

Maurice N. Johnson
William C. Sharp, Jr.
Markham J. Anderson
Charles E. Mangin
Stuart D. Kustermann

LIUTENANT, SUPPLY CORPS

Charles W. Ireland
George E. Bell
William E. Sigman
William N. Haddock
James M. Wright
Glen L. Dunlap
Alvin H. Rampey
Hugh A. McManus
William W. Fink, Jr.
George P. Hoffman
William A. Novak
Paul W. Woodhead
Murry Cohn
Francis W. Moseley
James W. Herb
Charles Daniel, Jr.
Archie B. Meihls, Jr.
Howard L. Madden
Keith Bennett
William J. Robinson
Vernon G. Rivers
Wilbur A. G. Wilson
Robert K. Ponder
John L. Adams
Robert C. Hobbs
Gerry N. McLeod
William H. Johnson
Philip Crosby
Samuel R. Simpson, Jr.
Wesley J. McClaren
John W. Lipscomb
Sherman W. Blandin, Jr.
Robert J. McCormick
Edward S. Ruete
Charles F. Grad
Herbert H. Aull
James A. Smith
Clarence A. Creel
William S. Berkshire
Joe J. Wilcox
Elmon A. Geneste, Jr.
William W. Collier
Kenneth L. Woodfin
George L. Fitchett
Robert C. Porter
James J. Conlin, Jr.
Robert A. Schaufier
Hugh L. Culbreath, Jr.
Edward E. Beasley
Herbert F. Mills, Jr.
Kenneth W. Longnecker
Louie B. Knudsen, Jr.
Zack F. Brown, Jr.
Lester G. Maxwell
John C. Stringer, Jr.
Charles E. Whiteside
James I. Hightower, Jr.
Howard D. McPike
Gerald J. Patton
Oscar N. Dale
Richard K. M. Bridges, Jr.
Charles E. Kridie
Robert W. Hanwell
Charles A. Gardner, Jr.
William L. Bryson

LIUTENANT, CHAPLAIN CORPS

Peter H. Brewerton
Andrew J. Grygiel
Harold H. Cummings
Ernest W. Metzger
Samuel Sobel
Edwin R. Weldler
Deane W. Kennedy

LIUTENANT, CIVIL ENGINEER CORPS

Edward T. Diberto
John J. Manning, Jr.
Ervin E. White
Charles W. Graff

James B. Flanagan, Jr.
Richard H. Lee
Marshall G. Morris, Jr.
Donald R. Mundie

Eibert S. Rawls, Jr.
Howard L. Reznier
Richard J. Kessler
John F. Paolantonio
Frank L. Spillman, Jr.
Raymond H. Bates
William E. Stephens
David E. Ward
Toxie A. Thomas
Laurens Bradham Matthews
John E. McGraw
Edward M. McDonough
Russell A. Jones
Carl L. Henn, Jr.
Armand E. Mulffaert
Don H. Kleinhammer
Willard N. Schneider
William W. Statia
Lloyd Goolsby
Lawrence O. Purkaple
Edward L. Kurek
Thomas A. Cassin
Carl E. Lemzik
Franklyn L. Clark
Jack J. Moore
William H. Yarborough
Carl M. Johnson
Paul Elam
Dan P. Appleby
Thomas E. Stevenson
Harry J. Halley
Charles M. Mason
Clyde D. Killion
George H. Treece, Jr.
Adrian D. Bell
Paul C. Shumaker
Noble "T" Hawkins
John J. O'Malley
William M. Poulson
Joseph H. Steveley
John J. Wohlschlaeger
Conrad A. Barger
Richard L. McNutt
Donald D. Stumm
Roland H. Bouchard
Raymond S. O'Connell
James H. Ard
Foster F. Comstock
Alton W. Barton
William O. Foulkes
Herman L. Philbrick
Douglas G. Aitken
John C. Kelleher
John J. Casey
Paul W. Hebert
David G. Lamborne
Milton W. Harvey
James E. Laney
Matthew Mackey, Jr.
Donald W. Bahl
Carl W. Utterback
Bert E. Smith
Paul "D" O'Keefe
George E. Bell
Ray N. McDaniel
Elwood M. Bevins
Paul N. Bentley

Sydney J. Wynee, Jr.
Russell J. Rowson
John P. Williams
Foster M. Lalor, Jr.
Howard T. Johnson
Henry E. Stephens
Joe R. Wilson
William B. Stephenson

LIUTENANT, DENTAL CORPS

Bert E. Eldred
John R. Sheppard
Stewart T. Elder
Neale H. Morrow
Enrique Valentin, Jr.
James A. Mitchell
Wayne A. Nelson
William N. Grammer
Lewis L. Gunther
Carl B. Thimes
Harvey W. Lyon
Ray B. Mueller

LIUTENANT, MEDICAL SERVICE CORPS

Albert E. Mibeck
Arthur E. Johnson
Guy A. Richard
Philip M. Griffith
John W. Fechter
Solomon C. Pfug
Ned B. Curtis

LIUTENANT, NURSE CORPS

Margaret B. Binkley
Mary G. Chisler
Elizabeth Feeney
Barbara A. Leonard
Mary E. Kelly
Grace L. Barrett
Ninetta M. Chapman
Marion M. Dooley
Wanda T. Szymorski
Margaret W. Warren
Anne Dubik
Laura M. Stevens
Barbara K. Allen
Ruth S. Edmunds
Ruth E. Fabian
Barbara E. Bernstein
Sarah E. Adams
Gaetana Blandino
Kathryn C. Duprea
Agnes Findlay
Jean F. Halpin
Elizabeth M. Murray
Sunshine M. Payne
Dorothy M. Edwards
Irene I. Schanz
Marguerite F. T. Johnson
Eleanor R. O'Donnell
Julia M. Blair
Elsie L. Werner
Elizabeth L. Spangler
Hilda L. Freseman
Dorothy A. Dalesio
Lillian A. Shipman
Rita E. Belanger
Mary C. Burda
Jeanette F. Clabaugh
Alice F. Gibbons
Helen L. Mongan

The following-named officers of the Navy for temporary or permanent appointment to the grades and corps indicated, subject to qualification therefor as provided by law, to correct spelling of name as previously nominated and confirmed:

FOR TEMPORARY APPOINTMENT IN THE NAVY

Captain, line

Erle V. E. Dennett

Commander, line

Wilfred E. Fleshman
Francis G. Gooding, Jr.
Rolland L. Hastreiter

Commander, Medical Corps

Byron D. Casteel

Lieutenant commander, line

Phillip F. Erkenbrack
Franklyn E. Dalley, Jr.

Benjamin T. Dibble
Karl O. Munniger
Allen S. Waters
Ralph E. Grahl, Jr.
George R. Shepard
Robert B. Jarvis
Henry C. Besmen
John M. Bannister, Jr.
Theodore R. Hunley
Walter F. Woodward
Loren F. Enke
Dwight W. Newman
Luke J. Braxmeier
Robert P. B. Yingling
Warren C. Caldwell, Jr.
Henry H. Scofield, Jr.
Charles E. Kaller
Thomas J. Pape
Henry J. Ruff

Lieutenant, line

Earl J. Schiffbauer

FOR PERMANENT APPOINTMENT IN THE NAVY

Lieutenant (junior grade), line

Frank W. Corley, Jr.
Nello A. DaRodda
"H" Reid Hunter

Robert T. MacOnie
Stuart M. Steen
Victor D. Brockmann

Lieutenant (junior grade), Supply Corps

James R. Duquette

Lieutenant (junior grade), Nurse Corps

Margaret De Filippo

The following-named officer of the Naval Reserve on active duty for permanent appointment to the grade of lieutenant (jg), subject to qualification therefor as provided by law:

John H. Gentry

CONFIRMATIONS

Executive nominations confirmed by the Senate August 1 (legislative day of July 20), 1950:

FEDERAL MARITIME BOARD

Vice Adm. Edward L. Cochrane, United States Navy, retired, to be a member of the Federal Maritime Board for the term expiring June 30, 1952.

UNITED STATES DISTRICT JUDGE

Edward Weinfeld to be United States district judge for the southern district of New York.

UNITED STATES MARSHALS

Edward J. Carrigan to be United States marshal for the northern district of California.

Eugene John Pajakowski to be United States marshal for the northern district of Indiana.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 1, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, our light in darkness, our strength in weakness, our consolation in sorrow, our refuge in times of trial and tribulation, may we begin this new day strong in faith and in the assurance of Thy guiding and sustaining presence.

Grant that in our hours of doubt and perplexity, of confusion and uncertainty, we may not surrender to despair or allow our trust in Thee to become eclipsed but, with increasing tenacity of faith and courage, may we lay hold upon the eternal truth that Thy grace is sufficient for all our needs.

We believe, help Thou our unbelief, that the longings and aspirations for peace, which Thou hast implanted within our hearts, will be fulfilled and that righteousness and justice will be the controlling principles in the life of all mankind.

Through Jesus Christ our Lord and Saviour. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that

the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 332) entitled "Joint resolution providing for the establishment of a Joint Senate and House Recording Facility."

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

S. 3520. An act to strengthen the common defense by providing for continuation and expansion of Western Hemisphere production of abacá by the United States.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2655) entitled "An act for the relief of Mrs. Evelyn M. Hryniak."

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title:

H. R. 7273. An act to provide a civil government for Guam, and for other purposes.

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on yesterday, July 31, 1950, he did on today sign the following enrolled bill of the House:

H. R. 7273. An act to provide a civil government for Guam, and for other purposes.

COMMITTEE OF ESCORT

The SPEAKER. The Chair appoints as a committee to escort our distinguished guest into the Chamber the gentleman from Massachusetts [Mr. McCORMACK], the gentleman from Massachusetts [Mr. MARTIN], the gentleman from South Carolina [Mr. RICHARDS], and the gentleman from Illinois [Mr. CHIPERFIELD].

RECESS

The SPEAKER. The Chair declares the House in recess at this time subject to the call of the Chair.

Accordingly (at 12 o'clock and 5 minutes p. m.), the House stood in recess, subject to the call of the Chair.

RECEPTION OF THE RIGHT HONORABLE ROBERT GORDON MENZIES, PRIME MINISTER OF AUSTRALIA

During the recess the following occurred:

The Prime Minister of Australia, the Right Honorable Robert Gordon Menzies, entered the Hall of the House of Representatives at 12 o'clock and 13 minutes p. m., and was escorted to the Speaker's rostrum by the committee appointed for that purpose.

The SPEAKER. Members of the House of Representatives, it is my great pleasure, and I deem it a high privilege, to present to you the representative of a great, a free, and a friendly commonwealth. I present to you the Right Honorable Robert Gordon Menzies, Prime Minister of Australia. [Applause, Members rising.]

Mr. MENZIES. Mr. Speaker, oddly enough it does not seem strange to me today because this is only one of, I suppose, a thousand speeches in the course of my lifetime, but you have received me with such warmth that I must tell you, at once I feel at home. Of course, Mr. Speaker, I am a House of Representatives man myself of 16 years' standing. Indeed if you will excuse a little autobiography, half of the 16 years have been devoted to assisting the government of my country and the other half to assisting some other gentlemen to run the government of my country by giving them the benefit of my critical advice.

One other thing, sir, I would like to say to you at once is occasioned by your reference to my country as a great and friendly country. The truth is that when we Australians think about the other people of the world we think of some of them as foreigners and some of them as not. I want to tell you at once that except in the jaundiced eye of the law, Americans are not foreigners in Australia.

Third, I have this very great honor of speaking to you this morning not only as a representative of Australia, but also, if I may assert that right, as the representative of the British Commonwealth of Nations, a commonwealth which is your greatest group associate and friend in all the things that matter in this world.

So far as Australia is concerned we of course have the closest possible association with you. One has only to go back to the early days of 1942 to recall the impact of the first American troops to arrive in Australia. "Impact" is perhaps the right word because they swept in on us almost like an invading force. If I can reveal one of their secrets, their company was not always strictly masculine. But they came with almost delightful and refreshing courage and optimism. From the very time they arrived, whatever doubts may have existed in some minds disappeared. We knew that with these magnificent allies and these imperishable friends that there could be one end and one end only to the war. I believe the association in this war has done something which will endure forever in the relations between your country and mine.

Once again, sir, we have a small, but I hope significant and growing association in the campaign in Korea. The campaign in Korea is something that is giving us all cause for anxiety. I know that. But I would like to say to you as an onlooker for this purpose that the onlooker who has any discernment in his eye will recognize in this hastily improvised campaign in South Korea, a campaign hastily brought up against deliberate and organized aggression a really brilliant feat of arms, and its value will be more appreciated as the succeeding stages of this combat unfold.

We, as you know, in Australia are not rich in manpower. We feel that our people when they go to war are first-class fighters. But we are not rich in manpower. We are not rich in standing armies or immediately available resources. We have already some commitments in Malaya where for a long

time now operations of a defensive kind have had to be carried on against Communist bandits. But already, as you know, in the case of Korea, indeed within the first few hours after your own decision, we placed at your disposal a fighter air force and certain vessels of the Royal Australian Navy. As far as ground forces are concerned, I think I can say this to you: Our capacity is very limited. We have no substantial standing army, and troops for service abroad must therefore, in the normal course, be specially enlisted, trained, and equipped. But in my talks with your leaders here it has been completely agreed that the time factor is so important in Korea that a comparatively small force, speedily trained, equipped, and dispatched, is better than a larger force postponed for many months.

In the light of these considerations, and after full consultation, and I think I can say agreement with the United States authorities, the Australian Government will, on the basis of the army component of the British Commonwealth occupation force in Japan, and further recruitment of men with battle experience, organize and dispatch within as few weeks as possible a force which, cooperating, as I hope and believe it will, with the New Zealand force, would serve to make up a first-class combat group. [Applause.]

I would like to see these troops and others made available by the United Kingdom, and other British Commonwealth countries, brought together sooner or later, and I would hope sooner, into a British Commonwealth division, serving alongside your own men.

Now, sir, I am not to delay you too long. I have already noticed with warm approval that there is a clock opposite the Speaker, as there is in my Parliament, but I would like to say a few words to you, if I may, about my own country in relation to the problem which goes outside and after Korea. Korea, after all, is a symptom. It is a symptom of a very widespread disease in this world, and it behooves all of us, in our own way in our own lands, to do what we can to develop our strength; our moral strength, our physical strength, in order that we may at all times be fit to resist aggression, and fit to drive out fear.

As far as my country is concerned, we, therefore, have been addressing ourselves to what I will call a triple problem.

The first is the problem of getting more people. When I was a very small boy there was much talk in Australia, about American immigration, about the vast class of people who came to this continent from the Old World. It is only recently that I began to have a look at that matter in statistical terms, and I would like you to know that at the present time our immigration program in Australia is at least as great as any undertaken by your country in the whole course of its history. You must remember that we are a community of 8,000,000 people. You might think we are more, because occasionally we make quite a bit of noise, but we are a community of 8,000,000 people.

We are now taking in year after year 200,000 immigrants from the Old World which, after all, is, if one may venture on a proportion sum, just as if you were undertaking now to bring in with your vast population the better part of four millions every year. Two hundred thousand immigrants coming into a community of 8,000,000. And that presents us, of course, with tremendous problems. But we have accepted those problems because we believe that the time is overdue when all of the countries that love freedom should determine to develop their strength and not to float along and fail to develop their strength. But we shall have no proper strength for so great a problem until we have a great population.

The second thing that we are endeavoring to do goes hand in hand with that; you cannot have a free world as it ought to be unless you encourage all around it an expanding economy. We must have an expanding economy in Australia; we must, as you have done in your time, set out, and we are indeed now setting out on it, we must set out on a new era of development. Here is a great continent like Australia that needs water. The water falls, but it runs away. It needs storage; it needs irrigation; it needs more industrial horsepower; it needs more land cleared; it needs a greater production of the wealth from the soil; it needs these things, and it needs them quickly. I want to tell you that so far as my own Government is concerned we are determined to exercise every ounce of energy that we have to bring in to Australia in the next 10 years such an amount of development, such an amount of new wealth, such a basis for new industry, such a high living standard for new and expanding populations that we shall in due course be able to look at all our friends around all the world and say: "Not only are we your friends, but we have power to serve you and to serve ourselves, and to serve with you." [Applause.]

The third thing, Mr. Speaker, and perhaps these are merely illustrative, but I am talking about my own country—the third thing to which we are devoting our attention is the preparation of manpower not only for industry but for the defense of the country, not only for the defense of the country, but for the defense of freedom wherever freedom is challenged. We this year—I cannot go back too far because at the moment we are a 6 or 7 months' Government—we are this year introducing for the first time in peace in Australia a complete system of national service training calculated to produce year by year under a draft system a substantial number of trained men and to build a substantial reserve over the years to come. [Applause.]

Now, sir, I shall elaborate on those matters. I do not want to elaborate on them. Whenever a politician speaks out of his own bailiwick, somebody is bound to think that he is criticizing somebody in the other bailiwick, and I do not want to do that. All I want to do is to express my own faith and the faith of my own country that we all have laid on us

today the duty to be prepared, to be strong, not with the strength of a bully but with the strength of a deliverer.

The world needs the United States of America; the world needs the British people of the world; the world needs every scrap of democratic strength that can be found in it, because nobody, however optimistic, need underestimate the measure or the character of the danger that always confronts us. It is not merely our privilege to be strong; it is our duty to be strong.

Sir, we in Australia occupy a vast continent as big as the United States but with a population, as I have said, no greater than yours was in the early days of the nineteenth century. But what of it? The power and the significance of the United States are not the creation of a few modern years. They are a growth of centuries. The spirit of America was not breathed into you day before yesterday. Some of it goes back, I am proud to say, to the Shakespeares and the Raleighs and the Drakes and a common heritage. It found its most eloquent expression in the Declaration of Independence right back in the eighteenth century. It was guided into new and noble paths by the immortal Washington through the lives and words and deeds of countless famous or obscure men and women. It has been built into the character of your people right up to the day when a noble declaration by an American President, and an epoch-making vote by an American Congress, can bring light to dark places, and, let us not forget, hope to many people about to despair.

History, sir, is continuous, it is dynamic, and never more so than when a nation has pride, when it has courage, when it has responsibility. Sir, those are the reasons why the Prime Minister of a numerically small people may speak quite frankly to the Representatives of an enormous world power in brotherhood and with, as I believe, high mutual respect.

Mr. Speaker, in the name of Australia, I salute you and your great people. May all that you stand for and that we stand for be preserved under the providence of God for the happiness of mankind. [Applause, the Members rising.]

At 12 o'clock and 33 minutes p. m., the Prime Minister of Australia retired from the Hall of the House of Representatives.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock and 38 minutes p. m.

AMENDMENT OF PUBLIC HEALTH ACT

Mr. BIEMILLER. Mr. Speaker, I call up the conference report on the bill (S. 2160) to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

Mr. WOLVERTON. Reserving the right to object, Mr. Speaker, will the gentleman from Wisconsin make an explanation of the conference report? I do wish to say, however, that the conference report was unanimous.

Mr. BIEMILLER. This is a bill that extends to the commissioned corps of the Public Health Service the same benefits on accrued leave that the Seventy-ninth Congress extended to commissioned officers of the Army and Navy. It was an oversight that the commissioned corps of the Public Health Service was not included in the original bill. The only point at issue with the Senate was that the House has adopted an amendment knocking out a Senate provision extending income tax exemption to the funds which will be paid out by this bill. There were also certain technical changes made by the House which the Senate accepted. The House conferees receded and agreed to keep the bill identical with the previous legislation affecting commissioned officers of the Army and Navy, that these payments should be exempt from the income tax. It was a unanimous report, as the gentleman from New Jersey stated.

Mr. SCRIVNER. Reserving the right to object, Mr. Speaker, can the gentleman inform the House how much this is going to cost us and what kind of precedent it is going to establish?

Mr. BIEMILLER. It costs nothing, because there are sufficient funds left over from those previously appropriated for paying off the commissioned officers of the Army and Navy. It establishes no precedent whatsoever because it does not apply to the classified service of the Public Health Service. It simply extends, I repeat, the action previously taken by the Congress with regard to commissioned officers of the Army and Navy.

Mr. SCRIVNER. Has the gentleman from Wisconsin discussed this matter with the gentleman from Missouri [Mr. CANNON], chairman of the Committee on Appropriations?

Mr. BIEMILLER. The matter was discussed at the time the bill was before the House.

Mr. SCRIVNER. Has it been discussed with him since the conference report was filed?

Mr. BIEMILLER. No; not since that time.

Mr. SCRIVNER. I would request that the gentleman withhold calling up this conference report until such time as the chairman of the Committee on Appropriations may discuss this matter with him.

The SPEAKER. The Chair is going to object to any such request as that. We must not act here in response to the suggestion of any one man or group of men but as the House of Representatives.

Mr. SCRIVNER. A reading of this report, Mr. Speaker, does indicate that it will set a precedent for other branches of the Government. If this is followed in times to come the impact upon the Treasury cannot now be determined. be-

cause this will be rightfully regarded as a precedent by every other employee of the Federal Government, who will feel that he has the right to come in and ask for just exactly this kind of terminal pay. It will cost the taxpayers money because if this money does not go into this use it would revert to the Federal Treasury.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. SCRIVNER. I yield.

Mr. MANSFIELD. May I ask the Chair if, on the basis of the request of the gentleman from Kansas, any piece of legislation hereafter brought in here by a standing committee of the House of Representatives will have to be referred to the chairman of the Committee on Appropriations for approval?

The SPEAKER. There is no rule of the House that signifies that.

Mr. SCRIVNER. I understand that perfectly, Mr. Speaker, but as the Speaker well knows, only yesterday afternoon the full Committee on Appropriations adopted a resolution under which each subcommittee is now to restudy and re-evaluate the 1951 appropriation bill. They hope there can be places found where there may be some reduction in nondefense and nonessential Federal expenditures. If we are to be consistent, and I think we should be—it is supposed to be a virtue—then, of course, these things should somehow or other be discussed with the Appropriations Committee to find out what the impact on the Federal Treasury in fact is going to be.

Mr. Speaker, in view of the discussion that was had yesterday and in view of the action taken by the Committee on Appropriations, I am constrained to object.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2744)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2160) to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of sixty days, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1 and 2 and agree to the same.

Amendment numbered 3: That the Senate recede from its disagreement to the amendment of the House numbered 3, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"Sec. 3. (a) Sections 1 and 2 of this act shall be effective on July 1, 1950.

"(b) Any officer who, on June 30, 1949, was credited with more than sixty days of accumulated and accrued leave, shall be compensated for so much of such leave as exceeds sixty days but does not exceed one hundred and twenty days, in a lump-sum payment on the basis of the base and longevity pay, the allowance for subsistence, and the allowance for rental of quarters (whether or not he was

receiving such allowance on such date), which were applicable to him on such date under provisions of law then in effect: *Provided*, That there shall be deducted from the number of days upon which such lump-sum payment is otherwise authorized to be computed the number of days of leave in excess of thirty days taken during the period from July 1, 1949, to June 30, 1950. Payments authorized pursuant to this subsection shall be due and payable on July 1, 1950. All amounts received pursuant to this subsection shall be exempt from taxation.

"(c) The provisions of this act shall not be applicable to an officer who has, prior to July 1, 1950, been placed on terminal leave preceding separation, retirement, or release from active duty."

And the House agree to the same.

J. PERCY PRIEST,
ANDREW J. BIEMILLER,
GEO. HOWARD WILSON,
CHAS. A. WOLVERTON,
HUGH D. SCOTT, Jr.,

Managers on the Part of the House.

JAMES E. MURRAY,
CLAUDE PEPPER,
M. M. NEELY,
ROBERT A. TAFT

Per H. A. S.,

H. ALEXANDER SMITH,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2160) to amend the Public Health Service Act to authorize annual and sick leave with pay for commissioned officers of the Public Health Service, to authorize the payment of accumulated and accrued annual leave in excess of 60 days, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendments Nos. 1 and 2: These amendments made necessary technical and clarifying changes. The Senate recedes.

Amendment No. 3: This amendment made technical and clarifying amendments and, in addition, eliminated the sentence in the Senate bill which provided that the lump-sum payments to be made under section 3 of the bill should be exempt from taxation. The Senate recedes with an amendment which is the same as the House amendment except that it also contains the Senate provision providing for exemption from taxation. The inclusion of this provision from the Senate bill will afford to commissioned personnel of the Public Health Service the same treatment which was provided for personnel of the armed services by the Armed Forces Leave Act of 1946.

J. PERCY PRIEST,
ANDREW J. BIEMILLER,
GEO. HOWARD WILSON,
CHAS. A. WOLVERTON,
HUGH D. SCOTT, Jr.,

Managers on the Part of the House.

The conference report was agreed to. A motion to reconsider was laid on the table.

OMNIBUS MEDICAL RESEARCH BILL

Mr. BIEMILLER. Mr. Speaker, I call up the conference report on the bill (S. 2591) to amend the Public Health Service Act to support research and training in arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, and blindness, and other diseases, and for other purposes, and ask unanimous con-

sent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

Mr. WOLVERTON. Mr. Speaker, reserving the right to object, will the gentleman from Wisconsin explain the conference report which, I might mention, was unanimously agreed to?

Mr. BIEMILLER. Mr. Speaker, this conference report deals with bill, S. 2591, to amend the Public Health Act, to create various new research institutes. It is usually called the omnibus medical research bill. The main difference between the House and Senate bills was that the House bill gave to the Surgeon General discretionary power to set up institutes in various other fields besides the existing cancer, heart, dental, and mental health institutes. The Senate bill directed him to set up two such institutes, one dealing with arthritis, rheumatism, and other metabolic diseases; and the other dealing with diseases such as cerebral palsy, multiple sclerosis, other neurological diseases, and blindness. The House receded on that point and agreed that those two institutes should be mandatory and that the Surgeon General should have discretionary power with reference to other diseases such as poliomyelitis, which had been added to the bill by vote of the House.

Secondly, the bill standardizes the composition of extant and new councils as follows: There shall be six laymen and six scientific experts in their respective fields on each of the councils that deal with these various institutes. Ex officio there shall be the Surgeon General of the United States, who shall be chairman of each council, and a representative of the Veterans' Administration Medical Department, and a representative of the Department of Defense Medical Department. Those, in essence, are the changes which were agreed to in conference.

This bill brings to fruition the desires of many Members of the Congress and thousands of fine American citizens who have been looking forward to the day when these new research institutes would be established. Very few actions of the Congress will bring such important and humanitarian long-range benefits as this bill.

Mr. WOLVERTON. Mr. Speaker, as I have previously indicated, this conference report is presented to the House by unanimous agreement of the conferees. It also had the unanimous consent of the House Committee on Interstate and Foreign Commerce where it was originally considered. I think there is no legislation Congress has passed which is more commendable in character than that contained in this legislation.

Mr. Speaker, the conference report now before the House, in addition to administrative changes, provides for an expansion of the research program now being conducted under the Public Health Service Act.

The purpose of this act is to improve the health of the people of the United States through the conduct of researches, investigations, experiments, and demonstrations relating to the cause, prevention, and methods of diagnosis and treatment of arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, poliomyelitis, blindness, leprosy, and other diseases; assist and foster such researches and other activities by public and private agencies, and promote the coordination of all such researches and activities and the useful application of their results; provide training in matters relating to such diseases; and develop, and assist States and other agencies in the use of, the most effective methods of prevention, diagnosis, and treatment of such diseases.

In response to demonstrated needs, the Congress, prior to 1949, had created a National Institute of Health and separate national institutes for research on problems of cancer, mental health, heart disease, and dental care. Through these institutes, not only does the United States Public Health Service prosecute research into the causes, cure, and treatment of disease but, with the advice of advisory councils in each field, it makes grants to scientific bodies, institutes of learning, and qualified professional men throughout the country for similar work. It also analyzes, correlates, and makes available to scientists, medical practitioners, and the general public the results of such investigations.

The need for additional research in other fields was so apparent and the existing institutes of health had proved so successful in operation and had won such widespread support from professional groups and from the general public that there was a general feeling they should be expanded to include other diseases. Hearings were held and testimony taken which convincingly demonstrated the need for intensified research in other fields.

In the course of the hearings many victims of the diseases under consideration were in attendance and testified in most moving terms as to the great numbers of similarly afflicted people in the country, and to the appallingly negligible amount of research now being conducted in an attempt to find the causes and cures for these diseases. The testimony of these victims of disease was buttressed by that of outstanding members of the medical profession. Without exception, these witnesses agreed that the economic costs to the Nation incident to the spread of these diseases—to say nothing of the pain and suffering they entail—run into billions of dollars, whereas the amount being spent in an effort to prevent the onset of these diseases or to develop effective cures therefor are altogether negligible.

In view of the loss of productivity to the Nation, and the burden thrust upon the taxpayer, when these diseases strike and render so many of our people dependent upon others for support, our committee concluded that such sums as the Congress may deem wise to appropriate for a research into the causes

and cure of these diseases will undoubtedly represent a saving rather than a spending of the taxpayers' money. I feel that not only is the Congress obligated by every dictate of human decency to encourage a serious attempt to put an end to the pain and suffering caused by these crippling diseases, but that, even if we were motivated only by considerations of economy and efficiency, we would be forced to conclude that the expenditures of a relatively few dollars for research in these fields would result in the saving of many more.

In this connection, I call attention to the fact that when the Congress has taken action and has appropriated funds for research—as in the case of cancer and heart disease—it provided a remarkable stimulus to private philanthropy in those same fields. Recognition by the Congress of the necessity for such undertakings is reliably reported to have been responsible for vastly increased contributions to those private, voluntary agencies undertaking similar work and with which the Public Health Service coordinates its activities.

There is no work in the Congress, that I have had the privilege of participating in, that has so appealed to me as that which has brought about a program of research and study in those crippling diseases that effect countless thousands who suffer from them. To have contributed in some measure in providing even the possibility of relief gives me a personal pleasure and satisfaction beyond words to describe.

I trust that the House will concur in the conference report and permit the good work to proceed.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2750)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2591) to amend the Public Health Service Act to support research and training in arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy and blindness, and other diseases, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the purpose of this Act is to improve the health of the people of the United States through the conduct of researches, investigations, experiments, and demonstrations relating to the cause, prevention, and methods of diagnosis and treatment of arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, poliomyelitis, blindness, leprosy, and other diseases; assist and foster such researches and other activities by public and private agencies, and promote the coordination of all such researches and activities and the useful application of their results; provide training in matters relating

to such diseases; and develop, and assist States and other agencies in the use of, the most effective methods of prevention, diagnosis, and treatment of such diseases.

"ESTABLISHMENT OF ADDITIONAL INSTITUTES

"SEC. 2. (a) The heading of title IV of the Public Health Service Act (42 U. S. C., ch. 6A) is amended to read 'TITLE IV—NATIONAL RESEARCH INSTITUTES'.

"(b) Title IV of such Act is further amended by adding immediately after part C the following new part:

"PART D—NATIONAL INSTITUTE OF ARTHRITIS, RHEUMATISM, AND METABOLIC DISEASES, NATIONAL INSTITUTE ON NEUROLOGICAL DISEASES AND BLINDNESS, AND OTHER INSTITUTES

"ESTABLISHMENT OF INSTITUTES

"SEC. 431. (a) The Surgeon General shall establish in the Public Health Service an institute for research on arthritis, rheumatism, and metabolic diseases, and an institute for research on neurological diseases (including epilepsy, cerebral palsy, and multiple sclerosis) and blindness, and he shall also establish a national advisory council for each such institute to advise, consult with, and make recommendations to him with respect to the activities of the institute with which each council is concerned.

"(b) The Surgeon General is authorized with the approval of the Administrator to establish in the Public Health Service one or more additional institutes to conduct and support scientific research and professional training relating to the cause, prevention, and methods of diagnosis and treatment of other particular diseases or groups of diseases (including poliomyelitis and leprosy) whenever the Surgeon General determines that such action is necessary to effectuate fully the purposes of section 301 with respect to such disease or diseases. Any institute established pursuant to this subsection may in like manner be abolished and its functions transferred elsewhere in the Public Health Service upon a finding by the Surgeon General that a separate institute is no longer required for such purposes. In lieu of the establishment pursuant to this subsection of an additional institute with respect to any disease or diseases, the Surgeon General may expand the functions of any institute established under subsection (a) of this section or under any other provision of this Act so as to include functions with respect to such disease or diseases and to terminate such expansion and transfer the functions given such institute elsewhere in the Service upon a finding by the Surgeon General that such expansion is no longer necessary. In the case of any such expansion of an existing institute, the Surgeon General may change the title thereof so as to reflect its new functions.

"ESTABLISHMENT OF NATIONAL ADVISORY COUNCILS

"SEC. 432. (a) The Surgeon General is also authorized with the approval of the Administrator to establish additional national advisory councils to advise, consult with, and make recommendations to the Surgeon General on matters relating to the activities of any institute established under subsection (b) of section 431, or relating to the conduct and support of research and training in such disease or group of diseases (except a disease or group of diseases for which an institute is established under any provision of this title other than section 431 (b)) as he may designate. Any such council, and each of the two councils established under section 431 (a), shall consist of the Surgeon General, who shall be chairman, the chief medical officer of the Veterans' Administration or his representative and a medical officer designated by the Secretary of Defense, who shall be ex officio members, and of twelve members

appointed without regard to the civil-service laws by the Surgeon General with the approval of the Administrator. The twelve appointed members shall be leaders in the field of fundamental sciences, medical sciences, education, or public affairs, and six of such twelve shall be selected from leading medical or scientific authorities who are outstanding in the study, diagnosis, or treatment of the disease or diseases to which the activities of the institute are directed. Each appointed member of the council shall hold office for a term of four years except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term and except that, of the members first appointed, three shall hold office for a term of three years, three shall hold office for a term of two years, and three shall hold office for a term of one year, as designated by the Surgeon General at the time of appointment. None of such twelve members shall be eligible for reappointment until a year has elapsed since the end of his preceding term.

"(b) In lieu of appointment of an additional advisory council upon the establishment pursuant to subsection (b) of section 431 of an additional institute or upon expansion pursuant to such subsection of the functions of an institute, the Surgeon General may expand the functions of an advisory council established under section 431 (a) or any other provision of this Act so as to include functions with respect to the particular disease or diseases to which the activities of the additional institute or the expanded activities of the existing institute are directed. In the case of any such expansion of an existing council, the membership thereof representing persons outstanding in activities with which the council is concerned may be changed or increased so as to include some persons outstanding in the new activities. Any new council established under subsection (a) of this section or any expansion of an existing council under this subsection may be terminated by the Surgeon General at, before, or after the termination of the new institute or expansion of the existing institute which occasioned such new council or expansion of an existing council. In the case of any such expansion of an existing council, the Surgeon General may change the title thereof so as to reflect its new functions.

"FUNCTIONS

"SEC. 433. (a) Where an institute has been established under this part, the Surgeon General shall carry out the purposes of section 301 with respect to the conduct and support of research relating to the disease or diseases to which the activities of the institute are directed (including grants-in-aid for drawing plans, erection of buildings, and acquisition of land therefor), through such institute and in cooperation with the national advisory council established or expanded by reason of the establishment of such institute. In addition, the Surgeon General is authorized to provide training and instruction and establish and maintain traineeships and fellowships, in such institute and elsewhere, in matters relating to the diagnosis, prevention, and treatment of such disease or diseases with such stipends and allowances (including travel and subsistence expenses) for trainees and fellows as he may deem necessary, and, in addition, provide for such training, instruction, and traineeships and for such fellowships through grants to public and other nonprofit institutions. The provisions of this subsection shall also be applicable to any institute established by any other provision of this act to the extent that such institute does not already have the authority conferred by this subsection.

"(b) Upon the appointment of a national advisory council for an institute established

under this part or the expansion of an existing institute pursuant to this part, such council shall assume the duties, functions, and powers of the National Advisory Health Council with respect to grants-in-aid for research and training projects relating to the disease or diseases to which the activities of the institute are directed.'

"NATIONAL ADVISORY COUNCILS

"SEC. 3. (a) Effective October 1, 1950, section 217 (a) of the Public Health Service Act is amended to read as follows:

"(a) The National Advisory Health Council, the National Advisory Cancer Council, the National Advisory Mental Health Council, the National Advisory Heart Council, and the National Advisory Dental Research Council shall each consist of the Surgeon General, who shall be chairman, the chief medical officer of the Veterans' Administration or his representative and a medical officer designated by the Secretary of Defense, who shall be ex officio members; and twelve members appointed without regard to the civil-service laws by the Surgeon General with the approval of the Administrator. The twelve appointed members of each such council shall be leaders in the fields of fundamental sciences, medical sciences, or public affairs, and six of such twelve shall be selected from among leading medical or scientific authorities who, in the case of the National Advisory Health Council, are skilled in the sciences related to health, and in the case of the National Advisory Cancer Council, the National Advisory Mental Health Council, the National Advisory Heart Council, and the National Advisory Dental Research Council, are outstanding in the study, diagnosis, or treatment of cancer, psychiatric disorders, heart diseases, and dental diseases and conditions, respectively. In the case of the National Advisory Dental Research, four of such six shall be dentists. Each appointed member of each such council shall hold office for a term of four years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of the members first taking office after September 30, 1950, shall expire as follows: Three shall expire four years after such date, three shall expire three years after such date, three shall expire two years after such date, and three shall expire one year after such date, as designated by the Surgeon General at the time of appointment. None of the appointed members shall be eligible for reappointment within one year after the end of his preceding term, but terms expiring prior to October 1, 1950, shall not be deemed "preceding terms" for the purpose of this sentence.'

"(b) Subsection (b) of such section is amended to read as follows:

"(b) The National Advisory Health Council shall advise, consult with, and make recommendations to, the Surgeon General on matters relating to health activities and functions of the Service. The Surgeon General is authorized to utilize the services of any member or members of the Council, and where appropriate, any member or members of the national advisory councils established under this act on cancer, mental health, heart, dental, rheumatism, arthritis, and metabolic diseases, neurological diseases and blindness, and other diseases, in connection with matters related to the work of the Service, for such periods, in addition to conference periods, as he may determine.'

"(c) Effective October 1, 1950, subsections (c), (d), (f), and (g) of such section are repealed, and subsection (e) of such section is redesignated subsection '(c)'. Terms of office as members of national advisory councils pursuant to such section subsisting on September 30, 1950, shall expire at the close of business on such day.

"(d) The heading of such section is amended to read as follows: 'NATIONAL ADVISORY COUNCIL.'

"(e) Subsection (c) of section 208 of such act is amended to read as follows:

"(c) Members of the National Advisory Health Council and members of other national advisory councils established under this act, other than ex officio members, while attending conferences or meetings of their respective councils or while otherwise serving at the request of the Surgeon General, shall be entitled to receive compensation at a rate to be fixed by the Administrator, but not exceeding \$50 per diem, and shall also be entitled to receive an allowance for actual and necessary traveling and subsistence expenses while so serving away from their places of residence.'

"GENERAL PROVISIONS

"SEC. 4. (a) Section 406 of the Public Health Service Act is amended to read as follows:

"OTHER AUTHORITY

"SEC. 406. This title shall not be construed as limiting (a) the functions or authority of the Surgeon General or the Public Health Service under any other title of this Act, or of any officer or agency of the United States, relating to the study of the prevention, diagnosis, and treatment of any disease or diseases for which a separate institute is established under this Act; or (b) the expenditure of money therefor.'

"(b) Section 208 of such Act is amended by adding at the end thereof the following new subsection:

"(g) The Administrator is authorized to establish and fix the compensation for, within the Public Health Service, not more than thirty positions, in the professional and scientific service, each such position being established to effectuate those research and development activities of the Public Health Service which require the services of specially qualified scientific or professional personnel: *Provided*, That the rates of compensation for positions established pursuant to the provisions of this subsection shall not be less than \$10,000 per annum nor more than \$15,000 per annum, and shall be subject to the approval of the Civil Service Commission. Positions created pursuant to this subsection shall be included in the classified civil service of the United States, but appointments to such positions shall be made without competitive examination upon approval of the proposed appointee's qualifications by the Civil Service Commission or such officers or agents as it may designate for this purpose.'

"(c) Sections 415, 425, and 426 of the Public Health Service Act are hereby repealed. And the House agree to the same.

That the title of the bill be amended to read as follows: "An Act to amend the Public Health Service Act to support research and training in matters relating to arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, poliomyelitis, blindness, leprosy, and other diseases."

J. PERCY PRIEST,
ANDREW J. ELEMILLER,
GEO. HOWARD WILSON,
CHAS. A. WOLVERTON,
HUGH D. SCOTT, JR.,

Managers on the Part of the House.

JAMES E. MURRAY,
CLAUDE PEPPER,
M. M. NEELY,
ROBERT A. TAFT

PER H. A. S.,

H. ALEXANDER SMITH,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the

House to the bill (S. 2501) to amend the Public Health Service Act to support research and training in arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, and blindness, and other diseases, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute text. The Senate recedes from its disagreement to the House amendment with an amendment which is a substitute for both the Senate bill and the House amendment.

The substitute agreed to in conference is the same as the House amendment except for the provisions explained below, and except for technical changes and certain changes in dates made necessary because of lapse of time since passage of the bill by the Senate.

DECLARATION OF PURPOSE OF THE ACT

Both the Senate bill and the House amendment contained a statement of the purpose of the act, which is to improve the health of the people of the United States through the conduct of researches, investigations, experiments, and demonstrations relating to the cause, prevention, and methods of diagnosis and treatment of certain diseases. In the bill as it passed the Senate the diseases specified were "arthritis and rheumatism, multiple sclerosis, cerebral palsy, epilepsy, and blindness, and other diseases." In the House amendment the diseases specified were "rheumatism and arthritis, multiple sclerosis, cerebral palsy, epilepsy, other neurological diseases, poliomyelitis, blindness, leprosy, and other diseases." In the substitute agreed to in conference the diseases are specified as follows: "rheumatism and arthritis, multiple sclerosis, cerebral palsy, epilepsy, poliomyelitis, blindness, leprosy, and other diseases."

ESTABLISHMENTS OF NEW INSTITUTES AND RESEARCH COUNCILS

The Senate bill directed the establishment of two new institutes, one on "arthritis, rheumatism, and metabolic diseases" and another on "neurological diseases (including epilepsy, cerebral palsy, and multiple sclerosis) and blindness." It also authorized the Surgeon General to establish one or more additional institutes relating to other particular diseases or groups of diseases. The House amendment simply authorized the establishment of one or more additional institutes without directing the establishment of any. The substitute agreed to in conference follows the provisions of the Senate bill in this respect.

With respect to the establishment of new councils, the Senate bill directed the establishment of two such councils—one for each of the new institutes which were required to be established. In addition it authorized the establishment of such additional councils as the Surgeon General may find necessary, regardless of whether a corresponding new institute is established. The House amendment authorized the establishment of additional councils but did not require the establishment of any. Furthermore it authorized the establishment of a new council only when a new institute had been established. The substitute agreed to in conference follows the provisions of the Senate bill in this respect.

COMPOSITION, CHAIRMANSHIP, AND TERMS OF OFFICE IN THE CASE OF RESEARCH COUNCILS

Both the Senate bill and the House amendment provided for 12 appointed members on any new research council which may be established, such members to serve for 4-year terms. The Senate bill also provided for three ex officio members—the Surgeon General and one medical representative each from

the Veterans' Administration and the Department of Defense. The only ex officio member provided for by the House amendment was the Surgeon General. The Senate bill provided that the Surgeon General should serve as chairman of each new council, while the House amendment provided for a biennial election of a chairman by the council members. The substitute agreed to in conference follows the Senate bill on these points.

The Senate bill also contained provisions standardizing, for all existing research councils, the provisions relating to the composition, chairmanship, and terms of office, so as to make them correspond to the provisions included with respect to new councils to be established pursuant to this legislation. The House amendment contained no comparable provisions. On this point the substitute agreed to in conference follows the Senate bill.

J. PERCY PRIEST,
ANDREW J. BIEMILLER,
GEO. HOWARD WILSON,
CHAS. A. WOLVERTON,
HUGH D. SCOTT, JR.,

Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

Mr. DURHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5074), to promote the national defense by authorizing specifically certain functions of the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 17, after "necessary", insert: "Provided, That no such alien shall be employed until he has been cleared for such appointment as a result of an appropriate security investigation as determined by the Director of the Committee."

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

OFFICE OF CIVIL DEFENSE

Mr. McMILLAN of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8909), "An act to authorize the District of Columbia government to establish an Office of Civil Defense, and for other purposes," with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, after line 8, insert:

"Notwithstanding the limitation of any law, there may be employed in such Office of Civil Defense any person who has been retired from any of the Armed Forces of the United States or any office or position in the

Federal or District governments, and while so employed in such Office of Civil Defense any such retired person may receive the compensation authorized for such employment or the retired pay, retirement compensation, or annuity, whichever he may elect, and upon the termination of his employment in such Office of Civil Defense, he shall be restored to the same status as a retired officer or employee with the same retired pay, retirement compensation, or annuity to which he was entitled before having been employed in such Office of Civil Defense."

Page 3, line 22, after "(e)", insert "in accordance with the civil service laws and regulations."

Page 3, line 24, strike out "without reference to" and insert "in accordance with."

Page 4, line 3, after "act", insert: "Provided, That no person shall be employed pursuant to this paragraph until the Federal Bureau of Investigation shall have made an investigation and a report to the Director concerning the loyalty of such person; and the Director, in accordance with such regulations as he shall issue, shall make a finding on the basis of the report of the Federal Bureau of Investigation, whether the employee is suitable for employment."

Page 5, after line 19, insert:

"SEC. 6. The Office of Civil Defense, through the Commissioners of the District of Columbia, shall submit to the Senate and House of Representatives on the first day of each regular session of the Congress a report of its activities and expenditures under this act."

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FIVE-DAY WEEK FOR METROPOLITAN POLICE FORCE

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7695) to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, strike out line 20, and insert:

"SEC. 2. The first sentence of section 203 (a) of title 3, United States Code, is amended by striking out the words "one hundred and ten" and by inserting the words "one hundred and thirty-three" in lieu thereof."

Page 2, after line 20, insert:

"SEC. 3. This act shall take effect when funds have been appropriated and made available for the additional personnel necessary to carry out the purposes of this act."

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

REDEFINING THE TERM "CONTRABAND ARTICLE"

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3380), to amend the act of August 9, 1939, to redefine the term "contraband article" with

respect to narcotic drugs, and for other purposes.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1 (b) (1) of the act of August 9, 1939 (53 Stat. 1291; U. S. C., 1946 ed., title 49, sec. 781 (b) (1)), is amended to read as follows:

"(1) Any narcotic drug which has been or is possessed with intent to sell or offer for sale in violation of any laws or regulations of the United States dealing therewith; or which has been acquired or is possessed, sold, transferred, or offered for sale, in violation of any laws of the United States dealing therewith; or which has been acquired by theft, robbery, or burglary and carried or transported within any Territory, possession, or the District of Columbia, or from any State, Territory, possession, the District of Columbia, or the Canal Zone, to another State, Territory, possession, the District of Columbia, or the Canal Zone; or which does not bear appropriate tax-paid internal-revenue stamps as required by law or regulations."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an explanation of the bill.

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

There was no objection.

Mr. DOUGHTON. Mr. Speaker, under existing law vessels, vehicles, and aircraft are subject to seizure and forfeiture when used to carry or conceal any contraband article. Contraband includes any narcotic drug intended for sale or sold in violation of any laws of the United States or any drug not bearing appropriate tax-paid internal-revenue stamps.

There are other violations of the narcotics laws which do not at present make it possible to invoke the procedure for seizure and forfeiture of vessels, vehicles and aircraft used in such illicit operations. This bill would make it possible to seize the means of transportation of narcotics violators whenever a narcotic drug has been acquired or is possessed, sold, transferred or offered for sale in violation of any laws of the United States, or which has been acquired by theft, robbery or burglary.

In recent years there has been an increase in the number of narcotics thefts, robberies, and burglaries from drug stores, physicians' offices, and other places from which narcotic drugs are dispensed. The perpetrators of these crimes rely to a large extent on the use of high-powered automobiles to make their escape from the jurisdiction in which the crime took place. When captured, the narcotic drugs thus stolen are often found to bear the required internal-revenue stamps, and consequently seizure and forfeiture of the vehicles used is difficult to obtain, particularly when the drugs have not been sold by the thieves subsequent to the

theft. The proposed legislation would attack this problem by permitting the seizure of vessels, vehicles, and aircraft used in connection with the traffic in stolen drugs, when such drugs are carried or transported in interstate commerce, or within any Territory, possession, or the District of Columbia.

AMENDING SECTION 3224 (b) OF THE INTERNAL REVENUE CODE

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 7891) to amend section 3224 (b) of the Internal Revenue Code, relating to the transportation of narcotic drugs.

The Clerk read the title of the bill.

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

Mr. HALLECK. Mr. Speaker, reserving the right to object, will the gentleman from North Carolina explain the provisions of the bill and its purpose?

Mr. DOUGHTON. I will ask the gentleman from New York [Mr. REED] to explain the bill.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to insert an explanation of the bill at this point in the RECORD.

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

There was no objection.

Mr. REED of New York. Mr. Speaker, with certain exceptions in the case of registered dealers, physicians, common carriers and others, it is presently unlawful for any person to send or transport narcotic drugs to any person in another State. This practical measure for the enforcement of the narcotics laws has been difficult of effective administration because of requirement of proof of delivery to another person. Narcotics peddlers have avoided prosecution by alleging that they personally have carried narcotics drugs across State lines for illicit distribution. This bill would amend section 3224 (b) of the Internal Revenue Code to prohibit the unauthorized transportation of narcotic drugs into another State so as to eliminate the necessity of proof of delivery to a person in another State.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3224 (b) of the Internal Revenue Code is hereby amended to read as follows:

"(b) Transportation: Except as otherwise provided in this subsection, it shall be unlawful for any person to send, ship, carry, or deliver any of the aforesaid drugs from any State or Territory or the District of Columbia, or any insular possession of the United States, into any other State or Territory or the District of Columbia, or any insular possession of the United States. Nothing contained in this subsection shall apply—

"(1) to any person who shall have registered and paid the special tax as required by sections 3220 and 3221;

"(2) to common carriers engaged in transporting the aforesaid drugs;

"(3) to any employee acting within the scope of his employment for any person who

shall have registered and paid the special tax as required by sections 3220 and 3221, or to any contract carrier or other agent acting within the scope of his agency for such registered person;

"(4) to any person who shall deliver any such drug which has been prescribed or dispensed by a physician, dentist, or veterinarian, required to register under the terms of this part of section 2551 (a) and employed to prescribe for the particular patient receiving such drug;

"(5) to any person carrying any such drug which has been obtained by the person from a registered dealer in pursuance of a prescription, written for legitimate medical uses, issued by a physician, dentist, veterinarian, or other practitioner registered under section 3221 if the bottle or other container in which such drug is carried bears the name and registry number of the druggist, serial number of prescription, name and address of the patient, and name, address, and registry number of the person writing such prescription.

"(6) to any person carrying any such drug which has been obtained by the person as a patient from a registered physician, dentist, or other practitioner in the course of his professional practice if such drug is dispensed to the patient for legitimate medical purposes; or

"(7) to any United States, State, county, municipal, district, Territorial, or insular officer or official acting within the scope of his official duties."

With the following committee amendment:

Page 2, line 16, strike out the word "or" and after "veterinarian," insert "or other practitioner."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIMINATION OF CERTAIN TAXES ON COCONUT OIL FROM COPRA FROM TRUST TERRITORY

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8992) to eliminate the additional internal-revenue taxes on coconut oil coming from the trust territory of the Pacific islands, and for other purposes.

The Clerk read the title of the bill.

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

Mr. HALLECK. Mr. Speaker, reserving the right to object, I wonder if some member of the committee intends to put in an explanation of the bill?

Mr. DOUGHTON. This relates to taxes on coconut oil imported from the trust territories of the United States in the Pacific islands and accords them the same freedom from duty that is accorded to coconut oil imported from the Philippine Islands.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. REED of New York. Does the gentleman intend to put in an explanation of the bill?

Mr. DOUGHTON. Yes.

Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, to insert a further explanation of the bill.

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

There was no objection.

Mr. DOUGHTON. Mr. Speaker, this bill would exempt coconut oil derived from copra originating in the trust territory of the Pacific Islands from the additional processing tax of 2 percent per pound imposed by section 2470 (a) (2) of the Internal Revenue Code. A similar exemption is now provided for coconut oil derived from copra from the Philippine Islands or any possession of the United States.

This legislation, which was requested by the Secretary of Defense, is important to the 56,000 people residing in the trust areas of some 96 island groups in the Pacific Ocean. Although the trust territories supply only about 1 to 2 percent of the normal copra imports of the United States, this accounts for about 85 percent of the dollar value of exports from those territories and is a principal source of native income. The quantity of such imports is so small that domestic industries would not be adversely affected.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 2470 (a) (2) of the Internal Revenue Code (relating to additional rate on coconut oil) is hereby amended by striking out the words "or any possession of the United States" wherever appearing therein and inserting in lieu thereof the following: "any possession of the United States, or the trust territory of the Pacific Islands."

Sec. 2. Section 2483 of the Internal Revenue Code (relating to payment of proceeds of processing tax) is hereby amended by striking out the words "Guam or American Samoa" wherever appearing therein and inserting in lieu thereof the following: "Guam, American Samoa, or the trust territory of the Pacific Islands."

With the following committee amendment:

Page 1, beginning on line 9, strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CUSTOMS DUTIES ON ARTICLES ENTERING THE UNITED STATES FROM THE VIRGIN ISLANDS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6343) relating to customs duties on articles coming into the United States from the Virgin Islands.

The Clerk read the title of the bill.

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

Mr. REED of New York. Mr. Speaker, reserving the right to object, does the chairman of the Committee on Ways and Means intend to insert an explanation?

Mr. DOUGHTON. Mr. Speaker, under existing law, articles from the Virgin Islands are admitted to the United States

or its possessions free of duty if such articles do not contain foreign materials in excess of 20 percent of their total value. This bill merely makes clear that in determining whether an article contains 20 percent of foreign materials, any material which would be admitted free of duty from the foreign country of origin directly into the United States does not come within the scope of the 20-percent limitation.

The purpose of the bill is to encourage the establishment of industries in the Virgin Islands thereby giving full employment to the Americans residing there who now must rely upon the seasonal sugar industry for their main source of employment. This bill has received the unanimous approval of the Committee on Ways and Means.

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

There was no objection. The Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to provide a temporary government for the West Indian Islands acquired by the United States from Denmark by the convention entered into between said countries on the fourth day of August 1916, and ratified by the Senate of the United States on the seventh day of September 1916, and for other purposes", approved March 3, 1917 (39 Stat. 1133; 48 U. S. C., 1946 edition, sec. 1394), is amended by adding at the end thereof the following sentence: "In determining whether such a Virgin Islands article contains foreign material to the value of more than 20 percent, no material shall be considered foreign which, at the time the Virgin Islands article is entered, or withdrawn from warehouse, for consumption, may be imported into the continental United States free of duty."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LIQUIDATION AND REPLACEMENT OF CERTAIN INVENTORIES

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3278) to amend section 22 (d) (6) (A) of the Internal Revenue Code, relating to involuntary liquidation and replacement of inventory.

The Clerk read the title of the bill.

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

Mr. DOUGHTON. Mr. Speaker, this bill was introduced by the gentleman from Rhode Island [Mr. FORAND]. I yield to him for an explanation of the bill.

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

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

There was no objection.

Mr. FORAND. Mr. Speaker, under existing law, taxpayers using the last-in-first-out method of inventory accounting and who were required to liquidate their inventories in whole or in part because of war conditions beyond their control, can adjust their income for the taxable year in which liquidation

occurs to take into account the ultimate cost of replacement of such inventories. If the cost of replacing the inventory is greater than the value of the inventory liquidated because of war conditions the excess cost is an item of expense for the taxable year of liquidation. On the other hand, if the replacement cost should be less than the original value, the difference is to be included in income for the taxable year in which liquidation occurred.

In order to have the advantage of such a tax recomputation, however, existing law provides that the taxpayer must elect to have such provisions apply at the time of filing of his income-tax return for the year in which the inventory liquidation occurred. In some cases because of erroneous inventory classifications taxpayers have been unable to make a timely election, and this bill merely provides that such taxpayers can make the required determination under regulations prescribed by the Commissioner with the approval of the Secretary.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 22 (d) (6) (A) (relating to the involuntary liquidation and replacement of elective inventories) is hereby amended as follows:

(1) By amending that portion thereof preceding clause (1) to read as follows:

(A) Adjustment of net income and resulting tax: If, for any taxable year beginning after December 31, 1940, and prior to January 1, 1948, the closing inventory of a taxpayer inventoring goods under the method provided in this subsection reflects a decrease from the opening inventory of such goods for such year, and if the taxpayer elects, at such time and in such manner and subject to such regulations as the Commissioner with the approval of the Secretary may prescribe, to have the provisions of this paragraph apply, and if it established to the satisfaction of the Commissioner, in accordance with such regulations, that such decrease is attributable to the involuntary liquidation of such inventory as defined in subparagraph (B), and if the closing inventory of a subsequent taxable year, ending prior to January 1, 1951, reflects a replacement, in whole or in part, of the goods so previously liquidated, the net income of the taxpayer otherwise determined for the year of such involuntary liquidation shall be adjusted as follows:

(2) By amending the last sentence thereof to read as follows: "Any increase in such taxes resulting from such adjustments shall be assessed and collected as a deficiency with interest computed from January 1, 1948, or from the date prescribed by law for the payment of the tax for the year of replacement, whichever date is the later, and any overpayment so resulting shall be credited or refunded to the taxpayer with interest computed from January 1, 1948, or from the date of expiration of 1 year after the filing of a claim for credit or refund of such overpayment, whichever date is the later."

(b) The amendments made by this section shall be applicable with respect to taxable years beginning after December 31, 1940.

With the following committee amendments:

Page 2, strike out all of lines 19, 20, and 21; Page 3, strike out all of lines 1 to 8, inclusive.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FREE IMPORTATION OF CERTAIN
MUSICAL INSTRUMENTS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3934) to permit religious or charitable societies to import musical instruments free of duty in certain cases.

The Clerk read the title of the bill.

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

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Colorado [Mr. CARROLL] for an explanation of this bill.

Mr. CARROLL. Mr. Speaker, this bill would enable religious and charitable organizations manufacturing musical instruments in a foreign country to import such instruments solely for its own use free of duty. The bill specifies that the privilege of free importation does not include musical instruments for resale. It is understood that the Salvation Army wishes to import free of duty for use of its units in the United States musical instruments manufactured in its factory in England. This would be possible under the bill, which follows precedents in existing law for the duty-free entry of various merchandise for the use of religious, charitable, educational, and similar organizations.

Mr. JENSEN. Mr. Speaker, reserving the right to object, if we permit musical instruments to come in here in competition with the manufacturers in our own land of these instruments, then, naturally, we are opening the flood gates for everything to come in here duty-free. You can base this thing on being kind to the Salvation Army and churches and all that, but that does not suffice. I think the gentleman should make a further explanation of this bill and try to justify it to a greater degree than he has up to this time.

Mr. CARROLL. I will be happy to do that. This matter came to me from the gentleman from Oklahoma [Mr. MONRONEY]. I presented it to the committee for him and the committee considered it. I understand the gentleman's objections because they occurred to me the first time the matter was brought up.

First of all, we must remember that these instruments are not for resale in this country. It merely goes to the particular religious institution, as I said, specifically the Salvation Army, which manufactures their musical instruments—their drums and their horns—in England. They are distributed in this country only to the Salvation Army. These are religious and educational institutions, and the precedent is paragraph 1631 of our tariff laws, which provides for the free entry of books, maps, music, photographs, etchings, when imported by and for any society or institution established solely for religious, philosophical, educational, scientific, or literary purposes. In other words, I appreciate the objection of the gentleman

from Iowa, and I think it is a good one. We do not want to establish any precedent for some religious or educational group to manufacture instruments and bring them in here for resale. As I said, boiling it all down, it is to have these instruments come in here on that basis. We have placed restrictions in the bill to prohibit the very thing the gentleman has in mind.

Mr. JENSEN. I want the membership of the House to understand that I have no manufacturers of musical instruments in my district that I know of. Also that I hold the Salvation Army in high regard. Does this bill apply only to the Salvation Army?

Mr. CARROLL. It is my understanding that this bill would enable any religious or charitable organization manufacturing musical instruments in a foreign country to import such instruments solely for their own use; that is, the use of the religious group itself. I may be mistaken, but it is my understanding that the only one involved is the Salvation Army.

Mr. JENSEN. There are a lot of laborers in America who belong to and support our churches and the Salvation Army and who work in plants that manufacture musical instruments in the United States.

Mr. CARROLL. They would not qualify under the law. That would not qualify them to bring these instruments in.

Mr. JENSEN. Under this bill musical instruments would be brought into the country due free in competition with the manufacturers here. An instrument that comes in here from any foreign country is certainly going to keep someone in this country from manufacturing that instrument.

Mr. CARROLL. That is the very point I want to make to the gentleman from Iowa. I had the same doubt when the bill first came in. The religious organization must do its own manufacturing itself in its own plant.

Mr. JENSEN. In a foreign country?

Mr. CARROLL. In a foreign country, yes.

Mr. JENSEN. So the laboring people of this Nation who support our churches and the Salvation Army, and so forth, would not get one dime in wages from the manufacture of foreign-made instruments. Now, Mr. Speaker, I ask in all seriousness, is not our American factory laborer, who is a mighty big tax payer, entitled to some tariff protection from foreign-made goods, when today he is paying through the nose for European aid on everything he buys?

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

Mr. JENSEN. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I would like to advise that the Salvation Army, which is the one that is concerned the most with this, tells me that it is a question of either no instruments, or permitting them to bring in the instruments manufactured by the Salvation Army in England. You are not going to make any business for the manufacturers of musical instruments in this country by

refusing to pass this bill. You are going to deny that great organization, the Salvation Army, the right to have the musical instruments.

Mr. JENSEN. Oh now, wait. We have a tariff on these instruments now, do we not?

Mr. MONRONEY. That is true.

Mr. JENSEN. How much is it, can the gentleman tell me?

Mr. MONRONEY. I think it is very high. I do not recall exactly what the amount is. But, that is for commercial sales.

Mr. JENSEN. Possibly 20 percent ad valorem, but regardless of what the tariff is, it is not prohibitive. I am sure of that.

Mr. MONRONEY. The only purpose of the tariff is to protect commercial sales of musical instruments. This is in no way a commercial sale. They are not going to buy the instruments here unless they can manufacture them and unless they have the manufacturing capacity.

Mr. JENSEN. Your argument falls flat, my friend, because we could say the same thing about farm commodities, and about every commodity. The American people are not ready to open the floodgates to foreign-made goods tariff free.

Mr. MONRONEY. The gentleman is not being fair with the Salvation Army. This is limited strictly to the Salvation Army.

Mr. JENSEN. Now just a minute. I presume I am just a good a friend of the Salvation Army as is the gentleman from Oklahoma. I contribute to it, in fact, for several years I was one of their sponsors in my home town. I think it is a great organization.

Mr. MONRONEY. I think so, too. These instruments in no way find their way into the commercial market.

Mr. JENSEN. That is not the question in point. The point is these goods would be brought here tariff free, which is just another step in the direction of letting this country be flooded with every kind of foreign-made goods that are made at a wage rate from 2 to 20 times less than we pay our American workers. If we are not careful it will not be long until everyone will demand cheap foreign-made goods. Then who will or could support our churches and the Salvation Army?

Mr. MONRONEY. There are no wage rates involved in this bill in any way, shape, or form.

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

Mr. JENSEN. I object, Mr. Speaker.

HOLIDAY BILLS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to make a brief statement, by direction of the Committee on the Judiciary.

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

There was no objection.

Mr. CELLER. Mr. Speaker, as chairman of the Committee on the Judiciary, I have been directed by the Members of

the Committee to make a general statement on the floor concerning the many holiday bills which have been referred to the Judiciary Committee.

Doubtlessly, they are praiseworthy bills; but were they to be enacted into law, there would not be enough days on the calendar to meet the designated holiday periods called for by these bills. The President of the United States would be unduly occupied issuing proclamations setting aside this week or that for specific celebrations.

Most of the occasions called for by these bills are occasions which could very well be taken care of by the respective States. Bills range from designating the first Tuesday of March as National Teachers Day to designating the second Sunday in April as National Daughter's Day. We have bills for Patriots' Day, Victory Day, National Baseball Day, National Inventors Week, Emblem Day, Flag Day, Friendship Day, and so on.

The commission has taken the position that unless the occasion called for is national in scope and is of widespread significance, serving the Nation as a whole, it cannot view these bills with favor. To act favorably on these bills would diminish the significance of all occasions and dilute their meaningfulness.

APPROPRIATION REDUCTIONS

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. WHITTEN. Mr. Speaker, the Committee on Appropriations was called together yesterday for the purpose of having each subcommittee go back over its chapter of the House appropriations bill for the purpose of further reducing the appropriations to the various departments. This action was requested because of the tremendous military outlays with which we are faced. I understand the request for the increases for the military and the effort of the Nation totaling not less than \$4,000,000,000 is on its way to the committee.

These two actions are in recognition of the absolute necessity to curtail domestic expenditures and effort and to transfer our efforts and activity to increased military support. These two moves would meet this problem by cutting the appropriations for regular departments and activities of the Government, increasing money-wise the expenditures for military. That is one way to approach the matter.

However, Mr. Speaker, it is my belief that we could better handle this matter by providing that we actually transfer personnel. I believe this is a much more sound basis than to try to handle in a money-wise way entirely. I feel that we should authorize and direct the Military Establishment to draw its increased personnel from the regular departments and activities of the Government. Such personnel so transferred would be experienced and, therefore, of greater assistance to the military than would new

employees. Thus such transfer would reduce the expense of the regular departments and activities. Such personnel so transferred would retain their present rating and present pay and we could easily provide that the regular department and agency not fill such vacancies but that the regular jobs be held for personnel so transferred. I believe this is the answer. Doubtless there would be some personnel and some departments and agencies that would not like this approach. It would work some hardship. In my judgment, however, it would work less hardship, would bring about greater efficiency, would give to the Military Establishment expert people and would result in saving hundreds of millions of dollars. We would to some extent avoid competition for manpower, we would really transfer our effort to our military problems and their support.

I call this to the attention of the House for consideration. I have already taken it up with some members of the Appropriations Committee and am hopeful that it will be accepted. It is workable and as I have stated will work less hardship than to merely cut the appropriation for regular activities and increase the appropriation for the military. This way we do that but we actually transfer personnel. It can mean that we will not build up a greatly increased number of Federal employees and will prevent the unpleasant job after war is over of having to cut off or fire people who have contributed greatly to our efforts during the war. I hope that this suggestion will be accepted by our Committee on Appropriations and the Congress.

ALBERT B. (BERT) REPLOGLE

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. MANSFIELD. Mr. Speaker, I rise at this time to announce the death last week of a distinguished citizen of my State of Montana.

Bert Replogle was buried yesterday in Arlington National Cemetery. I had intended to attend this ceremony because of my high esteem for Bert Replogle, but through a misunderstanding, I thought the occasion would take place today.

Bert Replogle was born in Flora, Ill., in 1893. As a young man he moved to Montana at Grass Range, and later at Lewistown. On September 7, 1917, he enlisted in the United States Army. He served overseas with the Three Hundred and Sixty-second Infantry of the Ninety-first Division. In the battle of the Argonne his unit led the attack against the enemy and he was severely wounded. He was awarded the Distinguished Service Medal and the Purple Heart, and was honorably discharged in March 1918.

In 1921, because of outstanding war service, he was named by Gov. Joe Dixon, of Montana, as our State's most distinguished soldier and was invited by President Warren Harding to attend the ceremony for the commitment of the body of the Unknown Soldier of World War I.

Bert Replogle was a past State commander of the DAV of the Department of Montana. He was also a member of and held office in both the VFW and the American Legion.

He was declared by the manager of the veterans' facility at Fort Harrison, Mont., as the most disabled war veteran in our State of either World War.

A good soldier has gone to his reward. May his soul rest in peace.

PERMISSION TO ADDRESS THE HOUSE

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include newspaper clippings and letters.

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

There was no objection.

[Mr. Bryson addressed the House. His remarks appear in the Appendix.]

SERVICEMEN'S LIFE INSURANCE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. RANKIN. Mr. Speaker, I have been furnished with a copy of the report of the Government Operations Subcommittee of the Committee on Expenditures in the Executive Departments, which recently completed an inquiry into the operations of the National Service Life Insurance Act.

The subcommittee recommends, as I understand it, that the appropriate committees of the Congress—and in the House, this would be the Committee on Veterans' Affairs—give consideration to a reappraisal of the operation of the National Service Life Insurance Act and also to the establishing of a gratuitous life insurance program which would be automatic in nature.

On May 10, by resolution adopted unanimously by the Committee on Veterans' Affairs, the staff was directed to study the possibilities of a new life insurance program and to consult with the Veterans' Administration, Bureau of the Budget, General Accounting Office, Department of Defense, American Legion, Veterans of Foreign Wars, Disabled American Veterans, and American Veterans of World War II. This study is going forward, and as soon as all of the reports have been received from these interested organizations, steps will be taken by the Committee on Veterans' Affairs relative to the development of a new insurance program.

In this connection, in order that we may get the reaction of the agencies interested in such a program, as well as the veterans' service organizations, I am having drafted a bill providing gratuitous life insurance for those members of the Armed Forces who in the future lose their lives while serving on active duty.

Provisions of the proposed legislation will be announced when the bill is introduced.

I hope the Congress will stand by the Committee on Veterans' Affairs and not

repeat the serious blunder that was made at the beginning of World War II when the Committee on Veterans' Affairs was bypassed, to the detriment of the men and women in the Armed Forces.

FRANCO-ITALIAN PACKING CO.

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1293) for the relief of the Franco-Italian Packing Co., with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 3, after "States", insert ": And provided further, That any action instituted hereunder shall be filed within 1 year after the date of approval of this act."

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

A WATCHDOG COMMITTEE

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, at this time we are getting ready to roll out billions of dollars for war purposes. I think it is very essential that the full Committee on Appropriations have within it a committee for the purpose of acting as a watchdog on these expenditures and seeing to it that this huge sum of money is used for what the Congress has intended, with a minimum of waste. We can here save hundreds of millions of dollars, if not billions, by holding consultations with the chiefs of our armed services before the funds have been spent or allocated. We on the Committee on Appropriations must provide for a real examination into the method of expenditure of all of these billions of dollars the war effort will entail. All of us want to make available every dime needed to back up the boys on the front but we do not propose to waste taxpayers' money nor to pour out tens of billions of dollars without scrutinizing very carefully the uses to which these funds are put.

For example, President Truman has requested over \$5,000,000,000 for the expressed purpose of rearming our allies. We are now at war and I am in agreement with such rearming as long as it is on a scale large enough to do some good. But while helping these allies rearm we have the right to know that these \$5,000,000,000 are expended for that purpose and not diverted to some scheme entirely at variance with what Congress has in mind. Also we must know whether the \$23,000,000,000 turned over to the Armed Services for this fiscal year will buy a large amount of first-class, modern war materials, planes especially, rather than to be frittered away in what is termed "housekeeping expenses."

We must get our industrial plants into operation, turning out the arms so much needed by our Nation, even though the Armed Services have had at least \$50,000,000,000 in appropriations since the close of World War II. It is the duty of Congress to know where the defense money goes and not simply give the administration a blank check and the go-ahead signal. We must accept our responsibility.

Feeling as I do that proper scrutiny by the Congress may save billions of dollars, I suggested to the Appropriations Committee yesterday that a watchdog committee, properly staffed, be immediately set up. It is our duty to do everything we possibly can to help maintain a strong America militarily, financially, and morally, and we must cut out waste and extravagance all along the line. That is the least we in the Congress can do to back up our troops abroad. Let us lock the door on extravagance before it breaks loose and runs wild. I hope my suggestion for the watchdog committee will receive favorable consideration by the Committee on Appropriations.

OFFICE OF TEMPORARY INFORMATION

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, as we embark against our will upon another gigantic program of building for our defense, we should look back over some of our mistakes in World War II and rectify them.

I believe we have just scratched the surface in bringing our industrial and business genius to bear upon the Nation's defense building.

There are scores of small concerns and hundreds of able businessmen in my district who feel they should be given the chance to prove their worth. I agree, they should have such opportunity.

It is, of course, the accepted theory that the next war will be waged with atomic and other powerful type bombs which will do untold destruction in given areas.

Therefore, our plants and factories must be scattered over the length and breadth of this great land so that not more than a few of them can ever be destroyed at once.

Our weapons of defense could be made in part in these smaller plants dispersed around the country. For instance, I know of a friend who offers to convert his recreation center out in a rural location into a small factory.

He says he has all the local labor he would need among women and older men in that locality. This would assure his plant of constant employment. It would also save tremendously on gasoline and tires because his employees live right near his plant.

Another business has approached me about converting an old plant now closed and formerly manufacturing household utilities into a factory for employing 50 people. This is already

partially tooled to turn out electrical gadgets by the thousands.

The plants I have described are considerable distances from dense metropolitan sections and are suited for sub-contract work.

Such factories could be utilized by our Government to produce parts. A transport system of trucks, trailers, railroads and even airplanes can be devised to distribute them to places of assembly.

All these details could be worked out by master planners. Such a course will assure a maximum defense program through a decentralized system which is of course the only solution in view of a much greater bombing hazard than ever before in case of attack.

However, advanced steps must be taken before any orderly procedure with such an idea can be realized.

I proposed to set up a temporary Office of Information with authority to commit the Government to reasonable assurances to businessmen so that they may go ahead immediately with their conversion plans.

There is no time left to fiddle. Let such an organization be set up right away. Then have businessmen back home come down here to Washington to confer with able, informed officials within this agency who have the spirit of patriotism and cooperation sufficient to utilize the services of these countless American businessmen without whom our Government cannot hope to meet the great demands now arising for powerful weapons of defense.

PEACE

Mr. FELLOWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. FELLOWS. Mr. Speaker, a little girl 14 years of age came to Washington a short time ago. After she got home she wrote this letter. I will read to you the last few lines:

It is getting late and, as I am a Sunday-school teacher for the third-grade girls, I have to study my lesson and finish my letters. Send all my love to everyone in Washington, and if you see Mr. Truman say just what he said to everyone, "That we are nearer to peace than we ever have been before."

NEED FOR ADEQUATE AIRLIFT LEGISLATION

Mr. KENNEDY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. KENNEDY. Mr. Speaker, we should have more transport cargo planes in this country. The military has stated that their minimum requirements figure for M-day is the equivalent of 2,000 C-54's, or a smaller number in larger-type planes. As against this requirement we have presently in military and civil hands no better than 800 aircraft of suitable type, and even that figure is stretching it a great deal because

it includes a great many aircraft which would have to be modified before they would be suitable for military use. By simple subtraction anyone can see that we are short by at least 1,200 C-54's, or their equivalent in larger planes.

At present our Marines and other supplies are going from the west coast by boat. This means that our effective force in Korea would not be felt for at least 3 weeks. We must develop sufficient airlift so that we can make ourselves felt immediately in Korea as well as in other parts of the globe. Let us not forget that the Russians have a submarine force five times the size of that with which the Germans started World War II.

Mr. Speaker, the time has come for the Congress to consider some really adequate airlift legislation. At the very beginning of the Eighty-first Congress on January 3, 1949, Senator JOHNSON of Colorado and I introduced what has become known as the air merchant-marine bill, H. R. 448 and S. 237. This bill has been referred to the Committee on Interstate and Foreign Commerce. It provides for development and procurement of transport planes suitable for commercial use and readily adaptable for military service. These planes can be operated in the domestic and import-export trades in peace and be available for instant military use in time of war.

Now that the Korean crisis is here with us, I urge that members of the Interstate and Foreign Commerce Committee dust off this piece of legislation and have a good look at it. It is not a perfect bill by any means and there are a good many amendments that ought to be made in it, but we should get an airlift bill reported onto the floor of the House as quickly as possible. We have already been caught short without adequate means of flying our troops and supplies and we do not want to be caught in an even worse jam by failure to act.

EXTENSION OF REMARKS

Mr. HOWELL (at the request of Mr. ADDONIZIO) was given permission to extend his remarks.

Mr. WHITE of California asked and was given permission to extend his remarks and include a newspaper editorial.

Mr. LANE asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. SHORT asked and was given permission to extend his remarks.

Mr. RICH asked and was given permission to extend his remarks and include a statement by the Secretary of Commerce of the Commonwealth of Pennsylvania, Theodore Roosevelt III; and in another instance to include an article by Paul O. Peters, on Federal Government Spending.

Mr. LeCOMPTE asked and was given permission to extend his remarks and include a newspaper article.

Mr. WOODRUFF asked and was given permission to extend his remarks in two instances; in one to include an article by Karl H. Von Wiegand of the Baltimore-American, and one by Leslie Gould of the New York Journal-American.

Mr. VAN ZANDT asked and was given permission to extend his remarks and include an article on slave labor in Russia, notwithstanding the fact that it will exceed two pages of the Record and is estimated by the Public Printer to cost \$191.34.

Mr. MCGREGOR asked and was given permission to extend his remarks and include a newspaper article.

Mr. HOEVEN asked and was given permission to extend his remarks and include a letter.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in four instances and include newspaper articles.

Mr. CASE of New Jersey asked and was given permission to extend his remarks in two instances and in each to include extraneous material.

Mr. DONDERO (at the request of Mr. HALLECK) was given permission to extend his remarks.

Mr. HALLECK asked and was given permission to extend his remarks and include an editorial.

Mr. FALLON asked and was given permission to extend his remarks and include a resolution.

Mr. DONOHUE asked and was given permission to extend his remarks and include an editorial.

Mr. RANKIN asked and was given permission to extend his remarks and include a letter and a statement from the Tennessee Valley Authority.

DEFENSE PRODUCTION ACT OF 1950

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 740 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 day, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute committee amendment recommended by the Committee on Banking and Currency now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and

amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. LYLE. Mr. Speaker, this resolution makes in order the consideration of the Defense Production Act of 1950. This is a flexible rule and was drawn in such a manner as to permit the House to work its will as to the degree of controls it deems necessary to establish. It was drawn in anticipation that one or more substitutes would be offered for consideration, and it was the thought of your committee that such substitutes would be germane and in order under this rule. There is, of course, a parliamentary limitation under this rule or any other rule on the number of complete proposals that may be pending at one time.

Your Committee on Rules has attempted to call up this question in such a manner that there could be full and complete consideration of the problem of economic controls.

At the moment, Mr. Speaker, the Defense Production Act of 1950 is the issue, but the problem of the hour is a contest in which the world is the prize, a struggle between freemen and slaves under dictators. You and I have a staggering responsibility in the outcome.

I cannot and do not attempt in this short time to analyze the provisions of the Production Act of 1950 or the other proposals that will be made, except to say generally that H. R. 9176 provides for a system of priorities and allocations for materials and facilities, authorizes the requisitioning thereof, provides for financial assistance for expansion of production capacity and supply, strengthens controls over credit, and regulates speculation on commodity exchanges. The purpose of such controls, simply stated, is to facilitate the production of goods and services necessary for the national security and, at the same time, to hold our civilian economy upon an even keel.

Reasonable minds cannot differ, Mr. Speaker, in the conclusion that we must establish controls. The issue is the extent to which we shall go in this direction. To me, sir, it is a challenge to rise above the mediocrity which normally is so much a part of us and to not only cope successfully with the brutal force of our enemy but to meet his cunning and devilish scheming. I am sure no one of us fails to understand the difficult military undertaking in which we are engaged, and the decision of this hour must be made in the light of the requirements of victory for our forces on the field of battle.

The decision to win the campaign in Korea has been made. We will win, but the extent of the men and materials necessary to accomplish this still is a matter to be determined by future military developments over which we have no control.

Economic controls of the nature contemplated generally, sir, are opposed to and contrary to our way of life and are tolerated by Americans and their representatives only at a time and to the extent necessary to meet a challenge to our national security and welfare. Through the character of our people, their love

for freedom and independence, we are a great and powerful nation. We have the moral, economic, and political strength to survive in the war against communism and the character to accept that which is necessary to win.

It is therefore, Mr. Speaker, not a question of whether the American people are ready to accept controls, or whether it would inconvenience them in their daily lives, or whether they would be harassed in their business and normal transactions. It is, on the other hand, a question of what is needed at this time to win our fight against an unscrupulous enemy.

Therefore, today you and I decide to what extent controls are required by the present situation and the foreseeable future. This is not an easy decision. It requires calm and deliberate thought, based upon the best information available. It requires an understanding of the American people and of the enemy. It requires a knowledge of our capacity to produce and it requires a devotion to the principles of American freedom. It is, sir, in my judgment, a decision that will affect the lives and character of Americans for generations to come.

The courses open to us are limited. We may authorize no further controls under the assumption that the President has sufficient power to cope with the present situation. In the light of information available, this would be a foolish and foolhardy attitude, and could well result in great harm to our national security. On the other hand, we may proceed with partial mobilization and such controls as are necessary to meet the present situation and the foreseeable future; or we may throw caution to the wind and authorize a complete economic regimentation.

The President of the United States, in his message to the people and his message to the Congress transmitting a report on the situation in Korea, was forthright and realistic and in my judgment used admirable restraint in his requests for power and control over the economic life of the Nation. He has subsequently displayed the high qualities of good leadership by asking only the minimum power which he, being fully advised, feels is necessary to meet the issue at hand. It should be most heartening to the people of America, yes, the free people all over the world, that the President has not grabbed at power as he might popularly have done, nor has he asked the American people to subject themselves to controls and regimentation beyond that point which the situation demands. It is strange, indeed, that so many people, both in and out of Congress, who have been most vociferous in their condemnation of regimentation and Government bureaucracy, now stand in the forefront of those demanding complete economic controls.

Upon what facts, Mr. Speaker, may one rightfully say that we should have complete controls? The production capacity of America is at its greatest peak of our history. With few exceptions, I am informed, no shortages now exist and none are anticipated in com-

modities that make up the ordinary life of our economy. In spite of the fact that too many people have bought too much of what they did not need and could not afford, the rises in prices are unwarranted and have been dictated by speculation, overextension of credit, hoarding, profiteering, and unwarranted profit-taking on inventories. A continuation of these elements will demand complete price and wage controls and I am certain that the President will promptly ask for them and the Congress will promptly grant them, for such practices are frowned upon by all decent Americans and cannot and will not be tolerated long by this Government.

However, Mr. Speaker, we must not in our enthusiasm to meet the military demands promptly and adequately, overlook our great responsibility to maintain and insure a free and independent America. Stalin and his stooges subject their slaves to complete bureaucratic dictatorship. They detest the freedom and independence of Americans and would with glee have us subject ourselves to the same type of low slavery. They would, I am sure, be pleased to lose a battle if they could win the war of complete regimentation of the lives of Americans and our economy.

Controls that are passed today, not in the light of the foreseeable military situation, could well do more harm than good and could result in more confusion and chaos than stability. The President has requested, upon the advice of such outstanding Americans as Stuart Symington and General Bradley, the prompt passage of provisions set out in H. R. 9176.

"This act," said Stuart Symington, "facilitates our support of the United Nations by taking steps to meet effectively the economic programs required for the support of our fighting men in the field. The area," he said, "in which it is planned to work in this act, is one in which it is necessary to set a pattern which will permit spacing, not only for the steps that have to be done now, but also for any possible additional steps."

Mr. Speaker, the temper of this House appears to be such that it will enact not only the recommendations of the President as outlined in H. R. 9176, but will also authorize additional controls over wages and prices. If this is done it should be in such flexible form that the President will not be required by law to set up a great many new agencies, transfer functions from existing departments, or create numerous boards and bureaus. He should be permitted to utilize the present Government departments.

If further economic controls become necessary this Congress is available to enact the needed legislation. We cannot rightfully meet our responsibilities nor properly discharge them by creating a rigid, all-out economic dictatorship and throwing it into the lap of the President. Legislation worthy of the American people and in the tradition of this great body must be based upon reliable information. To this date, so far as I am informed, no information has been

placed before any committee of this House to justify enactment of complete economic controls.

We now live in a world and will for years to come where we must react calmly and realistically to crisis and danger, and we must keep in mind always the preservation of our way of life, even as we meet the enemy on the field of battle, for victory at arms is indeed costly if we must pay the price of losing our own way of life through overregimentation and economic dictatorship.

Mr. Speaker, let us take the wisest course, not the easiest course. Let us take the sanest course, not the political course. Let us do that which is necessary to win against the enemy, but let us be reluctant, or perhaps, better said, let us be thoughtful before we radically change our way of life. For it is that, and that alone for which we are fighting.

Fear and confusion have no place in our lives today. Our course is clear, our capacity to create is unlimited. Our ability to meet the demands of the hour cannot be questioned. Our source of information is uncensored, and the only fear that any American need have is that he will not discharge with all his heart and mind his obligation as a freeman.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as always, my good and able friend from Texas has given a very enlightening and good address. He has explained the provisions of this rule which are very flexible.

There are five titles to the bill as well as subtitles. There are many sections. The rules, as he has mentioned, makes it possible for anyone to offer practically any amendment that I believe will be found germane.

Mr. Speaker, this is not the easiest bill that has been before the Congress during the 18 years I have been a Member. We look with reluctance on another OPA which this bill provides for. We know when this bill is passed we are going to have another OPA. We are going to have bureaucrats running around the country like we did back in World War II days. We know that we are going to have controls, regimentation, bewilderment, and confusion among practically all of our people as we did in the OPA days. I know though, if we do not pass this bill there is going to be inflation, which means that the people will have lessened their life savings, that they will have lessened the face value of their insurance policies, that they will have lessened their income. So the question is, which is the hardest dose to take?

Already the indexes show that during the past 6 weeks prices have risen from 6 to 11 percent on many commodities. The President, Mr. Speaker, has asked for these powers. He wants these powers and he has requested them. He sent up before the Committee on Banking and Currency four administration men, but he did not bring in anyone from agriculture and small business. He sent up four administration men asking for these many stringent powers. It is going to be up to the President of the United States

to decide just what he is going to do, and the people of the country, like back in 1946, are going to be the judge of whether the President of the United States, after he asked for all these unusual powers, is going to administer those powers wisely. Frankly, I feel that the Congress has certain responsibilities and that we should clearly write the rules of the game and let the executive branch do the administering.

Just a little while ago we heard the address by the Prime Minister of Australia. He made a splendid speech. He made a speech of encouragement. But, just last week when I was back in Illinois there was no question about the people of the United States being in a state of bewilderment and confusion, as evidenced by the remark of my good friend from Texas a few minutes ago, that most of the boys in Korea did not know what they were fighting for. My people back home, and I talked to many, want to win this war, there is no question about that, but the great majority of the people in northwestern Illinois, as well as I am sure the people in your districts wonder why we are in this war in the first place. There is no question about that being in their minds.

As I picked up the morning papers I saw the headlines "United States Pours Fresh Troops Into the Sagging Lines," I remembered the remarks made by both Members of this House and the other body when the United Nations was formed, and I took this language from addresses of many distinguished men, and one was that after we organized and formulated the United Nations, before anyone will make an aggression, they will stop, look, and listen, because they know that the troops of 52 nations will be in there fighting side by side.

So I say to you, Mr. Speaker, in picking up these headlines this morning reading "United States Pours Fresh Troops Into the Sagging Lines," where are these 52 nations that are supposed to be fighting side by side with the few thousand boys we have in Korea? I say to you Members of the House that the United Nations has a test case right before it now, and our people are wondering why the people of Great Britain, France, and Italy, and all the other places are not in there fighting as promised by these statesmen of both Houses when they said that any aggressor nation will stop, look and listen, and that you can depend on the troops of 52 nations to fight side by side against any aggressor. I want to back the United Nations but I feel they should move faster in this crisis; otherwise, they will lose much prestige.

In conclusion, Mr. Speaker, I want to say this, I know that we are going to win this war, but this Nation of ours, which now has a debt around \$260,000,000,000 and pouring out military aid and sustenance to people all over the world, is standing alone when we need these other countries the most. Why are not their troops and their flags flying along that sagging line which now exists in Korea?

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, for many reasons I hesitate to make an expression on this measure. I have such little patience with weakness in time of stress that it is difficult for me to exercise restraint when confronted with the timidity and the hesitation that is reflected in the bill which the pending rule is intended to make in order, for the measure does not reflect the strength that the needs of the moment demand. However, as between the measure and nothing, I will, of course, take the bill, but it is my opinion that it is not quite an honest treatment of the problem with which it deals, that it does not go far enough, that for some reason it would repeat the same mistakes we made at the beginning of World War II.

I cannot see that it is possible to control the price of a commodity without at the same time controlling the price of the principal elements of cost that enter into production.

Mr. Speaker, in spite of the bad advertising the Congress has received in the past several years and the studied effort to undermine it in the estimation of the public, I say to you, sir, that at this hour of world anxiety and world stress the people of this country are looking to the Congress as their main hope of salvation. In their thinking, Mr. Speaker, as regards the safety of the Republic, the people of the country are at least 5 years ahead of official Washington. My people do not mind bleeding and dying for the flag, but if they must bleed and die they want it to be under a leadership that they trust. They are troubled, Mr. Speaker. They do not have confidence in, nor do they trust, many of the people playing important rolls in this tragic era.

I make no criticism of any particular individual. I do applaud the President, however, for the realism he manifested when he took cognizance of what was going on in Korea. For dissembling I have no patience. We speak of waging a war of resistance against the aggressions of North Korea. Neither the press nor any individual in the Government exercising power has manifested a willingness to tell the people of the country exactly who it is we are fighting.

Mr. Speaker, we are obliged to take action. We are obliged to do something of the character that is here proposed. But let us not go just halfway. Let us not be hypocritical about it. Let us realize what conditions demand, and let us do the whole job and do it now. This idea of running away from the responsibility of imposing some sort of control over labor is cowardice which deserves the scorn of the patriot.

The SPEAKER pro tempore [Mr. WHITTINGTON]. The time of the gentleman from Georgia has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 6 minutes to the gentleman from Ohio [Mr. Brown].

Mr. BROWN of Ohio. Mr. Speaker, perhaps no piece of legislation, in my time as a Member of this body, has given me as much concern as the one which will soon be before us, and the questions involved in its consideration.

I listened with a great deal of attention to the explanation of this measure

when it was brought before the Committee on Rules yesterday. This bill was reported by the House Committee on Banking and Currency. There were two or three sessions of that committee given to consideration of this measure during which time only official spokesmen of the administration or the Government were heard. Not a single representative of American business or industry, not a single citizen speaking for the general public, had an opportunity to express himself on this legislation before the Banking and Currency Committee. Let me say, in explanation, that the legislative committee, as was pointed out, seemingly deemed it necessary to move rapidly. The bill was explained before the Committee on Rules by, I think, two, or perhaps three or four members of the Committee on Banking and Currency, who were heard only briefly.

As I have studied this measure it either goes too far, or it does not go far enough, according to what the true situation may be in the world today. If, as the President has publicly stated, we are engaged only in a police action in Korea, then this bill now before us goes entirely too far. If, on the other hand, as many Members seemingly believe, and as I have heard some Members express themselves, we are already in the beginning of world war III, then this bill does not go far enough.

If we are to have a mobilization of only about 10 percent of our manpower and our economic power, as is claimed by some of the spokesmen for this administration, then the bill before us goes entirely too far, and confers upon the Chief Executive great and unusual powers, privileges, and authorities which no President should have under such circumstances.

If, on the other hand, we are to have 100 percent mobilization of our manpower and economic strength, as a necessity to safeguard our liberty and freedom, then the measure does not go far enough.

It seems to me, of course, the President of the United States should know whereof he speaks. But I am not unmindful of the fact that the President, when he speaks, does not always give us his own thoughts and ideas, but only passes on to us the information, thoughts, and ideas his subordinates have given him. While it may be his voice we hear, he may be expressing the ideas of those who advise him. I most reluctantly must say on this floor that I do not have the greatest confidence, faith, or respect for the abilities or opinions of some of his advisers.

I wish to point out to you, if I may, that we are being called upon to vote upon this measure at the very moment when it is impossible for any of us to tell what the future may hold. I wish it were possible for us to know now, or tomorrow, when we vote on this bill, what is going to happen in the United Nations Security Council meeting at Lake Success in the next 2 or 3 days, or what is to happen on the Korean front, where our boys are fighting with their backs to the sea.

I realize and appreciate fully that every Member of this House is a patriot

at heart and wants only to do that which is best for our beloved country, and that which will best aid and support those brave fighting sons of America now on the battle line to the limit.

We should give the President of the United States only those powers which he needs and must have to meet the present emergency, if he is right in his judgment of the situation which confronts us, and not give to him the powers contained in this bill which would permit him to put into effect some of the socialistic plans and schemes which have been before these bodies of the Congress time after time throughout the years. But, if this is all-out war, if it is a battle for our survival, then we must confer upon the President full and complete powers to regulate and control, not only production, allocation, distribution, and pricing of goods and commodities, but also wages and almost every other activity within the realm of thought.

We must remember, when we cast our votes and reach our final decisions on this measure, that if we give the President the all-out powers contained in either this bill or suggested in some of the other bills which will be offered as amendments, that not a single individual in this House will live long enough to see those powers restored to the Congress and to the people.

Let me say, with all the emphasis at my command, that the gentleman from Texas [Mr. LYLE] was entirely right, when he said you can vote away your liberties and your freedoms much easier than you can recover them.

Let me say to you, the hour and the time is near when we, the representatives of the people in Congress assembled, must decide whether or not we will take every step possible to protect, here at home, their liberties and freedoms, and to make sure that dictatorship and totalitarianism do not win out here at home while we are attempting to destroy them abroad. Let us remember we have within our borders here in the United States those who would destroy us from within, as well as we have enemies abroad who would destroy us from without. Let us remember that more nations have been destroyed by enemies from within than have ever fallen before a foreign conqueror from without. So let us be certain we do nothing here which will destroy at home the liberties and freedoms we are attempting to extend to the other peoples of the earth through the strength of our military forces. May divine providence give us the wisdom and the courage to act wisely and well in this hour, is my prayer.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. Brown] has expired.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, we all realize that today the Congress is confronted with a great problem. This bill calls for the protection of large and small business which must have essential and in most cases scarce material in order to continue their normal business in this critical period. There is no question that

it is the duty of the Congress to pass this legislation, considering the orders for war production which has already taken place in the 5 weeks since the trouble started in Korea.

I have had at least half a dozen requests from my district for legislation to control allocation of critical materials. In fact, one company engaged in the filing cabinet manufacturing business which uses considerable sheet steel, has already informed me that it will be impossible for them to obtain steel to continue his line of business unless some kind of regulation and protection is made for the small manufacturer. I merely mention this as one of perhaps hundreds of instances where the small-business man, the small manufacturer, is going to be closed out of business unless H. R. 9176 is passed by this House and enacted into law.

I mention another problem that exists not only in my district but also in probably every congressional district in the United States, possibly more so in my district than others because mine is a great industrial area: I have had numerous letters, and telegrams complaining about the increased price of meat, groceries, and clothing has already gone up unreasonably in price in the five weeks since the trouble started in Korea. My friend the gentleman from Illinois [Mr. ALLEN] mentioned that the cost of living had gone up between 6 and 11 percent. A spot check taken in my district showed that costs of meats and other provisions, which you buy in the grocery store, like coffee, sugar, eggs, bacon, milk have already soared to unreasonable heights. Clothing, hardware, and other necessities have also gone up. A few spot checks reveal prices have gone up between 9 and 11 percent since the trouble started in Korea. This means that the wage dollar of the man who works on wage or salary has gone down between 9 and 11 percent in five short weeks. What is going to happen to Mr. Worker who gets his pay check every 2 weeks, or every month, and goes into the grocery store or clothing store to buy life's necessities. If this condition continues unchecked until Christmas, the take-home purchasing power pay of the average family man will be almost 50 percent less than it was when the trouble started in Korea. This is a problem Congress has in its lap, and it is our duty to decide what steps should be taken in order to circumvent an economic catastrophe.

The profiteers of this country are taking advantage of this war situation without any reason whatsoever. I remember after World War II that one of the great powerful propaganda and lobbying institutions of this country that came to Washington asking that price controls be released. That institution was the National Association of Manufacturers. If that organization would cooperate with the consumers in America at this hour they would contribute a great deal toward curbing profiteering and the unreasonable rise in the cost of living that has been going on in the last 5 weeks. Up to this hour we have not heard one word from the National Association of Manufacturers calling upon

its members to keep prices down and curb this disgraceful profiteering. Congress must act now on curbing wartime profiteering before we lose the war at home through unnecessary inflation. The consumers need help. Laws will not solve all of the economic troubles that are going to confront us. Organizations representing industry and business and labor must work in harmony and help keep down this unreasonable rise in the cost of living.

Mention was made here by one gentleman—I think the gentleman from Illinois [Mr. ALLEN] questioning what we are fighting for. He said that "The boys over there do not know what they are fighting for." Remember 15 years ago when Italy went into Ethiopia. If we had a United Nations organization 15 years ago and had stopped Mussolini at that time and if we stopped Japan when it went into China 13 years ago Hitler would have never marched on Poland. World War II would have been prevented. The fight in Korea may serve notice on Stalin that the free nations of the world will fight to stop aggression. A victory in the Korean fight which we are now engaged in may prevent world war III.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 6 minutes to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, the bill that is made in order by this rule and that is being discussed by the House at this time is a very extraordinary piece of legislation, taking into consideration the circumstances under which it is presented to us. We are today suffering from what the gentleman from Illinois has recently described as a rise in prices, due to a number of things. The principal one has been a great demand caused by people who are afraid of scarcities, who want to get into the market and are buying excessively at this time in order to hoard and to increase their inventories. But even before the Korean issue we were beginning to suffer from an inflationary trend in this country as the result of excess credit.

We have today something like \$40,000,000,000 worth of mortgages outstanding on real estate. We have built up at the rate of \$500,000,000 a month consumer credit for the purchase of automobiles, refrigerators, television sets and so on, all of this an artificial priming of the pump, giving people more purchasing power with which to buy commodities which are not in sufficient supply. That automatically has forced prices up. This situation has been accelerated by the terribly serious situation that we face in Korea.

The bill that comes before us does not in any way meet the situation. There is not a single thing in the bill which today could stop an immediate rise in prices. There are some very drastic, and in some respects over-drastring, provisions in the bill with respect to the curtailment of credit, particularly on real estate, which might result in the violation by Government action of every contract entered into between the sellers and the veterans who are building small houses.

However, that is not the essential issue. The essential issue is whether or not the economics of this bill are in any way sound. It provides for allocations, and we are told that allocations are the prime necessity of the moment in order that there will be sufficient steel, aluminum, and so forth for war matériel. The minute you begin to allocate any commodity because it is scarce, and that is the only reason for allocating it, you have to take it away from somebody who has a demand for it and give it to somebody who is going to turn it into war matériels. The minute you take it away from a person who has a demand for it, at once the product that he was going to make, be he a small manufacturer or large manufacturer, is going to be in scarce supply. At once the price of that supply is going to go up; at once everybody who wants it is going to try to purchase it before anybody else; at once everybody is going to try to hoard it. So it follows immediately the minute you monkey with our economy by allocating—and I think allocating is essential—you at once have to follow that up with price controls and rationing, and there is no use kidding ourselves that we can do a piece of this thing without doing the other thing. If we begin doing a piece of it, as provided for in this bill, merely allocation, we are going to dislocate the economy of this country to a point where, when we have to come to price controls and rationing, we will have to be backtracking in a very unpleasant and difficult way, and we will have to recognize a lot of inequities which have grown up in the interim period. As I see it, the problem we are facing today, as it has been outlined by some of the previous speakers, is whether we believe we are now moving into a war economy, where we have to do on the home front a number of unpleasant things that we do not want to do, but have to do in order to keep and balance our economy for the long pull, or whether we are going to take this situation lightly and say we can build all the war necessities on top of our normal civilian demand, and get away with it. My personal view is that we cannot do that; that we have to make up our minds in the next 2 days which way we are going.

There is one thing, however, in connection with this bill which I resent bitterly. As I pointed out at the outset, there is not a single urgent matter taken care of in this bill. We have a lot of credit controls today available to the Federal Reserve, and the Federal Reserve has been dragging its feet like nobody's business in exercising existing powers it now has to contract the credit of this country. We have allocation powers to take care of the more urgent war necessities, so that there is nothing immediately needed in this bill; nothing that will meet this situation of rising prices about which complaint has been made. Yet there was not brought before the committee that produced this bill a single representative of business, a single representative of labor, a single experienced person in the direction of our entire economy. Everyone of the witnesses was an individual who had no personal

experience whatsoever in the handling of our economy. General Bradley may be a great man and a great military man, but I do not think a single Member of this House would expect him to give expert testimony as to how we are to conduct our own internal affairs from the point of view of the direction of our internal economy. No one was drawn on to try to point out the simple economics of this picture. You just cannot do this thing piecemeal, and if we attempt to do it piecemeal we are going to have chaos which will be infinitely more difficult to rectify at a later date when we are forced to resort to price fixing and rationing. It seems to me if we are going to do the right thing, we are going to give to the President of the United States the powers to institute controls that may be very painful to us, controls we will have difficulty of getting rid of later, but controls on the domestic front that will maintain a stable situation in order to give proper backing to those boys overseas.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remainder of my time to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, in all my 16 years in the House I do not believe I have seen the House of Representatives approach any matter of great importance and consequence in the state of confusion that exists here at this time. I understand that when we are in trouble, to talk about confidence in the leadership may be rocking the boat, and some may not think it completely patriotic. However, I think that some things have to be said now and then if we are to bring order out of confusion and chaos.

First of all, of course, I can understand why the people of the country are confused and why we are confused, because it was not long ago that we were all told that Korea was outside of the perimeter of the defense of this country; that our troops should be withdrawn; that it was of no strategic importance to us and could not be defended anyway.

Then, overnight, with apparently no one understanding just what was expected of us, no one knowing just what the job might be, we are all at once at war in Korea.

In like manner, it was not so very long ago that we were being told from the White House that there was no necessity for any sort of even stand-by control over prices and wages, that all we needed was some power about allocations and requisitions and some other things; let all the rest of it go. Here we are today. A headline in the paper says, "Truman drafting own stand-by control plan." Why, I say, how can anyone deny that there is a state of confusion, and how can he question from whence comes most of that confusion?

Let us just take a look at this. Here we have before us a bill that does not deal with prices or wage controls at all. It has to do with allocations and restrictions and some other things. No one has yet contended successfully, so far as I know, that there was any emergency or is now any emergency in respect to the matters covered in the bill pending be-

fore us. Who has indicated that there is any lack of steel for a defense project now in being? No one. Who has indicated any important necessity for allocations? No one. For requisitions? No one. Yet on that bill, not on price and wage control, mark you, the committee did not hear a single representative of industry, of agriculture, or of labor.

This is a most important matter which confronts us. Certainly to legislate properly upon it we should have the advice of the people who know most about it. Again, I say there was no emergency and is now no emergency in respect to the provisions of the pending bill.

I am not so sure but what if I had been a member of the Committee on Rules, although I can understand the pressures that are exerted in a time like this, it might well have been said, "Since there is no emergency, take this back to the committee and study it and find out what we really need and what is good and what is bad."

If there was any emergency and if there is today any emergency it is that which arises from increases in prices of the things that people have to buy. If there is any necessity for immediate action, it seems to me to be clearly in the field of price and wage controls. Yet there were no hearings on that feature at all, none at all. There are no such bill or proposal before the committee.

So here we are. I have no doubt but what the folks on the Democratic side in the majority on the Committee on Banking and Currency probably have in their pockets this bill that we are told has been drafted downtown. I do not know how soon it will be forthcoming. Whenever they trot it out, we will have to take a look at it.

Of course, if the administration knew just how serious this threat to our national security would develop to be, if they had foreseen, as I say competent people with all the inside information should have foreseen, the circumstances that would here confront us, why did they not come up here immediately upon the development of the situation in Korea and say, "Freeze everything for 30 or 60 days, you people in Congress. Let us call a halt to any increases. Then you take the time to look around and see just what we need." There, again, that has not been done.

In respect to the pending bill, I think there should have been hearings on the propositions advanced in it. I would still like to see such hearings.

I think it is quite apparent we are not going to have them, so probably about all anyone can do at this juncture is to say for the record, with all the power at his command, that before those broad powers contained in the provision of the pending bill are put into effect, the people who will be affected by them and who will have to live with them and who will have to do the job of production which this country must have if we are to be successful, be consulted step by step in order that wrong and damage not be done.

As a matter of fact, the provisions of the pending bill go much further than,

In my opinion, they need to go. There is a lot more there than meets the eye.

As to price and wage controls, apparently we are going to have that in this bill too. I do not know whether it is going to be the Deane substitute, or the Kunkel substitute, or whether it will be the Spence substitute. I do not know. I do have some convictions about what ought to be in it. If we have price controls, are we not going to have to have wage controls right along with that. I know for many people that is not very good music. Many people are not very happy about it.

Whether they are going to be stand-by controls, or immediately effective, I do not know. And what is to be done about prices to the farmer. Many of his prices are now below parity. If I knew just what the Truman administration people were proposing, I would have a little better idea about what we might expect. Whether they are going to be across-the-board, or just some selective items, I do not know. I think it is a fortunate thing that many of us here served through those difficult days when we were struggling with the problems of price control, rationing, and wage controls during World War II.

The Congress never faced a more difficult situation than that which confronts us today. We have not been adequately informed to meet it. But I hope, and as a matter of fact I am sure, out of the collective judgment of the people who now constitute the House of Representatives, we can come up with the right answer even though we have not had the sort of assistance, help, and information that we should have had.

Mr. LYLE. Mr. Speaker, I yield 9 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I am sure we all have troubled and perplexed souls today over this momentous question which we are called on to decide. I suspect when we search those souls, we would find first that as free Americans living in a great democracy we are fundamentally and basically opposed to regimentation such as controls bring about. Then I think we would find when we searched a little further and read the press reports of the boys who are dying over there, we would feel it incumbent upon us as patriotic Americans and liberty-loving people, to give them every support we have at our command.

The question seems to be whether we are going to have a limited control bill such as has been brought in by the Committee on Banking and Currency by the narrow margin of one vote, or whether we are going to have an all-out across-the-board control law.

Again, our individual souls are going to be put to the task of deciding, tomorrow possibly, which horn of the dilemma we will take.

To arrive at a proper conclusion—and certainly I do not profess to have the proper conclusion or analysis—I think we must try to analyze the situation as it presents itself.

Five years ago this month, Mr. Speaker, a small band of us in this House

spent 2 weeks in Russia during our 2 months' study abroad of economic and political conditions. Some of that time was spent in the Kremlin in conferences with that man of mystery, Mr. Stalin, with Mr. Vishinsky and Mr. Beria, and other members of the Politburo. We saw the regimentation of those people first hand. We came out of there with certain conclusions. Among those conclusions I recall three most distinctly. We wrote them into our report to the Congress in the form of recommendations for the administration and the Congress to consider.

No. 1, that in our judgment Russia did not want war with us any more than we wanted war with them.

No. 2, that Russia was determined, through Stalin and his little band of fellow conspirators, which made up the politburo, to gain world control and domination using communism as a front. That to do this she would do everything within her power to prevent our attaining the one goal in which we were interested, namely, world peace. That she would accomplish this by using every means within her power to bring about world chaos and confusion, placing a hurdle here, an obstacle there, and a barrier elsewhere.

No. 3, that the United States, Great Britain and the other allied powers must abandon our Chamberlain-like appeasement policy and adopt a firm policy in dealing with our late ally, Russia. Further, that firmness and power is the only language that Russia understands.

To implement those recommendations, as chairman of the Postwar Policy Committee, I introduced a resolution in the beginning of the Eightieth Congress which would declare that, among other things, as our policy.

Unfortunately, it would now appear that our prediction proved only too true.

There appear to be many lines of thought and speculation as to whether this is a police action or whether it is the beginning of world war three. If my analysis of the situation is correct, it is not necessarily either. It could well be a part and parcel of the Communist plan of confusion, chaos, divisions, and destruction.

I point out to you in substantiation of this that in all of the countries which have been taken over by Russia since the closing of hostilities and brought into her orbit of influence not a single Russian gun has been fired by a Russian soldier. Czechoslovakia and all of the others have been taken under the iron thumb and behind the iron curtain through the simple process of bringing about division, confusion, chaos, infiltration and finally revolution. Moreover, it is generally conceded by all military authorities that Russian arms could march to the English Channel almost overnight. Again, is there one here who doubts that Russia yesterday or today could prevent the landing of our troops at Pusan if she were ready and willing to risk all in an all-out warfare with this country and our allies?

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

Mr. COLMER. I yield to my distinguished friend and colleague.

Mr. COX. You know Russia can also return the North Koreans to the area that they formerly occupied.

Mr. COLMER. Yes, permit me to say to my devoted friend that in the present situation she can do almost anything that she wants to do, and I might add that Russia today and ever since the war ceased has been calling the signals and pulling the strings.

Again, if I am correct about it, terrible as the thought may seem, somewhere along the line we may have to take the initiative rather than to be strung in Russia's own pattern all over the world at every point so that we will not be strong enough at any one point to resist them. Russia so wants to weaken our economy that she can make us ripe for a revolution in this country and then take over as she has done in other countries.

Now, again, on that premise, if we are to be confronted with one incident after another, then we are in war, to all effects, and we ought to do something about it.

Yes; the President and his advisers who make our foreign policy might well consider reluctantly, I grant you, but nevertheless they may be forced to consider the necessity of our taking the initiative rather than playing into the hands of the master minds of the Kremlin. At least, we must be prepared for such an eventuality.

No, Mr. Speaker; it is my thought, for whatever that is worth, that this is not necessarily the beginning of world war III. When the Korean incident is settled, one way or the other, then Russia will start in another area of the globe to bring about further confusion with another incident, possibly Iran, Greece, Turkey, or who knows where? Then, when that is settled, another incident somewhere else, and perhaps two or three incidents at the same time in different parts of the globe, always using her puppet nations or agents—all in furtherance of obstacles, destruction, confusion, and chaos—all leading to her one objective—world revolution.

Therefore, permit me to say to you, my colleagues, that the world picture is not a pretty one. And the coveted goal of peace appears to be years and not months away. It may be later than some people think. Therefore, if we are going to mobilize our efforts it should be on an all-out, across-the-board basis. We must avoid the pitfalls and errors of the past. We found out in the last war that we could not have partial controls. If you are going to regulate the prices of commodities, then you have got to regulate the price of the chief cost of the commodities, labor. Some people in this country, some people in this Government do not want that; but you cannot eat your pie and keep it too. If we are going into this field, then we ought to go all out and see that everybody bears an equal portion of the burden.

Mr. Speaker, we face a very serious situation, as I said, one that calls for the most patriotic careful thought that

we can exert and that we can practice. I do not think this is any time to blame anybody here or there, in this position or that position; for what has occurred or for what might occur. As the distinguished chairman of the Committee on Armed Services said here so aptly the other day, regardless of who got the ox in the ditch, it is our obligation and our burden to get the ox out of the ditch.

Mr. Speaker, in my humble judgment, for whatever that is worth, we are in for many more Koreans, many more such incidents, unless as I intimated a moment ago we are driven to the initiative. God forbid that coming events will make that necessary.

In the meantime there is no place for selfishness, greed, a business as usual policy, or politics as usual. The American boys who are fighting and dying on the Korean Peninsula find this to be war regardless of what others may call it. We can do no less than give them and their loved ones our all-out support.

The SPEAKER. The time of the gentleman from Mississippi has expired. All time has expired.

Mr. LYLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9176, the Defense Production Act of 1950, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the time is divided equally between the gentleman from Kentucky [Mr. SPENCE] and the gentleman from Michigan [Mr. WOLCOTT], and is limited to 1 day; so debate will conclude when the Committee rises this afternoon.

The gentleman from Kentucky is recognized.

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

Mr. Chairman, it is purely coincidental but it may be significant that the last two digits in the number of this bill are "76." It evinces the spirit of 1776.

Why are we in Korea? This Nation was dedicated to the principle, and it is self-evident, that all men are created equal, endowed by their Creator with certain inalienable rights. Among these are life, liberty, and the pursuit of happiness. To secure these rights governments are instituted among men deriv-

ing their just powers from the consent of the Government. It did not state that all men are equal financially, equal intellectually equal morally, equal in strength, but that all men are equal. All men of whatever race or religion or wherever they may reside are endowed with equal rights.

It was in performance of that principle, and adherence to it, that with the aid of the United Nations we sponsored the organization of the liberal government in Korea south of the thirty-eighth parallel. They established a free government there, a government that was dedicated to the same principles to which our Government has been dedicated.

Koreans are a homogeneous people of one religion, of one race, with deep attachments to one soil. It was not long after the Republic of Korea was established that it was brutally attacked by the Communist people of northern Korea. This uncalled-for attack demonstrates that two ideologies cannot exist together in a peaceful world. We had to go to the defense of the Republic of Korea because we were committed to it.

We have to see that these little nations that are speaking for the liberty and the independence of the people shall not be destroyed, not only for their interest but for our interest.

Russia selected a theater of war that was well adapted to her. By reason of the remoteness and inaccessibility of the country it has placed a great burden upon us. But we have got to see it through.

There has been some talk about the confusion that exists in this bill. There is no confusion on this side. We reported this bill by a vote of 20 to 1. The only confusion that has been brought about has been due to amendments that were proposed in committee, and I presume they will be proposed on the floor. The President must deal with the great responsibility that is upon him. He must deal with a responsibility that few men have placed upon them. He wants this bill. He wants the bill as reported by the committee. He wants that bill because he thinks he can accomplish the purposes that are desired to be achieved by it.

They ask us why we did not invite great numbers of people to testify. We did not invite them because if we had opened the door there would have been hundreds who would have wanted to come in and most of them would have testified against the inappropriateness of restrictions being put upon them. That is natural, of course. The interests wanted to come in, but we did not let them come in because we were told that expedition is necessary.

Nero fiddled while Rome burned, and we did not want to do anything that would prolong the rise in prices that is now taking place. You talk about controls. We do not like controls and the President did not want to put any more controls on the people than he thought were absolutely essential to accomplish the purposes which he was trying to accomplish. Was that not natural. Yet, when were in the committee the constant complaint and criticism of the minority

members was that these controls were too stringent; that these controls might make him a dictator; that he might use them for improper purposes, and there was an endeavor continuously to whittle away the authority that had been provided him in the bill. Then, without any forewarning, without any opportunity to consider it, an amendment was offered by the minority that gave him absolute power over prices and wages; powers that he did not ask for. Of course, there is confusion, but there is no confusion on our side. I can say to you now that the President wants the bill as we reported it. He wants to take this step by step. He feels that these powers are sufficient at the present time. He feels that if he needs more powers we will grant them to him. And, of course we will. What is wrong with that? If the President had asked for these powers I can see the reaction there would have been to that. They would say, "We are only in police action in Korea, and he is asking for despotic powers contrary to the principles of our Government."

Now, I like a little consistency, and I would like to see more consistency than I have seen in the consideration of this bill. Who did we ask as witnesses to come before us? Mr. Symington of the Security Resources Board, a very able man and a fine administrator, who knew of the resources of America, gave us an over-all picture. We had Governor Evans, of the Federal Reserve Board, who read a statement from Chairman McCabe, and we had that able Secretary of Commerce, splendid lawyer and outstanding administrator, the Honorable Charles Sawyer, who gave the benefit of his experience. He ought to be the person that will control these things, because it is largely connected with his Department. Then we had that great man, a distinguished citizen and great general, Omar Bradley, and he painted the picture of what is going on in Korea, a picture that made every member there believe that expedition was necessary. What ought we to have done? Under these circumstances ought we to have listened to the requests of 100 or maybe 200 people who represented various phases of industry and activities of the United States and let them come before the committee to express their views? Should we have done that? Should we be condemned because we sent for the top men in the Government of the United States who had conferred with those who were most familiar with this subject? Or should we have opened the door and let them all testify, actuated by special interests they had? I realize everybody ought to have fair treatment and I realize that that is a right in normal times to come before the committee, but it was just a matter of expediency and necessity that these hearings were closed.

Now we brought a bill to you that the President wants. He is responsible for it. He says, under those powers granted, he could control the conditions that exist today by allocations and priorities, by requisitioning commodities, materials and facilities, by expansion of production and supply and by the control of

credit and speculation on commodity markets. That is what he said he wants, and we provided for it in the bill. Can any argument be made against that? When the very fabric of our Government, when the future prosperity and happiness of our people may be at stake, must we open the doors and let all testify?

The President did not want total mobilization, he did not want to regiment our economy. He wanted to do as little of it as possible. Yet he is criticized for that. He is criticized for that by those who want to give him a power he does not want. Why do they want to give it to him? May be it will not result in political advantage as they seem to think it will if we give it to him. I know the President will exercise any power that is given to him with a patriotic spirit that is worthy of the President. I know he has only one object in view, and that is to bring about conditions that will bring happiness and prosperity to all of our people.

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

Mr. SPENCE. I yield to the gentleman from New York.

Mr. JAVITS. Under the requisition authority which is contained on page 30 of the bill I notice the President may seize property or the use thereof. May I ask the gentleman on that point, first, whether it is designed to enable the President to operate any plant he seizes?

Mr. SPENCE. Of necessity I think he could operate it. There would not be any point in seizing it if he could not operate.

Mr. JAVITS. Can the gentleman tell us what is contemplated as to terms and conditions of employment?

Mr. SPENCE. There is nothing in the bill in regard to the terms and conditions of employment. If the President seized a plant he would have to negotiate as to the terms and conditions of employment. Under our Constitution and form of government there is no power to make a man work if he does not want to work. You have seen that. You cannot enjoin a man to work. Of course, the President would have to make arrangements with the employees as to the terms and conditions of their employment.

Mr. JAVITS. I thank the gentleman.

Mr. SPENCE. I earnestly ask that the House not be stampeded by the statement that so much confusion exists, when there is no confusion, and vote for the bill that was reported by your committee.

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 minutes.

Mr. JENSEN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty-three Members are present, a quorum.

Mr. WOLCOTT. Mr. Chairman, I can readily understand why many people would like to have but little confusion in respect to this bill. I think if there is an understanding of the bill there should at least be concern for the domestic economy. If there is an understand-

ing of this bill and the powers which it creates, then I think the confusion can be excused.

Confusion in respect to this bill and the thinking in respect to this bill is due, if it exists, to the fact that this bill as reported out of committee goes ever so much further in the granting of authority and power to control our economy than has ever been given to the President of the United States during any of our wars.

It goes ever so much further in the granting of powers than we went during the Second World War.

I have a great deal of respect for Mr. Symington, but Mr. Symington was unable to give us any information in respect to the details of this bill. As a matter of fact Mr. Symington made the statement that there are no greater powers in this bill than we had delegated to the President during World War II. So perhaps the confusion might be due to the fact that the sponsors of this bill apparently do not know what is in it, because within 5 minutes after he made that statement it was pointed out in the committee that this bill gives new and most unusual powers to the President over and above what he had during World War II.

The Federal Reserve admitted that this bill grants to the President powers which he never had or which the Federal Reserve never had during World War II.

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

Mr. WOLCOTT. I yield.

Mr. HALLECK. I certainly do not want to interfere with the very splendid statement that the gentleman is making, but is it not also true that the powers granted in this bill go much further than the message indicated they would go? I refer to the message of the President which was addressed to the Congress seeking the enactment of some such legislation as this.

Mr. WOLCOTT. Yes; and I shall point that out.

Now, I want to point out some examples wherein this bill gives the President more power than he had during World War II.

In the first place, it gives him power to control the commodity exchanges, which he never asked for in World War II. It gives him the power to take any property, which, in his own opinion, is necessary for national defense. He did not have that authority in the Second World War. He could take it only for the production and distribution of materials of war. Theoretically, under this bill the President could make a finding that a rocking-chair factory was necessary for the national defense, and could take that rocking-chair factory and close it down. He never had such authority as that during the Second World War.

In respect to corporations which we authorized to be set up in the Second World War under 5 (d) of the Reconstruction Finance Corporation Act, the activities of those corporations were limited to the production, storage, and distribution of war supplies. There is not that limitation in this bill.

During World War II the President activated the sections of the Trading With the Enemy Act of 1917, under which he controlled, through the Federal Reserve, consumer credit. The President's control of credit in the Second World War was confined to consumer credit. This bill gives the President the power to control every dollar of credit which is issued by anyone. It gives the President the power, which has been sought on many occasions but always denied by this Congress, the power to control the lifeblood of the American economy, which is credit. If those provisions remain in this bill, then the President does not need any other authority. He has got a shackle hold on America that this Congress will have to release. Otherwise, there will be such confusion and uncertainty as to effect the economy during this time of stress, when it should be stabilized, even more than it was wrecked by trying to enforce an equally bad Price Control Act, which this Congress passed in 1946, after the President had vetoed a bill which would have authorized the gradual restoration of the liberties which we have been talking about here today, and the gradual elimination of price controls, without too much shock to our economy.

Why does the President want the power to control all credit? I should like to have someone explain where I am wrong.

The President is authorized to control consumer credit. There is not any reason why he should not have that power; as a matter of fact, he has the authority at the present time to control consumer credit. All the President has to do is to declare that an economic emergency exists, and he can reactivate consumer credit by that proclamation under Regulation W, or whatever you wish to call it, just as effectively as he could do it under this bill. The only reason that provision is in the bill, of course, is that the President apparently does not want the responsibility of declaring an emergency; he wants the Congress to take the responsibility of declaring the emergency. Well, there will be no trouble about that; we will not quibble on how it is done; there is no reason why we should not legislate to give him this power if he wants it, to reenact the power that he already has.

During the Second World War the President never sought the power to control real-estate credit; it was never given to him because he never asked for it. The President under this bill can stop every dollar of real-estate credit; he can tell the banks that they no longer shall take mortgages on real estate; he can stop the Federal housing program notwithstanding the language on page 40, line 19. He can prevent the operation wholly or partially of the Veterans' Administration guaranty of veterans' mortgages. He already, by Executive order, has increased the amount which the veteran has to pay. He can stop the FHA program completely or partially; he can stop the operation of the Federal National Mortgage Association. He can do anything he wants to do in respect to any credit. You will find the definition of credit on page 42 of the bill; you will

find the definition of real-estate credit on page 41, and also on page 41 of the bill you will find the definition of consumer credit. Of course, if the credit mentioned in the definition on page 42 applies, as some of them may tell you from now on, only to consumer credit, then there would be no necessity of having that definition in here, for the definition of consumer credit, of course, would apply to that. The definition of credit on page 24 must be read in connection with subsection (b) of page 39 in which it states:

No person shall extend or maintain any credit—

It does not say "consumer credit"; it does not say "real-estate credit"; so it must mean all other credit; it cannot mean anything else—

or renew, revise, consolidate, refinance, purchase, sell, discount, or lend or borrow on, any obligation arising out of any credit, or arrange for any of the foregoing, in contravention of any regulation prescribed by the President pursuant to this section.

That section would reach right down to situations between individuals. I just want to show you how far reaching this bill is in that respect. I will not use this as a ridiculous example but as an example which can become very realistic.

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

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 additional minutes.

Mr. Chairman, we may assume for the purpose of this example that I go to you and borrow \$100. I say to you, "I will pay you \$50 next week and I will pay you the other \$50 the following week." If you lend that money to me and I accept it other than in accordance with the regulations of the President, you and I may go to jail for a year and be fined \$5,000.

Now, is there not justification for a little confusion in people's minds when you ask for that kind of power? It was asked for in 1935, Mr. Chairman, and we denied it. It was asked for again in 1939 and we denied it. It was not even asked for as a part of the controls during the last war.

Surely, even though we might expect, as many of us do, that Korea is merely the start of a series of incidents which will eventuate in a world war, the drain on the American economy and the necessity for powers to control the economy will be no greater in the event of a third world war than they were during World War II.

I am in favor of giving the President all of the powers that he had during World War II. No more. These things were thrashed over hour after hour, day after day, from 1941 to 1946. These are not new questions; these are not new problems.

Mr. Chairman, I do not want to be a party to the possible socialization of America in the name of an emergency. If we must socialize America to meet an emergency, then, of course, there is a tremendous weakness in the democratic form of government and I shall not acknowledge that there is any such weakness in a republican democracy as would

justify the change of this form of government to that of a socialized state under a dictator. We have always fought our wars under and not in spite of the American Constitution. We have been successful up to the present time in saving the American system after each of our wars and restoring the liberties and freedoms temporarily taken from the people to the people. And we will do it this time unless we give the President such new and unusual powers that in the use of those powers he will destroy the foundation of our Government, which is the American economic system. You destroy the American economic system and you will have effectively destroyed America. I shall not be a party to it. But, I shall give the President all the powers he needs to stabilize our economy during world war III and this threat of world war III. We should give him power to allocate; we should give him the power to exercise priorities and the distribution of all materials; we should give him the authority to even take plants as he was given the authority during the Second World War when it became necessary to take those plants or set up new plants for the manufacture of war goods; we should give him the authority to control prices; we should give him the authority to control the costs of production, including wages; we should give him the authority to ration consumer goods as a means of stabilizing the economy in order that war production might go forward. We should give him all the powers he needs, but no more.

Up to the present time there has been no use whatsoever of the powers which the President has today to prevent inflation; inflation in the real-estate credit field, inflation in the consumer-credit field, inflation due to credit expansion. I asked the representative from the Federal Reserve Board whether this was a currency or a credit inflation. He said this is a credit inflation. Well now, if this is a credit inflation, and I think we all agree that it is a credit inflation, the way to meet that problem is not by these little more or less inconsequential but irritable consumer credit controls. Trying to control the velocity of credit by controlling consumer credit is like trying to prevent the inflation of a child's balloon by resting your finger lightly on it; it means about just as much. You have to get to the source of that credit.

Now, what is the source of that credit? The source of that credit is, of course, the banks. Without the banks there can be no consumer credit, and there are orthodox methods set up for the control of credit. Do you know that the Federal Reserve Board today has it within its power to make it impossible or, rather, impracticable, for a person to borrow a dollar anywhere? The Federal Reserve Board could put a rediscount rate on loans, sufficiently to dry up every dollar of credit in the United States, and instead of that they are maintaining credit almost as cheap as it ever has been in the history of the United States. The banks can go to the Federal Reserve banks and get their money at 1½ percent. Six or 8 months ago it was 1 per-

cent. They raised it to 1½ percent. Why do they not raise it to 7 percent if they have to? It was up to 7 percent in 1929.

Why do we deliberately keep money cheap and credit cheap, and then wonder why we have high prices? Why do we continually talk about consumer credit controls when we have it within our power to stop all credit, consumer and otherwise? Why are we talking about giving the President in this bill control of credit, when ever since 1913 under the action taken by this Congress there was set up the Federal Reserve Board as the agency for the control of credit, and we gave them the machinery with which to control credit? We do not have to give the President these new and unusual and autocratic, perhaps, powers.

As late as 90 days ago FHA reduced the interest rates on real estate mortgages from 4½ to 4¼ percent, to make real estate credit easier. Why now give the President further authority to control real estate credit, until he has used the authority he already has, and now is the time to do it? In other words, these credit controls should not be given to the President or anyone else until the power and authority which he now has and the authority which the Federal Reserve has is fully utilized. Then if these powers are not sufficient to do the job we can give consideration to giving more power.

Why does the President insist on keeping the gold reserve behind the issuance of Federal Reserve notes at 25 percent?

It was reduced from 40 percent to 25 percent. Why does he insist upon that when the restoration of the gold reserve behind Federal Reserve notes from 25 percent to 40 percent would freeze that much of the gold base upon which so much of this credit is predicated? Why does he insist upon keeping the gold reserve behind deposits at 25 percent, when it was traditionally 35 percent up to the time we reduced it to increase the volume and velocity of credit?

Why does the Federal Reserve, or the Treasury, which dominates the Federal Reserve policy today, insist that Government bonds be supported above par? We agreed with the people to pay them par. We never agreed with the holders of these bonds, most of which are in the banks, to pay them more than par. They are being supported today by the Federal Reserve at above par, which is admitted to be inflationary.

Why does the President want these unusual controls? We should not give him these controls until he has used those credit controls which we already have given him in an attempt to stop prices from going any higher.

There is a job that has to be done here and the President should have the authority and he should have the responsibility to stabilize our economy. So we should give him all of the powers he had during the Second World War, but not the powers in this bill.

I have been asked what could we do by way of amending this bill to do that? That would confound the confusion to a point where we would not know where we are going. I think the better plan

is to wrap it all up in one package and read it all in one program. We will give that to the President and then say to him, "Mr. President, here is the authority to stop prices from going higher, which added to the authority you now have under existing law should be sufficient to do the job. If it is not sufficient to do the job after you have tried it, and if it does not go far enough, come back and show us wherein you need additional power, and we will consider giving it to you." That is my idea of what we should do at this crucial moment.

The gentleman from Pennsylvania [Mr. KUNKEL] has worked assiduously under the most trying circumstances to try to get such a program together. I hope it will receive the attention from the committee that it deserves, because it is a good program. It is the program under which the job was done during World War II, and it is the program that will authorize and empower the President to do a similar job during this crisis.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I am supporting the bill reported by the committee by a vote of 20 to 1. I am not supporting the proposed substitute to place controls on the prices of every commodity produced in this country. I am not for the amendment which I hear will be introduced by some Member on my right to give these controls to the President of the United States to use when he wants to.

I am standing by the committee bill.

I am surprised at some of these speakers who start out by saying that the bill goes too far and then before they finish their argument they say it does not go far enough. When you put price controls on every commodity produced in this country, it will be a generation before you get them removed. Therefore, this is a time for sober thinking. I know back home the people are dissatisfied, but this is a time when men must keep their feet on the ground.

Here we are being urged under a wave of hysteria to control prices on commodities when there is an abundance of foodstuffs everywhere, enough for our Army and enough for our civilians. We have over 450,000,000 bushels of wheat; over 900,000,000 bushels of corn; 7,500,000 bales of cotton; plenty to eat and plenty to wear, and yet some want to put on controls. Why do you want controls? In World War II we removed controls as soon as we had a surplus of any commodity. Here in peacetime, before we have declared war, some are advocating placing controls on every commodity in the United States, and the record shows that we have an abundance of everything to feed and clothe the people of this country.

I say to you again, not in your lifetime or in your generation, when you take this step to put controls on every commodity, will you live long enough to see them done away with.

Take rent controls. Even 6 years after the war you still have rent control.

This is a serious question, and I hope nobody in this Chamber will try to play politics during these trying times. I feel that all want to win this Korean struggle. We all feel keenly about backing and protecting our boys, and we want to do everything we can. If you put on controls you cannot do it so quickly. It will take from 6 to 7 months before you can get controls and have them administered properly, under the proposed Kunkel or Deane substitute. Then we will either be off the Peninsula of Korea or we will run them back across the thirty-eighth parallel.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. BROWN] has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. BROWN of Georgia. Now, there are two schools of thought. One is the bill reported by the committee. And they talk about this bill being too severe. I am surprised at anyone talking about this bill being too severe. It gives authority to do what? To allocate the materials of war, and why? Because some of those materials are scarce. Steel is scarce. Copper, lead, and other critical materials are scarce. We have a sufficient supply of steel, I understand, to supply the needs of our country at present, but this critical material is not strategically located so as to meet our civilian needs and to supply our armed forces. Who objects to taking some steel away from the automobile factories of this country in order to use it to make weapons of war to back our boys, and take them off the shores of Korea, or any other spot in the world? That is one commodity of which there is a scarcity. The bill allocates it. It is true that everyone who uses critical materials will have to give up something, and I believe everyone wants to. Of course the bill puts some restrictions on credit, but principally on installment buying.

The chief purpose of this bill is to authorize the President to requisition plants and facilities, to allocate materials needed for the Armed Forces, and to tighten bank credit by curbs on installment buying.

The other school of thought is to place controls on all commodities now when we have a reservoir of foodstuffs and staple commodities more than adequate for our present need. Just a few weeks ago many Members were inquiring what we were going to do with the surplus of our agricultural commodities. Those same people today are asking for rationing—yet the foodstuffs are still in our supply stream and readily available. Gentlemen, unless we exercise the due caution which is our duty we will be compounding the scare buying which has been occurring in some areas recently. When we have full production like we have now there is no cause for inflation. When the people back home know that we are sincere and believe that we have enough food, enough clothing, enough of every commodity, that in itself will defeat inflation, and that is the only way to defeat inflation. In the clamping down of controls you will see the wheels of industry stopped, to a great extent; you will

see the cultivators and the people working in the fields reduced to a minimum and then you will have failure of production and more inflation.

We must let the people back home know the true situation, that we have an abundance of all commodities, and that it is unnecessary to rush to the market to buy things they do not need. Yes; I know some say "Control everything, control everything"; but they do not understand that we have an abundant supply of everything—more than is required. The object of any control is to defeat inflation, and you have it defeated when the people know that you have a sufficient amount of every commodity.

Let me relate again the chief purpose of this bill is to authorize the President to requisition plants and facilities. Who objects to that? What man who owns a facility or plant for the making of the tools of war would not let Government have it in order to free his son or his neighbor's son from overseas? What else does it do? It provides allocations of material needed for the Armed Forces, and tightened bank credit by curbs on installment buying. I know there are one or two things that could be cut out of this bill; we took three or four objectionable features out of the bill ourselves. I think the real estate section is objectionable. You can cut that out if you want to by amendment. Some people do not agree with me in this.

I do not believe commodity exchanges ought to have been included in the bill. I introduced an amendment to this section, which was adopted, for the purpose of meeting the objections but I understand now that the amendment is not altogether satisfactory and may not be workable. You can cut that section out entirely by amendment. So, if this bill does not suit you, offer your amendments to carry out your objections, but for goodness' sake, do not let this fear that is going all over the country that we do not have enough food, enough clothes, go unchallenged. We have enough of everything on earth except the scarce materials we need for war purposes.

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

Mr. SPENCE. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. BROWN of Georgia. And now, as to those who testified for the bill. Here is Mr. Symington, Chairman of the National Security Resources Board, a man that everyone has the utmost faith in, recognized as one of the best businessmen in the United States, and when he was appointed to his present job it was heralded all over this country in practically every daily paper in the United States what a wonderful man he was, and what a grand selection the President had made. What did he say? "I want this bill." He helped draw the bill. He said further:

We do not want any controls now; we do not need them now, but we need what is in this bill.

Let me call the roll a little further. Here is the Secretary of Commerce, perhaps one of the greatest businessmen Ohio ever produced, from the great city

of Cincinnati. His whole life demonstrates that he was a clean, good businessman and one of the best in the West. What does he say? He says:

We want the curbs in this bill. We do not want, and do not need, and cannot enforce at this time all-out control of every commodity in the United States.

Who else testified? Mr. Evans, a member of the Federal Reserve Board of the United States, another one of the best businessmen in the country.

What did he say? He was for this bill and wanted it passed immediately. Here are three of the greatest businessmen in the country. They are the men who helped write this bill. They were there. Of course, we want to win this war. They testified for allocation of critical materials needed for tools of war and for curbs on installment buying and against price control at the present time. Then the next witness was our great General Bradley whom you and I are relying upon to lead us to victory. What did General Bradley say? He said this bill carries out what we need now. He said that we need this and we must have this.

Mr. Chairman, when it is stated that we did not call businessmen who know about business, may I say that we not only called three of the greatest businessmen in the United States but we called the leaders, some of them occupying positions in the Cabinet, and we called General Bradley who is leading our military forces. Is there a man who will say we could have called any other witness who would have known more what they were talking about than the four we did call?

Mr. Chairman, the situation calls for action, it calls for immediate action on this bill. It is time to quit sparring around. It is time to think and not bring on controls on all commodities when these witnesses do not want them at the present time.

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

Mr. SPENCE. Mr. Chairman, I yield the gentleman one additional minute.

Mr. BROWN of Georgia. Mr. Chairman, let me say to the gentleman on my right, I am against your bill if you offer it giving the President stand-by authority to put in controls as he sees fit at the present time. If you are going to have controls I would rather see them across the board. I will fight that amendment the same as I will fight the one that will be offered from the left side of the aisle.

I do hope and pray that you will follow these leaders who know more about the situation than we do. If we have to roll back, the whole world knows the situation; if we have to roll back it will not hurt our conscience to roll back because the people of this country know that we will do it if prices continue to go up. But when the people find out that we have passed this bill and that there is an abundance of all commodities, you will see prices go back to their level where they ought to be. When you have controls, let me tell you, let me repeat, you

will never get them off in your day or in mine.

We had hearings on this bill and no other bill. We did not have a single witness to appear for or against the proposed Kunkel bill or the proposed Deane bill. If you are in favor of complete controls let us pass this bill now and have a hearing, which can be started any time, on complete controls of all commodities, but our leaders who know more than you and I are calling for this bill immediately. Let us pass it, then if you desire let us have a hearing on the proposed bills referred to and decide at the hearing whether or not we want complete controls on all commodities across the board. Who can justify a vote against this bill in favor of the Kunkel or Deane bills when there have been no hearings at all.

Gentlemen, let me remind you that the outlay proposed at the present time to support our defense effort is \$10,000,000,000. It does not require price and wage controls—for the amount is well within the range of normal economic fluctuation in our economy. Our present situation does not now require—in the opinion of our leaders—the capital outlays and the total mobilization which were needed at the beginning of the last war. The authority the President has requested and which the committee bill provides is adequate at this time. Our huge supply of foodstuffs will dampen the price increases caused by panic buying. Effective credit controls can contract demand for consumer durable goods. These are the instruments to use to stabilize our economy. A general freeze in prices and wages will result in untold inequities—unnecessary maladjustments in our economy. In fact, they may well retard the effort we must make at once. If we do not need price and wage controls, why should we risk the chaos that would be the inevitable result. It would take from 6 to 9 months to set up the administrative machinery to work out the chaos and disorganization resulting from a freeze. Does the House desire this result. Or does the House desire to provide the authority which is necessary to support our defense effort now—the authority which will do the job required—and do it in a manner which will expedite the things required to be done. We do not want disorganization now. We do not want to upset our economy. We want to stabilize it. The committee bill does that. Freezing of wages and prices at this time will do just the opposite.

Again I caution my colleagues to give due recognition to the facts of the situation before embarking on a course which our principal advisers tell us is not required now—and one which may well undo what we here today desire to accomplish.

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

Mr. GAMBLE. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, the toughest vote I will have to face in my 16 years in this House will be the vote to reinstate price and rationing controls

on the production of goods for peacetime and wartime. I mean price controls and production controls.

In studying the bill that has been reported by the committee, and I refer to that printed matter in H. R. 9176 which does not have lines drawn through it because I am not too clear on what is before the House, I find that section 2 is a proposal which I do not believe I can vote for under any conditions. And I think I shall offer an amendment to strike that section from the bill. That is a declaration of policy which talks about the United Nations organization and what this country is going to do, and so forth, in connection with that general approach. I do not think it has any place in this bill whatsoever, and I think the so-called policy which is set forth in the Kunkel bill, in the opening statement, is far more applicable to American industry and production and price controls, and what have you, than section 2 of H. R. 9176. I am surprised the committee put that section in this bill. I am not surprised that the administration recommended it.

The bill (H. R. 9176), on page 32, title 3, deals with expansion of productive capacity and supply, and if I understand section 301 it gives the President of the United States, under such regulations as he may prescribe, the right to take the Federal Reserve bank, as a fiscal agency, and go out and expand loans and build any kind of a plant, produce any kind of goods, which comes within the scope of this general approach, as deemed advisable by the President, and in my opinion sets up the machinery to provide a complete taking over of American industry by the Government of the United States through this mechanism here provided.

Section 301 in connection with section 401, control of credit, certainly enables the President of the United States to take over the control of credit through private channels.

Then in section 301 he can create his own credit-making machinery, using the Federal Reserve bank as a mechanism:

To guarantee in whole or in part any public or private financing institution (including any Federal Reserve bank), by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount or advance, or on any commitment in connection therewith, which may be made by such financing institution.

In my opinion this will be one of the greatest deterrents to private enterprise doing the job that has ever been laid down by the Congress of the United States.

Over on page 34 you find this language which I think under the political operations of this bill would prove to be absolutely pusillanimous, and it is on lines 18, 19, and 20 on page 34. All of these things can be done "except that financial assistance may be extended only to the extent that it is not otherwise available on reasonable terms."

Well now, who is going to determine what reasonable terms are? Any of you who ever sat on the board of a large bank, where you determine whether or

not credit lines shall be extended for the building of plants, extension of productive facilities, the building up of inventories, the opening of new territories, things of that kind, know what twisting and squirming can be done with language such as that, especially, speaking very boldly, when powers like this are placed in the hands of politicians. I think the bill is just as dangerous along that line as anything can be.

Now we go over to section 411, commodity speculation. I have no idea on earth that the other body will leave section 411 in this type of a bill. I do not think it should be in the bill at all. I think it ought to go out of any bill that we pass which deals with this general subject. Those are some of my own views with respect to H. R. 9176.

Now I am going on to the proposal in general. Here we are talking of initiating price controls. What does that mean? That means black markets.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

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

Mr. AUGUST H. ANDRESEN. I call the attention of the gentleman to section 101 on page 29 where there is a proviso at the end that this authority shall not be used to ration at retail level consumer goods for household or personal use. That is a limitation.

Mr. CRAWFORD. That is true.

Mr. AUGUST H. ANDRESEN. Now it would indicate to me that under the general language and authority of the bill, considering the definition relating to raw materials which is found on page 47, materials include: Raw materials, articles, commodities, products, supplies, components, technical information, and processes. It would seem to me that hidden within the privileges of the bill is a provision giving the President power to allocate at wholesale or ration at wholesale and to deal with food products, farm products, farms themselves, or any other institution or manufacturing plant that produces raw materials or goods that pass in interstate commerce.

Mr. CRAWFORD. Yes, I think they do that.

Mr. AUGUST H. ANDRESEN. Therefore, as I see it, if that is correct, then the President could put into operation the Brannan plan for American agriculture and seize farms if the farmers did not comply with the rules and regulations laid down by the Administrator appointed to administer this act, or he could put into operation any other scheme that might clearly control the production of civilian goods under the authority in this bill.

Mr. CRAWFORD. I do not think the gentleman is stretching his imagination in those observations at all.

As I said a while ago, reinstating price controls and rationing puts us back into the black markets. It discourages production, without question; and it not only discourages production, it prevents production. I have not seen anything in this bill, and if I am not correct in this the chairman will correct me on it, which

has anything to do with the control of wages or the prevention of strikes. Is there anything in the bill which would give the President power or control over one of those propositions to prevent strikes?

Mr. SPENCE. No; there is nothing in the bill. We have taken no powers away from him that he has, but there is nothing in the bill to prevent strikes.

Mr. CRAWFORD. The other day I voted against the selective-service bill that came through here, and I voted with three other gentlemen in this House. I was not then and I am not yet in favor of putting a small group of our people under compulsion and leaving everybody else free. I do not think the tax rates under the present conditions are as high as they should be. I think we should tremendously increase the tax burdens on individuals and corporations, both normal taxes and excess-profits taxes. I think that would have a great deal more to do with the prevention of inflation, or softening of the force of inflation, than anything in this bill that we have referred to will do. That would also let all of our people make some contribution, by compulsion through tax bills, the same as the boys are making who are being sent up to the front.

In other words, I should like to have the opportunity of voting for something which really has tremendous teeth in it and goes right to the crux of the situation and puts the burden on all of our people.

If we would increase the taxes fifteen or twenty-five billions of dollars a year to pay these new war costs and cut out this deficit financing, you would not have inflation.

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

Mr. CRAWFORD. I yield.

Mr. GROSS. Does the gentleman find anything in this bill which outlaws cost-plus contracts?

Mr. CRAWFORD. No, sir; I do not. I do not think this bill is efficacious at all along that line.

Mr. GROSS. As a matter of fact, on page 35, under paragraph (b) it provides that the President can continue the processes of the last World War on cost-plus contracts.

Mr. CRAWFORD. Yes, sir; that means big profits through war contracts.

Mr. GROSS. Certainly.

Mr. CRAWFORD. It means fantastic profits. It means brutal profits. It means extravagance and waste of the dollars provided by the bond buyers and the taxpayers.

I do not know what the other body is going to recommend to us in the way of a tax bill, but my guess is it will not be more than three or four billion dollars. I voted for the tax bill that went through here the other day before the Korean situation developed, and I voted so in the hope that I would have another vote on a different proposition when it came back from the other body. But now we are considering a proposal to give ten, fifteen, twenty-five, or maybe three hundred billions of dollars additional to be

spent in the war effort. So let us put a tax burden on the people and raise some of that money as we go along.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. HOFFMAN of Michigan. I thank the gentleman. We are in the present situation either because the preceding and the present administration wanted us in it or because they are incompetent to handle the situation as it arose. Where did you get any idea or have you any idea that the present administration would now show any efficiency in administering this program? Where did you get the idea that they are more capable of handling it now than they have handled the other programs that got us where we are now?

Mr. CRAWFORD. I did not think that I had expressed that idea.

Mr. HOFFMAN of Michigan. I am just inquiring whether you had it somewhere in the back of your head.

Mr. CRAWFORD. I do not have any such idea at all because I was referring a while ago to the political aspects of this power. I know, as well as you Members know, that under this bill special privileged persons can go and get almost anything they want and reap millions of dollars of profit as a result of the special privileges proposed here.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield once more?

Mr. CRAWFORD. I yield.

Mr. HOFFMAN of Michigan. With General Vaughan and the rest of those fellows down there at the White House, who have been down there all during these years grabbing off these special privileges and making these profits, where do you expect—or do you expect that the average fellow is going to get a square deal out of that gang or out of any one of them?

Mr. CRAWFORD. No, I do not expect them to.

Mr. HOFFMAN of Michigan. Then why vote for it?

Mr. CRAWFORD. Let me go back to this tax thing again. People will say, "Why, that fellow is advocating a setting up of fifteen or twenty-five billion dollars in the new tax bill." Yes, that is what I am advocating. I do not want to be misunderstood about it. I am advocating that if we are ordering a big dinner party in the name of war, let us pay for it as we go along. That is tough medicine. That is very tough medicine. I am willing to make my personal contribution, up to 90 percent of my income. Who wants to go along on that?

I am talking about myself now. I am willing to give up to 90 percent of my income. I am willing to reduce my standard of living down to the raw bone and just as tough a proposition as any doughboy has to put up with on the battlefield. Who is willing to go along with that? I am willing if necessary in connection with the tax proposal to contribute the Government bonds and saving certificates I have into the pool in order to pay for this game as we go

along. Does anybody want to join me on that? That is what I am willing to do as an individual.

I have some idea of what those boys are putting up with. So let us not increase these flames of inflation by going along here with a lot of deficit financing and then trying to wash it off through a pusillanimous approach such as we have here. Let us go right to the heart of the thing and clean it up.

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

Mr. CRAWFORD. I yield.

Mr. GROSS. The gentleman wants everybody else to go along with him, does he not—that is the bondholders and all the rest of them?

Mr. CRAWFORD. Oh, sure. That takes in all of them who have taxable income. And let us be sure that we write a definition of what is taxable income so that it will be picked up.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman mentioned something about tremendous profits. They announced down here that you do not need 5-percenters to get contracts. Do you think that they are all picked for the chosen few?

Mr. CRAWFORD. Maybe they are.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. RAINS].

Mr. RAINS. Mr. Chairman, I have heard a great deal of talk today about confusion with reference to this bill. There is a lot of confusion with reference to the price-control situation in general.

I noted that my esteemed friend from Michigan [Mr. WOLCOTT] said that the committee bill was too drastic and that it would give the President of the United States a shacklehold on the economy of the Nation. Yet in the breath just preceding he said that it did not have any teeth in it, so to speak, and you will note that colleagues of his on the committee offered a more stringent and drastic bill. Thus, the confusion.

The simple truth is that in the Committee on Banking and Currency the bill offered by my friend the gentleman from Pennsylvania [Mr. KUNKEL] was presented without ever having even been read. It was not a sincere effort for price control by Republicans in the committee. It was my feeling then, and still is, that there should be some kind of stand-by price-control legislation in this bill.

The other day I had a fair sample of it. A friend of mine down in Alabama wired me that he was in the chicken business and that he had a broiler business which averaged about a million and a quarter dollars a year; that he went around on his chicken runs to get his broilers and he found out that some fellow from New York had been down in that particular section and had paid unreasonable prices above the market, and he closed his broiler plant.

Today, since I have been here I have been approached by men interested in

the lumber industry. I was amazed to find the terrific increase in the price of lumber within the last few days. More than that, it is clear that you cannot charge this price increase, this unjustifiable price rise, up to the farmer, because he is not getting it. More than that, I should like to say that you cannot charge it to the wage earner, because he is not getting it. The price increases—and they are terrific—which we have witnessed in the last 2 or 3 weeks have been unjustifiable. It has been absolute, plain, outright robbery of the American consumer. Somewhere between the man who produces it, whether he be in industry or whether he be a farmer in this country, somebody is not doing his patriotic duty in this time of stress and strain. So I would like to see a provision put into this bill whereby the President of the United States can, if necessary, roll back these prices to a reasonable point, because there has been no increase in labor and there has been no increase from the standpoint of the farmer.

I noted in the paper today that four divisions of the National Guard are to be called up for active duty. One of these may be the Thirty-first from Alabama and Mississippi. In the last 3 or 4 days a call to active duty was sent to members of the Alabama National Guard of my district, combat engineers, to report on the 14th. I think when the time comes, whether it is a police action or war, that we can take from the homes of America young men to fight in the battlefields far away from home, we should not quibble about holding down run-away prices.

So, Mr. Chairman, today we are doing a job that I had hoped, and as all of you who served with us in the earlier war days hoped, we would never face again.

I dislike price controls very much, but I think I can tell you, because of recent trips to Alabama this month, that the people back home are away ahead of us and that they are demanding a stop to these unjustifiable price increases. So I say, before we get through with this bill, let us give to the President the powers that he needs to curb inflation and let us give him stand-by controls to hold down prices.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. LODGE].

Mr. LODGE. Mr. Chairman, outnumbered and outarmed, but not outfought, American troops are making a heroic stand on Korea. I join my fellow citizens in the deep prayer that, by virtue of their sheer courage, our soldiers may be able to cling to a beachhead until adequate reinforcements in men and equipment are brought to their aid.

The dismal events of the last 5 weeks on that remote peninsula should convince every American that we can no longer temporize with the grave threat of Soviet Communist aggression. Surely, this is no time for business as usual—no time for politics as usual. On our willingness to incur certain small discomforts may well depend the opportunities and the freedoms which we now enjoy. This is a juncture in which America must be able to translate her

enormous latent strength into actuality; for, if we fail, the penalty may well be slavery or death.

The war in Korea is but the outward manifestation of an onslaught against freedom which has been in process for many years, and particularly since the year 1945, when our leaders threw away the peace. It is but the tip of the iceberg of Soviet aggression. Beneath the waves lies the great bulk of the forces of communism which, by external aggression, by infiltration, by bribery and corruption, by intimidation and coercion, have captured and enslaved 800,000,000 people. The Korean war is but the outward manifestation of Communist determination to achieve world domination. We should, therefore, be prepared for a series of such outbreaks in other parts of the earth where the free and Soviet worlds are in contact. There is no easy way out of these difficulties. Considerable sacrifices will probably be required by all freedom-loving peoples in order for us to win through. Given dependable and far-sighted leadership, the people will meet this challenge. We need men and women of vision in high places. For where there is no vision, the people perish.

The week before last, following the President's message on the Korean war, I said that I feared that the President had asked for too little and that I hoped that he would ask for more before events make it too late. This is an important election year. It is also a year in which our country stands at the crossroads of its destiny. It is unthinkable that at this hazardous hour any responsible national or State leader would attempt to tell our citizens anything but the full truth. To conceal, to minimize, to straddle and temporize at this fateful moment, is to place in horrid jeopardy the whole future of the American people. Our immediate objective is to repulse Communist aggression in Korea, to bring peace and freedom to this little Republic, which we helped to create, which we abandoned, and which we belatedly decided to defend, at great cost in American blood and treasure. On our ability to win in Korea may well depend a peaceful world. Our ultimate objective must be peace in a free world. In order to achieve this we must be in a position to mobilize our military and economic strength. We must guard against two foes: Communist aggression and that insidious enemy—inflation.

I am deeply convinced that the people of our country are ready to exert themselves to the utmost in order to bring our power into line with our commitments. I believe strongly that the people understand the nature of the challenge. Workers, farmers, scientists, industry, businessmen, professional men and women, are all anxious to play their part.

The President has asked for only limited controls. The Governor of Connecticut, who seeks to advise the President on this grave issue, cautiously suggests a half-hearted scheme of limited and "voluntary controls." The people of Connecticut, the people of the United States, have, in my opinion, been ahead of the Congress in their thinking, and the

Congress is ahead of the President and of the Governor of Connecticut. While our young men are meeting this dreadful threat with their life's blood, we should not seek refuge in dilatory tactics. This is no time for timidity; the future is now.

Our survival as a free people should not depend upon shallow expediencies, based upon paid surveys of public opinion in which a few loaded questions are asked of a minute fraction of our citizenry. This is no time to think of political careers. This is the time to submerge personal ambitions. This is a time for selfless rededication to the cause for which so many Americans gave their lives in World Wars I and II, and for which young Americans are now fighting and dying 7,000 miles away.

Let us then face boldly up to this danger, tell the people the truth and repose our confidence in the loyalty and ultimate wisdom of the people. Notable among those who have sounded the clarion call to action is the distinguished elder statesman, Bernard M. Baruch. Several Members of the Senate and House have also urged stand-by legislation which will provide for the mobilization of American resources for the defense of our Nation. In the words of Lincoln, let us prepare for the worst, even while we strive mightily to bring about the best. The time to prepare is now, not in some hoped-for future, when, our plans unshaped, our strength unmarshalled, we are helpless to cope with the gathering storm.

To that end I urge that the following steps be taken at once:

First. The Congress should immediately draft and enact stand-by legislation providing for the control of prices, wages, excess profits, and for rigid controls of all essential commodities in short supply. These laws should also provide for allocations of critical war materials on a system of priorities designed to insure fair and equal distribution to individuals and to industry, together with a steady flow of military equipment and supplies.

Second. Legislation to implement the program should in each case be drafted so as to permit frequent review by the Congress and should contain termination dates. In each delegation of authority, the legislation should become effective upon the passage of a concurrent resolution, in order that the people's representatives should have a reasonable control over the situation.

Third. In order to minimize deficit financing and combat inflation, taxes on incomes and profits must be increased. Insofar as practicable, the cost of this security program should be met currently and not postponed. This is desirable in order that we should not place a heavy burden upon future generations.

Fourth. Of vital importance to our Nation is the question of civilian defense. In accordance with a statement which I made several weeks ago, I again urge the Governor of Connecticut to activate without delay a comprehensive civilian-defense program based upon the lessons learned during World War II, designed to

implement the Hopley report and with whatever accommodations are necessary in view of the current situation. The people in the heavily populated industrial centers of our State should receive adequate protection. Safety of life and property must be assured.

Fifth. Communists and subversives should be required to register at once and reasonable restrictions should be placed upon their movements. It is unthinkable that we should be helpless to fight the enemy at home even while we are making sacrifices to combat the enemy abroad. Freedom does not include the freedom to destroy freedom. We cannot in all conscience draft Americans to fight against communism abroad unless we take the necessary steps to combat Communists at home.

Sixth. The Congress should remain in session during this critical period in order to provide the necessary authority and funds, and in order that funds appropriated by the Congress for defense purposes should not be impounded contrary to Congressional intent.

This crisis requires that we have in high places men and women who will inspire public confidence, and who have proven by their actions that they understand the nature of the Communist threat.

The confidence of our people has naturally been severely shaken by the administration's lack of foresight in its foreign policy, the ineffective weapons, and the poorly equipped troops, which were thrown into the Korean battle against staggering odds.

These restless events are far vaster than any individual or group of individuals. They are no respecters of persons. Those who were associated with the gross miscalculations of the past should be replaced by men and women of tested capabilities, who can and will do the job. General MacArthur said recently that in life there is no security; there is only opportunity. We Americans are today faced with a dire threat and with a heavy responsibility. We can take heart from the sure knowledge that our opportunities for useful service and for dynamic leadership are equal to these responsibilities.

Let us then grasp the nettle and plunge on to victory.

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

Mr. JAVITS. Mr. Chairman, I got into the Congress because when I was in the Pacific theater and in the Atlantic theater in the course of the war as a staff officer—not as a foxhole soldier or a hero—I hasten to add, but one of many others who served similarly, and saw what the men who were the foxhole heroes endured, I decided that if there was something that could be done about a better and more peaceful world I ought to do it. I do not think there was ever a time in my 4 years of service in this House when I felt that I was more completely carrying out my resolve and desire than this afternoon. Today we are sending men out to fight, and we are sending men out to be wounded or die,

we are sending out men also to stand the agony—and anyone in the House who served in the last war will agree with me in that—of long stretches under the fear of dying or being wounded. Now, under those circumstances it is no surprise that I think the American people are way ahead of their leaders in the things they are willing to do to defeat this Communist menace as we see it in Korea. For one thing, Korea has shown to the world and certainly to the people of the United States that the Soviets will resort to thinly disguised naked military aggression to effect their purposes. There was a lot of doubt about that before Korea. Would they try to infiltrate? Would they try to take over labor unions? Would they try to take over political parties? Would they try to foment general strikes? No one can be unclear on the point now. If they deem it necessary to their purposes they will go ahead with naked military aggression very thinly disguised today, tomorrow perhaps undisguised.

Now the American people have to choose, and the two available roads are very clear. First, they may proceed by imposing upon themselves the same restrictions and the same disciplines which they did during World War II in order to enable us to engage in a vast effort of preparation an effort in the magnitude needed to fight both on military fronts where necessary, as in Korea, and on economic fronts where essential in order to win this ideological struggle in which we are engaged. For we must not alone defend freedom, but we must also convince the peoples of the world who are still free that ours is the best system; that it is better than the Communist system and that it can produce infinitely more in goods and services and distribute them fairly. Or second—and this is to be emphasized—they may proceed to undertake a preventive war against the Soviet Union. It must be clear to all that the American people do not want a preventive war, but that they do want to sweat this one out—and win, and that therefore they have chosen the road of military defense and economic offense. This leads us to this one conclusion in respect to this bill; we have got to have not only what this bill provides, but we have got to have more—and that is the important point the American people understand—we have got to give the power to effect rationing and price control. We may have to give the power, too, of wage control, but I hasten to emphasize, we cannot consider wage controls without the corresponding imposition of excess profits taxes.

The American people have got to understand that if we want to do this job without a preventive war against the Soviet Union it has got to be done over a long time, that we are considering flexing our muscles today not for 6 months or a year but that we may have to remain in this posture, anywhere up to 10 years, yes, maybe for even longer. I think this is the most solemn thing that in this hour, this very critical hour, we have got to make clear to the American people.

I would remind those of my colleagues who feel that this bill is inadequate that the American people are deeply resentful of the fact that cost-of-living prices especially food prices are today at probably the exact peak they attained following the world war, that peak being attained in 1948; and they are still going, and going, and going; apparently there is no way to stop this spiraling cost of living except by intervention of the Government; hence the American people, in my opinion, are fully prepared for the intervention of Government by the imposition of controls. But it would be a sad travesty on our responsibility which we owe to them if we did not make it clear to the people that if they do want these controls and are willing to accept them—and I believe they are—they must be prepared to live under them for a very considerable period of time, in my opinion, probably as long as ten years. And that this is necessary if we are to win this struggle with the Soviet Union without a preventive war which will completely shatter the world, and which I believe the people do not want.

Now, one further thought, and this comes from my experience in my own district. Perhaps other Members will check it with their experience in the districts they represent. The people of America are very troubled about this situation and they look to us to act decisively in respect to it. I believe every incumbent in the Congress will find that what he does between now and the time that Congress recesses or adjourns in respect to this situation will be viewed most importantly in the eyes of his constituents.

The American people consider this as a time of crisis. They want us to take a heavy responsibility and to make, if necessary, onerous decisions. In my own view, they are willing to back us up if we act decisively. But if any show fear, if any do not believe the American people know the extent of the sacrifice that must be made, if they feel any are not ready to have faith and confidence in them in calling upon them for the full share of that sacrifice, then I believe they will repudiate those who show that fear at the polls this coming November, because they will feel that when faced with difficult decisions in an hour of trial those—and I believe they will be few—failed to measure up to it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. I yield 13 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Chairman, it is never possible to deal with so complicated a problem in a one-package bill. The temptation is to attempt it, but it would be utterly impossible. For example, no matter how earnestly we might hope to control inflation, and we do earnestly hope to control it, we do not know what the final outcome will be until we reach decisions with reference to taxes, whether or not we are prepared to increase taxes, whether or not we will consider excess-profits tax proposals, or what we will do with reference to the

sale of commodities by the Commodity Credit Corporation to release pressure in particular areas. No; it just is not possible for us to prepare all of the answers in this legislation.

I commend the gentlemen on my left who have attempted it, I am sure in good faith. They think that by adding the substitute to this bill that might be done.

The point I would like to make, and I remind my good friend the gentleman from Pennsylvania of this, is that there is a danger that ill-considered price and rationing legislation actually will discourage production. The price mechanism under the American system of free enterprise is often the greatest incentive. To withdraw it entirely might defeat its very purpose. So the thing for us to do, it seems to me from the thought I have given to this matter and listening to the testimony presented to our committee, would be to pass the committee bill in very much its present form.

Mr. Chairman, this bill was not hastily considered. For the time we had it, it was well considered. It was reported by the committee with only one dissenting vote. The committee considered the bill objectively. We deleted, for example, the first proposal to increase the reserves for building and loan associations. We deleted section 412 with reference to the Commodity Credit Corporation's power to sell commodities for less than parity. We made certain changes in section 411. The committee did a good job considering the limited amount of time we had.

The bill does include rather sweeping powers on the part of the Executive. The Congress has just given power to local boards and other agencies to take from American homes hundreds of thousands of men that will be necessary to win this war. I think sometimes that we are unnecessarily timid in an economic problem and fail to realize that the proposals are quite consistent with the sweeping powers we give to military authorities.

What are the three principal things in this bill? Surely no one can say we ought to hesitate about these three things. First, allocations and priorities; second, the requisitioning of plants and commodities and things that are needed and, finally, the V-loan program, involving the lending of money to little businesses and others that might participate in the stepped up military program. Those are the three principal objectives of this bill.

I regret to disagree with my good friend, the able gentleman from Michigan [Mr. Wolcott], when he speaks of the real estate provisions of this bill. Not long ago this House decided that there had to be some restraints, a modification of policy as to housing construction, and that is tough for a lot of people. But, we are deciding now that construction materials must go into armaments and into plants needed in the military program. It means sacrifice on the part of many people, but it is necessary because it has been in the construction industry, perhaps, that we had our most powerful inflationary pressure. Related is the whole problem of real estate credit.

For that reason it seems to me the provisions of this bill ought to stand pretty much as they are reported.

Another thing, if I might close on a positive note is that the stakes are high. I think that in the consideration of this bill the defeatist attitude is dangerous. The suggestion was made, Mr. Chairman, that this is either a policing action or start of a third World War. That is not necessarily true, it seems to me. It is, perhaps, technically a policing action; we do not want to quibble over words, but it need not lead to war. The best chance to escape a general war is to regard it as a phase of a long-range defense policy that encircles the globe. If our dedication is complete and if we act wisely in this respect, without tension and without panic, I am convinced that we can make the Korean operation an effective means of averting a world war.

Mr. Chairman, the other day the mother of General Deane came home. A reporter asked a question about her son, Did she still hope to see him? This lady, 70 years of age, the mother of one of our great fighting men, one of our leaders, said, "I still have hope that I will see my son, but I must remember that this is a period in which personal sorrow and adversity must be borne without complaint." And she added, "the suffering that comes from living in an unfree world is such that we ought not to hesitate to accept any of the denials and deprivations that go with our military program." Those were the words of the mother of a man reported missing in action. It ought to be the spirit of the whole people, and I think it is.

I agree with the gentleman from Alabama [Mr. RAINS]. I wish we heard his voice more often. I agree with him that the people are ahead of us in their thinking on this point. I think they are. Nevertheless, it is a time for calmness on our part. It is a time—I hope this does not sound like scolding, for that is not in my mind—this is a time to drop the incriminations, the tendency to say, Who is to blame for our difficulty?

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

Mr. HAYS of Arkansas. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I have heard several Members express the opinion that the people are far ahead of the Members of Congress, most of us, in their recognition of the world situation and its relation to ourselves and to our country. I think I can give testimony to that effect, because I was majority leader of this body in 1940 and 1941, and again I am majority leader in the present world situation. I am very proud of the state of mind of America today? It is entirely different than it was in 1940 and 1941. I can vouch for the fact as well as can other Members who were here in 1940 and 1941, for the changed public opinion. But, I can particularly say that as majority leader it was my duty to participate actively in the passage of the defense legislation in those days as well as now. I think the American people are to be complimented. I might also

say as majority leader that we can point with pride to the membership of this body; I am not necessarily comparing it with the other body but in this crisis and all through the past months the membership of this body has responded.

There is a profound recognition of the world situation. I think the Members of this body recognize that our people are insisting and demanding that we enact legislation that will not only meet any challenge against our Government and our way of life but will affirmatively operate to assure a continuance of our way of life and everything we believe in, not only for ourselves but for the peoples of countries to whom it is now denied. So I think I can testify and be a witness to the fact that the American people today are strongly demanding, they are not only in favor of but they are demanding the passage of legislation that will not only be for the national interest of our country but be the best assurance for future peace. As far as this body is concerned, there is a profound recognition of that public opinion.

Mr. HAYS of Arkansas. I am very grateful to my friend, the gentleman from Massachusetts, for this comment.

Mr. Chairman, I am very happy, of course, that the gentleman from Massachusetts interrupted because he did but-tress one point I wished to make. But it seems to me we can leave out of consideration any thought of who is to blame for our troubles. We have all made mistakes. There have been times when I would like to recall two or three of my own votes. I did not have the enlightenment needed when I cast those votes and they would be different if they were recorded today.

This brings to mind an old Sunday school lesson, one that I recall came to me in a little Baptist church down in the foothills of the Arkansas Ozarks. I recall it today as having a certain time-liness.

The Israelites were involved in a war with the Amalekites, and while they were in a campaign they left their women and children in the town of Ziklag. The Amalekites bypassed them and came to Ziklag and destroyed the city. They carried away the women and children and burned the city to the ground. According to this Old Testament story, when the children of Israel returned they found their city in ashes. Then, the story is, they wept, strong men wept. The king, the beloved King David, wept until, the Bible says, he "had no more power to weep." Then it was found that the people were saying, "Who is to blame?" Some said, "King David." They talked of taking his life. Hours went by before it occurred to them that no one of their own number was to blame, that the Amalekites were the ones to blame.

So it is not the Democrats or the Republicans or the Executive Department or the Congress who are to blame, though there are some who would blame the Congress. The blame is upon an evil idea. Partly to blame are those deceived and deluded people of Russia and the satellite nations who are the victims of an idea but primarily the offenders are

a power-hungry group who would overturn the free world, the rulers of the Kremlin.

I suggest, Mr. Chairman, that in this legislation and in all the legislation we consider we must remember that our enemy is not over here. We must try a little harder to work in that atmosphere of unity which brings us to recognize that an evil idea must be put down.

I really believe we are on the verge of great victories for a free world. In a sense it is fortunate for us that we have been alerted, for we were in danger of allowing aggression to take place here and there in little isolated spots, adding up finally to the loss of freedom everywhere. But the Korean aggression has aroused the free world. I insist again that our people are prepared to accept the sacrifices, among the first of which are those in this bill. Others will come.

If the Banking Committee does a good job, whatever happens as to the stand-by authority for the President, we must continue our work on control legislation. It is not completed. The people of this country must be given every evidence on our part that we are working in wisdom and unity and in the spirit of sacrifice ourselves to stabilize our economy and make it possible for military plans to go forward.

Mr. GAMBLE. Mr. Chairman, I yield to the gentleman from Michigan [Mr. SHAFER] such time as he may require.

Mr. SHAFER. Mr. Chairman, every day that the Fair Deal politicians in the Pentagon keep Gen. Douglas MacArthur from invoking censorship on radio and news dispatches from Korea means another day of greater danger to America and swifter death for our soldiers fighting there.

Several instances have been publicized already of how lack of censorship is playing into the hands of the left-wingers among our press and radio reporters and of how the North Korean Communists are benefiting by it.

One of these was most unfortunate. Several days ago it was purposely disclosed by the Information Section of the Department of Defense that we would have reinforcements in Korea in 18 days. This announcement was made purposely to confuse the enemy for it had been planned to have reinforcements in Korea in half that time and to have them in line fighting before North Korean Communists would know about it.

No sooner had the troops landed—the Second Division—on Sunday, July 30, than did Bill Costello, a CBS reporter, disclose the fact to the American people and, of course, to every Russian spy or radio monitor on earth, thus making it possible for the North Koreans to be prepared to receive the Second Division.

Not only this, but Costello and other radio commentators and news reporters pointed out that the troops were from Okinawa, thus disclosing to the North Koreans and to their wily Kremlin masters one of the strong points of war preparation in the Pacific area.

Such tragedies as this are commonplace in any war where strict censorship relating to military matters is not imposed. It is essential that the Fair Deal

politicians in the Pentagon must forget their politics in these critical times and do those things that must be done if we are to win the Korean war and save the lives of our soldiers who are fighting there.

Censorship is one of the most important phases of fighting a war. MacArthur should be given the authority to establish censorship in his discretion without delay. This Congress should insist upon orders to that effect.

In my opinion, broadcasts such as those made by Bill Costello Sunday night regarding the arrival time of the Second Division in Korea could be classed as giving aid and comfort to the enemy.

Mr. GAMBLE. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. KUNKEL] 25 minutes.

Mr. KUNKEL. Mr. Chairman, having served on the Committee on Banking and Currency all during the last World War, there were certain things which were impressed on me very strongly. A main one was that if you had any kind of freezing of prices and wages, it had to be done at a time when the prices and wages had been determined by ordinary, natural, economic causes and free-collective bargaining. I feel if we postpone action on prices and wages and services and on rationing, which is a necessary part of allocation—in fact the power to ration is included in the power to allocate—I feel if we let this time slip by, we will then be faced with the situation where the only remedy will be selective-price controls and selective-wage controls, if there are any wage controls. It will be then too late to balance and stabilize our economy.

In the back of everybody's minds must be the question: How serious is the world outlook and how serious will it become? Let us look at what we will surely be called upon to do now in the light of how much it may affect the economic conditions here at home and the future economy of the United States. I think we should first study and decide what is the best that can be hoped for judged in the light of the facts now at our command.

Even if the Korean operation is localized in Korea, it will require the establishment, which has already started, of a 5,000-mile line of supplies to Korea. Assuming—that we will hold the beach-head at Korea—it will require the landing of enough troops, military equipment, and supplies of various kinds to recapture South Korea by driving the North Koreans back to the thirty-eighth parallel.

At that time it will be necessary to make a decision on what further should be done, that is, seek to establish a unified Korean nation. It is necessary to replace the equipment taken out of Japan. It is necessary to send new and additional equipment in much larger volume than in the past to Japan to be there to protect that island in the future. It is necessary to activate certain units of our Navy to take part in the protection of Formosa and other islands in the Pacific. It is necessary to activate large parts of our merchant marine to transport these ever-increasing supplies. We must also establish sufficient forces here

in the United States to meet any additional threat which might break out in any other point in the world such as Yugoslavia, Greece, Berlin, or any of a number of other places.

In my judgment all that is a large order. It is going to place a strain on our economy which will reach far into the future. Therefore, we should take steps to meet this coming strain at a time when we can set up a stabilized economy as far as a stable natural economy can be set up under price control.

My good friend from Arkansas [Mr. HAYS] and others have mentioned that the price mechanism is a delicate thing, that it might disturb distribution and production to have controls. Price controls are always a poor substitute for the delicate natural operation of the price mechanism. That is true. But under the powers contained in my bill and in the administration bill and in other statutes already on the books, there are sufficient powers to assure production. When you come to the adjustment of distribution, when you come to channeling goods from one place to another, from the time when the raw product is marketed until they are manufactured and until finally they are sold on the shelf, in order to have those adjustments somewhere near accurate and effective to start, they must be made at a time when prices all along the line have been determined by natural causes. Then the natural flow already created will continue to guide goods to the right spot. That is one reason why I feel it is essential to enact price and wage controls at this time.

I have talked a great deal to various Members of the House. My considered judgment still supports the plan to freeze prices and wages by congressional action. But the sentiment seems to be preponderant that this should be done by giving the President stand-by authority to institute these programs. So, when my bill is submitted, I am going to change the policy declaration at the end of the first paragraph to read as follows:

It is further declared that it is necessary for the national defense and security, and to accomplish the objectives of this act that if the price and supply controls are invoked by the President, the wage controls authorized hereunder shall simultaneously be put into effect. It is further declared to be the policy of this act that all of the controls provided hereunder for the control of costs, including prices, wages, rationing, allocations and limitations, shall, insofar as practicable, be put into effect at the same time so that, for a period at least, there will be a general ceiling over the economy and a period of general stabilization during which it will be possible to determine with reasonable accuracy in what areas the continuation of controls is necessary and in what areas controls may safely be released.

My bill can be made a stand-by bill by changing section 4 (a), eliminating the words "There is hereby created" and substituting in their place the words "The President is hereby authorized to create."

There will be a further change in the termination date. While the date re-

mains the same—March 31, 1951—the act can also be terminated any time either by concurrent resolution or by Presidential proclamation. The language is exactly the same as that used in the Spence bill, only the date differs. There are some other changes designed to bring the other powers into line with war and defense needs in conformity with the language of section 18 of the Selective Service Act.

In this bill I have tried to combine wage, price, and services controls, and in addition, to provide as much of the power sought in the administration bill as could be done safely without giving powers that go beyond the present war needs or the authority in these fields conferred upon the President during World War II.

I have cut out the power to control commodity exchanges. Our experience in the last war demonstrated that they were willing to cooperate. In fact very shortly before the close of the war the Secretary of Agriculture said he did not want to have any controls over the commodity exchanges—that such controls were unnecessary.

I have put in the same exemptions that were contained in the old OPA Act; that is, for newspapers and professional services; for public utilities, which are determined by State regulatory rate-making bodies; and for insurance rates, which is also determined by State regulatory bodies.

I have cut down the vast power over credit contained in the Spence bill to consumer credit strictly, eliminating real-estate credit, and also eliminating that broad general grant of credit which would probably permit the President to control even personal loans between two individuals, as the gentleman from Michigan [Mr. Wolcott] pointed out today. As a matter of fact, the gentleman from Arkansas [Mr. HAYS] referred to the fact that you should have this real-estate credit, because you might want to use it to channel goods and materials away from building and into some kind of war production. There is absolutely no need of that because my bill gives the full power to allocate and to establish priorities. Hence if these goods and materials are needed the President can channel them under that specific power to allocate. I am sure my bill includes the three propositions that the gentleman from Arkansas just said were absolutely essential plus these two which I think are essential to put into effect now because if we do not do this now, then the time when a natural point of stabilization can be arrived at will have passed.

In my bill as introduced in the committee I had the date line as approximately the present, between July 24 and 28. I have changed that to June 10 and 25; that is the last 15 days in which we had a strictly normal economy. I talked to Mr. Baruch about that specific point and he said that most of the mark-ups which had occurred in the intervening time—and this was confirmed by others with whom I discussed it—had been mark-ups in inventories, so that there

would not be much of a squeeze in attempting to make a roll-back to that period assuming this was done soon enough. Of course, every day that goes by without freezing prices, wages, and services adds to the danger. I think the two insertions I have made in the declaration of policy put it clearly up to the President to act quickly with the intention clearly stated that Congress feels that this ought to be done at once. The other declaration reflects the judgment and thinking of most of the Members with whom I have talked on this specific subject. I feel and they feel that you ought to tie wages, prices, and services all up in one package and freeze them all at one time. This is relatively less objectionable now than it normally would be, because most of the major large wage contracts do not expire until after the expiration date of my bill.

The bill is not perfect. I have been trying to perfect it day after day. I am sure that it will go a lot further toward accomplishing the purpose of preserving and protecting the consumer from undue price rises and at the same time preventing the socialization of America than will the administration bill.

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

Mr. KUNKEL. I yield.

Mr. KEATING. Would it be a fair characterization of the gentleman's bill to say that it includes most of the powers given to the President in World War II but excludes those in the administration bill brought here now which were not given to the President in World War II?

Mr. KUNKEL. That is correct.

There is one thing I should call attention to—the elimination of the power to requisition facilities. The power to requisition commodities, and so forth, is kept intact. Under section 18 of the Selective Service Act the President, under present law, has the power to requisition facilities for war purposes and defense purposes; he has that power already under existing law, except that instead of having the particular power to do it under any circumstances at his own discretion, it is limited to where he does it for strictly war purposes and needs.

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

Mr. KUNKEL. I yield.

Mr. CRAWFORD. Does H. R. 9283 make price control applicable only at the wholesale level?

Mr. KUNKEL. No, it covers retail and whole prices and also services and wages. Under the method prescribed in section 206 the administrator can unloose ceilings at the retail level. That section gives the administrative authority to issue the orders, rules, regulations and adjustments needed.

Mr. CRAWFORD. Under section 206

Mr. KUNKEL. Yes.

Mr. CRAWFORD. In the control on ceilings applicable to services, if wages are controlled, wholesale prices are controlled, retail prices are controlled, why do you not control the charges made by professional people, for instance, doctors,

dentists, lawyers? Why should they be exempt?

Mr. KUNKEL. If the gentleman wishes to offer an amendment to do that he may. As a matter of fact, I was trying to make this conform as closely as possible to previous OPA legislation. As a matter of fact, the exemptions in this bill are slightly less. Certain ones were left out.

Mr. CRAWFORD. What I am trying to get at is the equity of the case. Upon what ground under a condition of this kind should a lawyer or a doctor or dentist or any professional person have his chance to go ahead and advance his fees against the consuming public when everybody else is making their contribution by subscribing to the control? What is the argument in favor of it?

Mr. KUNKEL. The argument advanced is that there is no set fee for services rendered by doctors, lawyers, etc. Therefore it is administratively impossible to regulate their fees. As I say, I hold no brief for that one way or the other. This was taken from the previous OPA Act. I think the exemption of public utilities and insurance is sound on the ground there is State regulation already.

Mr. CRAWFORD. I would not argue against that. May I ask the gentleman this question: In the absence of a control on wages, how can production be maintained under price control when wages are moving upward?

Mr. KUNKEL. The only way they can be maintained is by a constant increase in the price by the administrator.

Mr. CRAWFORD. So that you do not then have price control?

Mr. KUNKEL. You do not have price control, no.

Mr. CRAWFORD. We went through all that in World War II in the previous OPA hectic days, because a new production would come into the picture, such as the production of new types of clothing and new types of ready-to-wear, whether house dresses, baby shoes or whatnot; a new processor comes into the picture and he can charge higher prices because he never sold any production at the previous price. So when he came into the picture he would push his prices up and the consumer would have to pay. That is the experience we had, is it not?

Mr. KUNKEL. Yes.

Mr. CRAWFORD. And as wages increased, the old processor could not push his prices up because he had a historic background of a certain price level; therefore it was a mechanism that promoted new prices in that field and washed out the old prices. Did it not happen exactly that way?

Mr. KUNKEL. To a considerable degree, yes. There were other phases of it where it was difficult for new processors to get into the field because they could not get allocations under the historic-use features of allocations. So the new man was shut out there.

Mr. CRAWFORD. Well, let us take this example: Old processor A is pushed out of business completely. His plant becomes for sale or for lease. A new processor comes into the picture. He

makes a differently designed article, and he sells it at a higher price, at \$15 a dozen instead of \$12 a dozen, whether overalls, cotton socks, or what not. Those were the experiences we had all over the country. Take the case of the house dress manufacturer, the lady at Kansas City, who had worked up there to 3,500 employees. She was selling dresses at from \$2.98 to \$4.98. She could not sell those for \$3.25 or for \$5.50. But the new fellow could come into the picture and sell them for \$9.98. Now, who was protected? It was the one who slipped in under the wire.

Mr. KUNKEL. I do not think you can handle that problem entirely by wage control.

Mr. CRAWFORD. The point I am making is that the increase in wages becomes a factor because it increases the price of the material as well as the wages that go into the product.

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

Mr. KUNKEL. I yield to the gentleman from Texas.

Mr. LUCAS. I should like to inquire of the gentleman if he has incorporated in his bill all of the suggestions that were made by Mr. Baruch?

Mr. KUNKEL. Yes. I talked to him over the telephone and I also received a letter from him. He suggested a change in the date of the base period, moving it forward to June 10 to 25. I did that. He suggested making it the highest price instead of the lowest price during the base period. Inasmuch as I decided to put the basing period back I thought that was an excellent change also. He also suggested cutting out the exemption for people employing less than eight people. I accepted that. These were really all of the substantial suggestions he made.

As I understand Mr. Baruch's point in respect to stand-by controls, he is still of the opinion, and so am I, that it would be better to do it all at one time. On the other hand, he believes it is much better to have this type of bill on the books even in stand-by form than to let the general principles involved fail because of the rather widespread objection to this one feature.

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

Mr. KUNKEL. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Would the gentleman inform the House as to the deletion of rent control from the bill? Does he consider our present rent control bill adequate to do the job, or will we require another?

Mr. KUNKEL. I think it will require some amendments to the rent control law. The one I have in mind as being necessary in order to conform both with the new situation with the policies embodied in the present rent control bill would be to give the Rent Control Administrator power to put controls into effect at the base period level in all areas where there has been an influx of people and a shortage of houses created since June 25, 1950. In other words, he would be given power to control when

and where shortages arose since then, but yet keep substantially to the same policy expressed in the rent control bill which the House passed.

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

Mr. GAMBLE. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. MONRONEY. It is not the gentleman's idea then to leave rent control out of the over-all control?

Mr. KUNKEL. No.

Mr. MONRONEY. Because it would be impossible, I am sure, to do what the gentleman has in mind if you leave that big percentage of the consumer cost of living out from under.

Mr. KUNKEL. Definitely that has to come in. As the gentleman from Michigan [Mr. CRAWFORD] has pointed out, in an over-all program of this nature an excess profits tax should be included. The longer that is postponed the greater the inequities resulting will be because you cannot have retroactive taxation. So, that, in my judgment, should be done very quickly also. It should be part of this new tax increase bill.

Mr. MONRONEY. In regard to the questioning by the gentleman from Michigan [Mr. CRAWFORD] I understood you to reply that your bill did not include real estate credit restrictions when, as I read your bill, it carries practically the same real estate credit restrictions which the ranking Republican Member of the Committee on Banking and Currency has objected to so strenuously.

Mr. KUNKEL. Which bill does the gentleman have?

Mr. MONRONEY. H. R. 9283.

Mr. KUNKEL. That is the credit control cutback?

Mr. MONRONEY. As I read the bill, it refers to consumer credits.

Mr. KUNKEL. Yes.

Mr. MONRONEY. But in the definition of consumer credit it means any credit extended to a business enterprise for the financing or purchasing of goods for resale.

Mr. KUNKEL. I think the gentleman left a "not" out in reading that.

Mr. MONRONEY. Yes, I thank the gentleman. In other words this does strip out then any control of credit whatsoever excepting the consumer credit of the regulation W type.

Mr. KUNKEL. If it comes down to a question whether controls are necessary, that is referred to in another section of the bill.

Mr. MONRONEY. I think the gentleman has overlooked a great point of inflation, sales of real estate, which takes rental housing off the market, because previously there was no credit control on the resale of housing, and therefore you lost your housing supply because anyone could sell his house at two or three times its original price. The gentleman does not think that any real controls are necessary at this time?

Mr. KUNKEL. I think we can get along under the existing ones.

Mr. MONRONEY. I am unable to understand, with the testimony that we have that 60 percent of the real estate

financing is completely outside of the Federal program, in an effort to control inflation in that field which is highly speculative and which responds first to inflationary tactics, why the entire matter of real estate credit should be held so sacred and be deleted from the bill. I was intending to compliment the gentleman for including it until he called my attention to the fact that I have overlooked a "not" in that section of the bill.

Mr. KUNKEL. I do not think that it should be included. Certainly, if it were, we would have to work it out very carefully so as not to interfere with the VA and FHA, and limit it along those lines.

Mr. MONRONEY. VA and FHA are already under some type of control. But you are leaving 60 percent of the financing out, which happens to be the part that the National Real Estate Board objects to, at the very time when we are calling out reserve divisions of Marines and the Forty-fifth Division of the National Guard of Oklahoma, which was called into active service this afternoon; yet some way, somehow, the credit on real estate becomes so sacred that it is the thing that is stripped from the bill. I would like a clearer explanation of that.

Mr. KUNKEL. The bill is restricted to consumer credit.

Mr. MONRONEY. Does not the gentleman realize in going so far as to take in wage controls and every other type of control that he exempts this vast amount of inflationary credit simply because someone seems to object to it? If the gentleman is designing his bill to restrict the inflation and the expansion of credit on an unwise basis, we should ignore that. Can the gentleman tell us if this is a part of Mr. Baruch's recommendations?

Mr. KUNKEL. No. All of this part was taken from the Spence bill with limitations placed upon those provisions. It is not included in the recommendations of Mr. Baruch.

Mr. MONRONEY. It seems to me on reading this bill we have stripped out everything that has to do with real estate, including rent controls and including credit controls on the sale of real estate. I am tremendously worried about the situation. If we are going to call this an over-all price-and-wage-control bill, and yet we find that we have set out one segment of the economy to operate exactly as it pleases—

Mr. KUNKEL. I think the gentleman will agree we have to deal with rent control separately.

Mr. MONRONEY. I just wonder if perhaps that is more important than dealing with the wage thing and dealing with the farm thing, and also dealing with the over-all control of prices. I am in complete sympathy with the gentleman's attitude toward the urgency of this situation. However, the thing that worries me, having gone through this with the gentleman over a period of a great many years, is the fear that in order to get something done immediately that the country seems to wish we will enact a bill that has not been properly considered line by line and page by page, and we will have a bill that, because of

language that might not be clear, will not work. I have listened to this debate carefully, but I am inclined at the moment to feel that we should by all means go forward on the credit control proposition, which has been heard, and have the Banking and Currency Committee stay on the job either a week or two weeks to decide exactly what should be done on this matter of over-all controls and rationing.

I see no difference at the moment between the gentleman's bill, with the exception of the deletions from the second portion of his bill, and the bill the committee has studied and reported. I just wonder if it would not be best to have more hearings. The committee has not yet heard Mr. Baruch.

Mr. KUNKEL. We certainly tried hard to get more hearings.

Mr. MONRONEY. Does not the gentleman think, however, that in an effort to stop the first outbreak of fire we had better get there with a few buckets of water and then decide whether it is a three-alarm fire instead of a one-alarm fire?

Mr. KUNKEL. We are trying to get there with five or six buckets under my bill instead of the three buckets provided under this administration bill.

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

Mr. KUNKEL. I yield to the gentleman from New York.

Mr. JAVITS. Does the gentleman feel that his substitute needs any additional provision for management of this whole mobilization effort? All that is provided in the committee bill, and I ask the gentleman if the same is carried over into his bill, is that the President can redistribute whatever powers he feels the various departments ought to have.

In short, does the gentleman believe we should set up now a mobilization production board to parallel the War Production Board of World War II?

Mr. KUNKEL. The Office of Inflation Control specifically is mentioned, to be set up in the Executive Office of the President. The President can delegate, or the administrator can delegate, powers and duties.

Mr. JAVITS. In other words, you will have the President free to set up a specialized agency under your substitute?

Mr. KUNKEL. Yes; and I should think it would be necessary in view of the experience of price control in the last war. We must realize that there are certain elements which only the administrator of price control, or inflation control, or whatever you call it, can take care of. It is a large and tough assignment.

Mr. JAVITS. So the gentleman does contemplate a special agency for that purpose?

Mr. KUNKEL. I definitely contemplate a specialized agency for that purpose, particularly as my bill includes the power to ration at the retail level.

Mr. JAVITS. So that we are talking about another OPA?

Mr. KUNKEL. Yes.

Mr. JAVITS. Thank you.

Mr. HUGH D. SCOTT, JR. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. HUGH D. SCOTT, JR. As I understand the administration bill, there is no provision for price control or rationing or wage control, but the gentleman's bill contains these provisions?

Mr. KUNKEL. That is correct.

Mr. HUGH D. SCOTT, JR. May I ask the gentleman what, in his opinion, will happen to the cost of living if the administration bill passes without the inclusion of the Baruch plan or the gentleman's bill, or some such similar provision to freeze the inflationary forces which are already at work in this country? What happens if we just pass the administration bill?

Mr. KUNKEL. As time goes on, you will have the price structure get more and more out of kilter and more and more dislocated—that is, assuming you accept my premise that we are in a world situation which is going to require a heavy burden on this country even if it turns out most favorably. Of course, if the dangers and difficulties grow, the burdens will increase correspondingly. So that, as time goes on, you will have the price structure getting more and more out of kilter as the days and weeks pass. For that reason I think legislation should be passed at once.

Mr. HUGH D. SCOTT, JR. Does the gentleman think that the Truman bill, which we have before us, would really stop the hoarding of sugar and the buying of automobile tires and the rush for whatever happens to be left in the shops without the imposition of these controls?

Mr. KUNKEL. No. Until we have some kind of rationing and controls we are going to have this rush. Fortunately the best advice I can get is that most commodities are in good supply, particularly food commodities, as the gentleman from Georgia pointed out earlier in the afternoon; and I believe our supplies will stand up in most cases, that this buying is scare buying. While it is the natural judgment of people on world conditions, it is not indicative of a real scarcity of supplies in the present or near future.

But unless you make plans to set up a plan of action at some time in the immediate future, there will come a point—I do not know when—when it will get completely out of hand.

Mr. HUGH D. SCOTT, JR. My point is that the administration bill does not go far enough for that purpose.

Mr. KUNKEL. The Administration bill does not even contemplate any action along that line at all. Why, for example, there is a proviso in it which prevents any use of rationing at the retail level. That is specifically prohibited in the administration bill. Yet it is a key power, if there is to be any real control of the demand side of the supply-demand equation.

Mr. HUGH D. SCOTT, JR. In other words, the administration was too little and too late on the war front, and now they are being too little and too late on the home front?

Mr. KUNKEL. That is what we are trying to prevent them from being. I do not want to get into a political argument on this. Someone on the other side said there is no use trying to assess blame

for what has happened to date. I am convinced from the condition now existing that we had better take action if we want to curb inflation and get out of the tight spot in which we find ourselves.

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

Mr. KUNKEL. I yield to the gentleman from New York.

Mr. DOLLINGER. Does the gentleman admit that rent control and excess profits taxes are necessary to curb inflation?

Mr. KUNKEL. I stated it emphatically. It was not a case of merely admitting.

Mr. DOLLINGER. Would the gentleman say it is necessary that that be done at this time?

Mr. KUNKEL. I think the sooner you put on excess profits taxes the better. They should be put on coincidentally with the present bill. They should be included in the coming tax bill.

Mr. DOLLINGER. The gentleman realizes that rent controls will expire on the thirty-first of this year—on December 31—and that we should do something, either by the gentleman's bill or any other bill to make certain that rent control is enacted?

Mr. KUNKEL. I think you should take that up separately, as I have said. Of course there is not the immediate rush for that because you do have rent control now in effect and will have rent control in effect until December 31. To have placed a rent-control extension title in this bill would have complicated the picture and gained nothing, because rent control is still in effect.

Mr. DOLLINGER. Why could it not be put into one bill? It will help to curb the inflationary practice.

Mr. KUNKEL. If you have a rent-control bill along the lines of all the other rent-control bills that were passed, you will have to give the Administrator power to recontrol where it is necessary, and I think you will have a great deal of trouble with a rent-control bill that did not take into account the policy embodied in the rent-control bill previously passed by the House. I think you would have a relatively simple time if you amended that bill along the lines I have suggested.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. KUNKEL. I yield.

Mr. HAYS of Arkansas. I would be glad if the gentleman would give some further thought to adopting the committee bill and then pose that simple issue before the House as to whether or not discretionary power should be granted to the President. For example, the gentleman has deleted this power to requisition plants on the theory that authority is already there under the Selective Service Act.

Mr. KUNKEL. And my bill also includes section 3 of the old RFC Act. That is included in my bill.

Mr. HAYS of Arkansas. But would you have that difficulty regarding compensation? The gentleman remembers that in the committee we provided that 75 percent of the Government's appraised price should be immediately paid

to the owner. I am not sure that your provisions for compensation and appraisal under the other statute would be as liberal as under our bill. I am simply suggesting that the gentleman might give some thought to it, because I think there is every reason for thinking constructively on this thing and getting it in as acceptable shape as we can. Does the gentleman remember what provisions there are in the RFC statute and the selective service statute for compensation?

Mr. KUNKEL. No; I do not, but I think the gentleman from New York [Mr. COLE] could answer that question.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. KUNKEL] has again expired.

Mr. GAMBLE. Mr. Chairman, I yield the gentleman one additional minute.

Mr. KUNKEL. I yield to the gentleman from New York [Mr. COLE].

Mr. COLE of New York. With respect to the authority vested in the President to take over plants under the Selective Service Act, it is my recollection that he is authorized to pay to the plant owner whatever price the President determines to be adequate and fair. If the plant owner is not satisfied, later on he can sue for the difference, but the determination is with the President as to the amount that is to be paid.

Mr. KUNKEL. Then, if there is a dispute, the plant owner gets the full amount of what the President decided he should have. Of course, that is more liberal than the provision in the present administration bill.

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

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. ADDONIZIO].

Mr. ADDONIZIO. Mr. Chairman, this is indeed a sad day for me. Little did I think when I was fighting the bloody battles of World War II in Africa and Europe that so soon, 5 years later, I would be called upon to vote money to carry on another war. Neither did I suspect that I might be registering a vote in favor of taking some of the liberties of our democracy away from businessmen and consumers. But that is just what I am going to do and I will do it proudly. I want to tell you why.

Through the courageous action of our President and Commander in Chief, we have taken positive and direct action to eliminate a communistic sweep throughout the world. The action in North Korea may be the start of world war III. Certainly it will be unless we promptly bring the full force of our tremendous might to stamp out the blaze which is now raging there.

Unfortunately, perhaps, we are a peace-loving nation. We have tried to demonstrate this fact by the way in which we have reduced our Military Establishment to a purely defensive level. But our desire for peace has only whetted the appetite of Russia for faster conquests and emboldened her to order the use of military force.

If this move is put down vigorously and decisively we can perhaps discour-

age the use of force in other areas of the world. If it is not, I fear to contemplate the kind of future we must face.

I, like almost every one of my colleagues on the floor of this House, am eager for the opportunity to vote for each and every measure which will strengthen the security of the United States and increase the insecurity of our enemies. I want to give the administration all the authority it needs to bring the Korean trouble to a prompt and decisive end. If H. R. 9176 does not accomplish that, I shall support any reasonable amendment to achieve that end. I wish to emphasize, however, the legislation we are considering was not dreamed up on the spur of the moment. Three weeks elapsed during which the President and his advisers worked day and night reviewing existing problems, the prospects, and what was needed to deal with them. They tried to figure out ways in which to handle the Korean situation using the normal processes of the free-enterprise system. They hoped and prayed they could avoid the use of Government controls. But they found they could not.

They found that more manpower was needed. They decided they had to draft men and call up reserves.

They found that more munitions were needed—planes, guns, tanks, electronic equipment—all kinds of offensive and defensive weapons. They decided they had to make a limited draft of the products of industry—plant, equipment, and materials.

Recently with almost no hesitation, we lifted the limit on the size of the Armed Forces and extended the period of service on men now in uniform by 1 year. Earlier upon the request of the Commander in Chief, we promptly authorized the draft of men into uniform.

Personally, I would much prefer to draft a sheet of steel, an aluminum ingot, a bar of copper, a machine tool, or any other inanimate object to fight the war than I would to draft a man. And I do not see how any Member of this House who voted to draft men could fail to vote to draft materials.

The President's request for authority to control credit and his requests for tax increases are intended in part to influence consumer spending and decrease demand. Credit controls and tax increases will help to relieve pressures on critical resources and thus aid military procurement. Nevertheless they alone are inadequate to deal with a problem as big as the one before us.

At a time like this the need of the military for things to fight with—things to protect the very lives of the boys we are drafting—must come ahead of the need for the latest model automobile, refrigerator, electric stove, and the other things which make American life so enjoyable. But these things are not the essence of the American dream. We do not hesitate to stint ourselves in the effort to protect the precious intangibles that make life worth living for free men.

And so we have no alternative but to give the President the authority to say whether, for example, steel is to be used

to make mechanized weapons or mechanical toys. To do this he needs priority authority.

At the same time we give him authority to curtail consumer demands we must give him authority to cut industrial demand. We must give him the power to limit the demand for highly critical raw materials by limiting the quantities of given types of nonessential civilian end products which are produced. To do this he needs allocation authority.

Partly to back up his authority and partly to cut legal red tape involving legal impediments to sale, differences of opinion about values, and foreign ownership, we must give him authority to requisition materials, products, and property needed to support our men in uniform.

Finally we must give him authority and tools with which supplies of things needed for fighting can be increased. These include both materials and facilities. Our small business concerns are in a position to be of tremendous help in this connection. But often they need financial help to finance larger inventories, to expand plants, and to convert to war production. Financial assistance in various forms is therefore needed.

As I study the program proposed by the President, I find it to be a moderate, well-considered, balanced plan for dealing with the situation which now confronts us. I am confident that it is adequate to the task at hand. Whether we should grant the President standby authority of a more sweeping nature seems to me to be definitely a secondary issue. If the emergency should become more acute, or if the economic dislocations are even more severe, then I know that the Congress would not hesitate to act quickly and decisively. Thus I have no objection to voting standby powers, but I do not feel that is the critical issue. What is urgent is that we give the President power he has requested so that he can meet the problems before us. I therefore register my vote in favor of this legislation.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, it seems to me there has been a lot of fencing here today, and a lot of talk, and very little difference in opinion as to what should actually be done.

As our distinguished chairman very aptly said to the Rules Committee yesterday, everybody apparently is in agreement with the principle of this bill, but each one objects to its application to himself. That is the theme of the debate, as I see it, as it emanates from the minority side of the House.

You were told a moment ago that the gentleman from Pennsylvania [Mr. KUNKEL] is going to amend his proposed substitute so that there will be stand-by controls instead of mandatory immediate controls of wages and prices.

Now, let us take the two bills for a moment and get down to cases.

H. R. 9176, as reported by our committee, with a vote of 20 to 1, has several subtitles; one is priorities and allocations,

The proposed substitute that is going to be offered to you from the Republican side at page 37 has the title "Priorities and Allocations." H. R. 9176 has as title 2, "Authority to Requisition." The same title appears on page 37 of the proposed Republican substitute except that they add the word "rationing."

Title 3 in H. R. 9176 is "Expansion of Productive Capacity and Supply." The same title appears at page 24 of the proposed substitute. Title 4 of H. R. 9176 is "Control of Credit and Commodity Speculation." Page 33 of the proposed substitute carries the title "Control of Credit." Title 5 of H. R. 9176 is "General Provisions," and the same title appears on page 40 of H. R. 9283, which we were told will be the Republican substitute.

Who is being kidded here? I do not think we are on our side of the aisle; I do not think the American public is going to be kidded very much by the similarity of titles.

What do they actually propose to do in this substitute? The commodity exchange representatives came down here and told those of us that commodity exchanges should be excluded from control. Do not touch speculation, they say. Is there anyone in this House or anywhere else who will not admit that the first element of inflation is speculation? Why should not that be the first thing to control?

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

Mr. MULTER. Gladly.

Mr. PACE. I am just seeking information. If there is a ceiling price on a commodity, would speculation affect the price beyond that point?

Mr. MULTER. If there is a ceiling price then, of course, there should not be any speculation. At the same time I can easily conceive of a condition where there might be speculation despite the ceiling price. We know from past experience that when you fix a ceiling price everything goes up to the ceiling although theoretically things could sell at less. They seldom do, however.

We are told that in the proposed substitute that will be offered they are going to eliminate this commodity speculation provision which was put into H. R. 9176. Remember that H. R. 9176, while prohibiting commodity speculation, in so many words does permit legitimate hedging. But still they take out the language of H. R. 9176 and actually put into the proposed substitute even stronger language. If you will look at section 207 of the proposed substitute, and I am referring to H. R. 9283 which was introduced only yesterday, you will find this language:

Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this title, he may, by regulation or order, regulate or prohibit, with respect to any article, speculative or manipulative practices, selling, marketing, or inventory practices.

So the language of the proposed substitute goes even further than the language of H. R. 9176. It goes so far, if you please, that it actually vitiates the powers presently vested by existing law in the Federal Reserve Board, in the

Securities Exchange Commission, in the Home and House Finance Agency and even those powers established the Commodity Exchange Act itself.

What else do they do here? They tell you they are going to control consumer credit. Under this proposed substitute they eliminate real-estate credit because the real-estate interests told us "Do not control us, let us alone, control everybody else." It has already been forcefully pointed out that you must control real-estate credit if you are going to have effective controls. They tell us the substitute will control consumer credit, but only such consumer credit where the agreement calls for two or more installment payments. They are not going to control charge accounts. All you need to do if you want to evade such controls of consumer credit, as set up in the proposed substitute, is to go into any store and say: "I want to open a charge account. I agree to pay my charge account every 30 days, but actually I cannot do that. I will pay it in two or more installments." Therefore your consumer credit provision as written in the proposed substitute is a farce and accomplishes nothing. You will have to go back to the language of 9176 if you do want to control credit, particularly consumer credit.

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

Mr. MULTER. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Has the Government ever before put in any control of real-estate credit? In the entire history of the country has it ever been done before?

Mr. MULTER. My answer to the gentleman is, it matters not whether it has been done before. We have never before been faced with the crisis that we are facing today. The question is, What shall we do now to save the economy of the country and to save the freedom of the world?

Mr. NICHOLSON. We are not in an all-out war. We are in a proposition of defending Korea; that is all.

Mr. MULTER. Oh, no. We are not merely defending Korea. We are now defending the liberties and the freedoms of the peace-loving people of the world. We have to set up laws and procedures now by which we can save this country from the onslaught of the subversive and destructive forces that we know will be leveled at us in the days ahead.

Mr. NICHOLSON. So in doing that we sacrifice all of the liberties that we have in this country, so far as real estate is concerned or the right to enter into a contract with somebody to buy a house is concerned.

Mr. MULTER. We are sacrificing no liberties when we take these steps to preserve our liberties. The credits and the real estate you talk about are no less precious than the lives our boys are called upon to sacrifice.

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

Mr. MULTER. I yield to the gentleman from New York.

Mr. KEATING. Does the gentleman contend that we are in a greater and

more serious emergency than we were in World War II?

Mr. MULTER. No. I am saying that we are now preparing against such an emergency, we are now taking the steps that must be taken so that we do not get caught short in the days ahead. We are doing now, what must be done in order to save our economy from the forces that will be exerted against us in days ahead.

Mr. KEATING. Does the gentleman not feel that the controls we had during World War II should be sufficient for the present emergency?

Mr. MULTER. We are not enacting those controls now.

Mr. KEATING. The gentleman, I take it, favors the enactment of all controls which were enacted to control our economy during World War II?

Mr. MULTER. With the right given to the President to use them when he thinks the time calls for it.

Mr. KEATING. Does the gentleman contend at the other end of the pole that greater and more extensive controls should be granted now than were granted at the time of World War II?

Mr. MULTER. I do not concede that we are granting any greater controls now than we did then.

Mr. KEATING. The gentleman means in the bill offered by the committee? The gentleman's contention is it does not go further than the extension of controls during World War II?

Mr. MULTER. That is my contention; yes.

Mr. KEATING. With regard, for instance, to the control of credit, there never was a general control of all credit in World War II, was there?

Mr. MULTER. You mean that we did not control all credit but we had the right to control all credit. All we found necessary was to have regulation during most of those days; nevertheless, the right existed to go way beyond that, if necessary.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. BUCHANAN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MULTER. Mr. Chairman, who else wants to be excluded from the terms of this bill? Big business wants exclusion and the proposed substitute for the committee bill will exclude big business.

Under the title of requisition and allocation, the proposed substitute will limit those powers to "articles and commodities." The committee bill provides "plants and facilities" as well as "articles and commodities" may be allocated and may be requisitioned when necessary.

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

Mr. MULTER. I yield to the gentleman from New York.

Mr. KEATING. Does the gentleman contend, then, that the provisions in the Selective Service Act, which we have already adopted, are not sufficient to take care of the requisitioning of facilities and plants?

Mr. MULTER. I so contend, because the provisions there apply only for the national defense, and if you cannot find

that the national defense requires requisitioning under that act the President may not requisition.

Let me call your attention to this, too. In H. R. 9176, the declaration of policy refers to the fact that this bill will enable us to protect the national security of the country and also enable us to carry out our commitments to the United Nations and other foreign commitments such as those under the Atlantic Pact. One Member earlier in the day got up and said he did not like that; he was going to move to strike it out and he was going to substitute for it the declaration of policy as contained in the proposed substitute H. R. 9283. When we look at page 3 thereof, we find the declaration of policy says:

To enable the Government to provide for the national defense and to carry out our foreign commitments made in conformity with the Charter of the United Nations and other foreign commitments.

It is in that connection that we need these present new powers of requisition and allocation as contained in H. R. 9176. If any of our commitments to the United Nations or under the Atlantic Pact or any other foreign commitments that we have duly made necessitate requisitioning, the President should have the power that we give him under H. R. 9176 to requisition big-business plants, if necessary, big-business facilities, as well as articles and commodities that are usually found in the hands of the small-business man.

There is one other item here. Our bill will control consumer credits and real-estate credits, and under the powers given to the President under this bill there will be no attempt and there can be no attempt at evasion. Under the emasculated provisions as written into the proposed substitute, which uses the same titles but somewhat different language, it creates many loopholes. You will have all sorts of evasion and avoidance of the principles that everybody agrees should be enacted into law.

Mr. KEATING. Mr. Chairman, if the gentleman will yield further, do I understand that in the so-called Deane substitute that contains all of the provisions of the original administration bill, that is, the committee bill, plus provisions for rationing, price control, and wage control? Is that a fair analysis?

Mr. MULTER. I believe that the proposed Deane substitute contains all of the provisions of H. R. 9176 plus an additional title calling for mandatory wage and price controls at this time. Is that right, may I ask the gentleman?

Mr. DEANE. Not mandatory, but stand-by.

Mr. MULTER. By the time you get through with the proposed Kunkel substitute and the proposed Deane substitute I think they will be somewhat alike, at least as to wage and price controls.

This is a good bill as presented by our committee. If you think you can make it a better bill by adding stand-by price and wage controls, then add them. But do not do it with weasel words. Do it in plain and simple language that will accomplish what we intend.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. DOLLINGER].

Mr. DOLLINGER. Mr. Chairman, it must be conceded that the present time of great stress can become at any moment a time of grave crisis. Only by taking every precaution and laying a firm foundation of constructive defense plans now, can we be assured of successfully meeting the crisis, should it come.

Let us not forget that the great conflict for the preservation of our freedom and our very lives has begun. The aggression which would deprive the Koreans of their liberty is a threat to our very existence, and a stern warning that a long period of work, sacrifice, and hardship is ahead of us. It is of vital importance that the aggressor who would destroy freedom in the world be convinced that we are solidly united in our aims and endeavors here; that no sacrifice is too great; and that the deprivations we are called upon to bear will be borne cheerfully, in the name of liberty.

This is no time for wishful thinking, inefficiency, or lack of vision. We must call into use all our resources, the maximum efforts of brains and brawn—rekindle in every heart, love and patriotism for our great country, and tackle effectively the tremendous job that we have to do. Our men who are now giving their lives in battle are entitled to know that we have a strong and impregnable home front and that every citizen is cheerfully meeting the demands placed upon him.

Confusion must be avoided at all costs. The people are looking to us, their Representatives, to point the way for them. We are charged with the responsibility of taking every necessary measure to meet at once the demands as they arise. Adequate defense calls for economic as well as military strength. All-out preparedness is more to be desired than to be found vulnerable; the morale of our people will be maintained at a high level if we give them a workable program of defense now—and we cannot take action too soon.

The bill before us for consideration would answer part of that need. However, it falls far short of adequacy. The importance of controls over production and credit is recognized. But we must go much further. In my opinion, the President should be given stand-by controls over all prices, rents, and rationing. Time is a vital factor toward any victory, and we must be ready for complete economic mobilization at any given moment.

We should benefit by our experiences in World War II. You will recall that price controls were not put into effect until long after the emergency, and it was necessary to roll back prices. Prices on necessary commodities are already soaring. Controls of production without price control mean inflation and resulting hardship to the millions who cannot afford to meet the increased prices of essentials. You have all read countless stories of the hoarding

which has already begun. It does no good to try to assure the people that hoarding is not necessary. It is going on now at an alarming rate and shortages will soon be upon us unless we provide necessary safeguards. Without them, those who are willing to be sensible will suffer unfairly because of the selfishness of the hoarders. Rationing protects all, and conservation of necessities is another step in the structure of defense.

Our present rent-control law is useless in the face of a wartime emergency. Again we can profit by our experiences of only a few years ago and provide adequate protection for the countless persons who will find themselves homeless if we do not remember them now. A strong, adequate, Federal rent-control law is a must.

If we enact comprehensive stand-by laws now, which could transform our economy from a peacetime basis to a wartime basis the moment it becomes necessary, we will only be using the foresight our people expect of us. It simply is not possible at this point for us to be too well prepared—for anything. Only by meeting every problem and emergency just as soon as it is upon us, can we hope to win the bitter conflict of ideologies now under way.

Profits must be taken out of war. An excess-profits-tax bill must be passed at once. This is one time business must assume its proper burden; business cannot be let alone so it can make huge profits while men die in the hills and rice paddies of Korea. Profiteering must be stopped—not when it is too late—but now.

Inconvenience, sacrifice, deprivations, let us have them. What a small price to pay for that most precious heritage which is now so critically threatened—liberty.

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

Mr. DEANE. Mr. Chairman, I take pride in my membership on the House Committee on Banking and Currency. I admire and have a great respect for the keen minds and the loyalty of the members of that committee.

Digressing for a moment, I feel that I express the sentiment of each member of our committee and this House when I say that, while wishing him great success as he goes into other fields, we are going to miss very much our beloved friend and a member of our committee the gentleman from Oklahoma [Mr. MONRONEY].

I hope I may not be classed as a deserter of our committee in offering a substitute bill H. R. 9280 which I feel goes to the heart of the problem we face in the country today in view of the present economic emergency.

I am inserting in the RECORD here photostatic copies of editorial comments from representative newspapers in various sections of the country indicating that we should be realistic in the legislation before us. These observations to which I invite your attention clearly indicate that. We should take an addi-

tional step and provide for price and wage controls.

[From the Birmingham (Ala.) Post-Herald of July 28, 1950]

STOP INFLATION NOW

From two eminent sources, Congress and the country got two varieties of advice this week about what economic actions are made necessary by the world crisis in Korea.

One variety came from President Truman and his Council of Economic Advisers. It filled a 160-page printed book, replete with charts and tables of statistics.

Its substance was that the actions already taken or proposed by Mr. Truman are sound and adequate to the present situation.

The other variety, filling 15 typewritten pages, was read by Bernard M. Baruch to the Senate Banking and Currency Committee.

Its theme was that Mr. Truman's actions, taken or proposed, though good as far as they go, are gravely deficient in that they don't go far enough to mobilize the country and to stop inflation.

Mr. Baruch warned against trusting "the futile, illusory hope" that the Korean crisis will pass off without upsetting us too much.

That crisis, he said, is bigger than Korea. The "final area of decision" is not there. Another world war may yet be averted—but only through far greater effort than thus far has been proposed.

For we are lagging in a race against an enemy who has mobilized and armed for war while America and other free nations disarm. Even if the Korean affair did blow over, we still would have to mobilize and arm, or invite aggression elsewhere.

But mobilizing and arming on the scale not imperative will require vast Government spending, increasing already serious inflationary pressures.

They call also for Government priorities, such as Mr. Truman has asked on materials and productive facilities. And once the Government steps into the market with enormous demands, requiring quick priorities, it starts an inevitable chain reaction.

Those from whom the Government takes materials will seek to replace them, bidding up prices to get what they want. So control of prices will become necessary. But price controls won't work well or fairly without rationing. And price controls will prove ineffective if wages and other costs are left free to rise.

Therefore, Mr. Baruch told Congress, it is Government's urgent duty to place a ceiling over the entire economy—a ceiling on prices, wages, rents, food and all other costs—to eliminate profiteering and to ration scarce essentials.

And to do that at once, instead of deliberately refusing "to lock the stable door until after the horse is stolen." For "the right time to stop inflation is always now. * * * It will never be easier to do than now."

Like many other Americans, Mr. Baruch fears concentration of power in the Government and too great dependence of the people on the Government. But, he said:

"The gravest threats to preservation of the American system today are not Government controls. They are military defeat abroad and further inflation at home. What could make people more dependent on Government than inflation?"

If the value of savings is destroyed, he pointed out, with it will go the ability of individuals to care for themselves. If some are permitted to profiteer at the expense of many, the people's confidence in justice will be sapped, leaving grievances for the politically unscrupulous to exploit.

He further advocated taxes high enough to eliminate profiteering and cover all defense costs, postponement of all nonessential Government spending, and fast steps to organize America for all-out mobilization.

Ten years ago, in another growing world crisis, Mr. Baruch began giving President Roosevelt and Congress and the American people that self-same advice.

Looking backward now, it's plain to see that the limited amount of his advice then followed promptly has proved wise.

But to a great extent his advice was disregarded, or followed by degrees too little and too late. And for that fact this country and its people have paid, and still are paying, a fearful price.

This time, let's heed the lessons of experience.

[From the Cleveland (Ohio) Plain Dealer of July 31, 1950]

CONTROLS, MILD OR DRASTIC?

The most important issue before Congress at this time is the determination of the character and extent of the Government controls which should be imposed on the domestic economy in view of the increased military expenditures which are necessary at this time and which may be required in the future.

Bernard Baruch, America's distinguished statesman without portfolio, has expressed the belief that complete controls should be applied immediately to materials, wages, prices, and profits, and that rationing should be invoked for scarce essentials, or those likely to become scarce.

The extreme opposite viewpoint is that the war effort can be maintained satisfactorily merely by a voluntary system of allocating raw materials and other facilities where they will be needed.

A middle-ground program has been submitted to Congress by President Truman. It calls for allocation and priority authority, credit restrictions, and Government loans to finance business expansion for war production.

In the long run, the extent and nature of the controls that are required will be governed by the proportion of our total production that must be devoted to defense. That, in turn, will be determined by the military situation throughout the world. If the war in Korea remains localized, and no others like it break out, we can probably maintain a state of readiness, or partial preparedness, for an indefinite period without imposing drastic controls over the civilian economy. But in the event of more incidents on the Korea model, or a general war, the situation would be entirely different.

This newspaper believes drastic controls should be avoided if that is at all possible. Production can be achieved much more quickly and efficiently in a free economy than in a controlled one. Moreover, we know from recent experience how reluctant bureaucratic officials are to relinquish controls when they are no longer necessary.

Therefore, unless the war situation grows worse, what is more needed at this time, we believe, are higher taxes and strict limitations on bank credit and installment buying. These measures would have the twofold effect of helping to put the Nation on a pay-as-you-go basis, which is the surest way to avoid inflation, and of curtailing the demand for civilian goods, which would facilitate the smooth operation of a system of priorities and allocations for military production, avoid shortages of civilian goods, and reduce pressures for price increases.

We must recognize, however, that in the event of a general world war, mild controls would not be sufficient. And of this we are certain, that if the military situation should require the imposition of drastic controls, such as those recommended by Baruch, they must all be put into effect at the same time.

But whatever type of controls is adopted, they must be accompanied by a sharp curtailment in Government spending for non-defense purposes, if a serious disruption in

the economy of the Nation is to be avoided. There should be a complete suspension of Government spending for all projects which can be deferred. There must be more evidence than there has been to date of a sincere desire on the part of Congress and the administration to make a substantial reduction in Government spending that is not related to the war and rearmament.

In this connection, the administration might very well give thought to a revision of the European aid program from a civilian to a military basis. We have gone a long way toward helping the nations of western Europe restore their civilian economies. Today the threat they face is no longer economic collapse but armed aggression. Perhaps the time has come to give western Europe guns instead of butter. But we should insist that those we aid should help themselves and should also contribute whatever they can to the fighting war in Korea.

[From the Hartford (Conn.) Times of July 27, 1950]

MR. BARUCH'S BLUEPRINT

President Truman is asking for certain controls and alterations in the present economic set-up to meet the demand for expansion of our military forces and to offset the financial effects of greater Government spending. These changes include credit controls, allocation powers covering scarce materials, and increased taxes. He has not asked for excess-profits taxes or for price controls.

Exercise of these new powers may enable us to hold the line. If they do not, Mr. Truman says they will at least make the next steps easier and that all preparations for such steps have been made. "If it should become necessary," he says in his economic report, "I shall without hesitation ask the Congress for the grant of the powers to implement these further plans, whether for complete economic mobilization or for further intermediate action, depending upon the need."

To Mr. Bernard Baruch, however, there is no warrant for such a gradual approach to the problem. Mobilization is a familiar problem to him. He has served as a Presidential confidant and public adviser through two world wars and has made a specialty of national preparation to meet a military crisis.

Like any other good planner, Mr. Baruch has a program adequate for circumstances of the gravest nature. His differences with the President's program lie in the degree to which he deems it essential to interfere immediately with the normal factors in our economy. He would go all out at once.

The elder statesman tells the Senate Banking Committee that the time is already here for "an all-over ceiling across the entire economy—over all prices, wages, rents, fees and so on, with high enough taxes to prevent profiteering and pay all defense costs, and an all-embracing system of priorities."

This is total mobilization, at least so far as the whole economy of the country is concerned. Probably Mr. Baruch would not contend that we have yet reached a stage of total war but he evidently believes that our financial and industrial status should be the same as it would be if we were facing a foe on every front.

It is not likely that Congress will adopt this viewpoint. Nor is it essential that it should, provided—and this is a proviso of imperative urgency—we have economic scouts on the job capable of reporting the approach of even a creeping inflation.

Although he does not ask for them now, the President presumably would not object to stand-by powers in excess of anything he intends to use immediately. These, however, the Congress will be most reluctant to grant. Probably a Presidential request for them would precipitate a partisan battle we

can ill afford just now. The alternative is that Congress remain on the job and that the executive branch keep it alerted to all inflationary tendencies. Also there should be an advance agreement among the leaders as to what should be done if the time arrives for more drastic curbs on prices, wages, credit, civilian use of scarce materials, or the normal tendency of production to seek the channels of largest profits.

Mr. Baruch thinks we already face the choice of total economic mobilization "or of clinging to petty wants and petty profits, imperiling our freedom and our civilization." If such a choice does not actually confront us, it may very well be just around the corner. If we are wise, we will be fully prepared to meet it on short notice. If it comes, there is no question that something closely resembling the Baruch blueprint should be adopted as our program of national action.

[From the Atlanta (Ga.) Constitution of July 28, 1950]

FOR ALL-OUT MOBILIZATION—NOW

Better than most of those in Washington, the people are aware that half-measures invariably result in a half-way job.

We now are trying to prepare the country for possible all-out war with half-measures, both military and economic.

The people are confused. Being at least 6 months ahead of official Washington in their thinking, they are ready now to begin whatever sacrifices may be necessary to insure victory should the Soviet Union attack.

Congressmen are aware of the growing sentiment in this direction. Yesterday the House Banking Committee defeated by only one vote a proposal for full economic controls.

Bernard Baruch, elder statesman and adviser to Presidents, has told Congress he believes full mobilization of all our resources is necessary. Mr. Baruch's thinking is in line with that of nearly all economists and military leaders. Only a few days ago Representative CARL VINSON, of Georgia, chairman of the House Armed Services Committee, cried that Mr. Truman's partial mobilization measures fall far short of our need. Both Mr. Baruch and Mr. VINSON long have held the opinion the country's defenses were being allowed to deteriorate beyond the margin of safety. It was his criticism on that point that brought about the break between Mr. Baruch and the President.

The people, we firmly believe, are fully ready to accept Mr. Baruch's program of total mobilization, including price controls, wage controls, rationing, rent controls, and all other measures needed to channel the country's full productive capacity into war goods and supplies.

That would mean regimentation, but regimentation in an emergency is the only means of insuring against discrimination. Moreover, there are few among us who would say that regimentation, of limited duration, would not be preferable to defeat at the hands of the Communists.

Mr. Truman, in opposing all-out mobilization at this time, finds himself in the strange company of Senator TAPP, Republican, of Ohio. The integrity of neither is to be questioned. But the weight of evidence is against them.

The President has made one point clear. When controls are imposed they will be complete. Mr. Truman has made it plain he realizes wage controls must go along with price controls, rationing, excess-profits tax, and other measures. All are necessary to a balanced wartime economy and as assurance that one group does not profit from mobilization at the expense of others.

We do not know when Russia will attack. But if the Soviet Union wanted peace it

could be assured of it. That Stalin has not called off the war in Korea means the masters of the Russian people have not changed their avowed determination to dominate the world. The poor state of our defenses is shown in the almost daily reverses in Korea. It will require the concerted energy of the Nation to rebuild them to the point of safety. We already have waited too long. The people are ready. They merely wait on a lagging Congress and a reluctant President.

[From the Indianapolis (Ind.) News of July 27, 1950]

SHALL WE DO IT NOW?

Shall we do now what we know will have to be done later?

That is the question, and the honesty and degree with which it is met may decide this Nation's entire future.

Bernard Baruch, the elder statesman, posed the question, and also gave its corollary: "or shall we fumble and falter and invite defeat."

The American people, as so often happens, are ahead of the President and Congress, this newspaper believes, in understanding the gravity of the hour.

Some Members of Congress, it is true, realize it; Senator HOMER E. CAPEHART spoke for them when he asked why an emergency isn't declared and when he warned there is no way of telling how long America must be on a war footing—"it might be 10 years or 25 or 100 years, I can't tell."

Congress undeniably is faced with a difficult decision: Should it go along with President Truman's program for industrial allocations and credit controls without rationing and wage and price controls? Or should it heed Mr. Baruch, who resolutely told the legislators that the President's plan does not go far enough.

The reasons put forth for total economic mobilization are compelling ones. The real danger, he warns, is not Government control but military defeat abroad and inflation at home. And it is true that the President's program proposes a system of priorities over production, yet it does not provide for controlling prices and other costs. And that unquestionably is inviting more inflation.

"It may be argued that the menace of inflation is not so frightful today," Mr. Baruch said, "since we are not yet at war. Actually the danger is greater."

What is needed, he told Congress, "is an over-all ceiling across the entire economy—over-all prices, wages, rents, fees, and so on, with high enough taxes to prevent profiteering and to pay all defense costs, and an all-embracing effective system of priorities."

Is Mr. Baruch right? Must the Nation completely control its economy? Even if he is not correct on every point, his program unquestionably is sounder than the administration's.

While President Truman acted with courage and foresight in calling the Communist bluff and in asking for higher taxes, he cannot sever himself altogether from his political background. He would like to settle for both guns and butter, just as many a Congressman would, and just as some citizens mistakenly believe is possible.

If we have learned anything from past wars, we should know that the longer we delay cutting away peacetime fat and comfort, the longer we defer the equality of sacrifice and effort that is required, the harder the job is later on.

As Mr. Baruch says, "experience has taught us that when the Government steps into the market with such enormous demands requiring such quick priority, you must control all prices, including wages, rents, foods, and other costs. This is not a pleasant outlook. Neither is that of the young man who has

to go to battle. He risks all. Those who remain at home are called upon only to have less comfort."

It is far easier to agree with the adviser to Presidents that, before peace is won, we shall have to come to total mobilization, than it is to follow the faction that would try piecemeal adjustments. That simply isn't possible in this dread day of the atom.

[From the Louisville (Ky.) Courier-Journal of July 27, 1950]

WE MUST MOBILIZE NOW OR WE IMPERIL ALL

The gloomier the news from Korea gets, the more we must marvel that the Nation continues to turn a doubting ear to the advice of Bernard Baruch. And even if the news should suddenly improve, we face, as President Truman and Senator TAFT and just about everybody has said and knows, long years of meeting the requirements if not of world war at least of world defense.

President Truman, it is true, has acted with political courage and statesmanlike foresight in asking Congress for prompt action now in raising taxes, an inevitable follow-up to the enlarged armed forces necessitated by the Korean war and its global implications and ratified quickly enough by Congress. Heavier personal taxes, heavier corporation taxes, and sharp excess profits taxes are demanded by even partial mobilization, and we do well to accept that hard fact now.

But, as Bernard Baruch has tirelessly reminded us between wars, at least three-quarters of the effort required to wage modern war must be civilian. We may not now have the many years of detailed planning without which no major war can be fought efficiently, but such time as we have should not be frittered away in wistfully inactive agreement that of course we will do thus-and-so when and if events show thus-and-so is needed. Two world wars have given us a clear outline of what the present situation calls for, and Mr. Baruch is quick to urge Congress to meet it: All-out economic mobilization now, the better to expedite that all-out military mobilization toward which we must build and plan as fast as danger demands that we should.

The real danger, as Mr. Baruch says, is not Government control but military defeat abroad and inflation at home. We must organize ourselves—"all our resources of men, money, materials, and morals—so that whatever happens—new aggressions abroad, possible destruction at home—whatever happens, the Armed Forces can get what they need when they need it, with the least necessary dislocation of the civilians."

What this involves, of course, is "an overall ceiling across the entire economy—over all prices, wages, rents, fees, and so on, with high enough taxes to prevent profiteering and to pay all defense costs, and an all-embracing effective system of priorities."

We learned that in the last war. Now, with a small-scale war already burning and the prospect of global war sharp in the minds of us all, we still show reluctance to believe that we must begin to cut away our peacetime fat and comfort if we are to have muscle strong enough for the job. The limited powers sought by the President under the Defense Production Act of 1950 are, as Mr. Baruch told the Senate Banking Committee, not enough; indeed, in piling a system of priorities on top of a necessarily huge military spending program, with no provisions for price control, they constitute an invitation to inflation.

We hope that Congress this time will listen and act with speed and wisdom. If we win the next war we can end excessive governmental controls when we please—but without them we are in mortal danger of losing that war. And who then, except Soviet academi-

cians, would be interested in how and why it was that we mobilized too late?

[From the Birmingham (Ala.) Post-Herald of July 29, 1950]

THE MODERATION FRONT

President Truman said rightly that price and wage controls and rationing should start simultaneously—if danger of inflation makes them necessary.

But, he makes it clear, he does not think them necessary now.

He continues to hope his present program will keep them from becoming necessary. That program includes:

A new \$5,000,000,000 tax bill, which Congress will take some weeks to pass; a heavier tax bill, which he says should be enacted after the November elections; Government power to curb consumer and speculation credit; reduction of nondefense Government spending wherever feasible.

In addition, his economic report this week called for voluntary measures against inflation—for businessmen, consumers, and labor to practice moderation, refrain from hoarding or avarice, and avoid inflationary wage demands and strikes.

Let's see, then, how goes the battle on the "moderation" front:

The day Mr. Truman's economic report reached Congress the Government daily spot index of wholesale prices for 28 commodities had risen 3 percent in less than a week, 10 percent in the last 4 weeks.

That same day the Dun & Bradstreet wholesale food price index hit \$6.49—up 8 cents in a week to its highest point since September 1948.

Despite Agriculture Department efforts to hold them down by selling Government's stored stocks at a 200,000-bale-a-week clip, cotton prices had jumped about \$26 a bale since Korea.

The Wall Street Journal reported "gray marketeers" demanding premiums of 100 percent or more for steel; savings-bank deposits tapering off as one effect of "war-scare buying;" moneyed people, seeking refuge from coming higher taxes, bidding up prices of tax-exempt bonds.

The Federal Reserve Board reported Nation-wide department store sales the week of July 15 were 46 percent above a year ago; the greatest increase on record.

Milk prices rose in Chicago, Dallas, New Jersey, and New York City, where the increase was a cent a quart in groceries, a cent and a half home delivered. Manufacturer's prices for Camel and Cavalier cigarettes went up half a cent, retail prices a cent.

The United States Labor Department reported an all-time peak of average hourly wages in manufacturing industries—\$1.45 an hour. Machinists and toolmakers at 6 Reynolds Metals Co. aluminum plants struck for higher pay.

And a whimsical Washington (D. C.) grocer decided to see how silly hoarders could get. He put up big signs offering 5 pounds of sugar for 98 cents, almost twice his price the day before, and sold 800 pounds in 4 hours.

Congressmen in growing numbers lack Mr. Truman's faith in voluntary measures and indirect controls.

Republicans on the House Banking Committee tried Thursday to write Bernard M. Baruch's proposal for price-wage controls and rationing into the administration's pending defense production bill.

The committee defeated their effort, but by a vote of only 10 to 9.

Mr. Baruch has urged Congress to order price-wage controls and rationing started without delay. If Congress won't go that far, he says, it should at least write authority into law right now, then keep it

ready for Mr. Truman to use instantly if and when he changes his mind.

Congress would be exceedingly wise to do just that.

For Mr. Truman may find it necessary to change his mind suddenly and soon.

Certainly the menace of inflation is far more serious today than it was on November 17, 1947, when he demanded from an emergency session of the Republican Eightieth Congress immediate price-wage control and rationing powers. Or than it was on January 7, 1948, when he repeated that demand although a period of deflation was then already under way.

Three of us in the committee voted for a bill offered by the gentleman from Pennsylvania [Mr. KUNKEL], not with the idea that it was perfect but in order that the committee might work its will in bringing to this floor legislation that would be comprehensive.

My bill, which was distributed to the offices of the Members this morning, is H. R. 9280. It will carry every provision contained in the committee bill, H. R. 9176 except the addition of this language in the declaration of policy:

It is the objective of this act to provide the President with authority to accomplish these adjustments in the operation of the economy. It is the intention of the Congress that the President shall use the powers conferred by this act to promote the national defense, by meeting, promptly and effectively, the requirements of military and other programs in support of our national security and foreign-policy objectives, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use.

H. R. 9280 which I am offering as a substitute differs from the latest Kunkel bill, 9283, in these important parts. The priorities and allocations in both the Kunkel bill and my bill are the same.

As to the power to requisition, my bill is the same as reported from the committee. The bill offered by the gentleman from Pennsylvania [Mr. KUNKEL] is limited to commodities and articles.

The expansion of productive capacity in both bills is approximately the same.

As to the control of credit and commodity speculation, my bill provides for the regulation of consumer credit, housing credit, and commodity speculation, as reported by the committee. As discussed here on the floor this afternoon, the bill offered by the gentleman from Pennsylvania provides only for consumer credit.

Someone may ask who wrote the so-called Deane bill, H. R. 9280. I have studied carefully the statements made by Mr. Baruch. I have also advised with the former distinguished Member of this body, the Hon. John Sparkman. I advised at length with the legislative counsel and the loyal clerk of our committee, in trying to bring together the additional title V, which I feel is representative of the thinking of the American people today.

I cannot help but see in my mind at this time the picture we saw in the morning Post of soldiers from this area leaving for camp. Many of us, no doubt all, are disturbed mentally about the situation. We should not lose a single opportunity to draft into legislation comprehensive control over wages and

prices. To that end I propose to submit H. R. 9280, my bill, with title V, as a substitute unless there is offered by the committee amendments that will take care of the provisions included in title V of my bill because I feel that the time is here when we should seriously come to grips with the problem.

Mr. Chairman, I feel that we would actually defeat the purpose of our committee bill if we did not add those provisions that would make available the stand-by authority vested in the President to control wages and prices.

TITLE V. DEANE BILL

I outline here the provisions of title V of my bill, the title that is not included in the committee bill:

TITLE V—PRICES AND WAGES

NOTICE OF INTENDED PRICE INCREASES

Sec. 501. The President may by regulation or order require sellers of any commodity which significantly affects the cost of living, the costs of industrial or agricultural production or of construction, or the costs of national defense or foreign aid to give up to 60 days' notice to the President prior to the effective date of any intended price increase with respect to any such commodity. After the issuance of any such regulation or order, no price increase shall become effective for the specified commodity without the giving of the notice required by the regulation or order and until the expiration of the period required to be specified in the notice. The President may require any seller who has filed such a notice to appear at a public hearing with respect to the justification for such price increase. At the expiration of the period required to be specified in the notice, the price increase may become effective, unless prior thereto a maximum price for such commodity is established pursuant to this title. If a maximum price is not so established prior to the expiration of the period required to be specified in the notice, that fact shall not preclude the establishment at a later date of a maximum price for such commodity in accordance with this title.

CONDITIONS FOR ESTABLISHING MAXIMUM PRICES

Sec. 502. The authority granted by this title to establish maximum prices for a commodity shall not be exercised unless it is determined by the President that—

(1) the price or prices of such commodity have risen or threatened to rise at any time after June 1950 to such an extent as to affect significantly the cost of living, the costs of industrial or agricultural production, or of construction, or the costs of national defense or foreign aid;

(2) other measures available under this act would not promptly and effectively deal with the rise or threatened rise in prices in a manner consistent with the purposes of this act;

(3) the proposed action will help to carry out the objectives of this act as stated in section 2.

DECONTROL

Sec. 503. Whenever any authority is exercised under this title, the President shall periodically review the conditions of its exercise for the purpose of assuring the removal of such control at the earliest practicable date and, to the extent that he determines that the continued exercise of such authority is no longer necessary to effectuate the purposes of this act, he shall immediately rescind such controls.

STANDARDS FOR ESTABLISHING AND ADJUSTING MAXIMUM PRICES

Sec. 504. (a) Whenever in the judgment of the President the conditions set forth in section 502 for the establishment of maxi-

mum prices for a commodity have been satisfied, the President may by regulation or order establish such maximum prices for the commodity as, in his judgment, will be generally fair and equitable and will aid in effectuating the purposes of this act. In establishing any such maximum price, the President (1) shall, so far as practicable, ascertain and give due consideration to the prices generally prevailing in June 1950 (or if, in the case of any commodity, the prevailing prices in June 1950 are not generally representative because of abnormal or seasonal market conditions, or other cause, then to the prices prevailing during the nearest period in which, in the judgment of the President, the prices for such commodity are generally representative for such commodity) and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability; and (2) may consider, among other factors which he deems relevant, speculative fluctuations, unusual price relationships, and the level of costs of production, distribution and transportation: *Provided*, That no such regulation or order shall contain any provisions requiring the determination of costs otherwise than in accordance with established accounting methods.

(b) Before issuing any regulation or order under the foregoing provisions of this section, the President shall, as far as practicable and appropriate, advise and consult with persons who, in his judgment, are representative of the industry which will be subject to such regulation or order, and shall give consideration to their recommendations. In the case of any commodity for which a maximum price has been established, the President shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order, appoint an industry advisory committee or committees, either national or regional or both, consisting of such number of representatives of the industry as in his judgment may be necessary in order to constitute a committee truly representative of the industry, or of the industry in such region, as the case may be. The President shall from time to time advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein, and shall consider any recommendations that the committee may submit.

(c) After the issuance of any regulation or order establishing a maximum price under subsection (a), the President may on his own initiative or at the request of the industry advisory committee, established under subsection (b), review and, when he deems necessary, revise the maximum price or prices established by such regulation or order. In making such review the President shall consider, among other factors which he deems relevant, changes in the costs of production, distribution, and transportation since the establishment of the maximum price, and the level of profits earned by sellers of the commodity or commodities.

(d) Every general regulation issued under the foregoing provisions of this section establishing a maximum price or prices for commodity shall be accompanied by a statement of the considerations involved in the issuance of such regulation. This requirement shall not apply to modifications of any such previous regulation where the President determined that justification for such modification is adequately covered by previously published statements of consideration.

(e) Whenever in the judgment of the President such action is necessary or proper in order to effectuate the purposes of this act, he may, without regard to the foregoing provisions of this section, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any com-

modity or commodities during such period subsequent to June 1, 1950, as the President shall specify; but any such temporary regulation or order shall be effective for not more than 90 days, and may be replaced by a regulation or order issued under the foregoing provisions of this section.

(f) The President shall make an adjustment for hardship to a seller caused by a maximum price established under this section, if in the judgment of the President such adjustment is necessary to prevent gross inequities and can be made without impairing compliance with the provisions of this title and the effectiveness of the regulation.

(g) Whenever in the judgment of the President such action is necessary or proper in order to effectuate the purposes of this title, he may, by regulation or order, regulate or prohibit manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, which in his judgment are equivalent to, or are likely to result in, price increases inconsistent with the purposes of this title.

AGRICULTURAL COMMODITIES

Sec. 505. (a) No maximum price shall be established or maintained for any agricultural commodity below a price which will reflect to producers of such commodity the parity price, as determined by the Secretary of Agriculture, or, in case a comparable price has been determined for such commodity under subsection (b), such comparable price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials); and no maximum price shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the parity price or comparable price, as so determined.

(b) For purposes of this title, in the case of any agricultural commodity other than the basic crops—corn, wheat, cotton, rice, tobacco, and peanuts—the Secretary shall determine and publish a comparable price whenever he finds, after investigation and public hearing, that the production and consumption of such commodity has so changed in extent or character since the parity base period as to result in a price out of line with parity prices for basic commodities: *Provided*, That comparable prices heretofore determined by the Secretary may be used for the purposes of this title.

(c) Whenever a maximum price has been established, under this title or otherwise, with respect to any fresh fruit or any fresh vegetable, the President from time to time shall adjust such maximum price in order to make appropriate allowances for substantial reductions in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such commodity.

(d) Nothing contained in this title shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provisions thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such act.

WAGES

Sec. 506. (a) The adjustment of wages, salaries, or other benefits (hereafter referred to as wages) through collective bargaining to reflect increases in productivity, to protect and improve standards of living, and to afford an equitable distribution between wages and profits, is in accord with the policy of the United States. This title is not intended to modify this policy, but rather to

further the objective of preventing price increases which tend to destroy economic stability and correspondingly to destroy the value of the wage earner's dollar.

(b) The President is authorized to establish a Temporary Wage Board, hereinafter referred to as the "Board." The Board shall be composed of six members, to be appointed by the President, two of whom, including the Chairman and the Vice Chairman, shall be representative of the public, two representative of employees, and two representative of employers. For each member of the Board the President shall appoint an alternate member who shall serve as a member of the Board in the absence of his principal. The Board shall be within the Department of Labor, but shall be independent of the Department of Labor with respect to its decisions.

(c) An increase in wages granted by an employer who produces or processes a commodity for which a maximum price is in effect under this title may not be considered as an increase in cost of production for the purpose of adjustments in price ceilings under section 504 (c) until 6 months after the effective date of the wage increase, except to the extent that the wage increase has been found by the Board to be necessary for one or more of the purposes specified in subsection (d). A wage increase or prospective wage increase may be submitted to the Board at any time, under procedures to be established by the Board, for a determination under subsection (d).

(d) When an increase in wages or a prospective wage increase has been submitted to the Board, it shall be the duty of the Board to determine whether the wage increase or any portion thereof is necessary for one or more of the following purposes: (1) To compensate for increases in the cost of living, or (2) to correct inequities in the wage structure, or (3) to correct standards of living, or (4) to maintain essential production at levels certified by the President. The decision of the Board shall be rendered as expeditiously as possible after receipt of the application. Decision shall be by the majority vote of the Board.

(e) Members of the Board representing the public shall receive compensation on a per diem basis when actually employed at the rate of \$15,000 per annum and travel expenses as authorized by section 5 of the act of August 2, 1946 (5 U. S. C. 73b-2), for persons so employed. Other members of the Board shall serve without compensation but shall be entitled to transportation and subsistence as authorized by said section for persons so serving at a rate of \$25 per day.

(f) Service of an individual as a member of such Board shall be exempt from the provisions of sections 281, 283, and 284 of title 18, United States Code (Public Law 772, 80th Cong.), and of section 190 of the Revised Statutes (5 U. S. C. 99).

(g) In the exercise of the authority conferred upon the Board by this act it may issue rules, regulations, and orders, and include therein such provisions as it finds are reasonably necessary to exercise its functions hereunder.

(h) The President may transfer and delegate the function, power, authority, and discretion conferred on the Board by this section with respect to salaries, and wages of agricultural labor as defined by the President in regulations, to such departments and agencies or officials of the Government as he may deem appropriate.

ADMINISTRATION AND ENFORCEMENT

SEC. 507. (a) The protest procedure set forth in section 203 of the Emergency Price Control Act of 1942, as amended, shall be applicable to this title, except that protests may be filed only within a period of 60 days after the issuance of the protested regulation or order, or, if such protest is based solely on grounds arising after the issuance

of such regulation or order, within a period of 60 days after such grounds arise.

(b) The Emergency Court of Appeals created by section 204 (c) of the Emergency Price Control Act of 1942, as amended, is hereby continued in existence for the purposes of review of proceedings under section 507 (a) of this act, and for those purposes the provisions of section 204 of the Emergency Price Control Act of 1942, as amended, shall be applicable.

(c) The enforcement provisions of section 205 of the Emergency Price Control Act of 1942, as amended, with the exceptions of subsections (b), (f), and (g) thereof, shall be applicable to this title.

(d) (1) It shall be unlawful, regardless of any contract, agreement, lease, or other obligation heretofore or hereafter entered into, for any person to sell or deliver any commodity, or in the course of trade or business to buy or receive any commodity, or otherwise to do or omit to do any act in violation of any regulation or order under this title, or to offer, solicit, attempt, or agree to do any of the foregoing.

(2) It shall be unlawful for any officer or employee of the United States or for any adviser or consultant to the President (or to any department or agency to which functions under this title may be delegated) to disclose, otherwise than in the course of official duty, any information obtained under this title or to use any such information for personal benefit.

(3) Nothing in this title shall be construed to require any person to sell any commodity.

(e) The President from time to time, but not less frequently than once every 90 days, shall transmit to the Congress a report of operations under this title. If the Senate or the House of Representatives is not in session, such reports shall be transmitted to the Secretary of the Senate, or the Clerk of the House of Representatives, as the case may be.

(f) The provisions of the Emergency Price Control Act of 1942, as amended, which are incorporated by reference in section 507 (a), (b), and (c), shall be applied to this title with such changes in designation of provisions as may be appropriate. Reference in these incorporated provisions to the Administrator shall be deemed to refer to the President (or to any department or agency to which functions under this title may be delegated). Reference in those incorporated provisions to a regulation or order issued under section 2 of the Emergency Price Control Act of 1942, as amended, shall be deemed to refer to a regulation or order issued under section 504 of this act. Reference in those incorporated provisions to the violation of section 4 of the Emergency Price Control Act of 1942, as amended, shall be deemed to refer to the violation of section 407 (d) of this act.

DEFINITIONS

SEC. 508. As used in this title—

(a) The term "sale" includes sales, dispositions, exchanges, leases, and other transfers, and contracts and offers to do any of the foregoing. The terms "sell," "selling," "seller," "buy," and "buyer" shall be construed accordingly.

(b) The term "price" means the consideration demanded or received in connection with the sale of a commodity.

(c) The term "commodity" means commodities, articles, products, and materials (except materials furnished for publication by any press association or feature service, books, magazines, motion pictures, periodicals, and newspapers, other than as waste or scrap), and it also includes services rendered otherwise than as an employee in connection with the processing, distribution, storage, installation, repair, or negotiation of purchases or sales of a commodity, or in connection

with the operation of any service establishment for the servicing of a commodity: *Provided*, That nothing in this title shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees, except as provided in section 506, or (2) rates charged by any common carrier or other public utility, or (3) rates charged by any person engaged in the business of selling or underwriting insurance, or (4) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting station, a motion picture or other theater enterprise, or outdoor-advertising facilities, or (5) rates charged for any professional services.

(d) The term "maximum price," as applied to prices of commodities, means the maximum lawful price for such commodities. Maximum prices may be formulated in terms of prices, margins, commissions, fees, and other charges and allowances.

In my bill H. R. 9280 it is provided that both wages and prices be rolled back to June of this year. Instead of taking a particular date during a particular month, the entire month is taken, because if a certain date is taken it is possible that some particular commodity may have reached the low point in the market. If a spread is given for the entire period of June, less inequalities are likely to result.

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

Mr. DEANE. I yield.

Mr. PACE. Does the gentleman tie prices and wages together so that where one is in effect the other must be in effect? Or does he leave them independent of one another where either one can be put into effect?

Mr. DEANE. On that particular point I will say to the gentleman from Georgia my bill provides, so far as wage controls and price controls are concerned, that 60 days' notice must be given before a price rise can go into effect on any article which the President has listed as significantly affecting the cost of living or the cost of national defense. A public hearing is then required, and at the end of 60 days the price goes into effect unless a maximum price for such commodity is established for such article. And my bill further provides that wage increases shall not be the basis for price increases on any article described above for a period of 6 months. I direct attention of the gentleman to section 504 in my title V as spelled out above.

Mr. PACE. But the point I am particularly interested in is can he put on wage controls without price controls, or can he put on price controls without wage controls? Must he have both if either goes on?

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield.

Mr. COLE of Kansas. The gentleman's provision with reference to the wage-control board is not a fixing or freezing of wages, but it merely provides for a board which will permit the employer and employee to present their application for a wage increase and thus have it approved. Am I not correct in that statement?

Mr. DEANE. Yes, that is correct if that is the question the gentleman from Georgia is asking.

Mr. PACE. Then, if it is discretionary he could invoke the one without invoking the other? Do you think that is the situation?

Mr. DEANE. I will say to the gentleman from Georgia, that under the provisions in the bill, equity would certainly result by proper adjudication. The purpose of my bill is to stabilize both prices and wages and where increases are granted they would be granted in the best interests of the public and the great emergency we face.

Mr. PACE. The gentleman understands I am particularly interested from the agricultural viewpoint. If you are going to fix a ceiling price on an agricultural commodity and leave the producer helpless as to the wage he must pay to produce that commodity, it sometimes becomes disastrous.

Mr. DEANE. That would not be the case I assure the gentleman from Georgia. I think the gentleman would be interested in section 505 which provides that no maximum price for an agricultural commodity will be at any time below the parity price.

Mr. PACE. If the gentleman will pardon me, I do not think that would necessarily take care of the situation because we do now have parity prices which do not truly reflect the cost of production because the parity price, as the gentleman understands, does not entirely reflect the labor cost which enters into the cost of production.

Mr. DEANE. I appreciate the gentleman's contribution. My purpose in offering my bill to the Members of the House is to give the Members the benefit of my studies, as well as my reflection upon the statements made by Mr. Baruch, and the feeling as represented by the people throughout our country.

I am satisfied that the members of this Committee want a control bill to stabilize prices and prevent a wholesale increase in wages. It behooves us to think seriously of amending the committee bill.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. McKINNON].

Mr. McKINNON. Mr. Chairman, it is evident to everyone who has been reading the newspapers that we are engaged in two kinds of war. One is against the Reds in Korea and the other is against inflation here at home. If we lose either one of these wars we will lose our American system, our way of living. Therefore, it seems to me, our major problem is not only a matter of concern about the war in Korea, but also in seeing that we have adequate protection on the inflationary front here at home.

There have been charges made that this bill is too broad and is dangerous. I completely disagree. In fact, I do not think the bill goes far enough to accomplish what we need to whip this inflation at home. The bill before us does several good things. One is the allocation of materials, so that they can be used where necessary in the war effort. The surplus can then be channeled for essential civilian use so that large and small industries alike will have equal opportunities. It will prevent a few big

business establishments from hoarding materials that are necessary for small-business men as well.

Another provision is to regulate credit. We know that in the next week or two we are going to be voting out some \$16,000,000,000 for the war effort. That is a very inflationary pressure. We have got to siphon off some of that buying power in some way if we are going to hold our economy even. If we put \$16,000,000,000 out for the war effort, then we have to take \$16,000,000,000 back to hold things even. We have \$40,000,000,000 in home mortgages, and another \$20,000,000,000 in consumer credit. Through this section of controlling credits it enables the creditor to begin to tap off some of that consumer money so as to begin to balance the books and keep our economy stable. I do not think there is anything dangerous about that at all.

I have had a number of protests from real-estate people, protesting any credit curb at all on real estate, but I think the realtors have a stake in this war, the same as everybody else, and I think that they should make a sacrifice the same as everyone else. As good American citizens, they should stand up and be counted. What is so sacred about property, when you start drafting people and sending them off to war? If you are going to do that with a man's life, what is so unusual in doing something about property rights?

In these two powers there is nothing at all that will upset our economy. On the contrary, it will stabilize our economy.

The third provision helps finance small business and other industries in the war effort. We know that in every war there is concentration, a tending toward monopoly. Big ownerships and big money get control of many businesses and expand, to the detriment of the small-business man. This will help the small-business man keep in the swim, so that we can have a continuation of American system after the war is over. There is nothing unusual or dangerous about that. We have precedents for that many times over.

Those are three provisions that we have in this particular bill. The reason I say this bill is not broad enough: If you have been reading the newspapers and going shopping, you know that, regardless of what people may say about voluntary efforts, they simply are not working today in keeping prices where they should be. There is no reason why prices should be higher today than they were 4 or 5 weeks ago, but we know they are. Therefore, it seems to me that we must have a stand-by control—at least—for the President to use on prices and wages. Let us control prices and let us control wages.

The two go hand in hand. I would not want to separate one from the other. I would want to keep them right together, and I am pretty sure that labor will agree and I am pretty sure they would feel it is a fair bill if we have wage and price control together. I do not think we should go ahead with one without the other.

I do not think rationing should be in the bill. We have been telling the people for the past few weeks that there is no reason for them to hoard, that there is plenty of goods, that there is enough for everybody and a surplus. As soon as we put anything about rationing in the bill it is going to be a signal, so far as the public is concerned, for them to rush in and buy; it is going to be a tip-off that they had better go in right now and hoard all they can because rationing is going to be instituted in the near future. Therefore, if we have price control and wage control, but no rationing, it is going to be pretty good evidence to the people that we have been telling them is the fact, and I believe it is, that there is no reason for them to hoard. They would be foolish to do it anyway, for they would simply be raising the price. If the prices were going to be rolled back through the June 25 level, they would be hoarding at a cost of 10 to 15 percent above what it would cost them to wait until price control went into effect. To me it would be very foolish to go ahead with the rationing program, because it completely turns the tables on what we have been telling the people, that there is plenty of material. All we need is price control; we do not need rationing. Price control would be an encouragement for the people to hold back and wait until prices are rolled back, and their diminished panic buying would contribute to a reduction and stabilization of prices.

We are told that these controls are going to restrict our freedom. I would like to know what is freedom when you have to pay a dollar and a quarter for meat that is worth 90 cents a pound? Where is freedom when you pay 65 cents for 49-cent sugar, or when you pay \$140 for lumber that is worth about \$105.

When you put on these controls it is going to take the price-stabilization picture and put it in the hands of the American people to control through their President and through their Congress rather than placing it in the hands of a few hoarders and speculators who compel us to pay prices that are very unfair.

We have two great safeguards: One is in the very last section of the bill which states that the President by proclamation or the Congress by concurrent resolution can repeal this law at any time. The other is brought about by price and wage controls. So many express the fear that, once voted, we would never again get out from under controls. But they overlook the tremendous influence of business and labor. Both will join together in an effort to get these controls repealed when the time comes. If you have simply price control on the one hand and not wage control on the other there would be a big section of our society that would want controls retained; but when you have both together you are going to have a great section of America working together to repeal these controls when the emergency is passed. That is why I say this is a good bill except that it does not go quite far enough. I think price control and wage control should be coupled together rolled back to June 25 and inserted in

this bill. Then we would have a good bill.

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

Mr. McKINNON. I yield.

Mr. PACE. Does the gentleman have an amendment prepared to carry out his suggestions?

Mr. McKINNON. We will have such an amendment tomorrow.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I am speaking on the pending bill with the conviction that we are now facing the gravest crisis of our national existence. I would not be fair with the House or with the country unless I were that frank in stating my appraisal of the present world situation.

I took very seriously the words before our Banking and Currency Committee of the Honorable W. Stuart Symington, Chairman of the National Security Resources Board, that we were fighting for our existence, for our survival; and it is that serious.

If we are to survive, we must sacrifice and sacrifice and sacrifice. No one anywhere in America can claim immunity. No individual at home can withhold the last ounce of sacrifice, when called upon, in any less measure than those who are summoned to arms and shipped to battlefields. No business, however large or however useful in normal times of peace, can escape the same test of sacrifice to the last ounce when that which has descended upon us is a struggle for survival.

What we have been discussing today has seemed to me, as I have listened to the learned and the brilliant debate that has been going on, was merely the breaking of toothpicks when ahead of us was a forest of trees. We have been talking about orthodox ways of handling business and credits as though there were anything orthodox about snatching young men from the peaceful activities of their preparatory years and fitting them to the pattern of war. Everyone knows that our soldiers, at this moment fighting heroically with their backs to the wall in Korea, are not living by the orthodox rules of social etiquette, dining with the knives and spoons on the right side and the forks on the left. If we waste time in this Chamber trying to explore ways of proceeding in a strictly orthodox manner with business it is clear we will be striking a fatal blow to the morale of our troops and of the country.

I do not know what controls will be needed tomorrow. I do know that when word goes out for total mobilization that means war. We do not want war if in honor it can be avoided. We are still hoping and praying and toiling for peace. The word from this Congress for total mobilization at this time would be tantamount to a declaration of war. War may be close—none of us can say. But we would only be drawing it closer when before we knew that it was necessary we took a step for total mobilization that in its very nature would be a gesture toward war.

I have been down here for a year and a half, and from the very first month I

came here I have felt that over us were the clouds of war, that the Eighty-first Congress might go down in history as a war Congress. A year ago I went back to a meeting in the University of Chicago district of the Independent Voters of Illinois, a fine group of men and women, and I told them of my fears. Here we were, a Nation of men and women of peace and good will, with a program under point 4 for laying the foundations of a permanent peace by erasing from all the countries of a free and democratic world that poverty which is the cause of strife and wars. A program, too, here at home for erasing all unnecessary causes of unrest to the end that we might have for the gaze of all the world the example of a democratic people living harmoniously, contentedly and without discrimination in a happy land. Give us but 10 years of peace and we knew our objective could be reached and the permanent peace at last be achieved. But against us was not only a foreign power that refused to meet us on a basis of understanding but some of our own people, sincere and patriotic but refusing to get down from the dear old horse and buggy to take a look around in a modern world.

I have heard from this well about throwing money down the rat holes of Europe and throwing money down the rat hole of Korea. Last January when we had before us the little ECA bill for Korea, and it was defeated on this floor 192 to 191, the people there who believed in us, who thought we were sincere in holding out to them the hand of democratic fellowship, certainly were disillusioned, and the radio of the Communists made the most of it. In this well were used the words "just throwing money down the rat hole of Korea." If you had been a young man or young woman over in Korea and you had believed in America, then you read that in a debate some Member of the Congress of the United States had referred to your land as a rat hole, what would have been your reaction? Certainly the Communists made the most of it, certainly the words that had been used carelessly in this well—"rat hole of Korea"—were quoted over and over again by the Reds in Korea. Certainly those words—"rat hole of Korea"—were pounded into the ears of Koreans who had been loyal to us and who may be against us now because they lost faith in us, simply because of words carelessly said by men in the Congress with the high responsibility truly to reflect the sentiment of the American people.

I wish now to refer to the President. I am one of those old-fashioned Americans who has always believed in my President. It did not concern me whether he was a Democrat or a Republican, he was my President.

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

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. O'HARA of Illinois. Mr. Chairman, when a man is sworn in as President of the United States he has reached the highest office and there can be but one thought in his mind, to leave for posterity the record of a good adminis-

tration that his name will go down in the history of his land in glory. So I have always respected the President of the United States. I know that always he is giving to his country the best that is in him. I do not like to see in this hour of crisis, or at any time, anyone with the voice of partisanship questioning the ability, the sincerity, or the wisdom of the President of the United States.

President Truman has told us at this time there are certain controls he needs. He does not know what he is going to need tomorrow, but he said "at this time this is what I need, and if you give me this, I hope we can take care of the immediate situation, and more drastic measures will not be necessary."

I have faith in the President of the United States. I have abiding faith in President Truman.

If our young men are being called upon to die for their country, certainly every man who has money and who has it invested should be willing to sacrifice his interest and his advantage and every man who works should be willing to make similar sacrifices, provided always that he has positive assurance his employer can take no advantage of him. I am for an all-out control bill if this proves indeed to be, as is now feared, a war for survival in which every individual and every business must contribute his all, subject to the common benefit and the national security. When that time comes, if it does, I have the abiding faith that President Truman will ask of us and will receive the full authority necessary to be vested to him to meet any emergency.

I have given much consideration and long thought as to what should be my course and my vote as one Member of the Congress and I am not ashamed to say I have given it prayer because I do not believe that any man with the responsibility that is upon everyone of us in this Chamber now at this most critical hour in our history should be ashamed to say that at night he goes to the fountainhead of all wisdom for guidance. And I did that. So, I am going to vote tomorrow for the bill that contains just the powers that our President is now asking. I am going to trust in the wisdom of the President of the United States and I am going to trust that the wisdom of a higher wisdom will be visited upon him in guiding our country through in safety.

Mr. Chairman, I yield back the remainder of my time.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON of Ohio. Mr. Chairman, during the hours that we have been debating this bill, a good many very important things have happened. This afternoon at 3 o'clock the Security Council of the United Nations was called together by Jacob Malik of the U. S. S. R. His demand, and I heard some of it and saw some of it over the television upstairs, was that the Communist China delegate should be seated instead of the man who now represents Nationalist China in the Security Council, whom he refuses to recognize. Until today, as you all know,

the U. S. S. R. had withdrawn, they were not turned away, but they withdrew from the councils of the United Nations. There has been no suggestion that the door would be closed to them at any point. The chair is there for them to occupy.

Now, in the regular rotation of the chairmanship the U. S. S. R. has the chairmanship during August of the Security Council. Naturally all the members of the United Nations are very deeply concerned as to what the outcome will be, what will be attempted through that chairmanship to annul any acts of the free nations of the United Nations.

At noontime, here in this House, we received and heard the speech of the very brilliant Prime Minister of Australia. We of the Committee on Foreign Affairs were included in a luncheon given by the Foreign Relations Committee of the Senate. We heard him a second time speaking very intimately of the friendly relations that exist between his nation and ours. He spoke of the fact that they sent their fighters over immediately to Korea. Other nations have followed suit, and, as you know well, we now have offers of ground troops from Thailand, from Turkey, and from many others. I have not seen the full list as of today. We had destroyers from Canada. We are to have troops from New Zealand. We are to have various assistance, because it is a United Nations project.

What that means is that the United Nations has become an active military force, not just a group where discussions take place. That is of very great moment in the history of our civilization.

We must take our leadership seriously. To take it seriously we must retain our strength, our morale, and our right to leadership, which we must earn every day of our lives. Nothing is static.

This legislation has come before us with great speed. It has been said that it has been very well considered. To my knowledge, and I have made considerable inquiry, there were three witnesses heard. They were all Government witnesses. The people of this country directly or through their Representatives have not been heard. Nor have the people of this country been reminded of the Presidential powers that already exist in the Selective Service Act. It seems to me they have a right to be told, to be made aware. Without proper consideration, Mr. Chairman, we can unintentionally force many hardships on millions of our people and upon thousands of small businesses.

Our people everywhere appreciate the fact that it is very deeply ingrained in all our hearts, that we are going into a long period of difficult times. We are agreed there must be controls but they must be protective controls, not destructive controls.

Surely we all remember how often we asked: "Why did we not have the sense, the judgment, the wisdom to freeze everything the day after Pearl Harbor day, December 8, 1941? Then everybody would have been in exactly the same boat and decisions could have been made with quiet judgment."

That was the wisdom of hindsight. What has become of it?

I should like to recommend to us all the need for some of the hindsight that we heard a good deal about a number of years after Pearl Harbor. To put it in a few words, "why did we not have the sense, the judgment, the wisdom, to freeze everything at that time?"

Mr. Chairman, I ask why that could not be done in connection with whatever bill is passed here. If the House decides to give stand-by powers to the President, why could it not add a freezing provision until it is decided what those powers should be. We should not lay our people open again to some of the mistakes control-wise which we made during World War II. You recall that we had rationing of meat and various other products, and price controls which were put on partially here and in full there and completely confused the whole situation. I feel, as I am sure all of you do, that controls must be, but I want them very carefully considered.

There is no question in my mind but that if this legislation rolls through at the speed with which it is now intended, we shall find the same inequities and mistakes written into it from which we have already suffered. Hindsight should have taught us to give more time to developing an adequate, just, and constructive program.

Every single American in every walk of life, and every stranger within our gates, will have to live under the controls that will be put on through this legislation. Certainly this Congress should take time to give adequate consideration to this far-reaching measure.

Like many others of you, I have not made up my mind whether I shall vote for this, that, or the other. We do not know what will be the final outcome of the amendments and the substitutes, and the intricate parliamentary procedures which will undoubtedly take place here tomorrow.

But I most earnestly hope, Mr. Chairman, that in consideration of all the matters which are put before us, we will do everything in our power to give time for adequate consideration—time to make the people of this country aware of what lies before them; time to make the Members of the House of Representatives aware of what lies before us all. It is so desperate—this, that lies before us—because in our hands and possibly in the solution that we make of the complex problems of controls may lie the future of mankind. If we do it wrong because of too great haste and this country is not able to sustain the program it must assume and sustain if it is to continue to have the leadership among the free nations of the world, then indeed do we jeopardize freedom everywhere.

Mr. SPENCE. Mr. Chairman, we have no further requests for time.

Mr. GAMBLE. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act, divided into titles, may be cited as the "Defense Production Act of 1950."

TABLE OF CONTENTS

Title I. Priorities and allocations.
Title II. Authority to requisition.
Title III. Expansion of productive capacity and supply.
Title IV. Control of credit and commodity speculation.
Title V. General provisions.

Mr. KUNKEL. Mr. Chairman, I offer an amendment, incorporating the change I outlined in my remarks.

The Clerk read as follows:

Amendment offered by Mr. KUNKEL: Strike out the committee amendment appearing on pages 28 to 55, inclusive, and insert the following:

TITLE I—SHORT TITLE, PURPOSES OF ACT, DEFINITIONS, AND OFFICE OF INFLATION CONTROL

SHORT TITLE

SECTION 1. This act may be cited as the "Emergency Inflation Control and Defense Production Act."

DECLARATION OF POLICY AND PURPOSES OF ACT

SEC. 2. It is hereby declared that it is in the interest of the national defense and security and the purposes of title II are (a) to preserve the value of the national currency against the consequences of price and credit inflation; (b) to stabilize prices, wages, and salaries and to prevent speculative, unwarranted, and abnormal increases therein; (c) to prevent economic disturbances, labor disputes, burdens upon interstate and foreign commerce, interference with the effective use of the Nation's resources for defense, and impairment of national unity and morale, which would result from unwarranted increases in prices, wages, salaries, and the cost of living; (d) to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities caused by or contributing to the national emergency; (e) to prevent prospects of increases in prices, wages, and salaries from encouraging the accumulation and hoarding of materials needed for national defense, and from impeding long-term commitments for production; (f) to assure that defense appropriations are not dissipated by excessive prices, wages, and salaries; (g) to obtain the maximum necessary production without undue profits to low-cost producers; (h) to protect persons with relatively fixed incomes, investors, and persons dependent on life insurance, annuities, and pensions, from undue impairment of their standard of living; (i) to prevent a post-emergency collapse of values, and the reappearance of price and cost disparities for farmers and other primary producers; and (j) to provide procedures for administration and review which will fairly protect the interests of those subject to this act, without endangering the dominant public interest in the accomplishment of the foregoing purposes.

It is further declared that it is necessary for the national defense and security, and to accomplish the objectives of this act that if the price and supply controls are invoked by the President, the wage controls authorized hereunder shall simultaneously be put into effect. It is further declared to be the policy of this act that all of the controls provided hereunder for the control of costs, including prices, wages, rationing, allocations, and limitations, shall, insofar as practicable, be put into effect at the same time so that, for a period at least, there will be a general ceiling over the economy and a period of general stabilization during which it will be possible to determine with reasonable accuracy in what areas the continuation of controls is necessary and in what areas controls may safely be released.

To enable the Government to provide for the national defense and to carry out our foreign commitments made in conformity with

the Charter of the United Nations and other foreign commitments, certain materials and facilities must be diverted from civilian use to military purposes and productive facilities must be expanded beyond the levels needed to meet the civilian demand. In order that this diversion and expansion may proceed at once, and that the national economy may be maintained with the maximum effectiveness and the least hardship, normal civilian production and purchases must be curtailed and redirected. It is the objective of titles III, IV, and V to provide the President with authority to accomplish these adjustments in the operation of the economy. It is the intention of the Congress that the President shall use the powers conferred by such titles in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use.

DEFINITIONS

SEC. 3. For the purposes of this title and title II—

(a) "Person" means an individual, partnership, association, corporation, business trust, or any organized group of persons, or any receiver, trustee, or other legal representative of any of the foregoing, and includes the United States, any State or political subdivision thereof, or any Territory, District, or possession of the United States.

(b) "Article" means any article, product, material or commodity.

(c) "Services" means any service, operation, or function performed otherwise than as an employee by a person (other than a State or political subdivision thereof) for any other person for compensation.

(d) "Labor" means any function performed by an individual as an employee of a person other than a State or political subdivision thereof.

(e) An article shall be deemed the "same" article as another article if it is identical in every respect with such other article.

(f) An article shall be deemed "similar" to another article if it is not the same article but is an article of the same kind and of the same or substantially the same quality as such other article.

(g) An article shall be deemed a "new" article if neither the same article nor a similar article was sold at wholesale during the base period.

(h) Services shall be deemed the "same" services as other services if they consist of the same or substantially the same operations or functions as such other services.

(i) Services shall be deemed "new" services if the same services were not performed during the base period.

(j) Labor shall be deemed the "same" labor as other labor if it consists of the same or substantially the same functions and duties of the same or substantially the same functions and duties as such other labor.

(k) Labor shall be deemed "new" labor if the same labor was not performed during the base period.

(l) "Sale" means any disposition, exchange, lease, or other transfer, or any contract to do any of the foregoing, and "sell," "selling," "seller," "buy," and "buyer," shall be construed accordingly.

(m) "Sale at wholesale" of an article means (1) any sale of such article for resale by the buyer, or (2) in the case of a sale by the manufacturer, producer, or importer of such article for consumption or use by the buyer, such sale by the manufacturer, producer, or importer; except that wherever specific reference is made to a "sale at wholesale of an agricultural commodity," such sale shall be

deemed to refer only to a sale of such commodity by the farmer who produced such commodity.

(n) "Price" means the consideration received or receivable in connection with the sale of an article or for the performance of services.

(o) "Wage" means the rate of consideration received or receivable for the performance of labor, whether in the form of wages, salary, or any other form.

(p) "Ceiling" means the maximum price for which an article may be sold or which may be received for the performance of services, or the maximum wage which may be paid for labor.

(q) "Agricultural commodity" includes only an agricultural commodity in the form in which it is customarily marketed by farmers.

(r) "Base period" means the period June 10, 1950, to June 25, 1950, both inclusive.

(s) "Comparable" means substantially the same real, utility, and neighborhood value.

(t) "Administrator" means the Administrator of the Office of Inflation Control created by section 4.

ADMINISTRATOR OF OFFICE OF INFLATION CONTROL

SEC. 4. (a) The President is hereby authorized to create in the Executive Office of the President an Office of Inflation Control, which shall be under the direction of an Administrator, to be known as the Administrator of the Office of Inflation Control (in this act referred to as the "Administrator"). The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and receive compensation at the rate of \$17,500 a year.

(b) The Administrator may establish and utilize such advisory, regional, local, industry, or other groups or agencies, and utilize such voluntary and uncompensated service, as may from time to time be needed. The Administrator shall give due consideration to the recommendations of such groups, committees, or other agencies appointed under this section, and he shall utilize, insofar as practicable, local agencies to the end that compliance with the act may be effectuated.

(c) The Administrator may, subject to the civil-service laws, appoint such employees as he deems necessary in order to carry out his functions and duties under this title and title II, and shall fix their compensation in accordance with the Classification Act of 1949, as amended. Attorneys appointed under this section may appear for and represent the Administrator in any case in any court. In the appointment, selection, classification, and promotion of officers and employees of the Office of Inflation Control, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency.

(d) The principal office of the Administrator shall be in the District of Columbia, but he or his duly authorized representative may exercise any or all of his powers in any place.

(e) The Administrator shall submit to Congress a quarterly report covering his activities for the preceding quarter and including such information and data, and recommendations with respect to matters covered by this title and title II as he may find advisable.

(f) The Administrator with the approval of the President may delegate any power or authority conferred upon him by this act to any officer or agency of the Federal Government and may authorize such redelegations by that officer or agency as he may deem appropriate.

TITLE II—PRICE AND WAGE CEILINGS

PROHIBITED ACTS

SEC. 201. (a) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to sell

or deliver, or to buy or accept delivery of, any article at a price in excess of the ceiling applicable to such sale.

(b) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to receive or pay, or to enter into any contract, agreement, or other obligation under which he is entitled or required, or under which he purports to be entitled or required, to receive or pay, for the performance of any services a price in excess of the ceiling applicable to such services.

(c) It shall be unlawful, regardless of any contract, agreement, or other obligation, for any person knowingly to pay for any labor a wage in excess of the ceiling applicable in respect of such labor.

CEILINGS APPLICABLE TO SALES OF ARTICLES

SEC. 202. (a) Except as provided in subsection (b) and section 205, the ceiling applicable to the sale of an article by any person shall be—

(1) in case the sale is at wholesale and the article is the same article as an article sold at wholesale by such person during the base period, the highest price at which it was so sold by such person during the base period;

(2) in case the sale is at wholesale and the article is not the same article as an article sold at wholesale by such person during the base period, but is similar to an article so sold by such person during the base period, the highest price at which such similar article was so sold by such person during the base period;

(3) in case the sale is at wholesale and the article is not the same article as, nor an article similar to, an article sold at wholesale by such person during the base period, the highest price at which the same article was regularly so sold by any other person during the base period, or if the same article was not regularly so sold by any other person during the base period, the highest price at which a similar article was regularly so sold by any other person during the base period;

(4) in the case of any article to the sale of which paragraph (1), (2), or (3) is applicable, such ceiling as the Administrator may prescribe pursuant to section 206. Any such ceiling so prescribed shall be in lieu of the ceiling applicable under such paragraph; and

(5) in the case of a new article, and in the case of any article to the sale of which paragraph (1), (2), (3), or (4) is not applicable, such ceiling as the Administrator may prescribe pursuant to section 206.

(b) The ceiling applicable to the sale at wholesale of an agricultural commodity shall in no case be less than the parity price therefor, as determined and published by the Secretary of Agriculture in accordance with other provisions of law.

CEILINGS APPLICABLE TO SERVICES

SEC. 203. Except as provided in section 205, the ceiling applicable to services performed by any person shall be—

(1) in case such services are the same services as services performed by such person during the base period, the highest price for which such services were so performed by such person during the base period; and

(2) in case such services are not the same services as services performed by such person during the base period (or in case such person did not perform any services during the base period), the highest price for which the same services were regularly performed by any other person within the same county or parish, or within the same State if there be no such other person within the same county or parish, during the base period;

(3) in the case of any services to which paragraph (1) or (2) is applicable, such ceiling as the Administrator may prescribe pursuant to section 206. The ceiling so prescribed shall be in lieu of the ceiling applica-

ble to such services under such paragraph; and

(4) In the case of new services and in the case of services to which paragraph (1), (2), or (3) is not applicable, such ceiling as the Administrator may prescribe pursuant to section 206.

CEILINGS APPLICABLE TO WAGES AND SALARIES

Sec. 204. (a) Except as provided in subsection (b) and section 205, the ceiling applicable in respect of labor performed by an individual shall be—

(1) in case such labor is the same labor as labor performed, whether or not by him, for his employer during the base period, the highest wage paid by his employer during the base period, at the place of employment where such individual is employed, for the same labor to an employee with the same seniority rights and length of service;

(2) in case the same labor was not performed either by him or any other employee, for his employer during the base period, at the place of employment where such individual is employed, the highest wage paid for the same labor by any other employer within the same county or parish, or within the same State, if there be no such other employer within the same county or parish, during the base period to an employee with the same seniority rights and length of service;

(3) in the case of any labor in respect of which paragraph (1) or (2) is applicable, such ceiling as the Administrator may prescribe pursuant to section 206. Any such ceiling so prescribed shall be in lieu of the ceiling applicable in respect of such labor under such paragraph; and

(4) in case such labor is new labor, and in the case of labor to which paragraph (1), (2), or (3) is not applicable, such ceiling as the Administrator may prescribe pursuant to section 206.

(b) The ceiling applicable in respect of any labor shall in no case be less than the minimum compensation prescribed therefor in or pursuant to any law of the United States, or of any State or political subdivision thereof, or of any Territory, District, or possession of the United States.

EXEMPTIONS

Sec. 205. The Administrator may by regulation or order exempt from the provisions of sections 202, 203, and 204 articles, services, and labor, with respect to which he makes a finding of fact that—

(1) such exemption is necessary in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended; or

(2) it is unnecessary that ceilings be applicable to such articles, services, or labor in order to preserve the Nation's price structure and to prevent a rise in the cost of living.

POWERS OF ADMINISTRATOR WITH RESPECT TO CEILINGS

Sec. 206. (a) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this title, he shall by regulation or order establish such ceiling or ceilings as in his judgment will be generally fair and equitable to buyers and sellers of the article or articles in question, or to the person or persons performing the services in question and the person or persons for whom they are performed, or to the employees and employer or employers in question, as the case may be, and will effectuate the purposes of this title. So far as practicable, in establishing a ceiling for any specified articles, services, or labor

the Administrator shall ascertain and give due consideration to the prices prevailing for such article or services, or the wages prevailing for such labor, as the case may be, during the base period, and shall make adjustments for such relevant factors as he may determine to be of general applicability in respect of such article, services, or wages, including the following: Speculative fluctuations, general increases or decreases in costs of transportation, general increase or decrease in cost of maintenance and operation, general increases or decreases in costs of living, and general increases or decreases in profits earned by sellers of the article, persons performing such services, and employers for whom such labor is performed, during and subsequent to the year ending June 25, 1950. Every regulation or order establishing any ceiling under this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order.

(b) Any ceiling or ceilings may be established under this section in such form and manner, may contain such classifications and differentiations, and may provide for the continuation of models, the standardization of the production of essential items and such other provisions and adjustments, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this title. Any such ceiling may be established in terms of price, wages, margins, commissions, fees, charges, allowances, or other terms. Except as provided in section 202 (b) (relating to agricultural commodities) the Administrator may establish a ceiling or ceilings under this section with respect to articles and services below the general market price for the article or articles or services in effect at the time of establishment of such ceiling or ceilings.

(c) The Administrator shall exercise his powers under subsections (a) and (b) with respect to agricultural commodities, and with respect to articles derived in whole or in substantial part from agricultural commodities, in such manner as to support prices to farmers for such agricultural commodities at such levels as may be necessary to enable farmers to receive therefor the highest price received in the base period or the parity price for such commodities, whichever is higher.

POWERS OF ADMINISTRATOR WITH RESPECT TO MARKET PRACTICES

Sec. 207. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this title, he may, by regulation or order, regulate or prohibit, with respect to any article, speculative or manipulative practices, selling, marketing, or inventory practices (including practices relating to changes in form or quality, hoarding, or other practices) which in his judgment, are equivalent to or are likely to result in price increases inconsistent with the purposes of this title.

PROCEDURE

Sec. 208. (a) Regulations or orders establishing any ceiling or ceilings may be issued after such inquiry as the Administrator deems necessary or proper. Within a period of 60 days after the issuance of any such regulation or order any person subject to the provisions thereof may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to such regulation or order and affidavits or other written evidence in support of such objections. At any time after the expiration of such 60 days any person subject to the provisions of such regulation or order may file such a protest based solely on grounds arising after the expiration of such 60 days. Within a reasonable time after the filing of any protest under this

subsection, but in no event more than 30 days after such filing or 90 days after the issuance of the regulation or order in respect of which the protest is filed, whichever occurs later, the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith.

(b) In any proceedings under this title the Administrator may take official notice of economic and other facts, including facts found by him as a result of action taken under section 210, and may limit such proceedings to the filing of affidavits or other written evidence, or the filing of briefs.

REVIEW

Sec. 209. (a) Any protestant who is aggrieved by the denial or partial denial of his protest, may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals, praying that the regulation or order protested be set aside in whole or in part. A copy of such complaint shall forthwith be served on the Administrator who shall certify and file with such court a transcript of the proceedings in connection with the protest which shall include a statement of the materials of which the Administrator has taken official notice. Upon the filing of such transcript the court shall have exclusive jurisdiction to affirm or set aside such regulation or order, in whole or in part, or to remand the proceeding, except that the regulation or order may be modified or rescinded by the Administrator at any time notwithstanding the pendency of such complaint. No objection to any regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by complainant in the protest or such evidence shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the Administrator and not admitted, or which could not reasonably have been offered to the Administrator, and the court determines that such evidence is material, the court shall order the evidence to be presented to the Administrator. The Administrator shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof, and any modification made in the regulation or order as a result thereof, except that on request by the Administrator, any such additional evidence may be presented directly to the court.

(b) No such regulation or order shall be set aside in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation or order is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court setting aside in whole or in part any such regulation or order shall be postponed until the expiration of 30 days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (c) within such 30 days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

(c) Within 30 days after entry of a judgment, interlocutory or final, by the Emergency Court of Appeals a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 1254 of title 28 of the United States Code. The Supreme Court shall expedite the disposition of all causes

filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any ceiling under this title, and the provisions of this title authorizing any regulation or order establishing any ceiling. Except as provided in this section, no court, Federal, State, or Territorial, shall have power to consider such validity, or to stay, restrain, enjoin, or set aside, in whole or in part, any such provision of this title, or any provision of this title, or any provision of any such regulation or order.

OBTAINING INFORMATION

SEC. 210. (a) The Administrator may make such studies and investigations, and obtain or require the furnishing of such information under oath or affirmation or otherwise, as he deems necessary or proper to assist him in prescribing any regulation or order under this title, and in the administration and enforcement of this title, and regulations and orders thereunder. For such purposes the Administrator may administer oaths and affirmations, may require by subpoena or otherwise the attendance and testimony of witnesses and the production of documents at any designated place, may require persons to permit the inspection and copying of documents, and the inspection of inventories, and may, by regulation or order, require the making and keeping of records and other documents and the making of reports. No person shall be excused from complying with any requirement under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (49 U. S. C., sec. 46), shall apply with respect to any individual who specifically claims such privilege.

(b) The Administrator shall not publish or disclose any information obtained under this title that he deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless he determines that the withholding thereof is contrary to the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended.

(c) The production of a person's documents at any place other than his place of business shall not be required under this section in any case in which, prior to the return date specified in the subpoena issued with respect thereto, such person either has furnished the Administrator with a copy of such documents (certified by such person under oath to be a true and correct copy), or has entered into a stipulation with the Administrator as to the information contained in such documents.

REGULATIONS AND ORDERS

SEC. 211. The Administrator may, from time to time, issue such regulations and orders as he may deem necessary or proper in order to carry out the purposes and provisions of this title, and to prevent the circumvention or evasion thereof. Any regulation or order issued under this title may be amended or rescinded by the Administrator whenever in his opinion such action is necessary or proper in order to carry out the provisions of this title or to prevent the circumvention or evasion thereof.

ENFORCEMENT

SEC. 212. (a) Whenever in the judgment of the Administrator any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of this title, or any regulation, or

der, or requirement thereunder, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with this title or such regulation, order, or requirement, and upon a proper showing a permanent or temporary injunction, restraining order, or other order shall be granted without bond. In cases of actual controversy, a like application may be made by any interested person, and upon a proper showing a like order or decree shall be granted.

(b) Any person who willfully violates any provision of this title or any regulation, order, or requirement thereunder, and any person who willfully falsifies in any material respect a document or report required to be kept or filed thereunder, shall, upon conviction thereof, be fined not more than \$5,000, or imprisoned for not more than 1 year, or both. Whenever the Administrator has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

(c) The district courts shall have jurisdiction of violations of this title and of regulations, orders, or requirements thereunder, and concurrently with State and Territorial courts, of all civil proceedings to enforce any liability or duty created by, or to enjoin any violation of, this title or any regulation, order, or requirement thereunder. Such civil proceedings and any criminal proceedings may be brought in any district in which any act or transaction constituting the violation occurred. Any such civil proceedings may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. No costs shall be assessed against the United States Government in any proceeding under this title.

(d) No person shall be held liable for damages or penalties in any Federal, State, or Territorial court, on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this title or any regulation, order, or requirement thereunder, notwithstanding that subsequently such provision, regulation, order, or requirement may be modified, rescinded, or determined to be invalid. The Administrator may intervene in any suit or action wherein a party relies for ground of relief or defense upon this title or any regulation, order, or requirement thereunder.

SEC. 213. The powers granted in this title shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, or changes in established rental practices, except where such action is affirmatively found by the Administrator to be necessary to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this title.

SEC. 214. Nothing in this title shall be construed to authorize the regulation of (1) rates charged by any common carrier or other public utility except where such action is affirmatively found necessary to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this title, or (2) rates charged by any person engaged in the business of selling or underwriting insurance, or (3) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting station, or (4) rates charged for any professional services.

TITLE III—EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

SEC. 301. (a) In order to expedite production and deliveries under Government con-

tracts, the President may authorize, subject to such regulations as he may prescribe, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, and such other agencies of the United States engaged in procurement as he may designate (hereinafter referred to as "guaranteeing agencies"), without regard to provisions of law relating to the making, performance, amendment, or modification of contracts, to guarantee in whole or in part any public or private financing institution (including any Federal Reserve bank), by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount or advance, or on any commitment in connection therewith, which may be made by such financing institution for the purpose of financing any contractor, subcontractor, or other person in connection with the performance, or in connection with or in contemplation of the termination, of any contract or other operation deemed by the guaranteeing agency to be related to efforts or undertakings on the part of the United States or an agency thereof in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended.

(b) Any Federal agency or any Federal Reserve bank, when designated by the President, is hereby authorized to act, on behalf of any guaranteeing agency, as fiscal agent of the United States in the making of such contracts of guarantee and in otherwise carrying out the purposes of this section. All such funds as may be necessary to enable any such fiscal agent to carry out any guarantee made by it on behalf of any guaranteeing agency shall be supplied and disbursed by or under authority from such guaranteeing agency. No such fiscal agent shall have any responsibility or accountability except as agent in taking any action pursuant to or under authority of the provisions of this section. Each such fiscal agent shall be reimbursed by each guaranteeing agency for all expenses and losses incurred by such fiscal agent in acting as agent on behalf of such guaranteeing agency, including among such expenses, notwithstanding any other provision of law, attorneys' fees and expenses of litigation.

(c) All actions and operations of such fiscal agents, under authority of or pursuant to this section shall be subject to the supervision of the President and to such regulations, as he may prescribe; and the President is authorized to prescribe, either specifically or by maximum limits or otherwise, rates of interest, guarantee and commitment fees, and other charges which may be made in connection with loans, discounts, advances, or commitments guaranteed by the guaranteeing agencies through such fiscal agents, and to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guarantees.

(d) Each guaranteeing agency is hereby authorized to use for the purposes of this section any funds which have heretofore been appropriated or allocated or which hereafter may be appropriated or allocated to it, or which are or may become available to it, for such purposes or in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended.

SEC. 302. To assist in carrying out the objectives of this Act, the President may make provisions for loans (including participations in, or guarantees of, loans) to private business enterprises for the expansion of capacity, the development of technological processes, or the production of essential materials. Such loans may be made without regard to the limitations of existing law and on such terms and conditions as the President deems necessary, except that financial assistance may be extended only to the extent that it is not otherwise available on reasonable terms.

SEC. 303. (a) To assist in carrying out the objectives of this Act, the President may make provision for purchases of or commitments to purchase metals, minerals, and other raw materials, including liquid fuels, for Government use or for resale.

(b) Purchases and commitments to purchase and sales under subsection (a) may be made without regard to the limitations of existing law, for such quantities, and on such terms and conditions, including advance payments, and for such periods, as the President deems necessary, except that purchases or commitments to purchase involving higher than currently prevailing market prices or anticipated loss on resale shall not be made unless it is determined that supply of the materials could not be effectively increased at lower prices or on terms more favorable to the Government, or that such purchases are in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the armed forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended.

(c) The procurement power granted to the President by this section shall include the power to transport and store, and have processed and refined any materials procured under this section.

SEC. 304. (a) For the purposes of sections 302 and 303, the President is hereby authorized to utilize the Reconstruction Finance Corporation and such other departments, agencies, officials, or corporations of the Government as he may deem appropriate, or to create new corporations.

(b) Any corporation created under this section—

(1) shall have the power to sue and be sued; to acquire, hold, and dispose of property; to use its revenues; to determine the character of and necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, paid, and accounted for subject to laws specifically applicable to Government corporations; and to exercise such other powers as may be necessary or appropriate to carry out the purposes of such corporation;

(2) shall have its powers set out in a charter, which shall be published in the Federal Register, and all amendments to which shall be similarly published;

(3) shall not have succession beyond June 30, 1952, except for purposes of liquidation, unless its life is extended beyond such date pursuant to act of Congress; and

(4) shall be subject to the Government Corporation Control Act to the same extent as wholly owned Government corporations listed in section 101 of said act.

(c) Any corporation established or utilized pursuant to this section is authorized to borrow from the Treasury of the United States, for any of the purposes of the corporation, such sums of money as may be necessary to carry out its functions under this title: *Provided*, That the total amount borrowed under the provisions of this section by all such corporations shall not exceed an aggregate of \$2,000,000,000 outstanding at any one time. For the purpose of borrowing as authorized by this paragraph, any corporation estab-

lished pursuant to this section may issue to the Secretary of the Treasury its notes, debentures, bonds, or other obligations to be redeemable at the option of the corporation before maturity in such manner as may be stipulated in such obligations. Such obligations may mature subsequent to the period of succession of the corporation. Such obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligations of the corporation.

SEC. 305. In order to aid the Government of the United States in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the armed forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended, the Reconstruction Finance Corporation is authorized—

(1) with the approval of the President, to create or organize a corporation or corporations, with power (a) to produce, acquire, carry, sell, or otherwise deal in strategic and critical materials as defined by the President; (b) to purchase and lease land, purchase, lease, build, and expand plants, and purchase and produce equipment, facilities, machinery, materials, and supplies for the manufacture of strategic and critical materials, arms, ammunition, and implements of war, and such other articles, equipment, supplies, and materials as may be required in the manufacture or use of any of the foregoing or otherwise necessary in connection therewith; (c) to lease, sell, or otherwise dispose of such land, plants, facilities, and machinery to others to engage in such manufacture; (d) to purchase, lease, build, expand, or otherwise acquire facilities for the training of aviators and to operate or lease, sell, or otherwise dispose of such facilities to others to engage in such training: *Provided*, That nothing in this section shall be construed to authorize the Corporation to take any action, directly or indirectly, with respect to the proposals heretofore considered by the Congress and known as the Great Lakes-St. Lawrence seaway, Passamaquoddy, Fla., ship canal, and Tombigbee River projects, or to the project known as the Nicaragua Canal. The powers of every corporation hereafter created or organized under this section shall be set out in a charter which shall be valid only when certified copies thereof are filed with the Secretary of the Senate and the Clerk of the House of Representatives and published in the Federal Register, and all amendments to such charters shall be valid only when similarly filed and published. No corporation created or organized by the Corporation pursuant to this section shall have succession beyond March 31, 1951, except for purposes of liquidation, unless the life of such corporation is extended beyond such date pursuant to an act of Congress. The Corporation may make loans to, or purchase the capital stock of, any such corporation for any purpose within the powers of the Corporation as above set forth in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended, on such terms and conditions as the Corporation may determine.

(2) to acquire real estate and any right or interest therein by purchase, lease, condemnation, or otherwise, determined by the Corporation to be necessary or advantageous to the carrying out of any authority vested

in any corporation created or organized pursuant to this section. The Corporation is also authorized to sell, lease, or otherwise dispose of any such real estate. Proceedings for such condemnation shall be instituted in the name of the United States pursuant to the provisions of the act approved August 1, 1888 (25 Stat. 357), as amended, and any real estate already devoted to public use which would be subject to condemnation in proceedings instituted upon application of any officer of the Government shall likewise be subject to condemnation in proceedings instituted upon application of the Corporation as herein provided. Sections 1, 2, and 4, of the act approved February 26, 1931 (46 Stat. 1421), as amended, shall be applicable in any such proceeding. Any judgment rendered against the United States in any such proceeding shall promptly be paid by the Corporation. Immediately upon the vesting of title in the United States of America in any such proceeding, the Secretary of Commerce, by deed executed by him in the name of the United States of America, shall transfer the entire title or interest so acquired to the Corporation, and the Corporation shall thereupon have the same right with respect to any real estate so acquired as it has with respect to real estate acquired by purchase. No proceedings for condemnation in pursuance of this section instituted prior to the termination of this act shall abate by reason thereof.

TITLE IV—CONTROL OF CREDIT

SEC. 401. (a) To assist in carrying out the purposes of this act, the President is authorized from time to time to prescribe regulations with respect to such kind or kinds of consumer credit which thereafter may be extended as, in his judgment, it is necessary to regulate in order to prevent or reduce excessive or untimely use of or fluctuations in such credit. Such regulations may, among other things, prescribe maximum loan or credit values, minimum down payments in cash or property, trade-in or exchange values, maximum maturities, maximum amounts of credit, rules regarding the amount, form and time of various payments, rules against any credit in specified circumstances, rules regarding consolidations, renewals, revisions, transfers, or assignments of credit, and rules regarding other similar or related matters. Such regulations may classify persons and transactions and may apply different requirements thereto, and may include such administrative provisions as in the judgment of the President are reasonably necessary in order to effectuate the purposes of this title or to prevent evasion thereof.

In prescribing and suspending such regulations, including changes from time to time to take account of changing conditions, the President shall consider among other factors, (1) the level and trend of consumer credit and the various kinds thereof, (2) the effect of the use of such credit upon (i) purchasing power and (ii) demand for goods and services, and (3) the need in the national economy for the maintenance of sound credit conditions.

(b) No person shall extend or maintain any consumer credit, or renew, revise, consolidate, refinance, purchase, sell, discount, or lend or borrow on, any obligation arising out of any such credit, or arrange for any of the foregoing, in contravention of any regulation prescribed by the President pursuant to this section. Any person who extends or maintains any such credit, or renews, revises, consolidates, refinances, purchases, sells, discounts, or lends or borrows on, any obligation arising out of any such credit, or arranges for any of the foregoing, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and make such reports, and in each or otherwise, as the President may by regulation require

as necessary or appropriate in order to effectuate the purposes of this title; and such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the President as the President may deem necessary or appropriate. The requirements of this section apply whether a person is acting as principal, agent, broker, vendor, or otherwise.

(c) Any person who willfully violates any provision of this title or any regulation or order thereunder, upon conviction thereof, shall be fined not more than \$5,000 or imprisoned not more than one year, or both.

(d) To assist in carrying out the purposes of this title, the President by regulation may require transactions or persons or classes thereof subject to this title to be registered or licensed; and, after notice and opportunity for hearing, the President by order may suspend any such registration or license for violation of this title or any regulation prescribed by the President pursuant to this title. The provisions of section 25 of the Securities Exchange Act of 1934, as amended, shall apply in the case of any such order of the President in the same manner that such provisions apply in the case of orders of the Securities and Exchange Commission under that act. In carrying out this title, the President may act through and may utilize the services of the Board of Governors of the Federal Reserve System, the Federal Reserve banks, and any other agencies, Federal or State, which are available and appropriate.

(e) For the purposes of this title, unless the context otherwise requires, the following terms shall have the following meanings, but the President may in his regulations further define such terms, insofar as any such definitions are not inconsistent with the provisions of this title, and, in like manner, may define technical, trade, and accounting terms:

(1) "Consumer credit" means credit which the obligor undertakes to pay in two or more payments; *Provided*, That it shall not include (i) any credit to finance or refinance the construction or purchase of an entire residential or nonresidential building, (ii) any credit extended to a business enterprise solely to finance the purchase of goods for resale, (iii) any other credit extended to a business or agricultural enterprise for any business or agricultural purpose unless the credit is secured by or is for the purpose of purchasing or carrying any durable or semi-durable goods which are used or usable for personal, family, or household purposes, or any accessory, insurance, or service connected with any such goods or any interest therein, (iv) credit secured, either wholly or partly, by real property, (v) credit for the purpose of purchasing or carrying real property or constructing buildings or otherwise improving real property, or (vi) credit involving a right to acquire or use real property. As used in this paragraph the term "real property" includes leasehold and other interests therein.

(2) "Person," in addition to the definition given it by section 602 (a) of this act, includes the United States, any State or subdivision thereof, and any agency or instrumentality of one or more such authorities, except that the criminal penalties of this title shall not be applicable to the United States, any State, or other governmental agency or instrumentality.

Sec. 402. In the exercise of powers under this title, the President shall give consideration to the preservation of such relative credit preferences as are accorded to veterans of World War II under existing law.

TITLE V—PRIORITIES, ALLOCATIONS, RATIONING, AND REQUISITIONS

Sec. 501. The President is hereby authorized (1) to require that performance under

contracts or orders (other than contracts of employment) which he deems necessary or appropriate in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended, shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders by any person he finds to be capable of their performance, and (2) to allocate materials and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended, and this power to allocate includes power to ration consumer goods at the retail level to prevent undue price rises and to secure equitable distribution.

Sec. 502. Any person who willfully performs an act prohibited, or willfully fails to perform any act required, by the provisions of section 501 or any rule, regulation, or order thereunder, shall, upon conviction, be fined not more than \$10,000 or imprisoned for not more than 1 year, or both.

Sec. 503. Whenever the President determines (1) that the use of any article or commodity is needed in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended, (2) that such need is immediate and impending and such as will not admit of delay or resort to any other source of supply, and (3) that he has been unable to acquire such article or commodity or the use thereof, as the case may be, on fair and reasonable terms, he is authorized to requisition such article or commodity or the use thereof in the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended, upon the payment of just compensation for such article or commodity or the use thereof, to be determined as hereinafter provided. The President shall determine the amount of the compensation to be paid for any article or commodity or the use thereof requisitioned pursuant to this section but each such determination shall be made as of the time it is requisitioned in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States. If the person entitled to receive the amount so determined by the President as just compensation is unwilling to accept the same as full and complete compensation for such article or commodity or the use thereof, he shall promptly be paid 75 percent of such amount and shall be entitled to recover from the United States, in an action brought in the Court of Claims or, where the amount involved does not exceed \$10,000, in any dis-

trict court of the United States within 3 years after the date of the President's award, an additional amount which, when added to the amount so paid to him, shall be just compensation. Whenever the need for the national defense of any article or commodity requisitioned under this section shall terminate, the President may dispose of such article or commodity on such terms and conditions as he shall deem appropriate, but to the extent feasible and practicable he shall give the former owner of any article or commodity so disposed of an opportunity to reacquire it (1) at its then fair value as determined by the President, or (2) if it is to be disposed of (otherwise than at a public sale of which he is given reasonable notice at less than such value, at the highest price any other person is willing to pay therefor: *Provided*, That this opportunity to reacquire need not be given in the case of fungibles or items having a fair value of less than \$1,000.

TITLE VI—GENERAL PROVISIONS

Sec. 601. (a) It is the sense of the Congress that small-business enterprises be encouraged to make the greatest possible contribution toward achieving the objectives of this act.

(b) In order to carry out this policy—

(i) the President shall provide small-business enterprises with full information concerning the provisions of this act relating to, or of benefit to, such enterprises and concerning the activities of the various departments and agencies under this act;

(ii) such business advisory committees shall be appointed as shall be appropriate for purposes of consultation in the formulation of rules, regulations or orders, or amendments thereto, issued under authority of this act, and in their formation consideration shall be given to providing fair representation for small, medium, and large business enterprises, for different geographical areas, for trade association members and nonmembers, and for different segments of the industry;

(iii) in administering this title and titles III, IV, and V, such exemptions shall be provided for small-business enterprises as may be feasible without impeding the accomplishment of the objectives of this act; and

(iv) in administering this act, special provision shall be made for the expeditious handling of all requests, applications, or appeals from small-business enterprises.

Sec. 602. As used in this title and titles III, IV, and V—

(a) The word "person" shall include individuals, firms, corporations, associations, partnerships, and any organized groups of persons whether or not incorporated.

(b) The word "materials" shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

Sec. 603. The President may delegate any power or authority conferred upon him by this act to any officer or agency of the Government and may authorize such redelegations by that officer or agency as the President may deem appropriate. Any officer or agency may employ civilian personnel for duty in the United States, including the District of Columbia, or elsewhere, without regard to section 607 (g) of the Federal Employees Pay Act of 1945, as amended (5 U. S. C., sec. 947 (g)), as the President deems necessary to carry out the provisions of this act.

Sec. 604. The President may make such rules, regulations, and orders as he deems necessary or appropriate to carry out the provisions of titles III, IV, and V. Any such regulation or order may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the President are necessary or proper in order to effectuate the purposes of such titles.

Sec. 605. (a) The President shall be entitled, while this act is in effect and for a period of 2 years thereafter, by regulation, subpoena, or otherwise, to obtain such information from, require such reports, and the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person as may be necessary or appropriate, in his discretion, to the enforcement of the administration of this title and titles I, II, IV, and V, and the regulations or orders issued thereunder. The President shall issue regulations insuring that the authority of this subsection will be utilized only after the scope and purpose of the investigation, inspection, or inquiry to be made have been defined by competent authority.

(b) No person shall be excused from complying with any requirement under this section or from attending and testifying or from producing books, papers, documents, and other evidence in obedience to a subpoena before any grand jury or in any court or administrative proceeding based upon or growing out of any alleged violation of this title and titles III, IV, and V on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture in any court, for or on account of any transaction, matter, or thing concerning which he is so compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such natural person so testifying shall not be exempt from prosecution and punishment for any penalty or forfeiture shall not be construed to vest in any individual any right to priorities assistance, to the allocation of materials, or to any other benefit which is within the power of the President to grant under any provision of this act.

(c) The production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person usually keeps them, if, prior to the return date specified in the regulations, subpoena, or other document issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

(d) Information obtained under this section which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information shall not be published or disclosed unless the President determines that the withholding thereof is contrary to the interest of the national security for the Government to obtain prompt delivery of any articles or materials the procurement of which has been authorized by the Congress exclusively for the use of the Armed Forces of the United States, for the use of the Atomic Energy Commission, or in connection with the Mutual Defense Assistance Act of 1949, as amended.

Sec. 606. The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this title and titles III, IV, and V, or any rule, regulation, order, or subpoena

thereunder, and of all civil actions under such titles to enforce any liability or duty created by, or to enjoin any violation of, such titles or any rule, regulation, order, or subpoena thereunder. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; the subpoena for witnesses who are required to attend a court in any district in such case may run into any other district. The termination of the authority granted in any such title, or of any rule, regulation, or order issued thereunder, shall not operate to defeat any suit, action, or prosecution, whether theretofore or thereafter commenced, with respect to any right, liability, or offense incurred or committed prior to the termination date of such title or of such rule, regulation, or order. No costs shall be assessed against the United States in any proceeding under this title or titles III, IV, or V.

Sec. 607. No person shall be held liable for damages or penalties for any act or failure to act resulting directly or indirectly from his compliance with a rule, regulation, or order issued pursuant to title V, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid. No person shall discriminate against orders or contracts to which priority is assigned or for which materials or facilities are allocated under title V or under any rule, regulation, or order issued thereunder, by charging higher prices or by imposing different terms and conditions for such orders or contracts than for other generally comparable orders or contracts, or in any other manner.

Sec. 608. (a) No act or omission to act which occurs while this act is in effect, if requested by the President and found by him to be in the public interest as contributing to the national defense, shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States. A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

(b) The authority granted in subsection (a) shall not be delegated except to a single official of the Government and then only upon the condition that such official consult with the Attorney General not less than 10 days before making any request or finding thereunder.

(c) Upon withdrawal of any request or finding made hereunder the provisions of this section shall not apply to any subsequent act or omission to act by reason of such finding or request.

Sec. 609. The functions exercised under this act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237) except as to the requirements of section 3 thereof.

Sec. 610. (a) The President, to the extent he deems it necessary and appropriate in order to carry out the provisions of this title and titles III, IV, and V, is authorized to place positions and employ persons in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949, and such positions shall be additional to the number authorized by section 505 of that act.

(b) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation; and he is authorized to provide by regulation for the exemption of such persons from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code or section 190 of the Revised Statutes (5 U. S. C., sec. 99). Persons appointed under the authority of this subsection may be allowed transportation and not to exceed \$15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment.

Sec. 611. There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions of this act by the President and such agencies as he may designate or create. Funds made available for the purposes of this title and titles III, IV, and V may be allocated or transferred for any of such purposes with the approval of the Bureau of the Budget, to any agency designated to assist in carrying out such titles. Funds so allocated or transferred shall remain available for such period as may be specified in the acts making such funds available.

Sec. 612. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such provision to other persons and circumstances shall not be affected thereby.

Sec. 613. This act and all authority conferred hereunder shall terminate March 31, 1951, or at such earlier time as the Congress by concurrent resolution or the President by proclamation may designate.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 9176, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill H. R. 9176.

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

There was no objection.

SOCIAL SECURITY LEGISLATION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the conferees on the social security bill may have until midnight tonight to file a conference report.

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

There was no objection.

SPECIAL ORDER TRANSFERRED

Mr. HAYS of Arkansas. Mr. Speaker, on behalf of the gentleman from Wisconsin [Mr. BIEMILLER], I ask unanimous consent that the special order granted him for today may be carried over until Thursday of this week.

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

There was no objection.

RESTORATION OF POSTAL SERVICE

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes, and to revise and extend my remarks.

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

There was no objection.

Mr. CANFIELD. Mr. Speaker, I hold in my hand a copy of today's issue of the New York Times featuring a story with this two-column caption:

Faster mail service here urged; cuts called damaging to business.

I shall quote the first paragraph of this story:

A series of steps to improve postal service here was outlined yesterday by the Commerce and Industry Association of New York. The recommendations grew from a survey of 500 companies, which showed that recent curtailments in postal service have had a disruptive effect on business in the city, Thomas Jefferson Miley, executive vice president of the association, said.

On August 14 the House will have opportunity to remedy this situation. It will also have an opportunity to keep faith with our fighting men in Korea and our GI's elsewhere throughout the world in seeing that their mail to their dear ones back home is expeditiously delivered. The opportunity will come with the vote on the resolution directing the Postmaster General to rescind the curtailment order.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Massachusetts, who has been so active in the fight to have the postal service maintain its prompt delivery tradition.

Mrs. ROGERS of Massachusetts. Is it not also true that it is very important in this war effort that the mail go forward very promptly?

Mr. CANFIELD. Most certainly. The gentleman may recall that the now Postmaster General Mr. Donaldson, acting as First Assistant Postmaster General in November, 1945, appeared before the subcommittee of the House Appropriations Committee to ask that the two-delivery system, bogged down in World War II, be restored. First, because the people of the country were clamoring for it; and, secondly, because the one-delivery system was causing the post offices of our country literally to become warehouses congested with mail.

Mrs. ROGERS of Massachusetts. Does not the gentleman believe that the Postmaster General himself will change that ruling?

Mr. CANFIELD. He may.

Mrs. ROGERS of Massachusetts. It should be done by directive.

Mr. CANFIELD. I wish it would be done that way.

PRINTING OF PROCEEDINGS DURING RECESS OF HOUSE TODAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the proceed-

ings that took place today during the recess of the House, the able address of welcome and introduction by the Speaker, and the able and brilliant address of our distinguished visitor, the Prime Minister of Australia, be incorporated in the RECORD at the proper place before the other considerations of the day.

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. KELLEY of Pennsylvania (at the request of Mr. EBERHARTER) for an indefinite period on account of illness.

EXTENSION OF REMARKS

Mr. BIEMILLER (at the request of Mr. HAYS of Arkansas) was given permission to extend his remarks in three instances and include extraneous matter.

Mr. PRESTON (at the request of Mr. HAYS of Arkansas) was given permission to extend his remarks and include an article.

Mr. ANDREWS (at the request of Mr. HAYS of Arkansas) was given permission to extend his remarks and include an article.

Mr. ROOSEVELT and Mr. CELLER asked and were given permission to extend their remarks and include extraneous material.

Mr. BENNETT of Florida asked and was given permission to extend his remarks and include extraneous material.

Mr. McGUIRE asked and was given permission to extend his remarks and include a letter from Governor Bowles, and also an editorial from the New York Times.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1991. An act for the relief of Alexander Stewart;

H. R. 2225. An act for the relief of William B. Bond;

H. R. 3464. An act to record the lawful admission for permanent residence of alien John Michael Ancker Rasmussen;

H. R. 3805. An act for the relief of Yuk Onn Won;

H. R. 4188. An act for the relief of Dr. Ferdinando Schiappa;

H. R. 4528. An act conferring jurisdiction on the United States District Court for the Southern District of New York to hear, determine, and render judgment upon the claim of Louis J. Marx;

H. R. 4628. An act for the relief of John G. Essenberg;

H. R. 4806. An act for the relief of Dr. Francesco Drago;

H. R. 4942. An act to regulate the collection and disbursement of moneys realized from leases made by the Seneca Nation of Indians of New York, and for other purposes;

H. R. 5016. An act for the relief of Mrs. Virginia Dalla Rosa Prati and her minor son, Rolando Dalla Rosa Prati;

H. R. 5566. An act for the relief of Dr. Agostino De Lisi;

H. R. 6066. An act for the relief of Cheng Sick Yuen;

H. R. 6173. An act for the relief of Sun Yip Chin and Chung Lum (Lum Chung);

H. R. 6225. An act for the relief of Mrs. Aimee Hoyningen-Huene;

H. R. 6363. An act conferring jurisdiction on the United States District Court for the Middle District of North Carolina to hear, determine, and render judgment upon certain claims of the Patuxent Development Co., Inc.;

H. R. 6458. An act for the relief of Maj. Roy E. Bevel;

H. R. 6461. An act for the relief of Jirina Zizkovsky;

H. R. 6505. An act to legalize the entry of Mrs. David Munson Osborne (nee Janet Mary Toie), a native of New Zealand;

H. R. 6758. An act for the relief of Ruby Thaw and Hla Sein;

H. R. 7071. An act for the relief of Mrs. Masa Iyoki;

H. R. 7228. An act for the relief of Kazuko Kamada;

H. R. 7764. An act to authorize the construction of modern naval vessels, and for other purposes;

H. R. 7812. An act for the relief of Martha Aporta Strickland;

H. R. 8117. An act for the relief of Yoshiko Emory;

H. R. 8139. An act to authorize the attendance of the United States Navy Band at the annual reunion of the United Confederate Veterans to be held in Biloxi, Miss., September 27 through September 30, 1950;

H. R. 8245. An act for the relief of Dr. Alessandro Rizzo;

H. R. 8440. An act for the relief of Naoo Kawashima;

H. R. 8655. An act for the relief of Toshiko Kikyo and Francis Kikyo; and

H. R. 9178. An act to suspend restrictions on the authorized personnel strength of the Armed Forces, and for other purposes.

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 298. An act for the relief of John Rowland;

S. 442. An act to amend the Air Commerce Act of 1926 (44 Stat. 568), as amended, to provide for the application to civil air navigation of laws and regulations related to animal and plant quarantine, and for other purposes;

S. 503. An act for the relief of Solly Manasse;

S. 648. An act to amend title 18, United States Code, section 705, to protect the badge, medal, emblem, and other insignia of auxiliaries to veterans' organizations, and for other purposes;

S. 920. An act for the relief of Ellen Rodriguez Moreno;

S. 1059. An act for the relief of John W. Wagner;

S. 1169. An act for the relief of Christina Shalfeiff;

S. 1419. An act for the relief of Wilhemus Johannes Marie Van Der Kooy;

S. 1491. An act for the relief of Rudolf Meinhard and Irene Hallinger;

S. 1529. An act for the relief of Amy L. Hefington;

S. 1551. An act for the relief of Jose Augusto Perelra;

S. 1573. An act for the relief of Anastacia Roshani;

S. 1654. An act for the relief of Kyra Kite Riddle;

S. 1760. An act to amend section 101 (b) of the Department of Agriculture Organic Act of 1944 (56 Stat. 734; 7 U. S. C. 429);

S. 1942. An act for the relief of Isabel Alba Casas, Concepcion Garcia Perez, Maria del Carmen Fernandez Matessenz, Maria Santos

Zuniga, Felipa Casado del Blanco, Mercedes Rodriguez Villanueva, Selina Milan Gonzalez, Teresa Duque Saenz, Martina Equiza Garces, and Teresa Baztan Elizalde;

S. 1963. An act for the relief of Augusto Segre;

S. 2016. An act for the relief of Mr. and Mrs. Charles R. Proctor.

S. 2053. An act for the relief of Vivienne Joy Wilson and minor daughter, Mary Ann Vaughn;

S. 2080. An act to authorize the regulation of whaling and to give effect to the International Convention for the Regulation of Whaling signed at Washington under date of December 2, 1946, by the United States of America and certain other governments, and for other purposes;

S. 2183. An act for the relief of Nicholas J. Chicouras;

S. 2240. An act to authorize certain personnel and former personnel of the United States Coast Guard and the United States Public Health Service to accept certain gifts tendered by foreign governments;

S. 2242. An act for the relief of John E. Dwyer;

S. 2253. An act for the relief of Dr. In Sung Kwak;

S. 2264. An act for the relief of Juliana Sosa de Solis;

S. 2297. An act for the relief of the estate of Lee Jones Carly;

S. 2314. An act to provide for holding a term of the United States District Court for the District of Oregon at Eugene;

S. 2357. An act to amend the Act of May 26, 1936, authorizing the withholding of compensation due Government personnel;

S. 2442. An act for the relief of Yone T. Park;

S. 2565. An act for the relief of Edward E. Duff;

S. 2608. An act for the relief of Dr. Kun Ken Hu;

S. 2723. An act for the relief of Maria del Carmen Moreno-Elorza, Maria Luisa Asin Luri, Rafaela Garcia Casini, Giovanni Importa, and Teresa Campagnoni;

S. 2774. An act to amend section 2113 of title 18 of the United States Code in order to include certain savings and loan associations within its provisions;

S. 2866. An act for the relief of Egbert G. Gesell;

S. 2934. An act for the relief of Julius Elzas;

S. 2990. An act for the relief of Amy Louisa Shier;

S. 2991. An act for the relief of the Chicago, Rock Island & Pacific Railroad Co.;

S. 2996. An act to authorize loans to make available in any area or region credit formerly made available in such area or region by the Regional Agricultural Credit Corporation;

S. 3012. An act for the relief of Mrs. Osa J. Petty;

S. 3098. An act to amend section 104 of title 28 of the United States Code so as to create a Greenville division in the northern district of Mississippi, with terms of court to be held at Greenville;

S. 3163. An act for the relief of Mrs. Honora Redman;

S. 3253. An act for the relief of Lyon F. Hibbard and the estate of George T. Erb;

S. 3377. An act to amend the Civil Aeronautics Act of 1938, as amended;

S. 3585. An act for the relief of Dodge County, Wis.;

S. 3652. An act to facilitate the settlement of the accounts of certain deceased civilian officers and employees of the Government;

S. 3653. An act to provide for financing the operations of the Bureau of Engraving and Printing, Treasury Department, and for other purposes;

S. 3832. An act to approve a contract negotiated with the Ogden River Water Users'

Association, to authorize its execution, and for other purposes;

S. 3833. An act to approve a contract negotiated with the South Cache Water Users' Association, to authorize its execution, and for other purposes;

S. J. Res. 133. Joint resolution authorizing the return to Mexico of the flags, standards, colors, and emblems that were captured by the United States in the Mexican War; and

S. J. Res. 147. Joint resolution giving the consent of Congress to an agreement between the State of Missouri and the State of Kansas establishing a boundary between said States.

ADJOURNMENT

Mr. BUCHANAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 56 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Wednesday, August 2, 1950, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1607. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1951 of \$4,000,000,000 to provide military assistance to foreign nations (H. Doc. No. 670); to the Committee on Appropriations and ordered to be printed.

1608. A communication from the President of the United States, transmitting a revised draft of a proposed provision for the Department of Defense, Department of the Navy (H. Doc. No. 671); to the Committee on Appropriations and ordered to be printed.

1609. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1951 in the amount of \$3,375,000 for the Treasury Department (H. Doc. No. 672); to the Committee on Appropriations and ordered to be printed.

1610. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for fiscal year 1951 in the amount of \$9,000,000 for the Veterans' Administration (H. Doc. No. 673); to the Committee on Appropriations and ordered to be printed.

1611. A letter from the Administrator, General Services Administration, transmitting the twenty-fourth quarterly report on contract settlement, covering the period April 1 through June 30, 1950; to the Committee on the Judiciary.

1612. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to clarify and consolidate the authority to require the establishment and maintenance of aids to navigation on private structures in or over navigable waters of the United States"; to the Committee on Merchant Marine and Fisheries.

1613. A letter from the Comptroller General of the United States, transmitting report on the examination of the financial statements and accounts of Commodity Credit Corporation for the fiscal years ended June 30, 1948, and June 30, 1949, pursuant to the requirements of the Government Corporation Control Act (31 U. S. C. 841) (H. Doc. No. 674); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 6298. A bill to provide for the conveyance of certain land in Monroe County, Ark., to the State of Arkansas; without amendment (Rept. No. 2766). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 8345. A bill to amend the Columbia Basin Project Act with reference to recordable contracts; with amendment (Rept. No. 2767). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOSSETT: Committee on the Judiciary. S. 1858. An act to permit the admission of alien spouses and minor children of citizen members of the United States Armed Forces; with amendment (Rept. No. 2768). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Florida: Committee on Interstate and Foreign Commerce. S. 3357. An act to prohibit transportation of gambling devices in interstate and foreign commerce; with amendment (Rept. No. 2769). Referred to the Committee of the Whole House on the State of the Union.

Mr. RIBICOFF: Committee on Foreign Affairs. House Joint Resolution 516. Joint resolution authorizing the President, or such officer or agency as he may designate, to conclude and give effect to agreements for the settlement of intercustodial conflicts involving enemy property; without amendment (Rept. No. 2770). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOUGHTON: Committee of conference. H. R. 6000. A bill to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child-welfare provisions of the Social Security Act, and for other purposes; without amendment (Rept. No. 2771). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. NOLAND:

H. R. 9289. A bill to extend the provisions of the Servicemen's Readjustment Act of 1944, as amended, and Public Law 16, Seventy-eighth Congress, as amended, to persons in active service in units of the Armed Forces employed in the Korean theater, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. EDWIN ARTHUR HALL:

H. R. 9290. A bill to provide allotments through Government contribution for wives and children of all members of the armed services on active duty; to the Committee on Armed Services.

By Mrs. NORTON:

H. R. 9291. A bill to authorize the printing of the annual reports of the Girl Scouts of the United States of America as separate House documents; to the Committee on House Administration.

By Mr. ROGERS of Florida:

H. R. 9292. A bill to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to provide further relief for persons in military service, and for other purposes; to the Committee on Veterans' Affairs.

SENATE

WEDNESDAY, AUGUST 2, 1950

(Legislative day of Thursday, July 20, 1950)

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

Rev. R. Murphy Williams, Jr., pastor of Bethel Presbyterian Church, Staunton, Va., offered the following prayer:

How is it, O Lord God, that each hour seems more crucial than the one preceding? Yet, at this hour we are certain that we need Thee and Thy guidance more than ever before.

We give Thee our heartfelt thanks for all those millions of people who recognize our need and who pray for those who frequent these Halls. But at this moment we are not content to be only the object of these prayers, but in the altar of our own hearts we earnestly pray for the needs of our people. Give them, we pray, the ability to put the national good above selfish interest. Redeem them from the blight of self-seeking. Bring our Nation to its knees, not in submission to some other world power, but rather in humble dependence on Thy strength and guidance.

Make each one of us a good steward of our heritage. Keep us true to the principles on which our Nation is founded.

Make us good stewards of our people. Keep us looking for the common good, rather than for any personal gain.

Make us ever mindful of our stewardship to Thee. Help us to put into concrete decisions what we know to be true—that honor is more important than popularity, and that the greatest accolade is not reelection but Thy commendation: "Well done, thou good and faithful servant: thou hast been faithful."

Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 1, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3278. An act to amend section 22 (d) (6) (A) of the Internal Revenue Code, relating to involuntary liquidation and replacement of inventory;

H. R. 6343. An act relating to customs duties on articles coming into the United States from the Virgin Islands;

H. R. 7891. An act to amend section 3224 (b) of the Internal Revenue Code, relating to the transportation of narcotic drugs; and

H. R. 8992. An act to eliminate the additional internal-revenue taxes on coconut oil coming from the trust territory of the Pacific islands, and for other purposes.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. HILL, and by unanimous consent, a subcommittee of the Committee on Labor and Public Welfare was authorized to meet this afternoon during the session of the Senate.

CALL OF THE ROLL

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Aiken	Hickenlooper	Maybank
Anderson	Hill	Millikin
Benton	Hoey	Morse
Brewster	Holland	Mundt
Bricker	Humphrey	Murray
Bridges	Hunt	Myers
Butler	Ives	Neely
Byrd	Johnson, Colo.	O'Connor
Capehart	Johnson, Tex.	O'Mahoney
Chavez	Johnston, S. C.	Pepper
Connally	Kefauver	Robertson
Cordon	Kem	Russell
Donnell	Kerr	Saltonstall
Douglas	Kilgore	Schoeppel
Dworshak	Knowland	Smith, Maine
Eastland	Langer	Smith, N. J.
Eaton	Leahy	Sparkman
Ellender	Lehman	Stennis
Ferguson	Lodge	Taft
Flanders	Lucas	Thomas, Utah
Frear	McCarran	Thye
Fulbright	McCarthy	Tydings
George	McClellan	Watkins
Gillette	McFarland	Wherry
Graham	McKellar	Wiley
Green	McMahon	Williams
Gurney	Magnuson	Young
Hayden	Malone	
Hendrickson	Martin	

Mr. MYERS. I announce that the Senator from Kentucky [Mr. CHAPMAN] is absent on public business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN], the Senator from Kansas [Mr. DARBY], the Senator from Indiana [Mr. JENNER], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present. The question is on the amendment offered by the Senator from New Jersey [Mr. SMITH] to the amendment offered by the Senator from Virginia [Mr. BYRD] for himself and other Senators.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to present petitions and memorials, introduce bills and joint resolutions, and submit routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

By Mr. CAVALCANTE:

H. R. 9293. A bill to amend the Hatch Act; to the Committee on House Administration.

H. R. 9294. A bill to amend the Selective Service Act of 1948, as amended, and for other purposes; to the Committee on Armed Services.

By Mr. McCORMACK:

H. R. 9295. A bill to amend the act of August 7, 1946, so as to authorize the making of grants for hospital facilities, to provide a basis for repayment to the Government by the Commissioners of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. KING:

H. J. Res. 517. Joint resolution to create a joint congressional committee to conduct continuing studies and investigations of the administration of the Defense Production Act of 1950; to the Committee on Rules.

By Mr. ADDONIZIO:

H. Res. 743. Resolution to create a select committee to investigate and study the high cost of living; to the Committee on Rules.

By Mr. EDWIN ARTHUR HALL:

H. Res. 744. Resolution granting 6 months' salary and \$350 funeral expenses to the estate of Arthur Hall, late an employee of the House of Representatives; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BREHM:

H. R. 9296. A bill for the relief of Ruby Francis Down; to the Committee on the Judiciary.

By Mr. FORAND:

H. R. 9297. A bill authorizing the Secretary of the Navy to permit Andre Caradec to receive instruction at the United States Naval Academy; to the Committee on Armed Services.

By Mr. KING:

H. R. 9298. A bill for the relief of Masaki Hoshi; to the Committee on Post Office and Civil Service.

By Mr. McGRATH:

H. R. 9299. A bill providing for the permanent residence of Sister Mariannina Silipigui; to the Committee on the Judiciary.

By Mr. NIXON:

H. R. 9300. A bill for the relief of Emiko Aki; to the Committee on the Judiciary.

By Mr. RIBICOFF:

H. R. 9301. A bill for the relief of Capt. Merton Jesse Clark; to the Committee on the Judiciary.

By Mr. WITHROW (by request):

H. R. 9302. A bill for the relief of Arthur DeWitt Janes; to the Committee on the Judiciary.

PETITIONS, ETC.

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

2298. By Mr. McGREGOR: Petition of public officials and others, of Licking County, urging immediate action relative to the high cost of living; to the Committee on Banking and Currency.

2299. By the SPEAKER: Petition of Chester Bowles, Governor, Hartford, Conn., relative to a letter addressed to Senator BURNET R. MAYBANK proposing an economic stabilization program; to the Committee on Banking and Currency.