col. Thomas Webster Steed, AO17331, Air Force of the United States (major, U. S. Air Force).

Col. Albert George Hewitt, AO29021, Air Force of the United States (major, U. S. Air Force).

Col. Joshua Hill Foster, Jr., AO29036, Air Force of the United States (major, U. S. Air Force).

Col. Glynne Morgan Jones, AO41566, Air Force of the United States (major, U. S. Air Force).

Col. Ralph Orville Brownfield, AO17383, Air Force of the United States (major, U. S. Air Force).

Col. Joel Edward Mallory, AO17384, Air Force of the United States (major, U. S. Air Force).

Col. George Washington Hansen, AO17390, Air Force of the United States (major, U. S. Air Force.)

Brig. Gen. Aubry Lee Moore, AO17392, Air Force of the United States (major, U. S. Air Force).

Col. Ronald Roosevelt Walker, AO17393, Air Force of the United States (major, U. S. Air Force).

Col. Lloyd Harrison Tull, AO17394, Air Force of the United States (major, U. S. Air Force).

Col. Frederic Ernst Glantzberg, AO17398, Air Force of the United States (major, U. S. Air Force.)

Col. Leland Samuel Stranathan, AO17400, Air Force of the United States (major, U. S. Air Force.)

Col. Ernest Keeling Warburton, AO17401, Air Force of the United States (major, U. S. Air Force.)

Col. LeRoy Hudson, AO17402, Air Force of the United States (major, U. S. Air Force).

×Col. Robert Vincent Williams, AO17406, Air Force of the United States (major, U. S. Air Force).

Col. Frederick Archibald Pillet, AO17409, Air Force of the United States (major, U. S. Air Force.)

Brig. Gen. Homer LeRoy Sanders, AO17412, Air Force of the United States (major, U. S. Air Force.)

Col. Draper Frew Henry, AO17413, Air Force of the United States (major, U. S. Air Force).

×Brig. Gen. Walter Robertson Agee, AO17415, Air Force of the United States (major, U. S. Air Force.)

×Col. Hansford Wesley Pennington, AO17417, Air Force of the United States (major, U. S. Air Force.)

Col. Murray Clarke Woodbury, AO17421, Air Force of the United States (major, U. S. Air Force).

Col. William Alexander Robert Robertson, AO17425, Air Force of the United States (major, U. S. Air Force).

Col. Marden Mellier Munn, AO29086, Air Force of the United States (major, U. S. Air Force).

Col. John Williams Persons, AO17436, Air Force of the United States (major, U. S. Air Force).

Col. William Chamberlayne Bentley, Jr., AO17437, Air Force of the United States (major, U. S. Air Force).

Col. Edwin Lee Tucker, AO17443, Air Force of the United States (major, U. S. Air Force).

Col. Edward Holmes Underhill, AO17448, Air Force of the United States (major, U. S. Air Force.)

Col. William Pryor Sloan, AO17452, Air Force of the United States (major, U. S. Air Force).

Col. George Frost Kinzie, AO17453, Air Force of the United States (major, U. S. Air Force).

Col. Albert Boyd, AO17455, Air Force of the United States (major, U. S. Air Force).

Col. James Wayne McCauley, AO17456, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Edward Harrison Alexander, AO17458, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Frank Alton Armstrong, Jr., AO17459, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. William Albert Matheny, AO17460, Air Force of the United States (major, U. S. Air Force).

Col. Reginald Franklin Conroy Vance, AO17464, Air Force of the United States (major, U. S. Air Force).

Col. William Lecel Lee, AO17465, Air Force of the United States (major, U. S. Air Force).

Col. Dudley Durward Hale, AO17471, Air Force of the United States (major, U. S. Air Force).

×Col. Herbert Leonard Grills, AO17474, Air Force of the United States (major, U. S. Air Force).

Col. Benjamin Scovill Kelsey, AO17476, Air Force of the United States (major, U. S. Air Force).

Col. Thomas Lee Mosley, AO17477, Air Force of the United States (major, U. S. Air Force).

Col. Raymond Lloyd Winn, AO17478, Air Force of the United States (major, U. S. Air Force).

Col. Kingston Eric Tibbetts, AO17480, Air Force of the United States (major, U. S. Air Force).

Col. Richard Henry Lee, AO17481, Air Force of the United States (major, U. S. Air Force).

Col. Lewis R. Parker, AO17483, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. William Maurice Morgan, AO17485, Air Force of the United States (major, U. S. Air Force).

Col. Edwin Minor Day, AO17487, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Jack Weston Wood, AO17488, Air Force of the United States (major, U. S. Air Force).

Col. James Herbert Wallace, AO17490, Air Force of the United States (major, U. S. Air Force).

Col. Don Zabriskie Zimmerman, AO17499, Air Force of the United States (major, U. S. Air Force).

Col. Frederick Rodgers Dent, Jr., AO17504, Air Force of the United States (major, U. S. Air Force).

Col. Harold Huntley Bassett, AO17505, Air Force of the United States (major, U. S. Air Force).

Col. Howard Moore, AO17507, Air Force of the United States (major, U. S. Air Force).

Col. John Floyd McCartney, AO17508, Air Force of the United States (major, U. S. Air Force).

Col. Harry Gage Montgomery, Jr., AO17518, Air Force of the United States (major, U. S. Air Force).

Col. Roger James Browne, AO17525, Air Force of the United States (major, U. S. Air Force).

Col. Joseph Jennings Ladd, AO17526, Air Force of the United States (major, U. S. Air Force).

Col. Richard David Wentworth, AO17527, Air Force of the United States (major, U. S. Air Force).

Col. Thomas Ludwell Bryan, Jr., AO17541, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Harold Quiskie Huglin, AO17548, Air Force of the United States (major, U. S. Air Force).

Col. Lawrence McIlroy Guyer, AO17553, Air Force of the United States (major, U. S. Air Force).

Col. Donald Philip Graul, AO17557, Air Force of the United States (major, U. S. Air Force).

Col. Charles Sommers, AO17561, Air Force of the United States (major, U. S. Air Force).

Col. John Coleman Horton, AO17568, Air Force of the United States (major, U. S. Air Force).

×Col. Marshall Stanley Roth, AO17572, Air Force of the United States (major, U. S. Air Force).

Col. Sidney Andrew Ofsthun, AO17586, Air Force of the United States (major, U. S. Air Force).

Maj. Gen. William Evens Hall, AO17588, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Frederic Harrison Smith, Jr., AO17589, Air Force of the United States (major, U. S. Air Force).

Col. Donald John Keirn, AO17591, Air Force of the United States (major, U. S. Air Force).

Col. John Jackson O'Hara, Jr., AO17609, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Emery Scott Wetzel, AO17615, Air Force of the United States (major, U. S. Air Force).

Col. William Lafayette Fagg, AO17617, Air Force of the United States (major, U. S. Air Force).

Col. George Eldridge Keeler, Jr., AO17641, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. William Fulton McKee, AO17661, Air Force of the United States (major, U. S. Air Force).

Col. Ezekiel Wimberly Napier, AO17668, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Thomas Benton McDonald, AO17694, Air Force of the United States (major, U. S. Air Force).

Col. Thomas Jefferson DuBose, AO17701, Air Force of the United States (major, U. S. Air Force).

Col. Daniel Campbell Doubleday, AO17702, Air Force of the United States (major, U. S. Air Force).

Col. Harlan Clyde Parks, AO17703, Air Force of the United States (major, U. S. Air Force).

Col. Pearl Harvey Robey, AO17722, Air Force of the United States (major, U. S. Air Force).

Col. Phineas Kimball Morrill, Jr., AO17766, Air Force of the United States (major, U. S. Air Force).

Col. George Elston Price, AO17843, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Richard Clark Lindsay, AO17845, Air Force of the United States (major, U. S. Air Force).

Col. John Gordon Fowler, AO17846, Air Force of the United States (major, U. S. Air Force).

Col. John Lyle Nedwed, AO17847, Air Force of the United States (major, U. S. Air Force).

Col. Paul Thomas Cullen, AO17852, Air Force of the United States (major, U. S. Air Force).

Col. George Graham Northrup, AO17853, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Thomas Sarsfield Power, AO17854, Air Force of the United States (major, U. S. Air Force).

×Col. Lloyd Harold Watnee, AO17856, Air Force of the United States (major, U. S. Air Force).

Col. Philip David Coates, AO17857, Air Force of the United States (major, U. S. Air Force).

Col. John Herold Bundy, AO17860, Air Force of the United States (major, U. S. Air Force).

Col. Mills Spencer Savage, AO17861, Air Force of the United States (major, U. S. Air Force).

Col. Harold Webb Bowman, AO17862, Air Force of the United States (major, U. S. Air Force).

Col. Lorry Norris Tindal, AO17863, Air Force of the United States (major, U. S. Air Force).

Col. Merlin Ingels Carter, AO17865, Air Force of the United States (major, U. S. Air Force).

Col. John Walker Sessums, Jr., AO17866, Air Force of the United States (major, U. S. Air Force).

Col. Charles Kenneth Moore, AO17867, Air Force of the United States (major, U. S. Air Force).

Col. Wycliffe Eugene Steele, AO17870, Air Force of the United States (major, U. S. Air Force).

Col. Roy Henry Lynn, AO17873, Air Force of the United States (major, U. S. Air Force).

×Col. Robert Bruce Davenport, AO17874, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Donald Leander Putt, AO17875, Air Force of the United States (major, U. S. Air Force).

Col. Merrill Davis Burnside, AO17878, Air Force of the United States (major, U. S. Air Force).

Col. Hollingsworth Franklin Gregory, AO17879, Air Force of the United States (major, U. S. Air Force).

Col. Harold Winfield Grant, AO17881, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Reuben Columbus Hood, Jr., AO17884, Air Force of the United States (major, U. S. Air Force).

Col. Leslie Oscar Peterson, AO17885, Air Force of the United States (major, U. S. Air Force).

Col. Floyd Bernard Wood, AO17887, Air Force of the United States (major, U. S. Air Force).

Col. Norman Delbert Sillin, AO17889, Air Force of the United States (major, U. S. Air Force).

Col. Flint Garrison, Jr., AO17891, Air Force of the United States (major, U. S. Air Force).

Col. James Leroy Jackson, AO17892, Air Force of the United States (major, U. S. Air Force).

Col. Chester Price Gilger, AO17893, Air Force of the United States (major, U. S. Air Force).

Col. Hugh Arthur Parker, AO17894, Air Force of the United States (major, U. S. Air Force).

Col. Thomas David Ferguson, AO17895, Air Force of the United States (major, U. S. Air Force).

Col. William Basil Offutt, AO17898, Air Force of the United States (major, U. S. Air Force).

Col. James Arthur Ronin, AO17902, Air Force of the United States (major, U. S. Air Force).

Col. Kenneth Ross Crosher, AO17918, Air Force of the United States (major, U. S. Air Force).

Col. Stuart Phillips Wright, AO17920, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Ivan Lonsdale Farman, AO17922, Air Force of the United States (major, U. S. Air Force).

Col. William Alexander Schulgen, AO17923, Air Force of the United States (major, U. S. Air Force).

Col. Daniel Beckett White, AO17924, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Edward Wharton Anderson, AO17932, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Winslow Carroll Morse, AO17934, Air Force of the United States (major, U. S. Air Force).

Col. Casper Perrin West, AO17935, Air Force of the United States (major, U. S. Air Force).

Col. William Leroy Kennedy, AO17936, Air Force of the United States (major, U. S. Air Force).

Col. Jesse Auton, AO17938, Air Force of the United States, major, U. S. Air Force).

Col. Robert Shuter Macrum, AO17942, Air Force of the United States (major, U. S. Air Force).

Col. Charles Lawrence Munroe, Jr., AO17943, Air Force of the United States (major, U. S. Air Force).

Col. Llewellyn Owen Ryan, AO17944, Air Force of the United States (major, U. S. Air Force).

Col. Hanlon H. Van Auken, AO17950, Air Force of the United States (major, U. S. Air Force).

Col. Robert Oswald Cork, AO17951, Air Force of the United States (major, U. S. Air Force).

Col. Herbert Henry Tellman, AO17953, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. John Koehler Gerhart, AO17954, Air Force of the United States (major, U. S. Air Force).

Col. Elder Patteson, AO17958, Air Force of the United States (major, U. S. Air Force).

Maj. Gen. Francis Hopkinson Griswold, AO17959, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Robert Whitney Burns, AO17961, Air Force of the United States (major, U. S. Air Force).

Col. Daniel Webster Jenkins, AO17962, Air Force of the United States (major, U. S. Air Force).

Col. Clarence Frank Hegy, AO17964, Air Force of the United States (major, U. S. Air Force).

Col. James Presnall Newberry, AO17965, Air Force of the United States (major, U. S. Air Force).

Col. Stoyte Ogleby Ross, AO17967, Air Force of the United States (major, U. S. Air Force).

Col. William John Clinch, AO17971, Air Force of the United States (major, U. S. Air Force).

Lt. Col. Cornelius Burton Cosgrove, Jr., AO29396, Air Force of the United States (major, U. S. Air Force).

Col. William Preston Nuckols, AO29416, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Jarred Vincent Crabb, AO17996, Air Force of the United States (major, U. S. Air Force).

Col. Tom William Scott, AO17997, Air Force of the United States (major, U. S. Air Force).

Col. John Hubert Davies, AO17999, Air Force of the United States (major, U. S. Air Force).

Lt. Gen. Edwin William Rawlings, AO18005, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Julius Kahn Lacey, AO18006, Air Force of the United States (major, U. S. Air Force).

Col. George Frank McGuire, AO18008, Air Force of the United States (major, U. S. Air Force).

Col. Oliver Stanton Picher, AO18009, Air Force of the United States (major, U. S. Air Force).

Col. Morley Frederick Slaght, AO18014, Air Force of the United States (major, U. S. Air Force).

Col. Roy Dale Butler, AO18015, Air Force of the United States (major, U. S. Air Force).

Col. Richard August Grussendorf, AO18018, Air Force of the United States (major, U. S. Air Force).

Col. John Hiett Ives, AO18019, Air Force of the United States (major, U. S. Air Force).

Col. Frederick Earl Calhoun, AO18020, Air Force of the United States (major, U. S. Air Force).

Col. Carl Ralph Feldmann, AO18021, Air Force of the United States (major, U. S. Air Force).

Col. Ralph Powell Swofford, Jr., AO18026, Air Force of the United States (major, U. S. Air Force).

Col. Paul Ernest Ruestow, AO18029, Air Force of the United States (major, U. S. Air Force).

Col. George Fletcher Schlatter, AO18035, Air Force of the United States (major, U. S. Air Force).

Col. Howard Monroe McCoy, AO18054, Air Force of the United States (major, U. S. Air Force).

Col. Aubrey Kenneth Dodson, AO18065, Air Force of the United States (major, U. S. Air Force).

Col. Mark Edward Bradley, Jr., AO18066, Air Force of the United States (major, U. S. Air Force).

Col. Wiley Duncan Ganey, AO18069, Air Force of the United States (major, U. S. Air Force).

Col. Thetus Cayce Odom, AO18075, Air Force of the United States (major, U. S. Air Force).

Col. Walter Campbell Sweeney, Jr., AO18080, Air Force of the United States (major, U. S. Air Force).

Col. Morris John Lee, AO18099, Air Force of the United States (major, U. S. Air Force).

Col. David Hodge Baker, AO18120, Air Force of the United States (major, U. S. Air Force).

Col. Ross Thatcher Sampson, AO18128, Air Force of the United States (major, U. S. Air Force).

Col. Troup Miller, Jr., AO18145, Air Force of the United States (major, U. S. Air Force).

Col. William Dole Eckert, AO18147, Air Force of the United States (major, U. S. Air Force).

Col. Millard Lewis, AO18163, Air Force of the United States (major, U. S. Air Force).

Col. John Chesley Kilborn, AO18167, Air Force of the United States (major, U. S. Air Force).

Brig. Gen. Carl Amandus Brandt, AO18171, Air Force of the United States (major, U. S. Air Force).

Col. Harold Lester Smith, AO18182, Air Force of the United States (major, U. S. Air Force).

Col. Norman Ray Burnett, AO18189, Air Force of the United States (major, U. S. Air Force).

Col. Richard Joseph O'Keefe, AO18198, Air Force of the United States (major, U. S. Air Force).

Col. Ephraim Melmoth Hampton, AO18206, Air Force of the United States (major, U. S. Air Force).

Col. Jack Griffin Pitcher, AO18208, Air Force of the United States (major, U. S. Air Force).

Col. Joseph Arthur Miller, AO18211, Air Force of the United States (major, U. S. Air Force).

Col. Francis Joseph Corr, AO18219, Air Force of the United States (major, U. S. Air Force).

Col. Kurt Martin Landon, AO18220, Air Force of the United States (major, U. S. Air Force).

Col. Daniel Anderson Cooper, AO18225, Air Force of the United States (major, U. S. Air Force).

Col. Sory Smith, AO18241, Air Force of the United States (major, U. S. Air Force).

Col. Theodore Quentin Graff, AO41787, Air Force of the United States (major, U. S. Air Force).

Col. Samuel James Gormly, Jr., AO29472, Air Force of the United States (major, U. S. Air Force).

Col. Ernest Franklin Williams, AO29560, Air Force of the United States (captain, U. S. Air Force).

Col. Edward Bond Gallant, AO29581, Air Force of the United States (captain, U. S. Air Force).

Col. Anthony Gerard Hunter, AO29584, Air Force of the United States (captain, U. S. Air Force).

Col. Daniel Francis Callahan, AO18368, Air Force of the United States (captain, U. S. Air Force).

Col. Marcellus Duffy, AO18373, Air Force of the United States (captain, U. S. Air Force).

Col. Robert Alan, AO18379, Air Force of the United States (captain, U. S. Air Force).

Col. Gordon Aylesworth Blake, AO18389, Air Force of the United States (captain, U. S. Air Force).

Col. Julian Merritt Chappell, AO18407, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Donald Norton Yates, AO18419, Air Force of the United States (captain, U. S. Air Force).

Lt. Col. Frank Arthur Bogart, AO18432, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Ernest Moore, AO18445, Air Force of the United States (captain, U. S. Air Force).

Col. Royden Eugene Beebe, Jr., AO18447, Air Force of the United States (captain, U. S. Air Force).

Col. Earle William Hockenberry, AO18454, Air Force of the United States (captain, U. S. Air Force).

Col. Henry Keppler Mooney, AO18479, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Robert Merrill Lee, AO18483, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Dean Coldwell Strother, AO18495, Air Force of the United States (captain, U. S. Air Force).

Col. Jacob Edward Smart, AO18516, Air Force of the United States (captain, U. S. Air Force).

Col. Lester LeRoy Hilman Kunish, AO18528, Air Force of the United States (captain, U. S. Air Force).

Col. Robert Edward Lee Eaton, AO18529, Air Force of the United States (captain, U. S. Air Force).

×Col. Carl Fillmore Damberg, AO18531, Air Force of the United States (captain, U. S. Air Force).

Col. Wendell Washington Bowman, AO18532, Air Force of the United States (captain, U. S. Air Force).

Col. Richard Spencer Carter, AO18542, Air Force of the United States (captain, U. S. Air Force).

Col. Hilbert Fred Muenter, AO18543, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. John Clarence Gordon, AO18571, Air Force of the United States (captain, U. S. Air Force).

Col. Charles Bowman Dougher, AO18581, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. David William Hutchison, AO18585, Air Force of the United States (captain, U. S. Air Force).

Col. Gerald Evan Williams, AO18604, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Edward Julius Timberlake, Jr., AO18619, Air Force of the United States (captain, U. S. Air Force).

Col. Edward Nolen Backus, AO29600, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Archie J. Old, Jr., AO29608, Air Force of the United States (captain, U. S. Air Force).

Col. James Lloyd Tarr, AO29634, Air Force of the United States (captain, U. S. Air Force).

Col. Alfred Frederich Kalberer, AO29521, Air Force of the United States (captain, U. S. Air Force).

Col. Stanley Tanner Wray, AO18657, Air Force of the United States (captain, U. S. Air Force).

Col. Leo Peter Dahl, AO18699, Air Force of the United States (captain, U. S. Air Force).

Col. John Bevier Ackerman, AO18706, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. John Paul McConnell, AO18728, Air Force of the United States (captain, U. S. Air Force).

Col. Joe William Kelly, AO18731, Air Force of the United States (captain, U. S. Air Force).

Col. John Clifford McCawley, AO18739, Air Force of the United States (captain, U. S. Air Force).

×Col. John Morgan Price, AO18740, Air Force of the United States (captain, U. S. Air Force).

Col. Daniel Stone Campbell, AO18751, Air Force of the United States (captain, U. S. Air Force).

Col. Kenneth Burton Hobson, AO18763, Air Force of the United States (captain, U. S. Air Force).

Col. John Reynolds Sutherland, AO18764, Air Force of the United States (captain, U. S. Air Force).

Col. Donald Linwood Hardy, AO18765, Air Force of the United States (captain, U. S. Air Force).

Col. Richard Tide Coiner, Jr., AO18766, Air Force of the United States (captain, U. S. Air Force).

Col. Charles Albert Clark, Jr., AO18776, Air Force of the United States (captain, U. S. Air Force).

Col. Harvey Porter Huglin, AO18780, Air Force of the United States (captain, U. S. Air Force).

Col. George Dowery Campbell, Jr., AO18783, Air Force of the United States (captain, U. S. Air Force).

Col. Charles Hardin Anderson, AO18785, Air Force of the United States (captain, U. S. Air Force).

Col. Hunter Harris, Jr., AO18808, Air Force of the United States (captain, U. S. Air Force).

Col. Charles Albert Piddock, AO18813, Air Force of the United States (captain, U. S. Air Force).

Col. Andrew Meulenberg, AO18827, Air Force of the United States (captain, U. S. Air Force).

Col. Edwin Guldlin Simenson, AO18829, Air Force of the United States (captain, U. S. Air Force).

Col. Robert Haynes Terrill, AO18833, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Thomas Connell Darcy, AO18840, Air Force of the United States (captain, U. S. Air Force).

Col. Clifford Harcourt Rees, AO18847, Air Force of the United States (captain, U. S. Air Force).

Col. Richard Henry Smith, AO18850, Air Force of the United States (captain, U. S. Air Force).

Col. Eugene Porter Mussett, AO18853, Air Force of the United States (captain, U. S. Air Force).

Col. Edward Willis Suarez, AO18855, Air Force of the United States (captain, U. S. Air Force).

×Brig. Gen. Herbert Bishop Thatcher, AO18865, Air Force of the United States (captain, U. S. Air Force).

Col. Robert Broussard Landry, AO18868, Air Force of the United States (captain, U. S. Air Force).

Col. Frank Greenleaf Jamison, AO18874, Air Force of the United States (captain, U. S. Air Force).

Col. Romulus Wright Puryear, AO18894, Air Force of the United States (captain, U. S. Air Force).

Col. William Madison Garland, AO18900, Air Force of the United States (captain, U. S. Air Force).

Col. James Walter Gurr, AO18906, Air Force of the United States (captain, U. S. Air Force).

Col. Robert Lee Scott, Jr., AO18908, Air Force of the United States (captain, U. S. Air Force).

Col. Robert Reginald Conner, AO51359, Air Force of the United States (captain, U. S. Air Force).

Col. Paul Smith Blair, AO29813, Air Force of the United States (captain, U. S. Air Force).

Col. Edward E. Toro, AO38728, Air Force of the United States (captain, U. S. Air Force).

Col. Thomas Samuel Moorman, Jr., AO18998, Air Force of the United States (captain, U. S. Air Force).

Col. Thomas Burns Hall, AO19010, Air Force of the United States (captain, U. S. Air Force).

Col. Travis Monroe Hetherington, AO19022, Air Force of the United States (captain, U. S. Air Force).

Col. Harold Cooper Donnelly, AO19040, Air Force of the United States (captain, U. S. Air Force).

Col. William Oscar Senter, AO19042, Air Force of the United States (captain, U. S. Air Force).

Col. Sidney Francis Giffin, AO19045, Air Force of the United States (captain, U. S. Air Force).

Col. Harold Roth Maddux, AO19086, Air Force of the United States (captain, U. S. Air Force).

Col. Laurence Browning Kelley, AO19108, Air Force of the United States (captain, U. S. Air Force).

Col. Robert Totten, AO19128, Air Force of the United States (captain, U. S. Air Force).

Col. Milton Fredrick Summerfelt, AO19153, Air Force of the United States (captain, U. S. Air Force).

Col. Gabriel Poillon Disosway, AO19156, Air Force of the United States (captain, U. S. Air Force).

Col. Franklin Stone Henley, AO19169, Air Force of the United States (captain, U. S. Air Force).

Col. Cordes Fredrich Tiemann, AO19193, Air Force of the United States (captain, U. S. Air Force).

Col. Samuel Abner Mundell, AO19206, Air Force of the United States (captain, U. S. Air Force).

Col. Stephen B. Mack, AO19240, Air Force of the United States (captain, U. S. Air Force).

Col. Nelson Parkyn Jackson, AO19253, Air Force of the United States (captain, U. S. Air Force).

Col. Sydney Dwight Grubbs, Jr., AO19271, Air Force of the United States (captain, U. S. Air Force).

Col. Charles Hoffman Pottenger, AO19290, Air Force of the United States (captain, U. S. Air Force).

Col. Kermit Douglas Stevens, AO30128, Air Force of the United States (captain, U. S. Air Force).

Col. William Milton Gross, AO19463, Air Force of the United States (captain, U. S. Air Force).

Brig. Gen. Donald Robert Hutchinson, AO20441, Air Force of the United States (captain, U. S. Air Force).

NOTE.—The date of rank for these officers will be the date of appointment.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 20 (legislative day of February 2), 1948:

DEPARTMENT OF COMMERCE

Isaac N. P. Stokes, to be Solicitor, Department of Commerce.

FEDERAL RESERVE BOARD

M. S. Szymczak, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1948.

SENATE

MONDAY, FEBRUARY 23, 1948

(Legislative day of Monday, February 2, 1948)

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

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who wert the God of our fathers, we glory in the glad assurance that Thou art also the God of their succeeding generations.

May our hearts be filled with gratitude that in our Nation's history we have the record of the lofty idealism of Thy servant whose memory we delight to honor and whom we reverently and