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LEGISLATIVE HISTORY

S. 814

WOOL ACT OF 1947

(Vetoed)

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- January 3, 1947 H. R. 63 was introduced by Rep. Granger and was referred to the House Committee on Agriculture. Print of the bill as introduced. (Similar bill).
- January 8, 1947 S. 103 was introduced by Senator O'Mahoney and was referred to the Senate Committee on Agriculture and Forestry. Print of the bill as introduced. (Similar bill).
- February 12, 1947 H. R. 1890 was introduced by Rep. Barrett and was referred to the House Committee on Agriculture. Print of the bill as introduced. (Similar bill).
- February 28, 1947 H. R. 2318 was introduced by Rep. Hill and was referred to the House Committee on Agriculture. Print of the bill as introduced. (Similar bill).
- March 7, 1947 S. 814 was introduced by Senator Robertson and was referred to the Senate Committee on Agriculture and Forestry. Print of the bill as introduced.
- March 4, 1947 Hearings: House, H. R. 63, 1890, 2318 and S. 814.  
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- March 17, 1947 S. 917 was introduced by Senator Saltonstall and was referred to the Senate Committee on Agriculture and Forestry. (Similar bill).
- March 26, 1947 Hearings: Senate, S. 103, 814 and 917.  
Resume of Senate hearings.
- April 1, 1947 Senate Committee on Agriculture and Forestry ordered reported S. 814.
- April 2, 1947 Senate Committee reported with amendments S. 814. Senate Report 85. Print of the bill as reported.
- April 7, 1947 S. 814 debated in the Senate and passed with amendments.
- April 10, 1947 S. 814 was referred to the House Committee on Agriculture. Print of the bill as referred.
- April 15, 1947 House Agriculture Committee reported S. 814 with amendments. House report 257. Print of the bill as reported.
- May 12, 1947 Remarks of Rep. Murray. Questions and answers regarding the wool bill.
- May 20, 1947 Remarks of Rep. Land. Remarks of Rep. Hope, with a proposed amendment to S. 814.



May 21, 1947 House Rules Committee reported H. Res. 214 for the consideration of S. 814. House Report 409. Print of the Resolution.

May 22, 1947 House began debate on S. 814.

May 23, 1947 House debate concluded. S. 814 passed House with amendment.

May 26, 1947 Senate Conferees appointed. Remarks of Rep. Crawford.

May 29, 1947 House Conferees appointed. Rep. Douglas criticized the bill.

June 12, 1947 House received the Conference Report. House Rept. 584.

June 13, 1947 Print of S. 814 with the amendments of the House numbered.

June 16, 1947 House agreed to the Conference Report.

June 18, 1947 Senate received and debated Conference Report.

June 19, 1947 Senate debated and agreed to the Conference Report.

June 26, 1947 Senate received President's veto message.  
Veto Message. Senate Document 68.









80TH CONGRESS  
1ST SESSION

# H. R. 63

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1947

MR. GRANGER introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To authorize the Secretary of Agriculture to establish a comparable price for wool, a comparable price for lambs, and to provide support price for wool, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That this Act may be cited as the "Wool Act of 1947".

4        SEC. 2. (a) Beginning with wool produced in 1947,  
5 Commodity Credit Corporation is directed, through loans,  
6 purchases, or other operations, to so use the funds available  
7 to it as to support, during the period beginning January 1,  
8 1947, and expiring two years thereafter, a price to pro-  
9 ducers of wool in the continental United States and Terri-

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# A BILL

To authorize the Secretary of Agriculture to establish a comparable price for wool, a comparable price for lambs, and to provide support price for wool, and for other purposes.

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By Mr. GRANGER

JANUARY 3, 1947

Referred to the Committee on Agriculture





80TH CONGRESS  
1ST SESSION

# S. 103

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IN THE SENATE OF THE UNITED STATES

JANUARY 8, 1947

Mr. O'MAHONEY introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

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## A BILL

To provide support for wool, to amend the Agricultural Marketing Agreement Act of 1937 by including wool as a commodity to which orders under such Act are applicable, to authorize the Secretary of Agriculture to fix wool standards, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Wool Act of 1947".

4       SEC. 2. (a) Beginning with wool produced in 1947,  
5       Commodity Credit Corporation is directed, through loans,  
6       purchases, or other operations to support a price to producers  
7       of wool in the continental United States and Territories at

1 levels as follows: The support level for wool produced each  
2 year during the period beginning January 1, 1947, and ex-  
3 piring two years after the first day of January immediately  
4 following the date upon which the President by proclamation  
5 or the Congress by concurrent resolution declares that hostili-  
6 ties in the present war have terminated shall be 90 per  
7 centum of the comparable price for wool as of January of  
8 the year in which the wool is produced; and the support  
9 level for wool produced after the expiration of such period  
10 shall be not less than 50 per centum and not more than 75  
11 per centum of such comparable price, as determined by the  
12 Secretary of Agriculture: *Provided, however,* That prior  
13 to December 31, 1950, the price supported shall be not less  
14 than the price at which the Commodity Credit Corporation  
15 has undertaken to support wool in 1946: *And provided*  
16 *further,* That after December 31, 1950, the price supported  
17 in any year shall not be reduced by more than 6 per centum  
18 below the price supported in the immediately preceding year.

19 (b) Notwithstanding any other provisions hereof, the  
20 Commodity Credit Corporation may adjust support prices  
21 for individual grades and qualities of wool for the purpose  
22 of bringing about a fair and equitable relationship in the  
23 support prices for the various grades and qualities of wool;  
24 may make discounts from support prices for off-quality,  
25 inferior-grade, or poorly prepared, wool; and may make



1 discounts from support prices for the purpose of discouraging  
2 unsound marketing practices.

3 SEC. 3. The Secretary of Agriculture shall establish a  
4 comparable price for wool and a comparable price for lambs,  
5 respectively, and the comparable price so established shall be  
6 used for the purposes of all laws in which a parity or com-  
7 parable price is established or used. The comparable price  
8 for wool and the comparable price for lambs, respectively,  
9 shall be that price which bears the same relation to the aver-  
10 age parity prices of the basic agricultural commodities, cotton,  
11 corn, wheat, rice, tobacco, and peanuts, as the actual price  
12 for wool or lambs, as the case may be, bore to the actual  
13 average prices of such basic commodities during the period  
14 August 1934 to July 1939. Such comparable price for  
15 wool or lambs may be adjusted for grade, quality, season,  
16 and location.

17 SEC. 4. The provisions of sections 385, 386, and 388  
18 of the Agricultural Adjustment Act of 1938, as amended,  
19 shall be applicable to operations carried out pursuant to  
20 section 2 hereof.

21 SEC. 5. The Commodity Credit Corporation may, with-  
22 out regard to restrictions imposed upon it by any law, dis-  
23 pose of wool at prices which will permit such wool to be sold  
24 in competition with imported wool.

25 SEC. 6. Such part of the proceeds derived from duties

1 collected under the customs laws on and after the enactment  
2 of this Act as is necessary from time to time, as determined  
3 by the Secretary of Agriculture, to reimburse the Commodity  
4 Credit Corporation for losses realized by it in connection with  
5 operations carried out pursuant to the provisions of sections 2  
6 to 5, inclusive, of this Act are hereby authorized to be  
7 appropriated and made available to the Secretary of Agri-  
8 culture for payment to the Commodity Credit Corporation.

9       SEC. 7. The Agricultural Adjustment Act, as amended  
10 and as reenacted and amended by the Agricultural Market-  
11 ing Agreement Act of 1937, is further amended as follows:

12       (a) By adding at the end of section 2 (7 U. S. C.,  
13 1940 edition, 602) the following:

14       “(3) Through the exercise of the powers conferred upon  
15 the Secretary of Agriculture under this chapter to estab-  
16 lish and maintain such orderly marketing conditions for  
17 wool in interstate commerce as will establish prices to pro-  
18 ducers of wool at the comparable price level for wool as set  
19 forth in section 3 of the Wool Act of 1946, but the interest  
20 of the consumers shall be protected by (a) approaching  
21 the level of prices which it is declared to be the policy of  
22 Congress to establish with respect to wool by gradual cor-  
23 rection of the current level at as rapid a rate as the Secre-  
24 tary of Agriculture deems to be in the public interest and  
25 feasible in view of the current consumptive demand in

1 domestic and foreign markets, and (b) authorizing no action  
2 hereunder which has for its purpose the maintenance of  
3 prices to producers of wool above the level which it is  
4 declared to be the policy of Congress to establish with respect  
5 to wool.”

6 (b) By inserting in section 8 (c) (7 U. S. C., 1940  
7 edition, 608c (2) ) the word “wool” immediately after the  
8 word “hops”.

9 (c) By inserting in section 8c (6) (7 U. S. C., 1940  
10 edition, 608c (6) ) the word “wool” immediately after the  
11 word “hops”.

12 SEC. 8. The Secretary of Agriculture is authorized to  
13 expand and intensify research and studies, and to engage  
14 in demonstration work, as to problems relating to the produc-  
15 tion, processing, preparation, manufacturing, standardiza-  
16 tion, grading, marketing, and utilization of wool, mohair,  
17 sheep pelts, goat pelts, and products thereof, including studies  
18 of competing materials and manufactures and including the  
19 establishment and maintenance of laboratories and pilot  
20 plants. In carrying out such studies, research, and other  
21 operations, the Secretary of Agriculture is authorized to  
22 cooperate with and enter into contracts with public and  
23 private organizations. The Secretary of Agriculture is  
24 further authorized to appoint a wool advisory committee rep-

1 resenting public and private agencies interested in any phase  
2 of the wool industry, to hold conferences with said committee  
3 or subcommittees thereof, and to receive and consider the  
4 recommendations of said committee for wool-research pro-  
5 grams and other operations under this section. The authority  
6 provided for herein shall be in addition to, and not exclusive  
7 of, any authority under existing law.

8       SEC. 9. (a) The Secretary of Agriculture is hereby  
9 authorized, after investigation and due notice and opportunity  
10 for a hearing, to fix and establish types and standards of  
11 quality and condition for the grading of wool, mohair, wool  
12 tops, and mohair tops and to conduct tests for the shrinkage,  
13 clean content, length and fineness of fiber, and any other  
14 characteristics of wool, mohair, wool tops, and mohair tops.  
15 The standards fixed and established by the Secretary as pro-  
16 vided herein shall be published in the Federal Register and  
17 sixty days after such publication shall become and be the  
18 Official Wool and Mohair Standards of the United States,  
19 and such official standards shall be substituted for and be  
20 used in lieu of any official wool or mohair standards hereto-  
21 fore established by the Secretary of Agriculture under the  
22 provisions of any existing law. The Secretary of Agriculture  
23 shall have the power to alter or modify, after investigation  
24 and due notice and opportunity for a hearing, such official  
25 standards whenever the necessities of the trade may require

1 and such alterations or modifications shall likewise become  
2 effective sixty days after publication thereof in the Federal  
3 Register.

4 (b) Any person who has custody of or a financial in-  
5 terest in any wool, mohair, or tops therefrom may submit  
6 the same or samples thereof, drawn in accordance with the  
7 rules and regulations of the Secretary of Agriculture, to  
8 such officer or officers of the Department of Agriculture, as  
9 may be designated for the purpose pursuant to the rules and  
10 regulations of the Secretary of Agriculture, for a determina-  
11 tion of the true grade, shrinkage or clean content, including  
12 the comparison thereof, if requested, with types or with other  
13 samples submitted for the purpose. Except for the purposes  
14 of the assessment and collection of customs duties the final  
15 certificate of the Department of Agriculture showing such  
16 determination shall be binding on officers of the United States  
17 and shall be accepted in the courts of the United States as  
18 prima facie evidence of the true type grade, shrinkage, clean  
19 content, or comparison thereof when involved in any trans-  
20 action or shipment in commerce. The Secretary of Agri-  
21 culture shall make rules and regulations for drawing and  
22 submitting samples of wool, mohair, or tops therefrom for  
23 a determination of type, grade, shrinkage, clean content, or  
24 comparison.

25 (c) The Secretary of Agriculture may cause to be col-

1 lected such charges as he may find to be reasonable for deter-  
2 minations made under subsection (b) of this section.

3 (d) Whenever the Official Wool and Mohair Standards  
4 of the United States established under this section shall be  
5 represented by practical forms, the Department of Agricul-  
6 ture shall furnish copies thereof, upon request, to any person,  
7 and the cost thereof, as determined by the Secretary of Agri-  
8 culture, shall be paid by the person making the request.

9 (e) The Secretary of Agriculture is authorized to effec-  
10 tuate agreements with wool associations, wool exchanges, and  
11 other wool or mohair organizations, either domestic, foreign,  
12 or international, for (1) the adoption, use, and observation  
13 of universal standards of wool and mohair grades, (2) the  
14 arbitration or settlement of disputes with respect thereto, and  
15 (3) the preparation, distribution, inspection, and protection  
16 of the practical forms or copies thereof under such  
17 agreements.

18 SEC. 10. There is hereby authorized to be appropriated  
19 annually commencing with the fiscal year 1948, out of any  
20 money in the Treasury not otherwise appropriated, such  
21 amount as may be necessary to enable the Secretary of  
22 Agriculture to carry out the provisions of sections 8 and 9  
23 hereof.



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## A BILL

To provide support for wool, to amend the Agricultural Marketing Agreement Act of 1937 by including wool as a commodity to which orders under such Act are applicable, to authorize the Secretary of Agriculture to fix wool standards, and for other purposes.

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By Mr. O'MAHONEY

JANUARY 8, 1947

Read twice and referred to the Committee on  
Agriculture and Forestry







80TH CONGRESS  
1ST SESSION

# H. R. 1890

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 1947

MR. BARRETT introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To amend section 22 of the Agricultural Adjustment Act (re-enacted by the Agricultural Marketing Agreement Act of 1937), so as to extend such Act to all programs of the Department of Agriculture, and agencies operating under its direction, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That section 22 of the Agricultural Adjustment Act, as  
4        amended and as reenacted (U. S. C., 1940 edition, title 7,  
5        sec. 624), is hereby amended by adding a new subdivision  
6        as follows:

7        “(f) Whenever it appears that foreign raw-appearel  
8        wool is being or is practically certain to be imported into

1 the continental United States under such conditions and in  
2 such quantities as may interfere materially with any pro-  
3 gram or operation undertaken under this title or any other  
4 program or operation undertaken by the Department of  
5 Agriculture or any agency operating under its direction  
6 with respect to domestic raw-apparel wool, or to reduce  
7 substantially the amount of any product processed in the  
8 United States from such commodity then, and in that event,  
9 import quotas shall be established in the following manner:

10 “(1) Quotas for the importation of foreign raw wool  
11 other than for the manufacture of carpets and other uses as  
12 specified in paragraph 1101 (B) of the Tariff Act of June  
13 1930 shall be established for the purpose of supporting the  
14 farm price of domestic wool.

15 “The Secretary of Agriculture shall determine and  
16 announce as of January 1 of each year the estimated United  
17 States requirements for imports of such foreign wool during  
18 the succeeding eighteen-month period.

19 “The Secretary of Agriculture shall establish and an-  
20 nounce import quotas for such foreign wool for each quarter  
21 of the year at least one month prior to the beginning of such  
22 quarter. Such quotas may be established by grades.

23 “All persons engaged in the production, marketing,  
24 processing, or manufacture of wool, and having information  
25 which the Secretary deems necessary to enable him to

1 administer the provisions of this Act, shall, upon the request  
2 of the Secretary, or his designated agent, furnish such  
3 information. Any person who willfully fails or refuses to  
4 furnish information requested by the Secretary under this  
5 section, or who willfully furnishes false information in re-  
6 sponse to any such request, shall, upon conviction thereof,  
7 be punished by a fine of not to exceed \$500 or by imprison-  
8 ment for not to exceed one year, or both.

9       “(2) The Secretary of Agriculture shall establish a  
10 comparable price for wool and the comparable price so estab-  
11 lished shall be used for the purposes of all laws in which a  
12 comparable or parity price is established or used. The  
13 comparable price for wool shall be that price which bears  
14 the same relation to the average parity prices of the basic  
15 agricultural commodities, cotton, corn, wheat, rice, tobacco,  
16 and peanuts, as the actual price for wool bore to the actual  
17 average prices of such basic commodities during the period  
18 August 1934 to July 1939. Such comparable price may be  
19 adjusted for grade, quality, season, and location.

20       “(3) The Secretary of Agriculture shall administer  
21 import quotas for such foreign wool in such manner as to  
22 support the prices received by wool producers as near  
23 as practicable to 90 per centum of the comparable price  
24 for wool during the period beginning July 1, 1947, and  
25 ending December 31, 1948, and thereafter at the same

1 percentage of the comparable price as may then be applicable  
2 to other basic agricultural commodities. In any year when  
3 the average farm price of wool is less than the support  
4 level set forth for the month of January of such year the  
5 Secretary of Agriculture shall make payments to farmers.  
6 The amount of the payment to an individual farmer shall  
7 be determined by multiplying the pounds of shorn wool  
8 the farmer produced and sold by the difference between the  
9 average farm price for the year and the support level for  
10 the month of January of such year.

11 “The Secretary is authorized to require the wool pro-  
12 ducer to submit satisfactory evidence of the amount of wool  
13 which he produced and sold for the purpose of verification  
14 of claims for support payments.

15 “(4) The Secretary of Agriculture shall be charged  
16 with the administration of the wool-control program. The  
17 Secretary shall establish such import quotas for foreign raw-  
18 apparel wool as may be necessary to insure the consumption  
19 of each year’s production of domestic wool in the United  
20 States.

21 “The Secretary of Agriculture is hereby authorized and  
22 directed to prescribe such methods, rules, and regulations as  
23 may be necessary to carry out the provisions of this Act.

24 “The Secretary shall have discretionary power to  
25 grant relief from such regulations in hardship cases when-

1 ever said program has impaired the operations of any  
2 individual wool textile mill or a group thereof, or the  
3 wool textile industry as a whole.

4 “(5) The Secretary of Agriculture shall designate an  
5 agency which shall be authorized to purchase and hold  
6 at all times an amount of both foreign and domestic wool  
7 deemed necessary to protect against a short supply in  
8 the market.

9 “It shall have authority to sell its stock pile of wool  
10 at a price over cost plus a reasonable handling charge,  
11 or to sell wool for less if it deems it advisable. It shall  
12 have authority to sell its stock pile of wool in order to  
13 rotate stocks which it holds, to reduce or liquidate its  
14 stock pile, and to provide wool for use by mills in the  
15 United States when the market supply is short.

16 “It is hereby authorized to sell wool at less than parity  
17 price or less than the comparable price.

18 “(6) The importation of wool top, yarn, fabrics, and  
19 other processed wool products shall be limited on a pound  
20 basis in any calendar year as follows:

21 “1. Wool top and wool wastes shall be limited to not  
22 more than 15 per centum of the raw-apparel wool imports  
23 of the previous year.

24 “2. Woven wool apparel cloth, felts, blankets and pile  
25 fabrics, and articles made from such materials shall be

1 limited to not more than  $2\frac{1}{2}$  per centum of the United States  
2 production of woven wool apparel cloth in the preceding  
3 year.

4 “3. Wool yarn and wool knit items shall be limited to  
5 not more than 1.5 per centum of the total United States  
6 production of wool sales yarn in the preceding year.

7 “7. Wool is hereby declared to be a basic agricultural  
8 commodity in addition to the basic commodities enumerated  
9 in subdivision (f) (2) hereof.





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# A BILL

To amend section 22 of the Agricultural Adjustment Act (reenacted by the Agricultural Marketing Agreement Act of 1937), so as to extend such Act to all programs of the Department of Agriculture, and agencies operating under its direction, and for other purposes.

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By Mr. BARRETT

FEBRUARY 12, 1947

Referred to the Committee on Agriculture





80TH CONGRESS  
1ST SESSION

# H. R. 2318

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 1947

Mr. HILL introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To authorize the Secretary of Agriculture to provide support for wool, to amend section 22 of the Agricultural Adjustment Act (reenacted by the Agricultural Marketing Agreement Act of 1937), by adding thereto a new section relating to wool, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That this Act may be cited as the "Wool Support Act of  
4        1947".

5        SEC. 2. The Secretary of Agriculture, through the  
6        exercise of the powers conferred under this Act, is directed  
7        to support, during the period beginning April 15, 1947,  
8        and ending December 31, 1948, the price of wool produced

1 in the continental United States and Territories so that the  
2 average farm price of such wool, adjusted for grade, quality,  
3 season, and location, shall not be less than the prices re-  
4 ceived under the 1946 wool price support program. If  
5 in any year the average farm price of wool is less than the  
6 support level provided herein, the Secretary of Agriculture  
7 shall make direct payments to farmers. The amount of  
8 the payment to an individual farmer shall be determined  
9 by multiplying the pounds of shorn wool the farmer pro-  
10 duced and sold by the difference between the average farm  
11 price for the year and the support price provided herein.

12 The Secretary of Agriculture shall require producers of  
13 wool to submit satisfactory evidence of the amount of wool  
14 produced and sold and such other evidence as he deems  
15 necessary for the purpose of verifying claims for support  
16 payments.

17 SEC. 3. Section 22 of the Agricultural Adjustment Act,  
18 as amended and reenacted (U. S. C. 1940 edition, title  
19 7, sec. 624), is hereby amended by adding a new sub-  
20 division as follows:

21 “(f) Notwithstanding any of the foregoing provisions  
22 of this section, whenever it appears to the Secretary of  
23 Agriculture that foreign raw-apparel wool is being or is  
24 practically certain to be imported into the continental United  
25 States under such conditions and in such quantities as to

1 interfere materially with any program or operation under-  
2 taken under the Wool Support Act of 1947, or any other  
3 program or operation undertaken by the Department of  
4 Agriculture, or any agency operating under its direction,  
5 with respect to domestic raw-apparel wool, or to reduce sub-  
6 stantially the amount of any product processed in the United  
7 States from such commodity then, and in that event, import  
8 quotas for the importation of foreign raw-apparel wool other  
9 than for the manufacture of carpets and other uses as speci-  
10 fied in paragraph 1101 (B) of the Tariff Act of June 1930  
11 shall be established in the following manner:

12       “(1) The Secretary of Agriculture shall determine and  
13 announce as of January 1 of each year the estimated United  
14 States requirements for imports of such foreign raw-apparel  
15 wool for each succeeding twelve-month period, and he shall  
16 establish and announce import quotas for such foreign raw-  
17 apparel wool for each quarter of the year at least one month  
18 prior to the beginning of such quarter. Quotas may be estab-  
19 lished by grade or upon such other bases as the Secretary  
20 may determine.

21       “(2) The Secretary of Agriculture shall establish and  
22 administer import quotas for such foreign raw-apparel wool  
23 in such manner as to (a) support, until December 31, 1948,  
24 the average farm price of wool produced in the continental  
25 United States and Territories, as nearly as practicable, at

1 the support level provided herein, and (b) insure the con-  
2 sumption of each year's domestic production of wool.

3       “(3) All persons engaged in the production, marketing,  
4 processing, or manufacture of wool, and having information  
5 which the Secretary of Agriculture deems necessary to  
6 enable him to administer the provisions of this Act, shall,  
7 upon the request of the Secretary, or his designated agent,  
8 furnish such information. Any person who willfully fails  
9 or refuses to furnish information requested under this section,  
10 or who willfully furnishes false information in response to  
11 any such request, shall, upon conviction thereof, be punished  
12 by a fine of not to exceed \$500 or by imprisonment for not  
13 to exceed one year, or both.

14       “(4) The Secretary of Agriculture shall have dis-  
15 cretionary power to grant relief in hardship cases whenever  
16 the program authorized hereunder has impaired, or threatens  
17 to impair, the operations of any wool textile mill or the wool  
18 textile industry as a whole.

19       “The Secretary of Agriculture is hereby authorized to  
20 prescribe such methods, rules, and regulations as may be  
21 necessary to carry out the provisions of this Act.

22       “(5) The Secretary of Agriculture is authorized to  
23 purchase and hold, at all times, an amount of both foreign  
24 and domestic wool deemed necessary to protect against a  
25 short supply in the market, and he shall have authority to



1 sell such stock pile of wool at such prices as he deems  
2 advisable. Wool from such stock pile may be sold in order  
3 to rotate stocks, to reduce or liquidate the stock pile, or to  
4 provide wool for use by mills in the United States when  
5 the market supply is short.

6 “Notwithstanding any other provision of law, the Secre-  
7 tary of Agriculture is hereby authorized to sell any wool  
8 owned by the Commodity Credit Corporation or any other  
9 agency of the Department of Agriculture at prices which will  
10 permit such wool to be sold in competition with foreign wool.

11 “(6) Whenever import quotas are in effect with respect  
12 to raw-apparel wool, the importation of wool top, yarn,  
13 fabrics, and other processed wool products shall be limited  
14 on a pound basis in any calendar year as follows:

15 “a. Wool top and wool wastes shall be limited to not  
16 more than 15 per centum of the raw-apparel wool imports  
17 of the previous year.

18 “b. Woven wool apparel cloth, felts, blankets, and pile  
19 fabrics made from such materials shall be limited to not more  
20 than  $2\frac{1}{2}$  per centum of the United States production of woven  
21 wool apparel cloth in the preceding year.

22 “c. Wool yarn and wool knit items shall be limited to  
23 not more than  $1\frac{1}{2}$  per centum of the total United States pro-  
24 duction of wool sales yarn in the preceding year.”

25 SEC. 4. There is hereby authorized to be appropriated,

1 out of any money in the Treasury not otherwise appropriated,  
2 such sums as may be necessary to carry out the provisions of  
3 this Act.



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## A BILL

To authorize the Secretary of Agriculture to provide support for wool, to amend section 22 of the Agricultural Adjustment Act (re-enacted by the Agricultural Marketing Agreement Act of 1937), by adding thereto a new section relating to wool, and for other purposes.

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By Mr. HULL

FEBRUARY 28, 1947

Referred to the Committee on Agriculture





OFFICE OF HOUSE AND SENATE  
Legislative Reports and Service Division

(For administrative information only)

HEARINGS BEFORE HOUSE COMMITTEE ON AGRICULTURE REGARDING WOOL LEGISLATION (H.R. 63,  
S.R. 2316, H.R. 1890, AND H.R. 1825), MARCH 4, 1947

The first witness was Under Secretary Dodd. Before Mr. Dodd could testify Rep. Granger asked that the recent Tariff Commission report on the cost of producing wool be incorporated as a part of the hearing record at the outset.

Mr. Dodd then reviewed briefly the reasons for the wool price support program, namely, that wool is a strategic material and that producers are entitled to price guarantees comparable to other agricultural commodities. This, however, led to the present situation in which CCC holds wool stocks totaling approximately 460 million pounds which is almost impossible to liquidate because of legislation requiring a selling price at not less than 100 percent of parity. To meet this situation Mr. Dodd said that the Department favors legislation combining a support price feature with quota limitations on the importations of foreign wools. In this connection he said that the Department has expressed itself in favor of the legislation introduced by Rep. Granger on this subject. It was also stated that the Department had recommended legislation which would provide for import control in case imports were interfering with price support programs for farm products. This proposed legislation is covered in H.R. 1825.

In the discussion which followed Mr. Dodd further pointed out that the Department favors the comparable price formula for all commodities, as well as wool. He pointed out that because the U. S. price for wool is higher than the world price plus the 34 cents tariff there is no possibility of marketing U. S. wool outside the domestic market except at a great loss. Without restrictions on imports price support activity in effect tends to support the world market as well, and in addition drastically hinders any possibility of selling domestic wool purchased by CCC.

Mr. Pace brought out the point that if CCC were to price its wool at less than parity the loss incurred probably would not be significant compared with losses on stocks incurred for other commodities in connection with the war. Mr. Dodd promised to provide the committee with estimates of this cost if the stock pile is liquidated at prices below parity. The question of what period should be covered by the proposed legislation was discussed, Mr. Dodd indicating that for the time being at least it should be the same as for Steagall commodities, i.e., to expire December 31, 1948.

In connection with the discussion of world consumption of wool, Mr. Dodd promised to provide the committee with data on foreign wool consumption by countries beginning with the postwar period. Regarding the disposal of CCC stocks Mr. Dodd said the Department would favor taking sufficient time to liquidate them in an orderly manner.

Rep. Barrett next testified with regard to H.R. 1890 proposed by him. He stated that the average age of stock sheep has increased as a result of liquidating ewe lambs and that for this reason sheep numbers will undoubtedly continue their downward trend of the past few years. He pointed out that the Tariff Commission study shows that even the support price for wool is several cents below the cost of production, even with the present price at or above parity. He pointed out further that the 1909-1914 base period from





which parity prices are calculated was the most unfavorable period that could be selected for lambs and wool and for that reason favored subsidized prices of the competitive price for parity on these two commodities. He pointed out that even with wool consumption in the U. S. at a very high level, 94% of the wool used for apparel purposes was foreign wool. Reference was made to the possibility of a reduction in the tariff on wool. Rep. Barrett said that this unfavorable prospect was one of the reasons for the legislation that has been in progress and that if this action were taken it would have a very disastrous effect upon the sheep industry.

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\*In cooperation with the Legislative Reports and Service Section.



OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section

(for administrative information only)

HEARINGS BEFORE HOUSE COMMITTEE ON AGRICULTURE REGARDING WOOL SITUATION, MARCH 5, 1947

The hearing opened with an explanation by Rep. Barrett concerning his bill. Mr. Barrett reported that the Department considers that comparable price for wool is reasonable, just, fair, equitable, etc. Congressman Pace questioned the precedent which changing the base period for computing parity might set. There was further discussion regarding comparable price for wool, with the general tone of the discussion indicating that a change in parity price is needed and that comparable price would be satisfactory.

A question was raised about provisions for controlling production of wool along with the provisions for support of wool such as is provided under the Agricultural Adjustment Act for certain other agricultural products. It was pointed out that such control was not needed for wool since we never produce as much as we consume.

Export quotas were discussed, and the British monopoly in wool and Government monopoly of other agricultural items was mentioned.

Cost of production and the loss of about nine cents per pound for wool, as shown by a recent Tariff Commission study, was pointed out. No exceptions to the Tariff Commission figures were raised. Quotas on wool goods were discussed, concluding Rep. Barrett's testimony on his own bill.

Congressman Fisher, of Texas, made a general statement in favor of the Barrett bill or other legislation which would accomplish the purpose of maintaining the price of wool.

Mr. S. J. Pauley, President of the National Wool Growers Association, read a prepared statement covering the sheep industry in general. His article included references to wool as a strategic military material, the decline in sheep numbers, the stock pile of the Joint Organization and their price policy and emphasized the need for action prior to April 15. It was pointed out that some farmers are planning to shear their sheep early enough to sell wool under the present program, thereby endangering their flocks in case of late cold weather.

Support of dairy products by the Department was criticized as supporting only skim milk, which represents one-half of the product milk, illustrating the need for careful wording of wool legislation to prevent misinterpretation. Congressman Hill predicted that sugar production in the United States would soon be in a position comparable to wool and emphasized that wool was a war casualty. The use of import fees provided under H.R. 1825 instead of quotas was suggested. Congressman Hope admitted that for all effects and purposes the import fee was simply an increase in the tariff.

The meeting adjourned with arrangements for the first hour on Thursday to be given to proponents and the remainder of the session to opponents of the bill.

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\*In cooperation with the Legislative Reports and Service Section.



OFFICE OF HOUSE AND SENATOR  
Legislative Reports and Service Section

(For administrative information only)

HEARINGS BEFORE HOUSE COMMITTEE ON AGRICULTURE REGARDING WOOL SITUATION,  
MARCH 6, 1947

Mr. Agnew, Secretary of the Texas Sheep and Goat Raisers Association, read a statement covering the general wool situation and urging Congressional action to assist wool producers. He reported that sheepmen are planning to start shearing by March 20 this year, which is earlier than normal, in order to sell wool under the current program, which ends April 15.

Mr. C.J. Fawcett, General Manager of the National Wool Marketing Corporation, read a statement giving statistics on national and international wool production and prices, U.S. imports, consumption, etc. He reported that an International wool agreement is in the making but that the details of the agreement were not available. He recommended legislative action (1) including comparable price for wool, (2) extending the present wool purchase program, (3) authorizing the Commodity Credit Corporation to sell wool below parity, and (4) including wool as a basic agricultural commodity. In the general discussion it was maintained by several persons (and denied by none) that lamb was a Steagall commodity. It was stated that wool was a Steagall commodity, but Mr. Pace clarified this and advised that wool was not a Steagall commodity.

Mr. Wilkins, Mr. Winder, and Mr. Wilson, representing various segments of the sheep industry, filed statements.

Mr. Hester, a Washington attorney for the National Wool Trade Association and the Boston Wool Trade Association, read a report of the position of the wool trade regarding the bills which had been introduced. The report was against (1) the continuation of the Government purchase of wool, (2) the substitution of comparable price for parity price, and (3) the institution of import quotas for wool. It recommended authority for selling wool below parity and recommended the support of wool at 90 percent of parity. It criticized the Tariff study on cost of producing wool and pointed out that the production of lambs and wool in Virginia and the Farm States was a profitable business at the present time.

Cross-examination regarding the statement by Mr. Hester was somewhat critical and was the liveliest of the day, with Rep. Hill questioning the witness.

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\* In cooperation with the Legislative Reports and Service Section.



OFFICE OF THE SECRETARY OF AGRICULTURE  
Legislative Reports and Hearing Section

(For administrative information only)

HEARINGS BEFORE HOUSE COMMITTEE ON AGRICULTURE REGARDING WOOL SITUATION,  
MARCH 7, 1947.

The hearing regarding wool bills continued with Mr. Hester, attorney for the National Wool Trade Association and the Boston Wool Trade Association, assisted by Mr. Mariner and Mr. Webb from the wool trade industry. The position of the wool trade was again set forth as opposing quotas, taking the position that:

1. An estimate of requirements for an advance period of six months would be necessary, yet impossible to make.
2. Allocations under the quota among foreign countries would be most difficult.
3. Allocating imports among importers in the United States would be extremely difficult.
4. The wool trade would be denied the free choice of selecting the most suitable wool for their requirements.
5. The use of synthetic fibers would be encouraged.
6. It is Government control similar to Office of Price Administration controls.
7. It would restrict free enterprise in the wool industry.

The wool trade indicated that it was agreeable to the import fees provided under H. R. 1325.

Mr. Hester's criticism of the Ferlie Commission study on cost of producing wool was questioned by Congressman Granger.

Mr. Mariner testified that the orderly dumping of the current wool holdings of Commodity Credit Corporation on the market at this time would not affect the world price of wool. Further questioning regarding the nature of the Joint Organization's operations took place with Representative Hill expressing the belief that this organization had some monopolistic aspects. Representatives of the wool trade maintained that the world wool price was set under conditions of free trade and was not rigged by the Joint Organization.

The representatives of the wool trade stated that they had met with representatives of the wool growers and discussed the development of a program which both the trade and the producers could support before the committee, but they were unable to come to an agreement.

Mr. Hester testified that the Hester bill, H. R. 2401, embodied the recommendations of the wool trade.





Mr. Mariner estimated that an increase of five cents per pound in the price of wool would not change the price of men's suits which were sold on a fixed price arrangement but that it might result in an increase of 5 to 10 dollars per suit in tailormade suits and other more expensive suits.

Mr. Carl H. Wilken, economic analyst for the Raw Material National Council of Sioux City, Iowa, filed a statement and gave a brief report. His proposals were based on the contention that one dollar of farm income is translated into seven dollars of national income, a ratio that has existed since 1921. He proposed that the problem of maintaining the price of wool should be included with the problem of maintaining the price of all agricultural commodities at 100 percent of parity. He proposed that tariffs should be flexible enough to provide a level of prices for farm products at 100 percent of parity. He recommended that export subsidies be provided for all products in surplus in the United States. The funds for such subsidy would come from Section 32 funds. He submitted that the United States now has the lowest cost of living per capita income of any time in its history.

Testimony concluded and hearings adjourned.

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\*In cooperation with the Legislative Reports and Service Section.



OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section

(For administrative information only)

HEARINGS BEFORE HOUSE COMMITTEE ON AGRICULTURE RELATIVE TO WOOL DUES AND TARIFFS (H.R. 2318, H.R. 1890 AND H.R. 1825), MARCH 11, 1947

Mr. C. M. Nichols presented testimony for the State Department in which he stated that the proposed legislation regarding extension of the wool program could be divided into two categories: (1) Those which contemplate import quotas or some further extension of import duties as a means of supporting wool prices; and (2) Those which would enable domestic wool to be marketed at competitive prices. He felt that legislation of the first type requiring the erection of new trade barriers would not conform with the over-all United States policy with regard to the promotion of world trade.

Congressman Hill then pointed out that this position seemed to be in conflict with that of the Agriculture Department presented by Mr. Dodd a few days ago in which it seemed that Agriculture favored import quotas as a part of the price-support mechanism. Mr. Hill also questioned Mr. Nichols as to how one could argue that foreign trade is so important to economic prosperity in this country when it is so small (5 percent) in relation to our total domestic trade.

Mr. Flammagan next questioned Mr. Nichols as to State Department policy, during which discussion it was brought out that the recent Tariff Commission report indicates that even under the present price support program wool is being produced in this country at financial loss to growers. In further explaining the State Department position Mr. Nichols stated that the Department's recommendation would be to continue price support on wool through either: (a) Direct income payments to growers, or (b) Government purchase of wool at a pre-determined level with resale being made at competitive prices. Further, the State Department is opposed to either: (a) An increase in wool tariff, or (b) quota regulations.

In the discussion which followed, Mr. Pace suggested that if the State Department favors wool price support legislation which involves a financial loss to the United States Treasury, the Department should also consider the total loss on all agricultural commodities which would be involved if similar programs were adopted for other agricultural commodities as well.

Mr. Murray next discussed the over-all foreign trade position of the United States with respect to agricultural products during the past 25 years. He brought out that import quotas have been employed in 19 other cases and asked why such restriction should be so objectionable when considered for wool. In reply to Mr. Worley's question, Mr. Nichols stated that the present tariff on wool is recognized as a protective duty.

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In cooperation with the Legislative Reports and Service Section.



OFFICE OF THE SECRETARY OF AGRICULTURE  
Division of Economic Research

(Administrative information only)

BEFORE HOUSE COMMITTEE ON AGRICULTURE RELATIVE TO WOLLE (S. 2316, H.R. 1890 AND H.R. 1825) MARCH 12, 1947

Meeting opened with Rep. Poage questioning Mr. Nichols as to State Department policy with respect to foreign trade in wool. The discussion developed the following points:

1. The State Department has no objection to giving some financial assistance to the wool producers in this country.
2. With regard to foreign trade in general it is the State Department's view that the U. S. cannot enjoy full economic prosperity if excessive restrictions on foreign trade are maintained.
3. The State Department is not advocating a completely free-trade policy, but it is opposed by the possible imposition of any further restrictions on trade.
4. The State Department would go along in the removing of tariff protection which has been in effect for some industries over a considerable period of years.
5. The 34¢ wool duty now in effect was established as a part of the Reciprocity Trade Agreements Act, but this does not mean that the State Department does not think the wool tariff is too high.
6. The U. S. as a whole is not consistent in its approach to the question of free enterprise. Wool growers, for example, are among the loudest proponents of eliminating Government interference in business.
7. By and large, U. S. consumers should not expect to obtain any agricultural commodity at prices less than 90 percent of parity.
8. An important argument in favor of the tariff on wool is that foreign producers should be expected to bear a revenue charge equivalent to the taxes paid by American producers of wool.

Mr. Anderson read a letter to the chairman of the committee from the Secretary of Agriculture dated March 11 which stated in effect that the Department favors import duties on wool.

When questioned about the apparent difference of opinion between the Departments of State and Agriculture, Mr. Nichols said that the subject of U. S. wool policy had been discussed with Agriculture and he had thought that the two Departments were in fairly close agreement as to their ideas on the subject. He agreed that the policy of the State Department with regard to foreign trade is not different from that expressed by the President in his recent Texas speech.

Mr. Flanagan insisted that it is inconsistent for the State Department to sanction an embargo on wheat and yet be opposed to import quotas on wool.

In reply to Rep. Granger's question, Mr. Nichols stated that if Congress adopts a wool program calling for the support of wool prices by Government purchasers accompanied by a sale of wool at a loss to the Federal treasury, the State Department would do its best to support such a program.

Mr. L. O. Connors of the Tariff Commission next testified regarding the Commission's recent study of the cost of producing wool. His testimony was principally in defense of this study, which had been strongly criticized by some persons during these hearings.

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OFFICE OF COMMERCE AND FINANCE  
Legislative Reports and Service Section

(For administrative information only)

HEARING BEFORE HOUSE AGRICULTURE COMMITTEE ON WOOL SITUATION, MARCH 13, 1947

Mr. Louis Connor, of the Tariff Commission, continued his testimony in justification of the Tariff Commission Study, "Estimated Cost of Production of Wool, Sheep and Lambs in 1945 and 1946 Compared with Data for the Period 1940-44."

Mr. Connor stated that money was not available to get detailed information from a large number of wool producers. Therefore, the Tariff Commission had obtained information representing about 1,000 growers. The Farm Credit Administration furnished some of the information. In 1946 the growers represented produced two more lambs per 100 ewes than the United States average, while in 1944 the growers represented produced six more lambs per 100 ewes than the United States average.

The latest bookkeeping data available on cost of producing sheep, lambs and wool was in 1943 and Mr. Connor indicated he would like to make a more detailed study involving an expenditure of \$35,000 on the cost of producing wool, sheep, and lambs.

The point had been made that the cost of producing sheep, lambs and wool was not separable, but Mr. Connor maintained that all accounting procedures allocate cost by items and that the costs of producing wool compared with lambs was based on comparative receipts from these items. He contended that wool was not a by-product but a joint product of the sheep, lamb and wool industry.

The study had been criticized because the sample represents less than 1,000 of the 500,000 sheep and lamb producers in the United States and, therefore, is not accurate. He admitted that there was some truth in this point but stated that it is impossible to get costs on all producers of sheep and lambs and that it is necessary to use a sample. He reported that the ranches which were checked had no substantial income other than from sheep and lambs.

Congressman Hill pointed out that the committee was interested more in the cost of producing wool in the Western area than the cost of producing wool in farm flock areas because the sheep industry in the West was a major industry and produced the majority of wool, while in the farm States wool production was generally a sideline.

Representative Murray of Wisconsin requested that Mr. Connor outline a program to remedy the difficulties in which the wool industry now finds itself. Mr. Connor, however, preferred to limit his statements to evaluations of plans proposed.

Mr. Connor believed that the reduction in stock sheep did not result from high prices for lambs, but rather than numbers were reduced because lambs were sold in order to pay expenses which were incurred in maintaining operations. He pointed out that stock sheep numbers have been decreasing since 1942 and that if this rate of decrease continued there would be no sheep within 16 or 17 years.

In refuting a statement made by the wool trade that sheep production tended to increase during periods of low prices and to decline during periods of high prices, Mr. Connor claimed that the periods selected covered too many years. Also, some increases in periods of low prices were due to favorable weather, and some decreases in periods of high prices were due to high costs.

Congressman Granger raised the question of the equity of the parity base for wool, and Mr. Connor reported that the 1909-14 period was very unfavorable for wool, and not as





unfavorable for lamb as for wool. It stated that, contrary to the report that wool growers need only 90 percent of parity to stay in business, they would lose 10 cents per pound at that price before deducting interest charges.

Under questioning, Mr. Connor reported that the price of foreign wool duty paid in Boston averaged 55 cents per grease pound, whereas the price of C.C.C. purchases on the Boston basis was approximately 45 cents per grease pound. Congressman Thompson requested an explanation of why the C.C.C. cannot sell its wool under such conditions. Mr. Connor explained that domestic wool yields only 40 percent clean content, while foreign wool yields 55 percent clean content, in addition to the fact that imported wool has been skirted and requires less labor in processing than does domestic wool. Answering further questions from the committee Mr. Connor reported that Australian wool, when shorn, had a yield of 49 to 50 percent. The committee questioned if these figures were consistent with the report from the trade that foreign wool would be purchased at a price 10 percent above the price of domestic.

Representative Poage, of Texas, referred to shearing costs in the Tariff Commission study and asked who paid 47 cents for having wool shorn. Mr. Connor explained that it was difficult to determine exact shearing costs because the practices concerning shearing varied throughout the different States. The shearing costs include labor, food, wool bags, etc. used in connection with the shearing of sheep. He also advised that sheep in parts of Texas were shorn twice a year. He reported that the long fleece obtained by shearing only once a year was worth approximately 10 percent more per pound than fleece shorn twice a year.

Mr. Connor advised that he considered import quotas on wool to be a very difficult program to administer. He considered H.R. 63 to be a good bill. He advised that a flexible tariff was desirable but that tariff changes should be infrequent. Mr. Connor stated that the duty on woollen cloth had been sharply lowered in 1939, the greatest reduction being on woollen cloth requiring the greatest amount of labor. This reduced tariff resulted in greater imports of wool goods.

Congressman D'Ewart, of Montana, read a statement covering the importance of wool and livestock industry to Montana. He mentioned five points brought before the committee which he believed should be given added emphasis. They were: (1) The Joint Organization and its functions; (2) the amount of wool handled by Boston wool trade was only 1/3 of the domestic clip; and the Boston wool trade handled 5 pounds of imported wool for each pound of domestic wool during the past year. Therefore, the testimony of the trade should be considered as coming from importers; (3) the cost of the wool program to the Government was small in comparison with the income derived from the tariff on wool, which has averaged 120 million dollars in recent years; (4) the price of lamb, while being comparatively high at the present time, has been high only since price ceilings have been removed; and (5) the Hester bill containing three provisions, one of which provided for a support not above 36 cents per pound on wool, did not recognize the costs which have incurred since 1942. Congressman D'Ewart proposed six possible courses of action as follows: (1) Let the C.C.C. program expire and lower the tariff; (2) increase the tariff; (3) provide quotas; (4) establish a comparable price with a price support program; (5) provide a subsidy with direct appropriations; or (6) provide import fees or a combination of the above possibilities. He favored first a fee on the imports of wool and second a quota if a fee system was not provided. He recommended that wool be designated as a basic agricultural commodity and he stated that he was against a subsidy for wool producers.

A representative from the National League of Women Shoppers, a consumer organization of housewives and professional women formed in 1935, read a statement opposing an increase in the tariff on wool. She opposed bills which would result in the increase



the price of wool clothing. She proposed that the bill's intention would increase the price of clothing beyond the ability of the average person to pay and that substitutes and cotton clothing would be used instead. She maintained that wool growers requested the elimination of the Office of Price Administration and the removal of Government interference from private enterprise, and that the producers were now inconsistent in requesting Government action to support their industry.

She reported that her organization, as tax payers, objected to the subsidy required to support wool under the present program. She stated that quotas were one of the most serious barriers to world trade and recommended free trade on an international basis as a general principle. Under cross-examination the witness admitted that she did not propose to be able to answer questions concerning agricultural economic problems and that she represented a consumer group who preferred, generally speaking, to be able to purchase consumer goods at the lowest price available without interference by Government trade barriers. Congressman Pace illustrated the implications of this theory where labor was the main cost of production.

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In cooperation with the Legislative Reports and Service Section.







DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section  
(For Department staff only)

Issued March 10, 1947  
For actions of March 7, 1947  
80th-1st; No. 44

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HIGHLIGHTS; Senate agreed to conference report on excise-tax continuation bill. Sen. Robertson, (Wyo.) introduced bill to provide for wool supports and to continue CCC as a U.S. agency.

SENATE

1. TAXATION. Agreed to the conference report on H. R. 1030, to continue war-time excise taxes (pp. 1855-6). The House agreed to the report Mar. 6. This bill will now be sent to the President.
2. CENSUS. Sen. McCarran, Nev., inserted and discussed various letters on S. 6, to provide for censuses of manufactures, mineral industries, distribution, business, and transportation (pp. 1846-54).
3. TRANSPORTATION. Sen. Tobey, N. H., inserted the minority report on S. 110, to amend the Interstate Commerce Act with respect to agreements among carriers (pp. 1828-30).
4. CCC CONTINUATION. Received a Mont. Legislature memorial favoring continuation of CCC as a U. S. agency (p. 1826).
5. COMMODITY EXCHANGES. Received an Okla. Senate resolution favoring legislation regulating trading in farm products on commodity exchanges and boards of trade (p. 1826).
6. FOOT-AND-MOUTH DISEASE. Sen. O'Mahoney, Wyo., inserted a Wyo. Legislature memorial urging appropriation of funds for cooperation with Mexico in combatting the foot-and-mouth disease (p. 1827).
7. FLOOD CONTROL; ELECTRIFICATION. Sen. Bushfield, S. Dak., inserted a S. Dak. farmers' petition rejecting irrigation priorities and disapproving of electric power limitations (p. 1828).  
Sen. Langer, N. Dak., inserted a Hampden (N. Dak.) resolution urging provision of the necessary funds for construction on the Heart River project and the Sheyenne Dam of the Missouri Souris project (p. 1828).
8. RECESSED until Mon., Mar. 10 (p. 1872).

HOUSE

NOT IN SESSION. Next meeting Mon., Mar. 10.

BILLS INTRODUCED

9. WOOL MARKETING; CCC. S. 814, by Sen. Robertson, Wyo., to provide support for wool and continue Commodity Credit Corporation as an agency of the U.S. To Agriculture and Forestry Committee. (p. 1831.)
10. ROADS. S. 821, by Sen. Stewart, Tenn., to supplement the Federal-Aid Road Act to authorize appropriations for the post-war construction of greatly needed rural local roads, to provide for the creation within the FWA of a new administration to administer the provisions of this act, to provide for immediate preparation of plans and acquisition of rights-of-way, and to cushion the post war conversion to peacetime economy. To Public Works Committee. (p. 1831.)

ITEMS IN APPENDIX

11. EXECUTIVE REORGANIZATION. Sen. Lodge, Mass., inserted N.Y. Sun and Washington Times-Herald articles discussing the proposed reorganization in the executive branch (pp. A952-3).
12. BUDGETING. Speech in the House by Rep. Dingell, Mich., opposing a \$6,000,000,000 budget cut "because it is arbitrary and may be impossible of fulfillment except at great risk to our national security and to the public services" (pp. A954-5).
13. FOREIGN TRADE. Sens. Barkley (Ky.) and Maybank (S.C.) inserted the President's recent addresses on the foreign trade situation (pp. A945-6, A947).

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COMMITTEE-HEARINGS ANNOUNCEMENTS for Mar. 10: H. Banking and Currency, sugar legislation; H. Appropriations, deficiency appropriation (ex.); S. Expenditures in the Executive Departments, legislation dealing with Bureau of Land Management; S. Civil Service, Government cafeterias; S. District of Columbia, daylight-saving time; H. Newsprint, newsprint shortage.

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For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 113 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bills.

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80TH CONGRESS  
1ST SESSION

# S. 814

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IN THE SENATE OF THE UNITED STATES

MARCH 7 (legislative day, FEBRUARY 19), 1947

Mr. ROBERTSON of Wyoming introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

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## A BILL

To provide support for wool, continue Commodity Credit Corporation as an agency of the United States, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Wool Act of 1947".

4       SEC. 2. (a) The Commodity Credit Corporation is  
5       directed, through loans, purchases, or other operations to  
6       support a price to producers of wool produced (shorn or  
7       pulled) in the calendar years 1947 and 1948 in the United  
8       States and its Territories at the higher of (1) 90 per centum  
9       of the comparable price for wool as of January of the

1 calendar year in which the wool is produced, or (2) the  
2 price at which the Commodity Credit Corporation has under-  
3 taken to support wool in 1946.

4 (b) Notwithstanding any other provisions hereof, the  
5 Commodity Credit Corporation may adjust support prices  
6 for individual grades and qualities of wool for the purpose  
7 of bringing about a fair and equitable relationship in the  
8 support prices for the various grades and qualities of wool;  
9 may make discounts from support prices for off-quality,  
10 inferior-grade, or poorly prepared wool; and may make  
11 discounts from support prices for the purposes of discourag-  
12 ing unsound marketing practices.

13 SEC. 3. The Secretary of Agriculture shall establish  
14 monthly (commencing with the month of January 1947)  
15 a comparable price for wool and the comparable price so  
16 established shall be used for the purposes of all laws in which  
17 a parity or comparable price is established or used. The  
18 comparable price for wool shall be that price which bears  
19 the same relation to the average parity prices of the other  
20 basic agricultural commodities, cotton, corn, wheat, rice,  
21 tobacco, and peanuts, as the actual price for wool bore to  
22 the actual average prices of such basic commodities during  
23 the period August 1934 to July 1939. Such comparable  
24 price for wool may be adjusted for grade, quality, season,  
25 and location.

1        SEC. 4. The provisions of sections 385, 386, and 388  
2 of the Agricultural Adjustment Act of 1938, as amended,  
3 shall be applicable to the support operations carried out  
4 pursuant to section 2 of this Act.

5        SEC. 5. The Commodity Credit Corporation may, with-  
6 out regard to restrictions imposed upon it by any law, dispose  
7 of any wool produced prior to January 1, 1949, at prices  
8 which will permit such wool to be sold in competition with  
9 imported wool.

10       SEC. 6. The first sentence of subsection (a) of section  
11 7 of the Act approved January 31, 1935 (49 Stat. 4), as  
12 amended, is amended by striking out "June 30, 1947" and  
13 inserting in lieu thereof "June 30, 1949".

14       SEC. 7. Section 4 of the Act approved March 8, 1938  
15 (52 Stat. 108), as amended, is amended by inserting after  
16 the first sentence thereof the following new sentence: "Not  
17 less than \$130,000,000 of the amount borrowed on such  
18 obligations shall be made available to support, as required  
19 by law, the price of wool produced in the calendar years  
20 1947 and 1948."

21       SEC. 8. Wool is a basic source of clothing for the people  
22 of the United States, and, as such, is deemed a basic agri-  
23 cultural commodity.

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# A BILL

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To provide support for wool, continue Com-  
modify Credit Corporation as an agency of  
the United States, and for other purposes.

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By Mr. ROBERTSON of Wyoming

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MARCH 7 (legislative day, FEBRUARY 19), 1947

Read twice and referred to the Committee on  
Agriculture and Forestry





# S. 917

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## IN THE SENATE OF THE UNITED STATES

MARCH 17 (legislative day, FEBRUARY 19), 1947

Mr. SALTONSTALL (for himself and Mr. LODGE) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

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## A BILL

To encourage the production of sheep, to protect the domestic price for wool, to provide for the national defense, and for other purposes.

1. *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That this Act may be cited as the "Domestic Wool Act of  
4 1947".

5 SEC. 2. (a) The Secretary of Agriculture is authorized,  
6 through loans or purchases, to protect the price to producers  
7 of domestic wool in the continental United States and Terri-  
8 tories during the period April 15, 1947, to December 31,  
9 1948. The loan or purchase level for wool during this period  
10 shall not be in excess of 90 per centum of the parity price for

1 wool as determined from time to time by the Secretary of  
2 Agriculture under the present method of computation.

3 (b) The Secretary of Agriculture is further authorized,  
4 without regard to restrictions imposed by any law to dispose  
5 of existing domestic wool stocks and such further stocks as  
6 may be acquired under this Act, at prices which will permit  
7 such wool to be sold in competition with imported wool.

8 (c) The Secretary of Agriculture is further authorized  
9 to adjust loan and purchase levels for individual grades and  
10 qualities for the purpose of bringing about a fair and equi-  
11 table relationship in the loan and purchase levels for the  
12 various grades and qualities of wool and may make discounts  
13 from loan and purchase levels for off-quality, inferior-grade,  
14 or poorly prepared wool.





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# A BILL

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To encourage the production of sheep, to protect the domestic price for wool, to provide for the national defense, and for other purposes.

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By Mr. SALTONSTALL and Mr. LODGE

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MARCH 17 (legislative day, FEBRUARY 19), 1947

Read twice and referred to the Committee on  
Agriculture and Forestry





OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section

(For administrative information only)

HEARINGS BEFORE SENATE AGRICULTURE COMMITTEE ON WOOL LIQUIDATION, MARCH 27, 1947

Senator Saltonstall. The Senator's testimony in connection with his bill (S. 917) was to the effect that he did not desire to see the wool trade put out of business, that he wanted the Government to have as little to do with wool marketing as possible, and that he desired to see the Government inventory on wool reduced. In lieu of responding to some detailed questions of the Committee, the Senator asked Mr. Green of the Boston Wool Trade to give information regarding wool prices. Mr. Green blamed CCC's high price support policy in 1943 and its failure to reduce sales price and take a loss after V-J Day for the present large stocks of wool. He indicated that the trade was just now going into the domestic market because of world price increases.

Mr. Dodd. Due to a rather full discussion of the wool situation before the Committee in connection with the bill extending the life of CCC, Mr. Dodd did not go into the wool situation in detail, but briefly reviewed the conditions which necessitated the inauguration and continuation of the Government program. He stated that wool was offered by CCC in late 1945 and early 1946 at a loss but that the market did not absorb the stocks. In response to questions regarding the broad authority contained in the bills under consideration for disposing of CCC's stocks, Mr. Dodd indicated that some restrictions would be satisfactory provided CCC was not prevented from selling when the price was high. He said any restriction which had as its objective the orderly marketing of the stock pile would be satisfactory but that rigid controls should not be imposed without import quotas. There were a number of questions regarding the level at which wool prices should be supported and the cost to the Government. No definite estimate on program costs was given. Senator Thye urged cooperation by the trade and the Government in connection with the liquidation of the stocks which he felt should be done without upsetting the market and without heavy cost to the Government. The manner in which CCC uses the wool handlers of the Boston wool trade, banks, etc., as its agents was explained, which was followed by a number of questions directed to Mr. Green regarding the profits accruing to the trade from the Government's program.

J. Banks Young\*  
Assistant to Director of Finance

\*In cooperation with the Legislative Reports and Service Section.









# DIGEST OF CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
 Legislative Reports and Service Sections  
 (For Department staff only)

Issued April 2, 1947  
 For actions of April 1, 1947  
 80th-1st, No. 61

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**HIGHLIGHTS:** House passed deficiency appropriation bill; added school-lunch item.  
 Senate committee ordered reported a bill to provide wool price support.

## HOUSE

1. **FIRST DEFICIENCY APPROPRIATION BILL.** Passed with amendments this bill, H. R. 2849 (pp. 3063-84). Agreed, 128-110, to an amendment by Rep. Cannon, Mo., to provide \$6,000,000 additional for the school-lunch program (pp. 3069-76). Rep. Case, S. Dak., commended the forestry items (pp. 3077-8). Rep. Rich, Pa., criticized the crop-insurance program (p. 3078).
2. **COMMITTEE ASSIGNMENTS.** The following were appointed to the Small Business Committee: Reps. Floeser (chairman), Stevenson, Howell, Hill, Richlman, Patman, Keogh, Jackson of Wash., and Kefauver (pp. 3089-90).
3. **HOMESTEADS.** The Public Lands Committee reported with amendment H. R. 603, which extends the act granting credit for World War II military or naval service in connection with homestead entry to include service in the merchant marine and permits husband and wife who are both entitled to service credit to aggregate their periods of service for homestead-entry purposes (H. Rept. 212)(p. 3090).
4. **HOLIDAY.** Rep. Sasser, Md., spoke in favor of H. R. 1981, to make Good Friday a legal holiday (p. 3060).

## SENATE

5. **WOOL.** The Senate Agriculture and Forestry Committee ordered reported, with amendments, S. 814, to direct CCC to support wool in the calendar years 1947 and 1948, at 90% of the comparable price, or at the 1946 support price. The Daily Digest states: "The amendments proposed by the committee would provide for the disposition of the wool stock pile owned by the Government in an orderly manner

to prevent disruption of the domestic market; would remove the provision for the continuation of the Commodity Credit Corporation as an agency of the United States; and delete the section making available \$130,000,000 of the capital of the Commodity Credit Corporation for the purpose of the support of wool prices" (p. D31).

- 6. GRAIN; TRANSPORTATION. Sen. Young, N.Dak., urged that boxcars be made available to Northwestern railroads as the "one way that the market price of wheat can be leveled off" (p. 3026).
- 7. UN-AMERICAN ACTIVITIES. Sen. Wiley, Wis., obtained permission to have J. Edgar Hoover's testimony before the Un-American Affairs Committee on the menace of communism printed as a Senate Document (S.Doc. 26) (pp. 3025-6).
- 8. FORESTS; ROADS. Received Alaska Legislature resolutions urging that funds be made available for the construction of roads in National Forests and forest areas in Alaska (p. 3024).

BILLS INTRODUCED

- 9. MARKETING; LIVESTOCK AND MEAT. H.J.Res. 163, by Rep. Cunningham, Iowa, making provisions for the refund of the processing tax on hogs marketed for slaughter by the raisers and producers who in fact bore all or part of the burden of such tax. To Agriculture Committee. (p. 3091.)
- 10. COST AND STANDARD OF LIVING. H. Res. 168, by Rep. Boggs, Del., creating a select committee to conduct a study and investigation with respect to the cost of living, strengthening our national economy, and preserving the free-enterprise system. To Rules Committee. (p. 3091.) Remarks of author (pp. A1490-1).
- 11. PERSONNEL. H.R. 2909, by Rep. Rees, Kans., to amend the act entitled "An act to provide for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service." To Post Office and Civil Service Committee. (p. 3091.)  
S. 1018, by Sen. Gurney, S.Dak (by request), to authorize the heads of executive departments and independent establishments of the U.S. Government to grant employees leaves of absence for research and study. To Civil Service Committee. (p. 3025.)
- 12. EDUCATION. S. 1011, by Sen. Cain, Wash. (for himself and others), to provide for the education of children on Federal reservations and other federally owned property not subject to State or local taxation. To Ways and Means Committee. Remarks of author. (p. 3025.)

ITEMS IN APPENDIX

- 13. GRAINS. Sen. Williams, Del., inserted National Assoc. of Commodity Exchanges and Allied Trades Inc. letters analyzing the present U.S. grain situation (pp. A1473-5).
- 14. SCHOOL-LUNCH PROGRAM. Rep. Blatnik, Minn., inserted a Washington Post editorial favoring continuation of this program (p. A1507).
- 15. REGIONAL AUTHORITY. Rep. Lane, Mass., inserted Bill Cunningham's Boston Herald article, "New England Needs a TVA--Dams in Other Sections Can Mean Poverty Here" (p. A1510).
- 16. FOREST AND GRAZING LANDS. Sen. Dworshak, Idaho, inserted Sen. McCarran's (Nev.)

# Daily Digest

## HIGHLIGHTS

Senate debated Lilienthal nomination; House passed First Deficiency Appropriation Bill, amended.

Speaker appointed members to Small Business group.

Bills on Wool Price Support and Dan River ordered reported to Senate.

Bills on veterans' homesteads, U. S. Code, espionage, and private claims ordered reported to House.

## Senate

### Chamber Action

*Routine Proceedings, pages 3023-3027*

**Bills Introduced:** Eleven bills and one resolution were introduced, as follows: S. 1010-S. 1020 and S. Res. 101.

Pages 3025, 3041-3043

**Bills Referred:** The following House-passed bill was referred to committee: H. R. 1621. (For passage in House see Digest, p. D79.)

Page 3025

**Housing:** Pursuant to P. L. 548 of the 79th Congress, the Senate and House received a message from the President stating that "the Nation is still faced with a critical housing shortage." He offered no objection to the administration of rent controls by the Housing Expediter.

Pages 3035, 3084

**Lilienthal Nomination:** The Senate continued debate on the nomination of David E. Lilienthal to be Chairman of the Atomic Energy Commission. Pages 3027-3058

**Nomination:** Received nomination of Colonel Samuel N. Karrick for appointment as a member of the California Debris Commission.

Page 3058

**Program for Wednesday:** The Senate recessed in executive session at 5:58 p. m. to noon Wednesday, April 2, when debate will be resumed on the Lilienthal nomination. Night session is expected.

### Reports on Committee Meetings

(Committees not listed did not meet.)

#### WOOL PRICE SUPPORT

*Committee on Agriculture and Forestry:* By a vote of 7 to 1, the committee voted to report S. 814, to provide price support for wool, with amendments. The amendments proposed by the committee to the bill would provide for the disposition of the wool stock pile owned by the Government in an orderly manner to prevent disruption of the domestic market; would remove the provision for the continuation of the Commodity Credit Corporation as an agency of the United States; and delete the section making available \$130,000,000 of the capital of the Commodity Credit Corporation for the purpose of the support of wool prices.

Earlier the committee heard Edward M. Shulman, Solicitor's Office, Department of Agriculture, and Harry E. Reed, Director of the Livestock Branch of the Production and Marketing Administration of the Department.

#### TREASURY-POST OFFICE APPROPRIATION

*Committee on Appropriations:* The subcommittee continued hearings on H. R. 2436, Treasury-Post Office Appropriation Bill, and received testimony from Joseph D. Newman, Jr., Commissioner of Internal Revenue; W. A.

Sutherland, Robert N. Miller, and H. C. Kilpatrick, tax attorneys; Paul W. Smith and Harry J. Wright, both of the Tax Executives Institute.

Hearings continue tomorrow.

#### NATIONAL DEFENSE ESTABLISHMENT

*Committee on Armed Services:* Vice Admiral Forrest Sherman told the committee that he believes S. 758, to create a National Defense Establishment, is an equitable compromise of the initially divergent views regarding unification; that economics would eventually result from the legislation; that the greatest immediate benefits would be the unity of military concepts, the unity of purpose, and the unity of effort that should be achieved.

Hearings continue tomorrow.

#### POST OFFICE DEPARTMENT DEFICIT

*Committee on Civil Service:* Hearings were continued on S. Res. 43, to investigate how to reduce Post Office Department deficit by revision of postal rates. Russell Reynolds, National Association of College Stores, asked that present postal rates and proposed rates caused books to carry more of the total cost load than do magazines and newspapers; Richard F. Mitchell, Interstate Commerce Commission, stated that the Commission has before it a request from rail carriers for an approximate \$56,000,000 increase in mail-carrying charges; John O'Connor, National Postal Committee for Books, presented numerous charts portraying the book trade picture; Thomas Lynch of George A. Pflaum, Publisher Inc., testified on classroom periodicals; Paul W. Barnett, Row Peterson & Co., indicated that his group would be willing to assist in lightening the postal deficit. Gilbert E. Goodkind, American Booksellers Association, produced a chart which he said reflected retail outlet profits and showing that books are 49 in a list of 50.

These hearings continue April 8.

#### SURPLUS PROPERTY

*Committee on Expenditures in the Executive Departments:* Surplus Property Subcommittee heard Harold Wright and George F. Hughes, of the Harold H. Wright Co., Detroit, on the sale of surplus machine tools at Lockland, Ohio.

Additional hearings for this subcommittee are scheduled for April 8.

*Committee on Finance:* Hearings were continued on the relationship of the Reciprocal Trade Agreements to the proposed International Trade Organization Charter with Robert P. Terrill, Associate Chief, Resources Division, Office of International Trade Policy, State Department, testifying. Leroy Steinbower, State Department, also was a witness.

#### GREEK-TURKISH LOAN

*Committee on Foreign Relations:* In executive session the committee considered S. 938, to provide assistance to Greece and Turkey, and heard Under Secretary of State Acheson and Paul Porter, Special Presidential Representative to Greece. In an afternoon session the committee considered the amendments proposed to the bill by Senators Pepper, Ball, Johnson of Colorado, and Murray.

#### INDIAN CLAIMS

*Committee on Public Lands:* Subcommittee ordered reported to the full committee S. 405, to repeal the Indian Claims Commission Act.

#### COURT SPACE

*Committee on Public Works:* Indefinite postponement of S. 451, to provide space for the District Court in the Capitol Park Hotel, was voted by the committee. A proposal to grant permission for the construction of the dam across the Dan River in North Carolina (S. 64) was ordered reported to the Senate.

## House of Representatives

### Chamber Action

**Bills Introduced:** Thirteen public bills, H. R. 2900-H. R. 2912; ten private bills, H. R. 2913-H. R. 2922; and five resolutions, H. J. Res. 163, H. Con. Res. 39, and H. Res. 167-169, were introduced. Pages 3090-3091

**Bills Reported:** Bills and resolutions were reported as follows: Printing pamphlet entitled "Communist Party of United States as Agent of Foreign Power" (H. Rept. 209); H. Res. 167, authorizing Sergeant at Arms in the House to insure funds of his office (H. Rept. 210); H. R. 2339, amending act authorizing designations of Army mail clerks and assistant mail clerks (H. Rept. 211); H. R. 603, amending act of September

27, 1944, allowing credit for certain homestead entries for members of armed forces of World War II (H. Rept. 212); H. R. 1099, Government authority to hold certain lands in trust for Minnesota Chippewa Tribe (H. Rept. 213); H. R. 1584, establishing memorial museum on Fort Hall Reservation, Idaho (H. Rept. 214); and private bills H. R. 341, H. R. 437, H. R. 559, H. R. 704, H. R. 925, H. R. 1093, H. R. 1221, H. R. 1482, H. R. 1509, H. R. 1510, H. R. 1514, H. R. 1791, H. R. 2389 (Repts. Nos. 215-227, incl.). Page 3090.

**Insurance Authorization:** The House passed H. Res. 167, granting authority to the Sergeant at Arms of the House to insure the funds of his office. Page 3063





DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Legislative Reports and Service Section  
(For Department staff only)

Issued April 3, 1947  
For actions of April 2, 1947  
80th-1st, No. 62

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HIGHLIGHTS: Senate committee reported bill to provide wool price support. Sen. Morse et al introduced bill transferring Remount Service to USDA. Sen. Capper and Rep. Hope introduced bills to extend poultry-improvement program. House made funds available for appropriations and surplus-property investigations.

SENATE

1. WOOL. The Senate Agriculture and Forestry Committee reported with amendments S. 814, to direct CCC to support wool in the calendar years 1947 and 1948 at 90% of the comparable price, or at the 1946 support level (S.Rept.85) (p. 3106).
2. PERSONNEL. Sen. Byrd, Va., inserted the report of the Joint Committee on Reduction of Nonessential Federal Expenditures on Federal personnel for Jan. and Feb. 1947 (pp. 3107-9).
3. ECONOMIC REPORT. Sen. Murray, Mont., inserted various editorial comments on the President's Economic Report from papers throughout the U.S. (pp. 3111-5).
4. SURPLUS PROPERTY. Sen. Wherry, Nebr., criticized the progress being made in the disposal of surplus property and suggested that steps be taken for the "establishment of a businesslike program by which it will be possible to recover from surplus property a maximum number of dollars" (pp. 3118-20).
5. RESEARCH. Sen. Morse, Oreg., submitted an amendment he intends to propose to S. 526, the National Science Foundation bill, to "assure to our land-grant colleges and to our colleges west of the Alleghenies at least a proportionate share and a fair share of the funds which are to be made available...for scientific research purposes" (p. 3144).

HOUSE

6. INVESTIGATIONS. Agreed, without amendment, to H.Res. 151, authorizing expenditure of \$50,000 by the Appropriations Committee to study and examine the organization and operation of any executive agency, which was reported without amendment by the House Administration Committee (H.Rept. 231) (pp. 3103, 3096).  
Agreed, without amendment, to H.Res. 170, making \$50,000 available to the

Expenditures Committee for a surplus-property investigation, which was reported without amendment by the House Administration Committee (H.Rept. 234) (pp. 3103, 3097).

7. ECONOMY. Rep. Rich, Pa., spoke in favor of economy in expenditures (pp. 3095-6). Rep. Bender, Ohio, said, "We will reduce expenses" (p. 3096). Rep. Rayburn, Tex., stated that reductions will probably be less than promised (p. 3096).

#### BILLS INTRODUCED

8. REMOUNT SERVICE. S. 1034, by Sen. Morse, Oreg. (for himself and others), to transfer the Remount Service from the War Department to the Department of Agriculture. To Armed Services Committee. (p. 3110.) Remarks of author (pp. 3142-3).
9. POULTRY. S. 1026, by Sen. Capper (Kans.), and H.R. 2935, by Rep. Hope (Kans.), to amend the Department of Agriculture Organic Act of 1944, to authorize the Department to cooperate with D.C., Territories, and possessions (as well as with States) in the administration of regulations for improvement of poultry, poultry products, and hatcheries. To S. Agriculture and Forestry and H. Agriculture Committees. (pp. 3104, 3109.)
10. NATIONAL FORESTS. S. 1037, by Sen. Dworshak, Idaho, to authorize the revision of the boundaries of the Caribou National Forest in Idaho. To Public Lands Committee. (p. 3110.)
11. SOCIAL SECURITY. S.Con. Res. 13, by Sen. Wiley, Wis., to establish a Joint Social Security Committee. To Finance Committee. (p. 3110.)
12. CLAIMS. H.R. 2924, by Rep. Scrivner, Kans., to amend the Legislative Reorganization Act, repeal the Federal Tort Claims Act, and provide for the congressional handling of private claims. To Judiciary Committee. (p. 3103.) Remarks of author (pp. 3093-4).
13. FOREIGN RELIEF. H.Res. 173, by Rep. Herter, Mass., to create a select committee on foreign aid. To Rules Committee. (p. 3104.)
14. PERSONNEL; VETERANS. S. 999 (see Digest 59) amends the Veterans' Preference Act so as to limit service-connected disability preference to disabilities which are compensable under laws administered by VA; provides that preference points shall be added only to earned ratings which meet the minimum qualification rate for a particular examination; and provides that only those 10-point preference eligibles with a 30% service-connected disability shall be placed at the top of a civil-service register.

#### ITEMS IN APPENDIX

15. SCHOOL-LUNCH PROGRAM. Extension of remarks of Rep. Kefauver, Tenn., favoring this program (p. A1523).
16. TRANSPORTATION; GRAIN. Rep. Owens, Ill., inserted a Chicago Sunday Tribune editorial, "Charge Rails Contribute to Car Shortage" (p. A1526).
17. ECONOMIC STABILIZATION. Sen. Murray, Mont., inserted Hon. Edwin G. Nourse's (Council of Economic Advisors) address, "Public Administration and Economic Stabilization" (pp. A1517-9).
18. PUBLIC DEBT. Extension of remarks of Rep. Cole, Kans., on retiring of the public



# Senate

WEDNESDAY, APRIL 2, 1947

(Legislative day of Monday, March 24, 1947)

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

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

O God, who didst love us all so much that Thou didst send us Jesus Christ for the illumination of our darkness and the salvation of our souls, give us wisdom to profit by the words He spoke, faith to accept the salvation He offers, and grace to follow in His steps.

As Christ said: "When ye stand praying, forgive, if ye have aught against any," O God, give us grace now so to do.

As Christ said: "It is more blessed to give than to receive," O God, give us grace today to think, not of what we can get, but of what we can give.

As Christ said: "Judge not, that ye be not judged," O God, give us grace this day first to cast out the beam out of our own eyes before we regard the mote that is in our brothers' eyes.

And when we find it hard to be humble, hard to forgive, O Lord, remind us how much harder it was to hang on the cross. Amen.

## THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the legislative proceedings of Tuesday, April 1, 1947, was dispensed with, and the Journal was approved.

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations, and withdrawing a nomination, were communicated to the Senate by Mr. Miller, one of his secretaries.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 2849) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes, in which it requested the concurrence of the Senate.

## EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting several nominations, which was referred to the Committee on Foreign Relations. (For nominations this day received, see the end of Senate proceedings.)

## MEETING OF FOREIGN RELATIONS COMMITTEE

The PRESIDENT pro tempore. On behalf of the Committee on Foreign Relations, the Chair submits the request that the committee be permitted to continue in session during the remainder of the day. Without objection, that order

will be made. The Chair hears no objection.

## LEAVES OF ABSENCE

Mr. BUSHFIELD. Mr. President, I ask unanimous consent to be absent from the Senate from Thursday until next Tuesday.

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

Mr. CORDON. Mr. President, I ask unanimous consent that the members of the subcommittee of the Public Lands Committee appointed to investigate the Centralia mine disaster may be absent from the Senate this afternoon and until such time in the fore part of next week as it may conclude its labors in the field.

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

## TRANSACTION OF ROUTINE LEGISLATIVE BUSINESS

By unanimous consent, as in legislative session, the following routine business was transacted:

## ACCRUED ANNUAL LEAVE DUE GOVERNMENT EMPLOYEES UPON SEPARATION FROM SERVICE

The PRESIDENT pro tempore laid before the Senate a letter from the President of the Civil Service Commission requesting an amendment to the draft of proposed legislation transmitted by him to the Senate on March 21, 1947, providing for the payment to certain Government employees for accumulated or accrued annual leave due upon their separation from Government service, which was referred to the Committee on Civil Service.

## PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A petition of members of Townsend Club No. 22, Miami, Fla., praying for the enactment of the so-called Townsend plan providing old-age assistance; to the Committee on Finance.

By Mr. CAPPER:

A petition of sundry citizens of Berthoud, Colo., praying for the enactment of Senate bill 265, to prohibit the transportation of alcoholic beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

## RESOLUTION OF TEXAS HOUSE OF REPRESENTATIVES

Mr. O'DANIEL. Mr. President, I ask unanimous consent to present a copy of a resolution, H. R. 79, adopted by the House of Representatives of the State of Texas, and I request that it be printed in the RECORD at this point as part of my remarks and referred to the appropriate committee for consideration.

There being no objection, the resolution was received, referred to the Committee on Appropriations, and, under the rule, ordered to be printed in the RECORD, as follows:

Whereas Texas employers paid into the Federal Treasury last year approximately \$5,537,000 in Federal unemployment taxes; and

Whereas those five and one-half million Texas dollars, along with sums from other States, were so paid into the Federal Treasury to finance the administration of an unemployment compensation law in Texas and the other States; and

Whereas the Congress of the United States is by law charged with the duty of returning at least a part of those Texas dollars to Texas for the sole purpose of paying all administrative costs of the Texas Unemployment Compensation Commission in administering the Texas Unemployment Compensation Act; and

Whereas the administrative funds granted to Texas for the first 6 months of 1947, amounting to \$640,948, are so inadequate that the commission must discharge more than 150 employees and is prevented from granting its remaining employees the salary increases which the Texas Legislature has just granted to other Texas State departments; and

Whereas Texas employers and workers, Texas veterans and other Texas taxpayers are being deprived, by the failure of Congress to grant sufficient administrative funds to Texas, of their right to a proper administration of the Texas unemployment compensation law including:

(1) Thorough examination of doubtful claims;

(2) Investigation of cases involving fraud;

(3) Opportunity for Texans living in smaller towns to file claims;

(4) Service to Texas veterans of World War No. II; and

Whereas because of the shortage of operating funds, the Texas commission has been required to cancel claims and investigation service at 99 itinerant points within the past 2 months and will, in all probability, find it necessary to stop service at additional itinerant points; and

Whereas this absence of service at these points is discriminatory against individuals living in and around those smaller Texas cities; and

Whereas the lack of funds to pay for proper investigation processes will inevitably result in higher taxes on Texas employers under the experience rates provided by the Texas Unemployment Compensation Act; Now, therefore, be it

Resolved, That the Texas House of Representatives strongly urge the Members of Congress of the United States to make available to the Social Security Administration adequate money for a grant of administrative funds to the Texas Unemployment Compensation Commission to permit the type of administration of the Texas Unemployment Compensation Act for which the employers of Texas have already paid; and be it further

Resolved, That copies of this resolution be sent to the chairman of the Appropriations Committee of the House of Representatives of the United States, the chairman of the

Finance Committee in the Senate of the United States, and to the Members of the Texas congressional delegation in the Senate and the House of Representatives of the United States.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. REVERCOMB, from the Committee on Public Works:

S. 64. A bill granting the consent of Congress for the construction of a dam across Dan River in North Carolina; with amendments (Rept. No. 63).

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

S. 814. A bill to provide support for wool, continue Commodity Credit Corporation as an agency of the United States, and for other purposes; with amendments (Rept. No. 85).

#### RENEWAL OF 5-YEAR LEVEL-PREMIUM TERM POLICIES—REPORT OF FINANCE COMMITTEE

Mr. MILLIKIN. Mr. President, from the Committee on Finance, I ask unanimous consent to report favorably, without amendment, the bill (H. R. 1327) to amend existing law to provide privilege of renewing expiring 5-year level-premium term policies for another 5-year period, and I submit a report (No. 84) thereon. I request that the bill and the report be printed in the RECORD immediately following my remarks.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar; and, without objection, the bill and the report will be printed in the RECORD.

The bill was ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That the second proviso of the first paragraph of section 301, World War Veterans' Act, 1924, as amended (by the act of May 14, 1942; U. S. C., title 38, sec. 512), is hereby amended to read as follows: "Provided further, That at the expiration of any 5-year period a 5-year level-premium term policy may be renewed for a second or third or fourth or fifth 5-year period at the premium rate for the attained age without medical examination; and in case the fourth 5-year period of any such policy shall have expired between January 24, 1947, and the expiration of 5 months after the date of the enactment of this amendment to this amendatory proviso and the policy has not been continued in another form of Government insurance, such policy may be renewed as of the date of its expiration on the same conditions upon payment of the back premiums within 5 months after such date of enactment; and the Administrator of Veterans' Affairs shall cause notice to be mailed to the holder of any such policy of the provisions of this amendment to this amendatory proviso."

The report (No. 84) was ordered to be printed in the RECORD, as follows:

#### AMENDING EXISTING LAW TO PROVIDE PRIVILEGE OF RENEWING EXPIRING 5-YEAR LEVEL-PREMIUM TERM POLICIES FOR ANOTHER 5-YEAR PERIOD

The Committee on Finance, to whom was referred the bill (H. R. 1327) to amend existing law to provide privilege of renewing expiring 5-year level-premium term policies for another 5-year period, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE OF THE BILL

The purpose of the bill is to authorize holders of 5-year level-premium-term policies

of United States Government life insurance to renew such policies for a fifth 5-year period, at the premium rate for the attained age without medical examination. The 5-year level-premium term policy was first authorized in 1926. There have been three renewals since authorized for periods of 5 years each, making a total period of 20 years during which such Government insurance may be carried on the 5-year term plan. A bill similar to this one was last enacted on May 14, 1942 (Public Law 556, 77th Cong.). The committee feels that anyone who has such a policy at present should not be denied the privilege of renewing this type of insurance if he so desires. The committee also recognizes that there are cases where protection of a veteran's family in the next few years is a matter of primary concern to him. From this standpoint, the renewal of term insurance may well have advantages over an attempt to convert to other types of insurance at the present time.

However, in the long run, the committee wishes to point out the marked disadvantages of a level-premium term policy to veterans as they become older in point of age.

At every 5-year period, as the veteran becomes older, the annual premium will sharply increase. And, furthermore, a veteran relying upon 5-year term insurance does not have the cash, loan, or paid-up values in his insurance which he would have if he converted to another type of policy.

Nevertheless, the committee takes the position that veterans who wish the protection of term insurance during the years of the immediate future and who simply cannot afford at present to convert their policies to other types of insurance should not be denied the right to continue their term insurance.

The report on this bill to the committee from the Administrator of Veterans' Affairs is self-explanatory and is as follows:

MARCH 19, 1947.

HON. EUGENE D. MILLIKIN,  
Chairman, Committee on Finance,  
United States Senate,  
Washington, D. C.

DEAR SENATOR MILLIKIN: Reference is made to your request for a report on H. R. 1327, Eightieth Congress, "An act to amend existing law to provide privilege of renewing expiring 5-year level-premium-term policies for another 5-year period."

The purpose of the bill is to authorize renewal of United States Government life insurance on the 5-year level-premium term plan for a second, third, fourth, or fifth 5-year period at the premium rate for the attained age without medical examination. Under existing law such insurance may be renewed for a second, third, or fourth 5-year period.

The level premium legal reserve system was devised in order to overcome the objections to the renewable term plan. Under this system the yearly term premiums for the entire period of life are adjusted to provide for level premiums payable throughout the period. During the earlier years the insured under this plan pays more than the amount of premium required under the yearly renewable term plan, the excess being accumulated at interest to create a fund which will provide for the excess cost at such time as the cost of protection exceeds the amount of premium being paid. This plan of insurance is more advantageous to the insured than the renewable term plan for the reason that not only will the premium never increase but on the average the total amount of premiums which the insured will be required to pay will be less under the level-premium plan due to the interest earnings.

The comparative results under these two systems may be shown by considering the insurance status at the end of 20 years of two veterans A and B now aged 55 years, on the assumption that both veterans live to attain the age of 75 years. Veteran "A"

takes out an ordinary life United States Government life insurance policy issued at age 55 for \$10,000 paying thereon a level annual premium of \$451.30 which will never increase during his lifetime. Veteran B takes out a 5-year level premium term policy issued at age 55 for \$10,000, and it is assumed for purposes of comparison that at the end of each 5-year period, he is permitted to take out a new 5-year term policy issued at his attained age. The annual premium on this term policy during the first 5 years is \$207.90. During the second 5-year period the insured will be required to pay an annual premium of \$306, during the third 5-year period \$467.80, and during the fourth 5-year period \$727.70.

At the end of the 20-year period, that is, at attained age 75, veteran A has an ordinary life policy under which there is a cash value of \$5,401.10 or a loan value of \$5,097. If he wishes to discontinue the payment of premiums he may secure a paid-up life policy in the amount of \$6,747.30, or he may let his policy run under the extended insurance provision in which case his insurance protection will be automatically continued in the amount of \$10,000 for an additional period of 7 years and 75 days without the payment of any further premiums. If he desires to keep his policy in full force after attaining age 75, it may be continued until his death by the payment of the original annual premium of \$451.30.

On the other hand veteran B, upon attaining age 75, has no cash, loan, paid-up or extended insurance values. If he desires to continue his insurance on the 5-year term plan it will be necessary for him to pay the increased annual premium required, which for ages 75 to 79, inclusive, is \$1,111.60. The annual premiums required under this plan for further periods are as follows:

Ages 80 to 84, inclusive-----	\$1,769.60
Ages 85 to 90, inclusive-----	3,129.20

If veteran B, upon attaining age 75, desires to continue his protection under a permanent life plan it will be necessary for him to pay the premium at the ordinary-life rate for age 75 which is \$1,449.40 per year.

An examination of the above figures and the comparative results under the two plans show the advantage in an average case of placing insurance under one of the permanent forms of level premium-life insurance at as early an age as possible, thereby securing the maximum benefit from interest earnings.

The group of term policyholders of United States Government life insurance is composed of a larger percentage of impaired lives than any other group, and death and disability experience of this group show a high ratio to the claims expected under the mortality tables. Many of the losses are not traceable to the extra hazard of service and must be borne by the United States Government life-insurance fund.

All United States Government life-insurance policies include a provision granting benefits on account of total permanent disability, without limit as to the age before which disability must occur, for which no additional premium is charged. The probability of becoming totally disabled increases with advancing age and at the older ages practically becomes a certainty. The liability assumed on account of the disability provision must be met from what would otherwise be considered as surplus earnings if no disability provision were included in the policy. It is, therefore, necessary to accumulate from these earnings a fund which will be sufficient to provide for the liability assumed. The margins available for this purpose are smaller under the 5-year level-premium term plan than under any of the other plans of converted insurance. The longer the holders of this plan of insurance are permitted to continue their insurance on the term basis, especially if evidence of insurability is not

## PROVIDING SUPPORT FOR WOOL

---

APRIL 2 (legislative day, MARCH 24), 1947.—Ordered to be printed

---

Mr. CAPPER, from the Committee on Agriculture and Forestry,  
submitted the following

## REPORT

[To accompany S. 814]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 814) to provide support for wool, continue Commodity Credit Corporation as an agency of the United States, and for other purposes, having considered the same, report thereon with the recommendation that it do pass with the following amendments:

On page 2, lines 10, 11, and 12, strike out that part which reads:  
and may make discounts from support prices for the purposes of discouraging  
unsound marketing practices.

On page 3, line 9, after the word "wool." insert the following  
language:

The disposition of any accumulated stock under the provisions of this section, however, shall be made at such rate and in such manner as will avoid disruption of the domestic market.

On page 3, lines 10 to 20, inclusive, strike out all of sections 6 and 7.  
On page 3, line 21, strike out the words "Sec. 8" and insert in lieu  
thereof the words "Sec. 6".

It is the opinion of the committee that producers of wool should be given the protection of a price-support program similar to that provided by law for producers of the so-called basic and Steagall commodities. Also, as testified during the hearings conducted by this committee, the reduction of sheep numbers in the United States is taking place at an alarming rate and the committee believe the checking and reversal of that trend are essential to the national welfare.

Furthermore, the committee recommend the adoption of protective measures with respect to wool imports as shown to be necessary in order to guarantee the orderly operation of the price-support program for wool. It is suggested import quotas or fees, or both, be imposed whenever wool-import conditions are such as to render ineffective or materially interfere with the price-support program established by

this act. As such a proposal would involve the collection of revenue, it must originate in the House of Representatives and therefore this recommendation of the committee is not incorporated in the act.

The amendment to strike out the words "and may make discounts from support prices for the purposes of discouraging unsound marketing practices" is made in order to prevent the authorization of arbitrary powers which the committee believe are not necessary to carry out the provisions of the act.

Section 5, which provides for the disposition of wool owned by the Commodity Credit Corporation and produced prior to January 1, 1949, without regard to restrictions imposed upon it by any law, is amended to insure the orderly marketing of the present wool stock pile of approximately 480,000,000 pounds by the Commodity Credit Corporation as to prevent the disruption of the domestic market. The committee believes this provision would protect the Corporation from assuming unnecessary losses which would result if the domestic market were depressed to any great extent.

Section 6, providing for the continuation of the Commodity Credit Corporation as an agency of the United States until June 30, 1949, is deleted as the committee believe the subject matter of this section should be considered in separate legislation which has been reported favorably by this committee and is now pending before the Senate.

Section 7, which would make available \$130,000,000 of the amount borrowed by the Commodity Credit Corporation for the support of the price of wool, is deleted as it is the opinion of the committee such provision is not necessary for the operation of the act and would inject inefficiency and uneconomic procedures into its administration.

A copy of a letter from Mr. Charles F. Brannan, Acting Secretary, United States Department of Agriculture, with respect to S. 814 is attached hereto and made a part of said report.

APRIL 2, 1947.

Hon. ARTHUR CAPPER,  
*United States Senate.*

DEAR SENATOR: This is in reply to your request of March 8 for a report on S. 814, a bill to provide support for wool, continue Commodity Credit Corporation as an agency of the United States, and for other purposes.

The provisions of S. 814 are similar in some respects to the provisions of S. 2033, introduced during the last session of the Seventy-ninth Congress and approved by your committee with certain changes. While the main provisions of S. 2033 were endorsed by this Department in 1946, a number of developments have taken place since the close of the Seventy-ninth Congress which have caused us to make certain changes in our recommendations.

We are in accord with the provision for confining the period of price support for the present to the 2 years 1947 and 1948, as provided in section 2 (a) of this bill. This would put wool on an equal footing with the six basic commodities and the so-called Steagall commodities. As a result of the President's proclamation of December 31, 1946, declaring the termination of hostilities, the Department's obligation to support the prices of the basic commodities at 90 percent of parity, in the case of corn, wheat, tobacco, peanuts for nuts, and rice, and 92½ percent of parity, in the case of cotton, will end with the crops harvested in 1948. The Department's obligation to support the so-called Steagall commodities, namely, hogs, eggs, chickens (with certain exceptions) and turkeys, milk and butterfat, dried peas of certain varieties, dried edible beans of certain varieties, soybeans for oil, peanuts for oil, flaxseed for oil, American-Egyptian cotton, potatoes and sweetpotatoes at not less than 90 percent of parity or comparable price will end on December 31, 1948. The consideration of our long-time price-support policy for wool may be reserved until such time as our long-time price-support policy for all agricultural commodities has been worked out.

As for the level at which the price of wool should be supported during 1947 and 1948, we feel that in the light of recent increases in parity, consideration should

be given to establishing the level no higher than the prices paid by the Commodity Credit Corporation for wool in 1946. In 1946 the Commodity Credit Corporation paid on the average between 41 and 42 cents a pound for wool in the grease. On the basis of January 1947 figures, the support price for wool, as proposed in the present bill, would be 44.1 cents a pound for 1947. In order to sell domestic wools during the past year in competition with imported wools, the Commodity Credit Corporation has incurred a considerable loss. To establish the support level as proposed in the present bill would undoubtedly result in even greater losses for 1947. If the present parity-price level continues through January 1948, losses during 1948 probably would also be greater than in 1946. We recommend, therefore, that the support price level for the 2-year period be "not less than the price at which the Commodity Credit Corporation supported wool in 1946." The establishment of a comparable price for wool and for lambs could then await study of the whole problem of revising the parity formula which was discussed with the House Committee on Agriculture on January 22 and with your committee on January 23.

Should, however, the bill be enacted as presently drawn, we recommend that in any event the price support specified in the bill not take effect until the date of enactment. Otherwise there will be confusion in the case of purchases already made during the calendar year 1947, for the support price proposed in the bill is higher than the price which the corporation has been paying.

In S. 2033, as originally introduced in the Seventy-ninth Congress, there was a provision which would authorize the Commodity Credit Corporation to carry out the price-support programs either by loans, purchases, support payments, or other operations. The provision authorizing that the program might be carried out by support payments was deleted from the bill reported out by your committee and has been omitted from the present bill, S. 814. We feel that the Corporation, under certain conditions, might find that price support or assurance of returns to producers could be most effectively and economically handled by support payments. In any event we believe that the Commodity Credit Corporation should have this degree of latitude in the determination of the method of price support to be applied in the case of wool.

In S. 2033, Seventy-ninth Congress, and S. 103, Eightieth Congress, there also have been included provisions authorizing the establishment of official wool and mohair standards. These provisions are not included in S. 814 but we feel that it would be desirable for them to be included.

In section 6 of S. 814, provision is made for the continuance of Commodity Credit Corporation as an agency of the United States. The Department's recommendations on a separate bill introduced for that purpose, S. 350, have already been furnished you in our letter, dated February 21, 1947, and the Department's views given in testimony before your committee in the hearings held on that bill. The continuance of Commodity Credit Corporation is, of course, essential to the farm economy.

In section 7 of S. 814, a provision is included which would earmark a part of the Corporation's borrowing authority for carrying out the wool program. The Corporation's present borrowing authority, we believe, is adequate, without earmarking funds, to carry out the wool program, in addition to the programs for the other commodities. If a part of the Corporation's borrowing power were to be earmarked for the wool program, it would only be logical to earmark funds for each of the other commodities for which price support is being carried out. The inevitable result would be to impair the flexibility of the Corporation's financial resources to such an extent that the Corporation's borrowing authority might very well not be adequate for any of the commodities. The present flexibility of the Corporation's resources permits it to commit so much of its resources as are necessary to carry out the programs in effect at any one time. When those programs have been completed, it is possible to reduce such commitments to the extent that funds were not required to be used, or that farmers have redeemed loans, or that commodities acquired under the program have been sold. As such commitments are reduced, the same resources are again available to use for other commodities. Thus, the Corporation's resources at present serve in the manner of a revolving fund. If, however, the resources were to be tied up so that they would not be available for other commodities, this flexibility would be destroyed and each commodity would be dependent upon the amount of funds earmarked for it. As a result, the total borrowing authority of the Corporation would have to be much larger or the Corporation might not have sufficient resources to fulfill all its price-support obligations. Consequently, it cannot be too strongly urged that the Corporation's financial resources be left flexible and funds not be earmarked for the various commodities.

In section 8 of S. 814 a provision is included to provide that wool should be deemed a "basic agricultural commodity." We believe that if specific provisions are enacted authorizing or directing support of wool prices, establishment of official wool and mohair standards, etc., there will be no necessity for providing that wool should be deemed a "basic agricultural commodity." To add wool to the six basic commodities now named in existing legislation might result in changing the computation of comparable prices and support prices for many of the other commodities which are affected by section 4 (a) and (b) of the Steagall amendment and other legislation.

To effect the changes recommended herein, it is suggested that the bill be amended as follows:

(1) That section 2 (a) be amended to read:

"Commodity Credit Corporation is directed, through loans, purchases, support payments, or other operations, during the period beginning with the effective date of this act and ending December 31, 1948, to support a price or assure returns to producers of wool in the continental United States and Territories of not less than the price at which the Commodity Credit Corporation supported wool in 1946."

(2) That a new section 3 be inserted after section 2 to read as follows:

"If pursuant to section 2 hereof, the Commodity Credit Corporation supports returns to producers of wool in any year through support payments, the rate of the support payment shall be an amount which, together with the average farm price for wool for the seven months January through July of such year, will, as determined by the Secretary of Agriculture, provide producers an average return equal to the support level. Support payments for wool produced during any year may be limited to wool sold by producers during such year."

(3) That section 3 of the present bill be deleted.

(4) That a new section 6 be inserted after section 5 to read as follows:

"SEC. 6 (a). The Secretary of Agriculture is hereby authorized, after investigation and due notice and opportunity for a hearing, to fix and establish types and standards of quality and condition for the grading of wool, mohair, wool tops, and mohair tops and to conduct tests for the shrinkage, clean content, length and fineness of fiber, and mohair tops. The standards fixed and established by the Secretary, as provided herein, shall be published in the Federal Register and 60 days after such publication shall become and be the Official Wool and Mohair Standards of the United States, and such official standards shall be substituted for and be used in lieu of any official wool or mohair standards heretofore established by the Secretary of Agriculture under the provisions of any existing law. The Secretary of Agriculture shall have the power to alter or modify, after investigation and due notice and opportunity for a hearing, such official standards whenever the necessities of the trade may require and such alterations or modifications shall likewise become effective 60 days after publication thereof in the Federal Register.

"(b) Any person who has custody of or a financial interest in any wool, mohair, or tops therefrom may submit the same or samples thereof, drawn in accordance with the rules and regulations of the Secretary of Agriculture, to such officer or officers of the Department of Agriculture as may be designated for the purpose pursuant to the rules and regulations of the Secretary of Agriculture, for a determination of the true grade, shrinkage or clean content, including the comparison thereof, if requested, with types or with other samples submitted for the purpose. The final certificate of the Department of Agriculture showing such determination shall be binding on officers of the United States and shall be accepted in the courts of the United States as prima facie evidence of the true type, grade, or comparison thereof when involved in any transaction or shipment in commerce. The Secretary of Agriculture shall make rules and regulations for submitting samples of wool, mohair, or tops therefrom for typing or grading.

"(c) The Secretary of Agriculture may cause to be collected such charges as he may find to be reasonable for determinations made under subsection (b) of this section.

"(d) Whenever the Official Wool and Mohair Standards of the United States established under this section shall be represented by practical forms, the Department of Agriculture shall furnish copies thereof, upon request, to any person, and the cost thereof, as determined by the Secretary of Agriculture, shall be paid by the person making the request.

"(e) The Secretary of Agriculture is authorized to effectuate agreements with wool associations, wool exchanges, and other wool or mohair organizations, either domestic, foreign, or international, for (1) adoption, use, and observation

of universal standards of wool and mohair grades, (2) the arbitration or settlement of disputes with respect thereto, and (3) the preparation, distribution, inspection, and protection of the practical forms or copies thereof under such agreements.

"(f) There is hereby authorized to be appropriated annually, commencing with the fiscal year 1948, out of any money in the Treasury not otherwise appropriated, such amount as may be necessary to enable the Secretary of Agriculture to carry out the provisions of this section 6."

(5) That section 6, if retained in the bill, be renumbered as section 7.

(6) That the present sections 7 and 8 be deleted.

The provisions of section 5 of S. 814, which would permit the Commodity Credit Corporation to sell its stocks of wool at less than parity, are essential. The Commodity Credit Corporation owns considerably more than 400,000,000 pounds of wool out of about 1¼ billion pounds purchased since 1943. In view of the prohibition against selling under parity, we have had to increase the selling price sharply as parity has increased in recent months. In spite of our large stocks, mills are buying large quantities of imported wools because they can be obtained at a lower price. At present, in view of the restriction against selling at less than parity, we are seriously handicapped in competing with foreign government corporations for our own domestic market, and we cannot liquidate the holdings that hang over the wool market before the new crop comes along. Your attention is again called to the fact that our wool-purchase program expires on April 15, 1947. As we have heretofore indicated, the program was undertaken as a war emergency and we do not plan to continue it unless the Congress specially directs us to do so. Accordingly, you may wish to consider the proposed legislation at an early date.

In view of the request that this report be submitted today, we have not cleared it with the Bureau of the Budget.

Sincerely yours,

CHARLES F. BRANNAN,  
*Acting Secretary.*







Calendar No. 83

80TH CONGRESS  
1ST SESSION

S. 814

[Report No. 85]

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IN THE SENATE OF THE UNITED STATES

MARCH 7 (legislative day, FEBRUARY 19), 1947

Mr. ROBERTSON of Wyoming introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

APRIL 2 (legislative day, MARCH 24), 1947

Reported by Mr. CAPPER, with amendments

[Omit the part struck through and insert the part printed in italic]

---

**A BILL**

To provide support for wool, continue Commodity Credit Corporation as an agency of the United States, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Wool Act of 1947".

4       SEC. 2. (a) The Commodity Credit Corporation is  
5       directed, through loans, purchases, or other operations to  
6       support a price to producers of wool produced (shorn or  
7       pulled) in the calendar years 1947 and 1948 in the United  
8       States and its Territories at the higher of (1) 90 per centum  
9       of the comparable price for wool as of January of the

1 calendar year in which the wool is produced, or (2) the  
2 price at which the Commodity Credit Corporation has under-  
3 taken to support wool in 1946.

4 (b) Notwithstanding any other provisions hereof, the  
5 Commodity Credit Corporation may adjust support prices  
6 for individual grades and qualities of wool for the purpose  
7 of bringing about a fair and equitable relationship in the  
8 support prices for the various grades and qualities of wool;  
9 *and* may make discounts from support prices for off-quality,  
10 inferior-grade, or poorly prepared wool; ~~and may make~~  
11 ~~discounts from support prices for the purposes of discourag-~~  
12 ~~ing unsound marketing practices.~~

13 SEC. 3. The Secretary of Agriculture shall establish  
14 monthly (commencing with the month of January 1947)  
15 a comparable price for wool and the comparable price so  
16 established shall be used for the purposes of all laws in which  
17 a parity or comparable price is established or used. The  
18 comparable price for wool shall be that price which bears  
19 the same relation to the average parity prices of the other  
20 basic agricultural commodities, cotton, corn, wheat, rice,  
21 tobacco, and peanuts, as the actual price for wool bore to  
22 the actual average prices of such basic commodities during  
23 the period August 1934 to July 1939. Such comparable

1 price for wool may be adjusted for grade, quality, season,  
2 and location.

3 SEC. 4. The provisions of sections 385, 386, and 388  
4 of the Agricultural Adjustment Act of 1938, as amended,  
5 shall be applicable to the support operations carried out  
6 pursuant to section 2 of this Act.

7 SEC. 5. The Commodity Credit Corporation may, with-  
8 out regard to restrictions imposed upon it by any law, dispose  
9 of any wool produced prior to January 1, 1949, at prices  
10 which will permit such wool to be sold in competition with  
11 imported wool. *The disposition of any accumulated stock*  
12 *under the provisions of this section, however, shall be made*  
13 *at such rate and in such manner as will avoid disruption*  
14 *of the domestic market.*

15 SEC. 6. The first sentence of subsection (a) of section  
16 7 of the Act approved January 31, 1935 (49 Stat. 4), as  
17 amended, is amended by striking out "June 30, 1947" and  
18 inserting in lieu thereof "June 30, 1949".

19 SEC. 7. Section 4 of the Act approved March 8, 1938  
20 (52 Stat. 108), as amended, is amended by inserting after  
21 the first sentence thereof the following new sentence: "Not  
22 less than \$130,000,000 of the amount borrowed on such  
23 obligations shall be made available to support, as required

1 by law, the price of wool produced in the calendar years  
2 1947 and 1948.”

3 SEC. 8 6. Wool is a basic source of clothing for the  
4 people of the United States, and, as such, is deemed a  
5 basic agricultural commodity.

Amend the title to as to read: “A bill to provide support for wool, and for other purposes.”

**A BILL**

To provide support for wool, continue Commodity Credit Corporation as an agency of the United States, and for other purposes.

By Mr. ROBERTSON of Wyoming

MARCH 7 (legislative day, FEBRUARY 19), 1947

Read twice and referred to the Committee on  
Agriculture and Forestry

APRIL 2 (legislative day, MARCH 24), 1947

Reported with amendments





# DIGEST OF CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued April 8, 1947  
For actions of April 7, 1947  
80th-1st, No. 64

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**HIGHLIGHTS:** Senate passed wool price-support bill. Senate passed bill to authorize RFC to purchase surplus property for resale to small business. Senate to debate CCC and farm-labor program continuation today.

## SENATE

1. **WOOL PROGRAM.** Passed with amendments S. 814, to provide for price support for wool, after voting, 53-10, to consider the bill (pp. 3244-8, 3263-73). Agreed to committee amendments. Agreed to an amendment by Sen. Robertson, Wyo., to strike out the comparable-price provision for determining wool prices (pp. 3266-7). Rejected an amendment by Sen. Saltonstall, Mass., to set the price at 90% of parity (pp. 3267-73).
2. **SURPLUS PROPERTY.** Passed without amendment H. R. 2535, to authorize RFC to purchase surplus property for resale to small business, with priority immediately following Government agencies and veterans (p. 3242). This bill will now be sent to the President.
3. **FOREIGN RELIEF.** Sen. McClellan, Ark., discussed Greece-Turkey aid and inserted tables showing foreign relief through this department and other agencies (pp. 3248-55).
4. **CLAIMS; APPROPRIATIONS.** Received from the President appropriation estimates for payments of claims as follows: Allowed by GAO (S. Doc. 31); rendered by Court of Claims (S. Doc. 32). To Appropriations Committee. (p. 3226.)
5. **FOOT-AND-MOUTH DISEASE.** Received this Department's report on cooperation with Mexico in combatting this disease during the 30-day period ended Mar. 30. To Agriculture Committees. (pp. 3226, 3291.)  
Received an Oreg. Legislature memorial favoring legislation to provide for cooperation with Mexico in combatting this disease (pp. 3226-7).
6. **CRAB-MEAT IMPORTS.** Received an Oreg. Legislature memorial favoring restrictions on importation of crab meat (p. 3227).

7. RURAL ELECTRIFICATION. Received an Okla. Legislature memorial favoring continuation of the REA program (p. 3227).
8. APPROPRIATIONS. In defending the Labor Department estimates, Sen. Sparkman, Ala. compared its appropriations with those of the Department of Agriculture (p. 3255).
9. LEGISLATIVE PROGRAM. It is expected that debate will begin today on S. 938, to aid Greece and Turkey, but that this bill will be temporarily laid aside for consideration of S. 350, to continue CCC, and H. R. 2102, to continue the farm-labor program (p. D96).

#### HOUSE

10. FCIC AUDIT. Received the GAO audit report on FCIC, together with a USDA answer to exceptions taken; to the Agriculture Committee. (p. 3291.)
11. FLOOD CONTROL. Rep. Brooks, La., urged that funds be made available to continue flood control projects (p. 3280).
12. FOREIGN TRADE. Rep. Mason, Ill., criticized the proposed International Trade Organization and stated, "The all-important question to be settled at Geneva is, Shall the United States surrender control of its tariff completely" (pp. 3281-3).  
Rep. Clevenger, Ohio, suggested that the wool problem could be solved by raising the tariff on imported wool (p. 3283).

13. REMOUNT SERVICE. Received a Calif. Legislature memorial urging the continuation of the horse-breeding program of the Remount Service (p. 3291).
14. RURAL ELECTRIFICATION. Received an Okla. Legislature memorial favoring adequate appropriations to continue the REA program (p. 3291).
15. FISHERIES. Received an Alaska Legislature memorial requesting the President and the Congress to restore the salmon industry to its former productivity (p. 3291).
16. FARM PROGRAM. It is understood that after hearings on the long-range agricultural program which begin Apr. 21, the House Agriculture Committee will prepare legislation to be introduced next session and go into effect when the wartime farm price support program expires Dec. 31, 1948.
17. ADJOURNED until Wed., Apr. 9 (p. 3290).

#### BILLS INTRODUCED

18. FLOOD CONTROL. H.R. 2968, by Rep. Simpson, Ill., to provide for emergency flood-control work made necessary by floods occurring in 1947. To Public Works Committee. (p. 3291.)
19. TOBACCO TAX. H.R. 2974, by Rep. Rogers, Fla., to assist States in collecting sales and use taxes on tobacco. To Ways and Means Committee. (p. 3291).
20. PERSONNEL. H.R. 2858 (see Digest 60) provides for a competitive civil-service status and reinstatement rights, in such position as he is capable of performing, to be awarded to a temporary or war-service Federal employee, who, since Mar. 16, 1942, sustained an injury in the course of employment which resulted in a permanent disability under the Employees' Compensation Act, and who has



plans and specifications and to supervise and contract for the work necessary to connect with the Government mains and to receive payment from the Daughters of the American Revolution by the transfer of funds in advance to cover the cost of such work and services, including administrative expenses: *And provided further*, That there shall be no liability on the part of the Government on account of any damages that may accrue hereunder.

#### ARMY AND NAVY NURSE CORPS

The Senate proceeded to consider the bill (H. R. 1943) to establish a permanent Nurse Corps of the Army and the Navy and to establish a Women's Medical Corps in the Army.

Mr. TAFT. Mr. President, may we have an explanation of the bill?

Mr. SALTONSTALL. Mr. President, in the absence of the chairman of the Committee on the Armed Services, the Senator from South Dakota [Mr. GURNEY], who had to go to the Army Day parade to represent the Armed Forces Committee, I shall, at his request, attempt to answer any questions concerning the establishment of the proposed Nurse Corps.

The principal reason for the establishment of the Nurse Corps in the Army and Navy is a very simple one. It is impossible to get nurses unless provision is made for a permanent Nurse Corps. Unless that is done, very shortly the nurses will go back to their old status, with a pay level of approximately \$1,085, whereas the pay of nurses today is substantially in excess of that amount.

The bill has been agreed to by both the Army and the Navy. It is drawn exactly on the same basis for the Army and the Navy, and in the opinion of the leading officers of both services it will enable them to obtain the services of nurses. It will not enable them to get the nurses perhaps as easily as they would like. The pay level which will be established, with the possibilities of retirement, will make employment in the services somewhat preferable to service in private hospitals and public hospitals today, but with the disadvantages incident to the nurses having to move where the Army and the Navy may call for them, the higher pay level seems fair.

The bill is reported unanimously by the committee, and I believe the committee in the House reported it unanimously and it was passed by the House. In my opinion the bill is a proper one and is essential in order to obtain nurses for Army and Navy hospitals.

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

Mr. SALTONSTALL. I yield to the Senator from Louisiana.

Mr. ELLENDER. What advantages are given to the nurses under the bill which are not now afforded them?

Mr. SALTONSTALL. They will become officers in the armed forces. If the Senator will get a copy of the report of the committee, he will find a summary of all the principal features set forth on page 2 of the report.

Mr. ELLENDER. How much more will it cost the Government?

Mr. SALTONSTALL. I was present at the hearings, and my recollection is that it will not cost the Army and the Navy

any more than they are now paying for nurses. It will cost them more than the prewar level. They cannot get nurses at the prewar level.

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

The bill was ordered to a third reading, read the third time, and passed.

#### RETIREMENT PRIVILEGES FOR FBI PERSONNEL

The Senate proceeded to consider the bill (S. 715) to amend the Civil Service Retirement Act of May 29, 1930, as amended, which was read, as follows:

*Be it enacted, etc.*, That section 1 (b) of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following new subsection:

"(i) Any special agent, special agent in charge, inspector, Assistant Director, assistant to the Director, Associate Director, or the Director, who is at least 50 years of age and who has rendered 20 years of service or more as a special agent, or as aforesaid above, in the Federal Bureau of Investigation may, on his own application and with the consent of the Attorney General, retire from the service and such annuity of such employee shall be equal to 2 percent of his average basic salary for the 5 years next preceding the date of his retirement, multiplied by the number of years of service, not exceeding 30 years."

Mr. TAFT. Mr. President, may we have an explanation of the bill?

Mr. LANGER. Mr. President, this is the so-called FBI bill. Up to the present time those who work for the FBI have not had the retirement privilege. Under the bill anyone who has worked for the FBI for 20 years and has reached the age of 50 may receive a retirement pension based on 2 percent of his average basic salary for the 5 preceding years multiplied by the number of years of service up to 30. I might add that all civil-service employees, except those dealing with narcotics, now have the retirement privilege.

Mr. President, this is a bill suggested by the Attorney General; it has the approval of the Bureau of the Budget, and it was reported unanimously by the Committee on the Civil Service.

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

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

#### BILLS AND RESOLUTION PASSED OVER

The bill (S. 526) to promote the progress of science; to advance the natural health, prosperity, and welfare; to secure the national defense; and for other purposes, was announced as next in order.

Mr. HILL. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 81) authorizing the Committee on Civil Service to investigate the appointment of first-, second-, or third-class postmaster was announced as next in order.

Mr. HAYDEN. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (S. 564) to provide for the performance of the duties of the office of President, in case of the removal, resignation, or inability both of the President and Vice President, was announced as next in order.

Mr. HAYDEN. Over.

The PRESIDENT pro tempore. The bill will be passed over.

#### UNITED STATES SENATE ADDITIONAL OFFICE BUILDING

The bill (S. 723) to authorize the preparation of preliminary plans and estimates of cost for an additional office building for the use of the United States Senate, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Architect of the Capitol, subject to the direction and supervision of the Senate Office Building Commission created by the Sundry Civil Appropriation Act of April 28, 1904 (33 Stat. 481), the membership of which is hereby increased from three to five members, to be appointed by the President of the Senate, is authorized and directed to prepare preliminary plans and estimates of cost for an additional office building for the use of the United States Senate.

SEC. 2. The Architect of the Capitol is authorized to make such expenditures as may be necessary to carry out the provisions of this act, and there is hereby authorized to be appropriated for such purpose the sum of \$25,000.

#### RENEWAL OF INSURANCE POLICIES

The bill (H. R. 1327) to amend existing law to provide privilege of renewing expired 5-year level-premium term policies for another 5-year period was considered, ordered to a third reading, read the third time, and passed.

#### DAN RIVER DAM, N. C.

The Senate proceeded to consider the bill (S. 64) granting the consent of Congress for the construction of a dam across the Dan River in North Carolina, which had been reported from the Committee on Public Works with amendments, on page 1, line 5, before the word "dam", to insert the word "low"; on line 8, after the name "Virginia", to insert "for the purpose of providing a pool for condenser water for a steam electric plant"; on page 2, line 15, after the word "energy", to insert "*And provided further*, That the grantee, or its successors, shall hold and save the United States free from all claims arising from damage which may be sustained by the dam herein authorized, or damage sustained by the appurtenances of the said dam, by reason of the future construction and operation by the United States of Philpott reservoir or of the proposed dam across Dan River at Schoolfield, Va., as proposed in House Document No. 650, Seventy-eighth Congress, and approved for construction in Public Law 534, Seventy-eighth Congress, second session, or other Federal project: *And provided further*, That the grantee shall, at the direction of the district engineer, Corps of Engineers, and without cost to the United States, reconstruct or relocate the existing streamgaging facility owned by the United States Geological Survey and situated on the Dan River in the vicinity of Leaksville, N. C."; and on page 3, line

12, after the words "amend or", to strike out the word "appeal" and to insert the word "repeal", so as to make the bill read:

*Be it enacted, etc.,* That the consent of Congress is hereby granted to Duke Power Co., its successors and assigns, to construct, maintain, and operate a low dam across Dan River at a point in Rockingham County, N. C., near Leaksville, and about 91 miles above the mouth of said river at Clarksville, Va., for the purpose of providing a pool for condenser water for a steam electric plant: *Provided,* That work shall not be commenced until the plans therefor have been submitted to and approved by the Chief of Engineers, United States Army, and by the Secretary of War, and when such plans have been approved by the Chief of Engineers and by the Secretary of War, it shall not be lawful to deviate from such plans either before or after completion of said dam unless the modification of such plans has previously been submitted to and approved by the Chief of Engineers and the Secretary of War: *Provided further,* That in approving the plans for said dam such conditions and stipulations may be imposed as the Chief of Engineers and Secretary of War may deem necessary to protect the present and future interest of the United States: *And provided further,* That this act shall not be construed to authorize the use of such dam to develop water power or generate hydroelectric energy: *And provided further,* That the grantee, or its successors, shall hold and save the United States free from all claims arising from damage which may be sustained by the dam herein authorized, or damage sustained by the appurtenances of the said dam, by reason of the future construction and operation by the United States of Philpott Reservoir or of the proposed dam across Dan River at Schoolfield, Va., as proposed in House Document No. 650, Seventy-eighth Congress, and approved for construction in Public Law 534, Seventy-eighth Congress, second session, or other Federal project: *And provided further,* That the grantee shall, at the direction of the district engineer, Corps of Engineers, and without cost to the United States, reconstruct or relocate the existing stream-gaging facility owned by the United States Geological Survey and situated on the Dan River in the vicinity of Leaksville, N. C.

Sec. 2. The authority granted by this act shall cease and be deemed null and void unless the actual construction of the dam hereby authorized is commenced within 3 years and completed within 5 years from the date of approval of this act.

Sec. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

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

#### SUPPORT FOR WOOL—CONTINUATION OF COMMODITY CREDIT CORPORATION

The bill (S. 814) to provide support for wool, continue Commodity Credit Corporation as an agency of the United States, and for other purposes, was announced as next in order.

Mr. SALTONSTALL. Over.

Mr. ROBERTSON of Wyoming. Mr. President, I wish to give notice that at the conclusion of the consideration of the calendar I shall move that the Senate proceed to the immediate consideration of Senate bill 814.

The PRESIDENT pro tempore. Objection being heard, the bill will be passed over.

#### BILL AND RESOLUTION PASSED OVER

The bill (S. 1017) providing for temporary continuation of rent control, transferring rent control to the Housing Expediter, was announced as next in order.

Mr. TAFT. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 25) amending rule XXII relating to cloture was announced as next in order.

Mr. ELLENDER. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

#### WORLD JAMBOREE OF BOY SCOUTS

The bill (H. R. 1621) to authorize the Secretary of War to lend War Department equipment and provide services to the Boy Scouts of America in connection with the World Jamboree of Boy Scouts to be held in France, 1947; and to authorize the Commissioner of Internal Revenue to provide exemption from the transportation tax; and further to authorize the Secretary of State to issue passports to bona fide Scouts and Scouters without fee for the application or the issuance of said passports, was considered, ordered to a third reading, read the third time, and passed.

#### BILL PASSED OVER

The bill (S. 938) to provide for assistance to Greece and Turkey was announced as next in order.

Mr. ELLENDER. Over.

The PRESIDENT pro tempore. The bill will be passed over.

#### PARTICIPATION IN THE INTERPARLIAMENTARY UNION

The Senate proceeded to consider the bill (S. 1005) to amend the act of June 28, 1935, entitled "An act to authorize participation by the United States in the Interparliamentary Union," which had been reported from the Committee on Foreign Relations with amendments, on page 1, line 5, before the word "annually", to strike out "\$27,000" and insert "\$30,000", and on line 6, after the word "authorized", to strike out "\$12,000" and insert "\$15,000", so as to make the bill read:

*Be it enacted, etc.,* That section 1 of the act of June 28, 1935 (49 Stat. 425; 22 U. S. C. 276), is hereby amended to read as follows: "An appropriation of \$30,000 annually is hereby authorized \$15,000 of which shall be for the annual contribution of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration; and \$15,000, or so much thereof as may be necessary, to assist in meeting the expenses of the American group of the Interparliamentary Union for each fiscal year for which an appropriation is made, such appropriation to be disbursed on vouchers to be approved by the President and the executive secretary of the American group."

The amendments were agreed to.

Mr. TAFT. Mr. President, may we have an explanation of the bill?

The PRESIDENT pro tempore. In the absence of the Senator from Kentucky [Mr. BARKLEY], the Chair might be permitted to say that the bill authorizes an appropriation of \$30,000 for participa-

tion by the United States in the Interparliamentary Union.

Mr. TAFT. May I ask the Chair if that is the only change made by the bill?

The PRESIDENT pro tempore. That is the only change.

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

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

The PRESIDENT pro tempore. That completes the calendar.

Mr. LANGER. Mr. President, I wish to give notice that at the earliest opportunity I shall ask that the Senate proceed to the consideration of Senate Resolution 81, which is No. 78 on the calendar.

#### SUPPORT FOR WOOL—CONTINUATION OF COMMODITY CREDIT CORPORATION

Mr. ROBERTSON of Wyoming. Mr. President, I move that the Senate now proceed to the consideration of Calendar No. 83, Senate bill 814 to provide support for wool, continue Commodity Credit Corporation as an agency of the United States, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Wyoming.

Mr. SALTONSTALL. Mr. President, I rise to make a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state the inquiry.

Mr. SALTONSTALL. Is the motion to take up the bill debatable?

The PRESIDENT pro tempore. It is.

Mr. SALTONSTALL. Then, sir, I hope that the bill will not be considered by the Senate at this time. I say that because the hearings on this important bill have not as yet been printed, and are not available to Members of the Senate except in typewritten form. The bill should be very carefully considered by the Senate. Furthermore, I understand that there is to be an executive session again tomorrow on the Lilienthal nomination, and that thereafter the Senate will consider and debate the highly important question of the Greek-Turkish loan.

Senate bill 814 is a departure from our whole agricultural program of support in that it puts wool on a comparable price basis rather than a parity price basis. It also involves the expenditure of a very substantial amount of money annually by the Federal Government.

I know that my good friend and colleague from Wyoming will say that unless the bill is considered and acted on at this time, unless some kind of legislation concerning wool is passed, the Secretary of Agriculture will withdraw the whole program as of April 15. I say to that argument that the Commodity Credit Corporation under the present law will continue until June 30, and that there is no reason why the Secretary of Agriculture, if he desires to continue to support the program, and if he has an intimation that Congress will take some action on this subject, cannot continue the program beyond April 15. I repeat, I hope the Senate will not take up this bill at this time, because I believe it should be very thoroughly discussed.

If the bill is taken up at this time, I say most respectfully that my colleague

from Massachusetts and I, who are vitally interested in the wool trade in Massachusetts, will want to go into the bill in very considerable detail. I hope, sir, that the bill may come up directly after the disposition of the Greek-Turkish loan proposal, if the leaders in charge of the legislative program approve of that course. We shall have no objection to taking it up in a week or 10 days, when the hearings are printed, and when there will be more ample time to discuss the bill than there can possibly be this afternoon.

Mr. LODGE. Mr. President, I join with my colleague in expressing the hope that the Senate will not proceed to the consideration of this bill until the hearings have been printed and until every Member of the Senate has had an opportunity to familiarize himself with the argument. I shall not enter upon the argument today. I think Members who know me will agree that I try to take a broad view of such questions, and that I have not the slightest desire in the world to antagonize legislation which is beneficial to any of the important interests of the United States; but looking back over the 7 years of my service in the Senate, I say it is most unusual to proceed with the consideration of a bill so complex as this bill is, involving as it does the philosophy of the relationship of the Government to agriculture, without waiting until the hearings have been printed so that Members of the Senate who are not on the committee and who do not happen to have any personal contact with the problem may have an opportunity to familiarize themselves with the issues which confront us. We want to cast an informed vote. Every Senator wants to know what he is doing. I am not asking any of my colleagues to vote one way or the other, but I think every Senator has a right to ask time so that his vote may be an informed vote based upon the facts and upon the evidence which has been no painstakingly developed by the Committee on Agriculture.

For that reason, Mr. President, I hope that the Senate will not proceed to the consideration of this bill at this time. I have no desire at all to delay action; I shall be glad to have it come up as soon as the hearings are printed; but until that time I hope the motion will not be agreed to.

SPECIAL COMMITTEE WOOL STUDY PRINTED

Mr. O'MAHOONEY. Mr. President, I rise to support the motion of my colleague to proceed to the consideration of the bill S. 814. This proposed legislation dealing with the wool industry has been before Congress and the public for many years. A special committee of the Senate gave consideration to this matter over a period of some 5 years. Volumes were printed and have been circulated all over the country. Last year the Committee on Agriculture of the House, after full hearings, gave approval to legislation of this character.

The Special Committee on Wool last year recommended legislation of this character, and that report—printed, by the way—went to the Senate Committee on Agriculture, as did the hearing also. Then the Committee on Agriculture also

held hearings, which were printed and circulated, and which are now available, dealing with every question that is in this bill. There is no reason to withhold action now because of any lack of public information or for lack of printed hearings. The volumes of the hearing of the Committee on Agriculture of the Senate last year are readily available to every Senator who desires to obtain a copy; and I may say that those hearings contain a full and complete exposition of the views of the Boston wool trade, which is opposed to this legislation.

So, Mr. President, we have this situation: The Senate Committee on Agriculture last year and again this year, by an overwhelming vote, has given its approval to legislation of this character; the House Committee on Agriculture last year likewise took similar action, and this year the House Committee on Agriculture, after a hearing, reported favorably a bill to deal with the very acute problem of the wool growers of the United States. That bill is now before the Rules Committee of the House. So we can say to the Senate that the Committee on Agriculture in each body has twice considered this bill and twice recommended favorable action. I said "this bill." I should not have said that because the bill is not precisely the same one that was introduced and recommended at the last session, but it is very similar. There has been full opportunity for those who are opposed to the legislation to express their point of view, and the only opposition that has been expressed throughout the consideration of this measure comes from the small group representing the Boston wool trade, which stands between the producers of wool in the United States and the manufacturers of woolen garments. The hearings are available to every Member of the Senate.

Mr. President, I feel that there is no reason why the Senate should not now vote favorably on the motion of my colleague and take up the bill for consideration. I hope the Senate will support the motion. If that action is not taken the domestic wool industry will be denied the legislative action it needs. The measure of stabilization proposed last year has been materially reduced by the action taken this year, but to decline now to take the bill up would be to disregard the needs of the growers altogether.

Mr. YOUNG. Mr. President, I wish to make a brief statement regarding the urgency of the immediate passage of the Senate bill. The Secretary of Agriculture has stated that he will no longer support wool prices after April 15 unless authorization is made by Congress. April 15 is about the time when the Southern States, especially Texas, begin to market their wool. If the proposed legislation is not passed now and no future supports are provided, the wool growers will find themselves in this situation: Unquestionably the market will drop drastically as of April 15, and the wool growers of the Southern States will then take a much lower price and within a month or two from now, if this legislation is subsequently enacted, then

those producers who market their wool later will receive a higher price.

This proposed legislation has been pending for a long while. The Committee on Agriculture and Forestry has held extensive hearings, and I can see no reason why the Senate should not proceed now to the consideration of the bill.

Mr. ROBERTSON of Wyoming. Mr. President, I should like to add a few words to what my distinguished colleague and the Senator from North Dakota have said. April 15 is the date line for the purchase by the Commodity Credit Corporation of the domestic clip. By that time approximately 8,000,000 pounds of grease wool will have been purchased by the Commodity Credit Corporation. That includes the wool produced in the State of the Senator from North Dakota, as the Senator said, the eight-month Texas wool, most of the Arizona wool, most of the Hagerman Valley, Idaho wool, and some of the Ohio fleece wool. The first wool to be shorn in the 1947 year, as I have said, has already probably been purchased.

All the bill does is to ask the extension of the Commodity Credit Corporation purchasing program for a period of 2 years. Today the wool-producing industry is not in a position to start out on a new program. It is still more or less on a war basis. For instance, while the average increase in wages in industry throughout the United States has been between 60 and 65 percent, in the wool-producing industry today the wage increase is still 200 percent.

The cost of feeds for the sheep has greatly increased. Hay, for instance, which before the war could be bought at from \$5 to \$6 a ton, today costs from \$15 to \$20 a ton.

The industry needs the protection it received during the war years. The object of the bill is to provide that protection.

I might say that so far as the CCC is concerned there will be very little money needed, if any, to take care of this bill. I earnestly ask the Senate to proceed immediately to the consideration of this most urgently needed legislation.

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

Mr. ROBERTSON of Wyoming. I yield.

Mr. TAFT. I notice that the report of the Department of Agriculture suggests that it is unwise to include the provision about a comparable price; they feel that the price should not be higher than that at which the Commodity Credit Corporation supported wool in 1946 which, I understand, was on an average between 41 to 42 cents. The Department of Agriculture apparently recommends 44.1 cents, which they say the bill would cover. In view of the fact that the bill apparently contemplates some loss in the sale of wool at a lower price than that at which it was bought, I wonder whether it is necessary to insist upon the higher price now contained in the bill as an alternative.

Mr. ROBERTSON of Wyoming. Mr. President, I may say in answer to the Senator from Ohio that I should be glad to accept an amendment during the consideration of the bill to fix the same price

for the 1947-48 clips as was paid for the 1946 clip, which was between 41 and 42 cents in the grease per pound. That is what is being paid today for the early shorn wool of 1947. I should be very glad to accept an amendment to that effect to the bill.

Mr. LANGER. Mr. President, I hope the motion of the Senator from Wyoming will prevail. The Senators from North Dakota have been receiving telegrams and letters urging the enactment of the legislation. As my distinguished colleague has so ably said, we have a feeling in my State that unless something is done soon the farmers will suffer a tremendous loss. I have received a letter from the head of the wool pool of North Dakota and letters from various county agents and county associations recalling to us that they have directed our attention time and again to the date, April 15. We might as well dispose of the legislation now as at a future time.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Wyoming to proceed to the consideration of Senate bill 814.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Wyoming if he would state again the amendment to the bill which he is willing to accept.

Mr. ROBERTSON of Wyoming. I said I would accept an amendment to limit the price to be paid for the 1947 and 1948 clips and to make it the same as the price paid by the Commodity Credit Corporation for the 1946 clip.

Mr. SALTONSTALL. Mr. President, I may say that such an amendment would make the bill more acceptable, but at the proper time I shall offer as a substitute for Senate bill 814, Senate bill 917, which is a bill introduced by my colleague from Massachusetts [Mr. LODGE] and myself, which would fix a somewhat different price than that suggested by the Senator from Wyoming.

Mr. DONNELL. Mr. President, will the Senator yield to me for an inquiry?

Mr. SALTONSTALL. I yield.

Mr. DONNELL. The Senator from Massachusetts doubtless heard the remarks of the senior Senator from Wyoming [Mr. O'MAHONEY] a few moments ago on the question whether it is essential in order that the Senate may have adequate information on this subject to have before it the printed copies of the hearings recently concluded. I should like to ask the Senator from Massachusetts whether in his opinion the information given by the data to which the senior Senator from Wyoming referred is in itself sufficient to inform the Senate upon the subject matter, or whether in the judgment of the Senator from Massachusetts the additional hearings recently concluded are essential in order that we might have a reasonably good picture of the entire situation?

Mr. SALTONSTALL. I would say in answer to the Senator from Missouri that I believe, though I cannot state authoritatively and definitely, that questions were discussed at this year's hearings which were not brought out at last year's hearings. I refer particularly to the comparable-price question. I have read a great deal from the reports of

last year. I believe they constitute a full discussion, but I do not believe that they treat some of the questions which were raised by Senate bill 814 this year. However, I do not wish to say that definitely.

Mr. O'MAHONEY. Mr. President, in response to the inquiry of the Senator from Missouri I am glad to be able to assure him that the subject mentioned by the Senator from Massachusetts was fully discussed at last year's hearings. There is full information available to all Senators. I have already undertaken to obtain copies of the hearings. They are on their way to the Chamber and will be available to all Senators who desire to obtain them.

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

Mr. O'MAHONEY. I yield.

Mr. SALTONSTALL. The price ranges are certainly different this year than they were last year. That includes the parity prices and the prices of wool.

Mr. O'MAHONEY. Prices of various commodities are changing. As a matter of fact, prices are going up at a very alarming rate, as everyone who follows our economic condition knows. But that has nothing to do with the principles involved in the bill.

Mr. SALTONSTALL. The Senator is quit correct. The principles involved in the bill were discussed last year; but there is still the question of price and the question of cost to the Government under the new bill. Under the terms of the suggested amendment, if it were accepted by the Senator from Wyoming, the cost to the Government would be greater during the coming year.

Mr. O'MAHONEY. I suggest to the Senator that that is a matter for debate when we are considering the bill.

Mr. SALTONSTALL. I agree.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the junior Senator from Wyoming [Mr. ROBERTSON] that the Senate proceed to the consideration of Senate bill 814.

Mr. LODGE. Mr. President, I have listened to the argument of the senior Senator from Wyoming [Mr. O'MAHONEY] with a great deal of interest, and with the admiration which I always have for his eloquence and ingenuity. I believe that the speech which he made here in 1937 in connection with the bill to increase the membership of the Supreme Court was without doubt one of the ablest speeches I have ever heard in my life. It is no wonder to me that the Senator from Wyoming has had such a successful career, and that his many relatives and friends in Massachusetts follow his activities with so much admiration. But when he tries to establish the point that we can get along this year with last year's hearings, I think even he, with his eloquence and ingenuity, strains our imagination just a little.

There was an election last November. There are a few of us here who were not here last year. Some of us appeared before the Committee on Agriculture and Forestry. There are a few of us here who were not here last year, and who are now members of the Committee on Agriculture and Forestry, and who tried to make a contribution to this prob-

lem by asking a few questions to throw light on it.

Even if the bills were identical—which they are not—even if the price figures were exactly the same—which they are not, and even if there were not a great many other differences—which there are—it would still be untenable for a Senator utterly to disregard the contribution which the new Members of this body have tried to make to this question, and to seek to create the impression in the minds of Senators that last year's hearings are perfectly adequate. If that were true, Mr. President, why did we have any hearings this year? Why did the senior Senator from Kansas [Mr. CAPPER], chairman of the committee, and all the other members of the committee, sit by the hour taking testimony?

No, Mr. President, today we are not settling any question about wool. Today we are settling the question of whether the United States Senate is going to keep faith with its own procedure, whether the Members of this body are going to seek to cast an informed vote, and whether we are to be willing to wait for a few days—a week at the most—until the hearings are printed, and until those who are vitally concerned with this question have an opportunity to prepare their case.

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

Mr. LODGE. I yield.

Mr. YOUNG. I should like to tell the Senator from Massachusetts that the stenographic reports have not even been ordered to be printed. At least 3 weeks will be required to have them printed.

Mr. LODGE. I have not looked into that question, but I should be very much surprised if the hearings could not be printed more quickly than that. I have on my desk a copy of hearings before the Committee on Foreign Relations. They were printed in short order. I believe that if the Senator from North Dakota and I were to join forces in urging the Government Printing Office to print these hearings quickly, it certainly could be done.

Mr. President, I do not wish to detain the Senate longer. I merely express the hope that we shall seek to cast an informed vote on this question and wait until the evidence is before us.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the junior Senator from Wyoming [Mr. ROBERTSON] that the Senate proceed to the consideration of Senate bill 814.

Mr. SALTONSTALL. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

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

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

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

Alken	Cooper	Hayden
Ball	Cordon	Hickenlooper
Brooks	Donnell	Hill
Buck	Downey	Holland
Butler	Dworshak	Ives
Cain	Eastland	Jenner
Capehart	Ecton	Johnson, Colo.
Capper	Ellender	Johnston, S. C.
Chavez	Fulbright	Kem
Connally	George	Kilgore

Knowland	Millikin	Taylor
Langer	Murray	Thye
Lodge	O'Connor	Tobey
McCarran	O'Mahoney	Vandenberg
McClellan	Pepper	Watkins
McFarland	Reed	Wherry
McGrath	Revercomb	White
McKellar	Robertson, Wyo.	Wiley
McMahon	Saltontall	Williams
Malone	Smith	Wilson
Martin	Taft	Young

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

The question is on agreeing to the motion of the junior Senator from Wyoming [Mr. ROBERTSON] that the Senate proceed to the consideration of Senate bill 814.

Mr. LODGE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DONNELL. Mr. President, if I may do so I should like to ask the senior Senator from Wyoming [Mr. O'MAHONEY] whether or not there were any hearings held on Senate bill 2033 introduced during the second session of the Seventy-ninth Congress?

Mr. O'MAHONEY. My recollection is that that was the number of the bill which I introduced. If my recollection is correct in that respect, the committee held long hearings upon it. Senate bill 2033 is the bill which was reported favorably by the Senate Committee on Agriculture and Forestry after it had been recommended by the Special Committee on Wool.

Mr. DONNELL. I should like to ask the Senator a further question. My question has a bearing, I think, upon the question as to whether or not the information obtained prior to the hearings recently concluded is sufficient for the Senate. I observe in report No. 85, filed on April 2, 1947, with respect to the pending measure, Senate bill 814, a letter from the Acting Secretary of Agriculture to the Senator from Kansas [Mr. CAPPER]. The letter is dated April 2, 1947. I call the attention of the Senator from Wyoming to this language in that letter:

The provisions of S. 814 are similar in some respects to the provisions of S. 2033, introduced during the last session of the Seventy-ninth Congress and approved by your committee with certain changes. While the main provisions of S. 2033 were endorsed by this Department in 1946, a number of developments have taken place since the close of the Seventy-ninth Congress which have caused us to make certain changes in our recommendations.

I call the Senator's attention to this further language in the letter of April 2, 1947:

In S. 2033, as originally introduced in the Seventy-ninth Congress, there was a provision which would authorize the Commodity Credit Corporation to carry out the price-support programs either by loans, purchases, support payments, or other operations. The provision authorizing that the program might be carried out by support payments was deleted from the bill reported out by your committee and has been omitted from the present bill, S. 814.

I call the Senator's attention to further language in the letter of April 2, 1947, as follows:

In S. 2033, Seventy-ninth Congress, and S. 103, Eightieth Congress, there also have

been included provisions authorizing the establishment of official wool and mohair standards. These provisions are not included in S. 814, but we feel that it would be desirable for them to be included.

Mr. President, the question I desire to ask the senior Senator from Wyoming is this: In view of those various expressions by the Acting Secretary of Agriculture as to the differences between Senate bill 814, the measure now before us, and Senate bill 2033, which was before the last session of the 79th Congress, does the Senator from Wyoming still feel that the information before the Senate, without the printed report of the hearings recently concluded, is sufficient to advise the Senate adequately with respect to Senate bill 814.

Mr. O'MAHONEY. Mr. President, my response without qualification is yes. I believe the information is absolutely sufficient. I say to the Senator that with respect to the quotations which he has read from the letter of the Acting Secretary of Agriculture, the explanation is that Senate bill 2033, as recommended by the wool committee a year ago, and as favorably reported by the Committee on Agriculture and Forestry a year ago, was much more extensive in its favorable dealing with the domestic wool growers than is the bill now before the Senate—not because the present Committee on Agriculture and Forestry or the sponsor of the bill, my colleague, desire any less protection for the domestic wool growers, but because we are speeding toward the final date when, if the Congress does not act, the domestic wool industry will face destruction.

For example, let us consider the recommended change with respect to the comparable price. I say to the Senator that practically all basic commodities have the benefit of the so-called comparable price formula. When the parity price was fixed for wool, wool was in a depressed condition. Therefore, we have asked for the comparable price because we have felt that domestic wool should have the same consideration as that given to other commodities which have the benefit of the comparable price.

With respect to the provisions of Senate bill 2033, the bill which I introduced last year, which dealt, for example, with the establishment of standards, I still believe that those standards should be fixed in the interest of the domestic industry; but we realized that with this final date bearing down upon us, it would be dangerous to take them into consideration. President Truman has indicated his willingness to act. He had directed the executive department and agencies to cooperate with me and the committee a year ago. He will sign this bill, I am confident. I regret that the committee has felt obligated to cut out some of the provisions—but half a loaf is better than no bread.

So the sponsors of this bill and the Committee on Agriculture and Forestry have been willing to sacrifice some of the provisions to which the Boston wool trade raised objections last year.

A few moments ago my colleague, in response to an inquiry of the Senator from Ohio, said he would be willing to accept an amendment by which the com-

parable price itself would be surrendered. I am sorry if we have come to that position; but if it is necessary to take that step in order to secure the enactment of such legislation by the 15th of April, when the Commodity Credit Corporation will cease to support the wool industry, of course we must make whatever concessions are necessary.

But I hope the Senator will not ask the supporters of this bill to sacrifice the bill itself. Let us proceed to the consideration of the bill; and I assure the Senator again that the material available in the printed hearings covers every disputed and controversial issue in this measure.

Mr. DONNELL. Mr. President, I should like to ask the Senator a further question. Let me say first that during the course of this colloquy there has been handed to me a booklet containing hearings before the Senate Committee on Agriculture and Forestry on Senate bill 2033 and Senate bill 1874, my attention having been directed to them by the Senator from New Hampshire [Mr. TOBEY]. Those hearings were held on June 18, 19, 20, and 21, 1946.

Mr. O'MAHONEY. Those are the hearings for which I called just a few moments ago. Those hearings show that Senate bill 2033, concerning which the Senator first interrogated me, was the one I introduced, and was favorably reported last year by the Committee on Agriculture and Forestry.

Mr. DONNELL. I should also like to state that during the early portion of the colloquy on this matter this afternoon, there was handed to be by the distinguished junior Senator from Wyoming [Mr. ROBERTSON] a copy of the hearings before the Special Committee to Investigate the Production, Transportation, and Marketing of Wool. That was a Senate special committee, established pursuant to Senate Resolution 150, and it held hearings in the latter part of November and on December 6, 1945.

I now wish to ask the Senator about the following sentence which I previously read from the letter of the Acting Secretary of Agriculture, Mr. Brannan, under date of April 2, 1947, as set forth in Report No. 85, now before the Senate:

The provisions of S. 814 are similar in some respects to the provisions of S. 2033, introduced during the last session of the Seventy-ninth Congress and approved by your committee with certain changes.

I ask the Senator whether he thinks that is a correct recital of the facts.

Mr. O'MAHONEY. That is substantially correct.

Mr. DONNELL. I thank the Senator.

Mr. CONNALLY. Mr. President, I have listened to this debate with interest, of course. The only question is whether the bill shall be considered.

This matter has been pending before the Congress for a considerable period of time. As was pointed out by the Senator from Missouri, it was before the last Congress, and at that time there were elaborate hearings.

I very much hope the Senate will not refuse to take up the bill and give it a hearing. It is of the highest importance to the wool industry. The time is short.

It seems to me that the bill is at least deserving of consideration by the Senate. Therefore, I hope the Senate will adopt the motion.

Mr. SALTONSTALL. Mr. President, I wish to say, in reply to the Senator from Texas, that there is no objection on the part of the Senators from Massachusetts, I am confident, to having this matter fully discussed as soon as the hearings are printed, and I hope that will be the case after the Greek-Turkish loan is taken up and disposed of.

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

Mr. SALTONSTALL. I yield.

Mr. CONNALLY. In the meantime the 15th of April probably will have arrived, and disaster will follow.

Mr. SALTONSTALL. I point out again to the distinguished Senator from Texas that the present wool program can be continued until the 30th of June. There is nothing to prevent that except the suggestion of the Secretary of Agriculture that it not be continued. It can be continued at his discretion or if the Members of Congress ask him to do so.

Mr. MILLIKIN. Mr. President, I should like to address a question to the Senator from Wyoming: Have transcripts of the hearings been prepared?

Mr. ROBERTSON of Wyoming. Stenographic transcripts have been prepared.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Wyoming [Mr. ROBERTSON] that the Senate proceed to the consideration of Senate bill 814. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER] and the Senator from Michigan [Mr. FERGUSON] are absent by leave of the Senate on official business.

The Senator from South Dakota [Mr. BUSHFIELD] is absent by leave of the Senate.

The Senator from Connecticut [Mr. BALDWIN], the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], the Senator from New Jersey [Mr. HAWKES], and the Senator from Oklahoma [Mr. MOORE] are necessarily absent.

The Senator from Wisconsin [Mr. MCCARTHY] is necessarily absent on official business.

The Senator from South Dakota [Mr. GURNEY] and the Senator from Oregon [Mr. MORSE] are detained on official business.

Mr. HILL. I announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from New Mexico [Mr. HATCH], and the Senator from Louisiana [Mr. OVERTON] are absent by leave of the Senate on official business.

The Senators from North Carolina [Mr. HOEY and Mr. UMSTEAD], the Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], the Senator from South Carolina [Mr. MAYBANK], the Senator from Pennsylvania [Mr. MYERS], the Senator from Texas [Mr. O'DANIEL], the Senator from Virginia [Mr. ROBERTSON], the Senator

from Tennessee [Mr. STEWART], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Utah [Mr. THOMAS] are detained on public business.

The Senator from Virginia [Mr. BYRD], the Senator from Rhode Island [Mr. GREEN], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Maryland [Mr. TYDINGS] are detained on official business.

The Senator from Georgia [Mr. RUSSELL] and the Senator from New York [Mr. WAGNER] are necessarily absent.

If present and voting, the Senator from Virginia [Mr. ROBERTSON] would vote "yea."

The result was announced—yeas 53, nays 10, as follows:

## YEAS—53

Aiken	Fulbright	Millikin
Ball	George	Murray
Brooks	Hayden	O'Connor
Buck	Hickenlooper	O'Mahoney
Butler	Hill	Pepper
Cain	Holland	Reed
Capehart	Jenner	Revercomb
Capper	Johnson, Colo.	Robertson, Wyo.
Chavez	Johnston, S. C.	Taft
Connally	Kilgore	Taylor
Cooper	Knowland	Thye
Cordon	Langer	Vandenberg
Donnell	McCarran	Watkins
Downey	McClellan	Wherry
Dworshak	McFarland	Wiley
Eastland	McGrath	Wilson
Eaton	McKellar	Young
Ellender	Malone	

## NAYS—10

Ives	Martin	White
Kem	Saltonstall	Williams
Lodge	Smith	
McMahon	Tobey	

## NOT VOTING—32

Baldwin	Hatch	Overton
Barkley	Hawkes	Robertson, Va.
Brewster	Hoey	Russell
Bricker	Lucas	Sparkman
Bridges	McCarthy	Stewart
Bushfield	Magnuson	Thomas, Okla.
Byrd	Maybank	Thomas, Utah
Ferguson	Moore	Tydings
Flanders	Morse	Umstead
Green	Myers	Wagner
Gurney	O'Daniel	

So the motion was agreed to; and the Senate proceeded to the consideration of the bill (S. 814) to provide support for wool, continue Commodity Credit Corporation as an agency of the United States, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments.

The PRESIDENT pro tempore. The clerk will state the first amendment of the committee.

The LEGISLATIVE CLERK. The first amendment of the committee is on page 2, line 9, before the word "may", to insert the word "and."

## AID TO GREECE AND TURKEY

Mr. McCLELLAN. Mr. President, on February 21, last, the President of the United States in a special message recommended that the Congress authorize and appropriate "not to exceed \$350,000,000 to assist in completing the great task of bringing relief from the ravages of war to the people of the liberated countries." A bill—House Joint Resolution 153—to carry out that recommendation, has been introduced and is now pending in the Congress. That measure, no doubt, will soon be here in this body for our consideration and action.

On March 12 the President, in an address to a joint session, further recommended that the Congress provide authorization "for assistance to Greece and Turkey in the amount of \$400,000,000 for the period ending June 30, 1948." Bills are now pending to carry out this recommendation of the President—H. R. 2616 and S. 938. The Foreign Relations Committee of the Senate, to whom S. 938 was referred, has unanimously reported this measure favorably, with an amendment. The bill is now on the calendar, and I understand it is the intention of the majority that it be taken up as soon as the pending business shall have been finished.

Another bill—Senate Joint Resolution 77—providing for membership and participation by the United States in the International Refugee Organization and authorizing an appropriation therefor in the amount of \$75,000,000 was passed by the Senate on March 25 and is now pending in the House of Representatives.

Mr. President, these three pending proposals if enacted into law will further obligate our Government for relief expenditures abroad in the amount of \$825,000,000. I do not at the moment undertake to express my opposition to all or either of these measures, but, Mr. President, I am concerned about them and deeply regret the necessity for their enactment, if, in fact, such necessity exists.

The Chief Executive, in his address to the Congress on March 12, reminded us that we contributed \$341,000,000,000 toward winning World War II as an investment in world freedom and world peace. Of this war cost, our Government still owes some \$260,000,000,000, the amount of our national debt, and assuming that we shall henceforth be able to effectuate reasonable economy in our fiscal affairs, it is a conservative estimate that we will have an annual Federal expenditure for many years to come of around \$30,000,000,000. That means, Mr. President, a tax burden indefinitely on the American people in excess of \$30,000,000,000 annually if we are to meet in full current expenditures and if we are to make any substantial progress toward retirement of the national debt.

Taking these indisputable facts into account and remembering our efforts and experience following World War I when we invested some \$14,000,000,000 in loans and grants to foreign governments for world relief and reconstruction, I became curious to know, Mr. President, just how much our Government has already expended and has become obligated to spend for relief and assistance to foreign countries and peoples since VJ-day. During the past several days I have made diligent inquiry of the several appropriate departments of Government and with the aid of the General Research Section of the Legislative Reference Service of the Library of Congress, I have obtained some very pertinent information which I believe the Members of Congress should have and weigh in the course of our consideration of these pending measures and any further legislation that may come before the Congress proposing any additional expenditures and obliga-

up by anybody else who knows him. But his scalp was demanded because he had once been a member of two insignificant organizations which the former Dies committee thinks were led by Communists.

Men of Mr. Warren's ability can get profitable private employment any time they want it. Certainly they are going to fight shy of public service under the conditions of intellectual tyranny now being created.

President Truman's loyalty commission pointed to the Canadian espionage expose as evidence that a threat to our system of government exists. In Canada a number of Government employees were induced, by their sympathy with communism, to reveal official secrets. For their betrayal no apologies can be made. But it is neither startling nor new to learn that where some men will betray their country for money others will betray it for ideas. The same charge could have been brought by England against the founders of the United States of America.

Are we wise, instead of concentrating attention on disloyalty itself, to preoccupy ourselves with one potential motive for disloyalty? If our Government hopes to stamp out any ideas which might lead to disloyalty it had better conduct a simultaneous crusade against the love of money, jealousy, ambition, fear, and envy—all of which may incite treason as well as communism.

The real threat to our system of government does not come from a few misguided erratics who may be induced to disloyalty by their sympathy with certain political and economic ideas. The real threat, if one ever develops, will come from our system's failure to deliver the welfare and the freedom which the people cherish.

[From the Minneapolis Times of March 28, 1947]

#### A DEVIANT HOUSE MANEUVER

The Appropriations Committee of the lower House of Congress recently voted to cut the Director of the Conciliation Service from the Federal pay rolls. The Director of that service is Edgar L. Warren, and the action against him flowed from charges that he had once belonged to certain Communist-front organizations. The House as a whole has now concurred in the committee's decision. It has agreed to withhold the funds required to pay Mr. Warren's salary.

There appears to be more than a little danger in this sort of legislative whimsy. Thus it should be noted that the Conciliation Director was separated from the pay roll on charges of the most serious nature without any semblance of a formal hearing at which he might defend himself. It was simply assumed that the allegations made were true, and the lower House set itself up, in this instance, as an arbiter of personnel, and the supreme judge of an employee's fitness.

Whether Mr. Warren is as pink or red as he is painted we do not know. But we are fairly certain that the lower House has no business firing him on mere suspicion, and by such a circuitous device as an appropriations cut.

Economy for the sake of economy is a wholly admirable end. But economy which seeks to impose punishment without a fair trial, and to usurp an executive function, is only a transparent fraud.

If the Warren precedent were to be widely followed, then Congress could ultimately dictate every detail of administrative personnel by the simple expedient of granting or withholding salary funds.

Already Representative Cox of Georgia sees the point. He suggests that the lower House refuse to pay David Lillenthal's salary as Chairman of the Atomic Energy Commission in the event the Senate confirms his nomination.

For all we know, Mr. Warren is wholly unfit for his conciliation job by reason of his per-

sonal philosophies and deserves a prompt retirement to private life.

But the facts should be established at impartial hearings, and full opportunity should be given him to testify on his own behalf.

The business of firing a man on suspicion through such a devious appropriations dodge is difficult to square either with the American system of government or the American concept of fair play. The less we have of it, the better.

[From the Jamestown (N. Y.) Post-Journal of March 19, 1947]

#### WRONG METHOD

A House Appropriations subcommittee, headed by Representative KEEFE, Wisconsin Republican, has gone after the scalp of Edgar L. Warren, chief of the Conciliation Service, a bureau of the Department of Labor. It is reported that the subcommittee will attempt to deprive Warren of his job by withholding funds for his salary and the salaries of 11 other top-flight administrators.

Reasons for the subcommittee's desire to add Warren to the army of unemployed Government officials are not clear although his views concerning the right of Government employees to strike are said to be involved. Also mentioned in connection with the move are reports that Warren has not been too cooperative in seeing that friends of some Members of Congress retained their jobs when budget restrictions caused reduction in Conciliation Service personnel. Keefe refers to "good and sufficient reasons which will become apparent at the proper time."

Regardless of what those reasons may be, it seems that the subcommittee is using the wrong methods in its attempts to get rid of a public servant. Precedent favors the method and possibly there are cases where the Congress can make its wishes known in no other way. If that is the case, then there is something wrong with the whole system of judging the fitness of public servants.

If Congress, or a committee of that body, withholds appropriations for salaries for a specific bureau, it should be assumed that the bureau has outlived its usefulness and should be liquidated. If the bureau or a job in the bureau is essential and desirable, then the appropriations should be made and other methods used to get rid of an undesirable appointee. The Congressmen who are opposed to Warren should be required to prove in open hearing that he is not fit to hold the position and should not be permitted to force his removal by chopping off his pay and without proving their case. The decisions on appropriations for any Government service should be made only in the light of value to the public.

[From the Miami Daily News of March 19, 1947]

#### LEGISLATION BY FIAT

At the core of President Truman's proposals for labor legislation last January, was the strengthening of the Government's conciliation services for the settlement of disputes before they reached the strike stage. That proposal fell on deaf ears insofar as the Republican Congressmen were concerned.

Now, according to Washington reports, the Conciliation Service already functioning in the Labor Department will be crippled by withholding its funds, another example of the second way to skin a cat which the Republican leaders have hit upon since they obtained control of congressional committees.

Representative FRANK KEEFE, of Wisconsin, who heads the House Appropriations subcommittee in charge of Labor Department funds, does not conceal the fiat legislation he is preparing. "I have said this before," he told a reporter at the Capitol, "and I will say it again: I intend to do everything

I can to see that Edgar L. Warren does not continue as head of the Conciliation Service." Having been rebuffed, presumably in his request to Secretary Schwelienbach for Warren's removal, Representative KEEFE will recommend withholding funds to pay the salaries of Director Warren and at least 11 of his assistants.

Congress was sat upon by the Supreme Court when it attached a rider to an appropriations bill specifically withholding the salaries of Goodwin Watson, Robert M. Lovett, and William E. Dodd in 1943. Representative KEEFE might keep his act constitutional if Warren and his aides were not named in a bill cutting the funds of the Conciliation Service. But constitutional or not, such an act is fiat legislation usurping the right of the executive department to name its own officers.

There are legal ways by which the Congress can abolish the Labor Department's Conciliation Service. There are not enough votes in Congress to do so, and Representative KEEFE's proposal is a subterfuge designed to accomplish the end without a roll call of the majority.

#### AID TO GREECE AND TURKEY— AMENDMENT

Mr. VANDENBERG. Mr. President, I wish to give notice that, in connection with Senate bill 938, the bill to provide for assistance to Greece and Turkey, in the committee amendment on page 7 there was a technical error in the language as the result of which the purpose of the amendment is somewhat nullified. I shall move when the time comes to strike out on page 7, line 21, the words "the President is officially notified by the United Nations that," and to strike out the word "that," in line 24, on page 7, so that paragraph (2) of section 5 in the amendment will read:

If the Security Council finds (with respect to which finding the United States waives the exercise of the veto) or the General Assembly finds that action taken or assistance furnished by the United Nations makes the continuance of such assistance unnecessary or undesirable; and.

I may add, Mr. President, that this amendment has the approval of the State Department and makes immutably clear the original purpose of the committee.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. O'MAHONEY. Would the Senator from Michigan entertain the suggestion that he have the proposed amendment, which he intends to offer printed for the benefit of other Senators?

Mr. VANDENBERG. Mr. President, I ask that the amendment as stated by me be printed and lie upon the table.

The PRESIDING OFFICER (Mr. CAIN in the chair). Without objection, the amendment proposed to be offered by the Senator from Michigan will be printed and lie on the table.

#### SUPPORT FOR WOOL—CONTINUATION OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (S. 814) to provide support for wool, to continue Commodity Credit Corporation as an agency of the United States, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment, on page 2, at the be-

ginning of line 9, to insert the word "and".

The amendment was agreed to.

The next amendment was, on page 2, line 10, after the word "wool" to strike out "; and may make discounts from support prices for the purposes of discouraging unsound marketing practices."

The amendment was agreed to.

The next amendment was, on page 3, line 11, after the word "wool" to insert "The disposition of any accumulated stock under the provisions of this section, however, shall be made at such rate and in such manner as will avoid disruption of the domestic market."

The amendment was agreed to.

The next amendment was on page 3, after line 14, to strike out:

SEC. 6. The first sentence of subsection (a) of section 7 of the act approved January 31, 1935 (49 Stat. 4), as amended, is amended by striking out "June 30, 1947" and inserting in lieu thereof "June 30, 1949".

SEC. 7. Section 4 of the act approved March 8, 1938 (52 Stat. 108), as amended, is amended by inserting after the first sentence thereof the following new sentence: "Not less than \$130,000,000 of the amount borrowed on such obligations shall be made available to support, as required by law, the price of wool produced in the calendar years 1947 and 1948."

The amendment was agreed to.

The next amendment was, on page 4, line 3, to change the section number from "8" to "6."

The PRESIDING OFFICER. That completes the committee amendments. The bill is before the Senate and open to further amendment.

Mr. ROBERTSON of Wyoming. Mr. President, Senate bill 814 is a simple, straightforward bill. It seeks to give the Commodity Credit Corporation power to continue to purchase the domestic wool clip as it has done for the past 4 years. It also gives the Commodity Credit Corporation authority to dispose of the stock pile of domestic wool which has accumulated during the past 2 or 3 years, and which amounts to approximately 450,000,000 pounds. It gives them authority to sell the wool below parity in competition with foreign imported wool, but in such manner as is provided in the third committee amendment, which reads as follows:

The disposition of any accumulated stock under the provisions of this section, however, shall be made at such rate and in such manner as will avoid disruption of the domestic market.

Mr. President, it seems to me that there are three major commodities, each a critical material, of which we do not raise sufficient for our own consumption and which call for treatment somewhat different from that accorded to the majority of commodities which we raise. Those three commodities are sugar, wool, and rubber. The sugar bill which was passed very recently and which has been approved by the President seems to have taken care of the sugar situation, at least for the time being. But wool is probably different from all other commodities in the production of which labor becomes an important part.

As I stated earlier in the debate on this bill, while during the war period the

average rise in prices in the production of various commodities was from 60 to 65 percent, the wages paid in the sheep-producing industry are from 150 to 250 percent in excess of what they were when the war started.

I can give several illustrations of that statement. For instance, prior to the war, a sheepherder, a very important wage earner in the business of producing sheep, received approximately \$50 a month and his board. Today he is being paid \$150 a month and his board. A year or 2 years ago that man's wages were as high as \$200 a month. Today, as I say, they are \$150 a month plus board. Various farm hands who raise the feed which is necessary for those who are in the sheep business to have during the winter months when the range is not available to them used to be paid \$40 to \$50 a month, and during haying time probably \$2 a day. During 1946 and at present in 1947 those men have been receiving \$4, \$5, or \$6 a day, and in many cases stackers have received as much as \$7 or \$8 a day.

From this it will be seen that the producer is still operating on what are definitely war terms. As a result of this situation the sheep population of the United States has dropped very materially. In 1942 there were approximately 49,000,000 breeding ewes in the United States. The number has dropped in 1947 to 32,500,000. Wool production in 1942 was approximately 455,000,000 grease pounds, and today the estimated total for 1947 is approximately 310,000,000 pounds. That drop is continuing, as will be seen from the fact that in 1946 the number of sheep in the United States dropped 4,000,000 head as compared with 1945, and the estimated drop from 1946 to 1947 is more than 3,000,000 head, and there is every indication that the drop will continue next year.

It would perhaps be well to give a few figures showing the total shorn-wool production in the United States for the years 1943, 1944, and 1945, as they will indicate better than any words of mine how the decline in wool production has been progressive from year to year.

According to the Agricultural Statistics of 1946, issued by the United States Department of Agriculture, pages 352 and 353, the average shorn-wool production from 1934 to 1943 was 370,000,000 pounds; in 1944 it was down to 347,000,000 pounds; in 1945 down to 321,000,000 pounds.

Mr. SALTONSTALL. Mr. President, will the Senator yield, or would he prefer not to be interrupted?

Mr. ROBERTSON of Wyoming. I yield for a question.

Mr. SALTONSTALL. I should like to ask a question. The distinguished Senator shows that the production of wool is down. Is it not equally true that in the past few years, when the production of wool was dropping, the production of meat was going up? In other words, the price of meat was high, and lambs and sheep were being sold for meat rather than being kept for wool.

Mr. ROBERTSON of Wyoming. No; that is not true, Mr. President, in general. What probably caused the increase in

price of lambs was their scarcity, because as the number of sheep decreased, so would the number of lambs produced, particularly because breeding ewes are the only kind of sheep kept over from year to year. So when the number of breeding ewes in the United States dropped from 49,000,000 to 32,000,000 there was a great decline in the number of lambs produced and, consequently, the price of lambs increased. Some producers were encouraged to sell their ewe lambs because of the high price which was being paid in general for lambs.

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

Mr. ROBERTSON of Wyoming. I yield.

Mr. AIKEN. The upward swing in the price of lamb is not peculiar to lamb alone; it applies to all meat.

Mr. ROBERTSON of Wyoming. It certainly does. I wish to point out that the particular reason it was so effective with regard to lambs was because of the shortage of them. In the case of beef it was because of restrictions.

Mr. O'MAHONEY. Mr. President, will my colleague yield?

Mr. ROBERTSON of Wyoming. I yield.

Mr. O'MAHONEY. I desire to make this comment in view of the question asked by the Senator from Massachusetts. From his question, the Senator from Massachusetts seems to be under the impression that wool growers were sacrificing their wool in order to sell their animals for meat. The fact of the matter is—and I am sure my colleague will concur in the statement—that the domestic sheep population has been declining because of the instability of the business as a whole including the growing of wool and the growing of lambs for meat. The Senator is mistaken if he has the impression that the production of wool would have been greater had the price of lambs been lower.

Mr. ROBERTSON of Wyoming. Mr. President, I thoroughly agree with my colleague in what he says on that question.

Mr. President, in order that the RECORD may show the situation clearly, I should like to inform the Senate in regard to the production of wool in the various groups of States in 1945. In the North Atlantic States, consisting of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania, the total production of shorn wool was 4,282,000 pounds. In the east North Central States, consisting of Ohio, Indiana, Illinois, Michigan, and Wisconsin, the production of shorn wool was 28,220,000 pounds. The outstanding wool-producing State in that area was Ohio, which produced 11,956,000 pounds of the total amount of 28,000,000 pounds.

In the West North Central States, consisting of Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas, the total shorn wool production in 1945 was 49,359,000 pounds—North Dakota being the outstanding State, with a production of 11,087,000 pounds.



In those three areas the total amount was 81,861,000 pounds.

In the South Atlantic States, consisting of Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Florida, the total wool production was 3,862,000 pounds, with West Virginia, and Virginia producing 1,668,000 pounds and 1,535,000 pounds, respectively.

Now we come to the more prolific producers of wool. In the south central section, consisting of the States of Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, and Texas, in 1945 there was a total shorn wool production of 88,516,000 pounds, of which the great State of Texas alone produced 79,151,000 pounds.

In the Western States, consisting of Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, and California, in 1945 there was a total shorn wool production of 146,778,000 pounds. The outstanding States for wool production in that area were Wyoming, with 25,631,000 pounds; Montana, with 23,958,000 pounds; and California, with 20,408,000 pounds. I cite those figures in order to show how great is the production of wool in the west.

Mr. President, some objection to this bill comes from the Senators from Massachusetts, really on behalf of the wool dealers in Boston. Boston is the headquarters for the wool dealers of the United States. While a considerable amount of wool is dealt with in Chicago, St. Louis, and Philadelphia, nevertheless the big central market for wool is Boston. Prior to the war our wool consumption was approximately 600,000,000 pounds. Of that amount, in our domestic clip we raised 450,000,000 pounds, and we imported approximately 150,000,000 pounds. Actually, in 1932, of our total consumption that year, only 5 percent was imported wool; whereas in 1946, 80 percent of our total consumption of wool was imported, and a great majority of it was from the United Kingdom, which sends its Australian and New Zealand and South African wool to our shores to compete with our own wool industry.

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

Mr. ROBERTSON of Wyoming. I yield.

Mr. MILLIKIN. I should like to invite attention to the fact that the wool dealers and the textile manufacturers in the wool field in 1946 did over 40 percent more business than they have ever done in any peacetime year, and 15 percent more than in the highest year of the war and that their profits are unprecedented and the prospects for several years to come are exceedingly bright, whereas the wool growers' position in the United States has steadily declined, as the distinguished Senator has pointed out.

Mr. ROBERTSON of Wyoming. The Senator is absolutely correct. I should like to make it perfectly plain that the American wool grower is not fighting the dealers in Boston in this matter, but is fighting the British Empire combined.

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

Mr. ROBERTSON of Wyoming. I yield.

Mr. YOUNG. I should like to have the distinguished Senator from Wyoming point out what the wool industry means to the Mountain States. For instance, what percentage of the total income of Wyoming is derived from wool?

Mr. ROBERTSON of Wyoming. I cannot state the exact percentage, but it is the major industry in Wyoming.

Mr. YOUNG. Then an increase in the importation of wool would wreck the economy of those States.

Mr. ROBERTSON of Wyoming. It would wreck the economy of the States to which I referred a moment ago.

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

Mr. ROBERTSON of Wyoming. I yield.

Mr. SALTONSTALL. As a Senator from Massachusetts I would say—and I am confident that I speak for my colleague—that we have no desire in the world to hurt the wool industry of the Western States or of any portion of the United States. We wish to keep the domestic wool business just as large as we can. We wish to buy domestic wool; we wish to make it possible for those who live in Massachusetts to buy domestic wool, and that is why we are interested in this subject.

Mr. ROBERTSON of Wyoming. I am satisfied of that; but at the same time—

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

Mr. ROBERTSON of Wyoming. I yield.

Mr. BUSHFIELD. In view of the statistics which the Senator has given in regard to the decrease in the production of wool in the various western States, is it not a fact that the wool industry in those States will be practically out of business if the decline continues?

Mr. ROBERTSON of Wyoming. Mr. President, I wish to point out to the Senator from South Dakota that the figures I have given indicate for every year a decrease in the sheep population in the United States. Unless the wool industry is supported and unless the wool producers can see ahead a few years and can anticipate receiving prices which will enable them to sell their product at a profit, there is every chance that the wool industry in the United States will disappear.

I feel that Senate bill 814, if enacted, would encourage the wool producer to go ahead and start to increase his flocks. That is the only way the wool production in the United States can be brought back to what it was in the prewar days.

Mr. President, I spoke of the wages being paid to workers in the sheep industry. Feed that has to be fed to the sheep in the winter time, and prior to lambing, has also advanced in price from two to three hundred percent, and still remains at the high price. Before the war the wool producer in the West, in the Rocky Mountain States anyway,

could buy for his flocks hay in the stack at from five to six dollars a ton. The price of that hay now is from \$15 to \$20 a ton, which was the price during the war.

We may be told that the sheep producer has probably made more money than he has ever made in his life. That is not true. He has probably received more money for his product than he has ever before received in his life, but he certainly has not made a greater profit. In fact, his margin of profit is so low that if we took into consideration any interest on his investment we would find he would not be making any profit whatsoever.

The thought behind the bill is that after a few years of this support price the wool raising industry, the sheep producing industry, will probably be on a more normal level.

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

Mr. ROBERTSON of Wyoming. I yield to the Senator from Colorado.

Mr. MILLIKIN. With respect to the gross amount of money that has come for wool, it is my understanding that in 1942 the gross was \$157,235,480, and in 1946 it was \$122,713,680, which would tend to refute the thought that the grower of wool is getting more for his product than he ever got before.

Mr. ROBERTSON of Wyoming. What the Senator says is absolutely correct.

Mr. President, I am satisfied that Senate bill 814 meets the needs of the situation better and is more satisfactory to the Department of Agriculture, the wool producer, and, I will be bold enough to say, the wool dealer and the wool manufacturer, than any other bill which has been presented to this body for many days. I therefore ask the earnest support of Senate bill 814 by Senators.

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

Mr. ROBERTSON of Wyoming. I yield to the Senator from Minnesota.

Mr. THYE. I am vitally interested in the proposed legislation, for it is quite obvious to me that unless the pending bill is enacted before the 15th of April, chaos will ensue not only in respect to the wool held by the Commodity Credit Corporation, but in respect to the shear or the clip which is now taking place in some of the southern and western areas of the sheep-producing sections of the Nation.

In the event no action is taken by Congress we are going to find that all the wool that is today held by the Commodity Credit Corporation will remain upon the fixed shelf on which it is now resting, until such time as all the foreign wool that is in surplus in both the British Isles and other wool-producing nations shall have been disposed of.

So, Mr. President, the question before the Members of the United States Senate today is whether we shall pass some kind of legislation, or have the United States in such a position that all the surplus wool in the world will be dumped here, and our own will remain upon an inventory basis in the Commodity Credit Corporation.

That is about the position in which we find ourselves.

We could continue to discuss this matter for the next 2 hours, and I think we would have to come right back to the fact that we are today holding about 2 years' shear, and we have been the market for the importation of foreign wool all the while. That is about the situation.

Mr. ROBERTSON of Wyoming. The Senator is absolutely correct. Before the war started, as I have said, our annual consumption of wool was around 600,000,000 pounds. In 1946 our consumption was around 1,000,000,000 pounds. This year the consumption is at the same high figure, 1,000,000,000 pounds.

Recurring to the figures I gave earlier in my remarks, of the 1,000,000,000 pounds consumed in 1946, 800,000,000 pounds was imported wool. As the Senator from Minnesota has pointed out, that resulted in but 200,000,000 pounds of our domestic clip being used, and the remainder has been stock piled, until today there is a stock pile of some 480,000,000 pounds.

One of the clauses of the bill provides that the Commodity Credit Corporation can sell that wool below parity in order to get rid of it. I do not mean by that, nor does the bill mean, that it is necessary to sacrifice this wool. It is not. There is today but 5 cents difference between the price of the domestic wool at the 1946 price level and the foreign importation with the 34-cent tariff.

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

Mr. ROBERTSON of Wyoming. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Did I not hear the Senator from Wyoming say to the senior Senator from Ohio [Mr. TAFT], that he would be willing to strike out the first part of section 2, which has to do with price? I ask that question because the Senator from Ohio had to go to a committee meeting, and he asked me to take the matter up with the Senator from Wyoming.

Mr. ROBERTSON of Wyoming. Mr. President, the Senator from Massachusetts is correct, and I ask unanimous consent to amend Senate bill 814 on page 1, line 8, after the word "at," by striking out the words "the higher of (1) 90 percent of the comparable price for wool as of January of the calendar year in which the wool is produced, or (2)." I ask to strike those words out so that the provision will then read:

The Commodity Credit Corporation is directed, through loans, purchases, or other operations to support a price to producers of wool produced (shorn or pulled) in the calendar years 1947-48 in the United States and its Territories at the price at which the Commodity Credit Corporation has undertaken to support wool in 1946.

GROWERS DESERVE COMPARABLE PRICE

Mr. O'MAHONEY. Mr. President, reserving the right to object, I desire to say to my colleague that I regret that the situation in the Senate seems to be such that he feels it necessary to surrender this provision of the bill. I personally feel that the wool growers of the United States are entitled to the support at the comparable base. Parity does not do

justice to the growers. Does the Senator feel that it is absolutely essential to agree to this amendment in order to secure action today? I realize, of course, that there is considerable pressure upon the Senate to act upon other matters which are before us.

I know how important it is to the wool industry to have some action even though it cannot get what it deserves, and I intend to take no step that will prevent action; but I feel that in demanding of us who have been sponsoring this bill that we surrender the comparable price, those who ask for that are demanding a very serious concession upon our part. Does the Senator feel that he must make this concession?

Mr. ROBERTSON of Wyoming. I agree with what my colleague has said, but in order to meet the dead line of April 15 I feel that it is of the utmost importance that immediate action should be taken on this bill, and I feel that by making that concession and agreeing to the 1946 price, as against the comparable price of 1947, we shall be sending the bill forward to the House, if passed here, in time for the House to act on the resolution which they have, to bring this about before the dead line of April 15.

Mr. O'MAHONEY. Of course, the bill which was recommended by the Committee on Agriculture last year carried this program to the end of 1950, and beyond, for the purpose of permanently stabilizing the wool industry. The committee has before it the bill which carries the program on only until the end of 1948, so that there has been a very substantial concession in that respect. However, as I said to the Senator, I have no disposition to impede the progress of the legislation. I wonder, however, whether, in making this concession, we have any reason to believe that our friends from Massachusetts will go along with us and support the measure after we have made this additional concession. Having stripped us of almost everything that we need and that we ought to have, and that we deserve, will not the Senators from Massachusetts now be content to support the bill, if the Senator from Wyoming agrees to this considerable concession?

Mr. SALTONSTALL and Mr. TAFT addressed the Chair.

Mr. O'MAHONEY. I hope, before the Senator yields, I may have an answer to my question.

The PRESIDING OFFICER. The Senator from Wyoming [Mr. ROBERTSON] has the floor. Does he yield; and if so, to whom?

Mr. ROBERTSON of Wyoming. I yield first to the Senator from Massachusetts, for the purpose of answering my colleague's question.

Mr. SALTONSTALL. Mr. President, in answer to the senior Senator from Wyoming, I would say most respectfully that I have, at the proper time, a substitute bill to offer, which I hope will be helpful to the wool growers and helpful to the woolen trade of Massachusetts.

Mr. O'MAHONEY. If the Senator will bear with me, I want to point this out, that the bill which the Committee on Agriculture overwhelmingly recommended to the Senate provided for the

comparable price formula. My colleague has most generously conceded the point, to abandon that formula, and to take the price at which wool was supported in 1946. The Senator from Massachusetts proposes to ask that we take, not that, but 90 percent of the parity price.

I suggest, Mr. President, and my able colleague, that our friends from Massachusetts are really trying to take the short wool with the long wool.

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

Mr. ROBERTSON of Wyoming. I yield.

Mr. SALTONSTALL. I will say in reply to the senior Senator from Wyoming that he was once himself a Massachusetts citizen. He learned his trade with us in Massachusetts. He learned his persuasive arguments in Massachusetts, and that is what I am meeting this afternoon.

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

Mr. ROBERTSON of Wyoming. I yield.

Mr. TAFT. Mr. President, I made the suggestion originally that this amendment be adopted in accordance with the recommendations of the Department of Agriculture of the United States, which are contained in the report, from which I quote as follows:

In 1946 the Commodity Credit Corporation paid on the average between 41 and 42 cents a pound for wool in the grease. On the basis of January 1947 figures, the support price for wool, as proposed in the present bill, would be 44.1 cents a pound for 1947. In order to sell domestic wools during the past year in competition with imported wools, the Commodity Credit Corporation has incurred a considerable loss. To establish the support level as proposed in the present bill would undoubtedly result in even greater losses for 1947. If the present parity-price level continues through January 1948, losses during 1948 probably would also be greater than in 1946. We recommend, therefore—

This is the Department of Agriculture of the present administration.

We recommend, therefore, that the support price level for the 2-year period be "not less than the price at which the Commodity Credit Corporation supported wool in 1946." The establishment of a comparable price for wool and for lambs could then await study of the whole problem of revising the parity formula which was discussed with the House Committee on Agriculture on January 22 and with your committee on January 23.

The amendment carries out the recommendations of the Department of Agriculture. Of course, this whole program is an emergency proposition; it merely takes care of the wool problem temporarily; it is certainly not a broad solution of the whole wool problem. I hope we may have time to work out such a solution, and, if possible, work it out before, at least, we confront the 1948 problem. But in this emergency situation and since under the bill the wool bought by the Commodity Credit Corporation will be sold at a loss anyway, it seems to me only reasonable to ask the wool growers that they take the 41- and 42-cent price which has been guaranteed, and we can determine later what kind of parity there should be, what kind of comparable

price there should be. I certainly shall oppose the proposal of the Senator from Massachusetts that there be this other basis, which would be lower than the comparable price, but it seems to me that this is a reasonable proposal at the present time, and in accord with the recommendations of the Democratic administration.

Mr. CAPPER and Mr. DONNELL addressed the Chair.

Mr. ROBERTSON of Wyoming. I will yield to the Senator from Missouri, after I have yielded to the Senator from Kansas. I wish to yield to the chairman of the Committee on Agriculture and Forestry, the Senator from Kansas.

Mr. CAPPER. Mr. President, I have just received a letter from Edward A. O'Neal, president of the American Farm Bureau Federation, in which he says:

I understand the Senate plans to consider the three important agriculture bills—S. 814, providing a program to safeguard the price of wool; H. R. 2102, providing for a temporary continuation of the farm-labor program; and S. 350, providing for the extension of the life of the Commodity Credit Corporation—all of which have been favorably reported by your committee.

The American Farm Bureau Federation strongly supports and urges the speedy enactment of these three measures.

(1) Wool: S. 814 establishes a comparable price for wool and directs that the price of wool be supported at 90 percent of the comparable price or at the level of the 1946 support price, whichever is higher, until the end of the Steagall period, December 31, 1948, and authorizes the Commodity Credit Corporation to sell wool at prices competitive with foreign wool in order to enable the Corporation to dispose of its surplus stocks in an orderly manner. The present wool program is scheduled to expire April 15 and the growers will be left without protection for their new crop unless this legislation is speedily enacted. This legislation seeks to give the wool growers comparable price support assistance that has already been extended to other commodities under the Steagall Act and the Bankhead Commodity Loan Act. We strongly oppose S. 917, which seeks to establish a much lower price support level. This would be very unfair to the wool growers because the present parity price of wool is out of line with the parity price of other commodities.

Mr. ROBERTSON of Wyoming. Mr. President, in regard to the amendment which I proposed, which the Senator from Ohio had suggested to me, I wish to ask unanimous consent to correct the wording as stated by me, in order to bring it into line with what the Senator from Ohio had in mind and with what he pointed out in the Department of Agriculture had stated in their report on the bill. So on page 2, line 2, after the word "price", I desire to insert the words "not less than that", and eliminate the word "at", so that it will read:

The price not less than that which the Commodity Credit Corporation has undertaken to support wool in 1946.

The PRESIDING OFFICER. The Senator has the right to modify his amendment, as he has done.

Mr. O'MAHONEY. Mr. President, now that the Senator from Ohio, in explanation of his position, has made it clear that he will not support the proposal of the Senator from Massachusetts [Mr. SALTONSTALL] to drive down further the

price which the domestic producers of wool may receive, I shall not make any objection to the unanimous consent request of my colleague.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. ROBERTSON], as modified.

The amendment, as modified, was agreed to.

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

Mr. ROBERTSON of Wyoming. I yield.

Mr. DONNELL. I desire to ask the junior Senator from Wyoming a question. He has by his amendment stricken out of section 2 the reference to the comparable price for wool as of January of the calendar year in which the wool is produced. In that connection I ask him whether or not section 3 of the bill, which provides an obligation upon the Secretary of Agriculture to establish monthly a comparable price for wool, and so forth, should remain in the bill, or whether section 3 should be stricken out. I shall be glad if the Senator will state his views in that regard.

Mr. ROBERTSON of Wyoming. Mr. President, I shall be glad to state them. Section 3 is merely a directive to the Secretary of Agriculture to establish monthly a comparable price for wool as with other commodities, such as cotton, corn, wheat, rice, tobacco, and peanuts, but it would have nothing to do with the price which would be paid for wool in view of the fact that my amendment has been agreed to.

Mr. DONNELL. Mr. President, may I ask the Senator further what useful purpose would be subserved by the establishment of the comparable price for wool if that price were not to enter into the computation to be made under section 2 of this measure?

Mr. ROBERTSON of Wyoming. It would give us the information which is necessary we should have to know month by month what the comparable price would be as compared to the price we are receiving.

Mr. DONNELL. So the amendment made thus far by the Senator to section 2 would not, in his opinion, make advisable the further amendment of striking out section 3?

Mr. ROBERTSON of Wyoming. I should prefer that section 3 remain in the bill.

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

Mr. ROBERTSON of Wyoming. I yield.

Mr. AIKEN. I should like to call the attention of the Senator from Missouri to the fact that the bill extends the support price for a period of 2 years only, and if section 3 is left in the bill, which provides for a study of the comparable price, and announcement of the comparable price month by month, it could form a valuable basis for future studies because it is perfectly obvious that after the life of the Steagall amendment expires, after 1947 and 1948, we will have to have a more permanent agricultural policy for our country and we will need all the material of this nature we can secure in order to effectuate an intelli-

gent policy. So I think it would be valuable as a basis for future studies.

Mr. DONNELL. I thank the Senator. I understand therefore, and if I am incorrect I should be glad to be corrected, that the only purpose of leaving section 3 in the bill is to provide from month to month the information therein required to be obtained, and that there is no mandatory requirement upon either the Commodity Credit Corporation or any other agency or official to use that information in fixing prices under this bill or elsewhere. Am I correct in that?

Mr. ROBERTSON of Wyoming. The Senator is correct.

I yield the floor.

Mr. SALTONSTALL. Mr. President, I rise to make a parliamentary inquiry. Will the Chair state the question before the Senate at the present time?

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SALTONSTALL. I rise to a further parliamentary inquiry. Is it in order at the present time, if no amendments are pending, to offer an amendment in the nature of a substitute for the entire bill?

The PRESIDING OFFICER. Such an amendment to the bill presently being considered would be in order.

Mr. SALTONSTALL. It is in order now to present a bill as a substitute for the pending bill?

The PRESIDING OFFICER. As an amendment in the nature of a substitute; yes.

Mr. SALTONSTALL. Then, Mr. President, in behalf of my colleague from Massachusetts [Mr. LODGE] and myself I offer Senate bill 917 as an amendment in the nature of a substitute for Senate bill 814.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause, and to insert the following:

That this act may be cited as the "Domestic Wool Act of 1947."

Sec. 2. (a) The Secretary of Agriculture is authorized, through loans or purchases, to protect the price to producers of domestic wool in the continental United States and Territories during the period April 15, 1947, to December 31, 1948. The loan or purchase level for wool during this period shall not be in excess of 90 per centum of the parity price for wool as determined from time to time by the Secretary of Agriculture under the present method of computation.

(b) The Secretary of Agriculture is further authorized, without regard to restrictions imposed by any law to dispose of existing domestic wool stocks and such further stocks as may be acquired under this act, at prices which will permit such wool to be sold in competition with imported wool.

(c) The Secretary of Agriculture is further authorized to adjust loan and purchase levels for individual grades and qualities for the purpose of bringing about a fair and equitable relationship in the loan and purchase levels for the various grades and qualities of wool and may make discounts from loan and purchase levels for off-quality, inferior-grade, or poorly prepared wool.

Mr. SALTONSTALL. Mr. President, I wish to speak briefly on Senate bill 814 and the bill I have offered on behalf of my colleague and myself, as a substitute therefor. In the first place the wool in-

dustry in Massachusetts has no desire to put the wool growers of this country out of business. In fact, in ordinary times they depend upon the American wool growers to a great extent for their business. They want them to continue in business. They want the domestic production to increase. At the same time they would like this honorable body to remember that if the pending bill becomes law and the policy which it represents shall be continued, then over a period of years—I do not say it will happen in the next 2 years—but over a period of years—it will ultimately deprive approximately 3,000 workers in Massachusetts of employment and in the country at large it will deprive approximately 6,000 workers of employment. I am informed that such is the extent of the wool trade in this country as apart from the wool growers and apart from the wool manufacturers.

In substance, what this bill, if it should become law, will do over a period of years is to put the Government into the exclusive position of buying and selling all the domestic wool. The wool trade in Boston and Massachusetts is one of the oldest businesses in Massachusetts. It is an honorable trade, it is a respected trade, and it has a legitimate function in the business of our country. But what we want to do—

Mr. O'MAHOONEY. Mr. President, will the Senator yield for a question?

Mr. SALTONSTALL. I shall be glad to yield to the Senator from Wyoming. I have but a few remarks to make, and I should like to finish them, but am glad to yield.

Mr. O'MAHOONEY. I thank the Senator, and I shall not interrupt him again. I understood the Senator to say that if the bill which has just been explained by my colleague should be passed it would result in driving the wool trade of Boston out of business and depriving some 6,000 persons of their jobs.

Mr. SALTONSTALL. I said "ultimately."

Mr. O'MAHOONEY. Ultimately. The bill which my colleague is sponsoring declares a policy for a period ending December 31, 1948. The substitute which the Senator now proposes provides a program which ends on December 31, 1948. The bill which my colleague has defended provides for the purchase of wool by the Commodity Credit Corporation at the level at which wool was purchased during the year 1946. The bill offered by the Senator from Massachusetts provides for the support purchase of wool at 90 percent of parity. I should like to ask the Senator on what logical basis he asks the Senate to believe that the wool trade of Boston will not be driven out of business if the Commodity Credit Corporation purchases wool at 90 percent of parity, but will be driven out of business if the Commodity Credit Corporation purchases it at the price of 1946, under which the wool trade prospered?

Mr. SALTONSTALL. I will answer the Senator's inquiry in this way: It will allow the wool trade and citizens engaged in private enterprise an opportunity to buy some of the domestic wool at market

prices. At this time, in answer to the Senator's question, I should like to read some figures into the RECORD which I intend to place in the RECORD at a little later time.

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

Mr. SALTONSTALL. I yield.

Mr. DONNELL. I realize that the Senator wishes to proceed, but I should like to ask him one question. I observe in Senate bill 814 the requirement that—

The Commodity Credit Corporation is directed, through loans, purchases, or other operations to support a price to producers of wool produced (shorn or pulled) in the calendar years 1947 and 1948 in the United States and its Territories at the higher of (1) 90 percent of the comparable price for wool as of January of the calendar year in which the wool is produced, or (2) the price at which the Commodity Credit Corporation has undertaken to support wool in 1946.

The question I desire to propound to the Senator is, Did the Commodity Credit Corporation undertake to support wool in 1946 at one price throughout the year or did that price vary from time to time during the year 1946? If it varied, which price, in the opinion of the Senator, would govern in this particular language in Senate bill 814—the lowest price, or the highest price, or some intermediate price?

Mr. SALTONSTALL. In answer to the Senator's inquiry I should say that I have only one price, that at which wool was bought in 1946. I cannot tell the Senator whether wool was bought at different prices. I do know the price at which the Secretary of Agriculture says the CCC bought wool in 1946, and that is the price I should like to use.

Mr. President, I shall now place in the RECORD the list of prices, which, to the best of my information is correct. Prices are given both for wool in grease and for clean fine wool.

The 1946 prices—which is the proposal of the junior Senator from Wyoming—are 42.1 cents for wool in grease, and \$1.25 for clean fine wool. Ninety percent of parity, which is the proposal submitted by the Senators from Massachusetts, would give prices of 37.7 cents for wool in grease, and \$1.11 for clean fine wool. The present price of wool on the market is 38 cents for wool in grease, and \$1.20 for clean fine wool. I shall add the price of comparable wool, which is now no longer in the discussion. Ninety percent of the comparable price for wool is 46.9 cents for wool in grease, and \$1.39 for clean fine wool. All these prices are as of April 1, 1947.

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

Mr. SALTONSTALL. I yield.

Mr. AIKEN. Will the Senator give us the source of his figures?

Mr. SALTONSTALL. The source of my figures is the National Wool Trade Association.

Mr. AIKEN. The figure submitted to the committee by the Department of Agriculture for 90 percent of the price of comparable wool was 44.1 cents.

Mr. SALTONSTALL. I agree with the Senator that that was the figure as of the 1st of the year. These figures are as of April 1, 1947.

Mr. AIKEN. Is the market price for grease wool, which the Senator gave as 38 cents, the April 1 price?

Mr. SALTONSTALL. Thirty-eight cents is the present market price for wool in grease.

Mr. AIKEN. As of April 1?

Mr. SALTONSTALL. As of April 1.

Mr. AIKEN. I thank the Senator. I did not understand that he was giving the April 1 prices.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have these figures, in the form of a table, printed in the RECORD at this point as a part of my remarks.

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

[Apr. 1, 1947]

	Greasy	Clean fine
	Cents	Dollars
90 percent of comparable.....	46.9	1.39
1946 prices.....	42.1	1.25
90 percent of parity.....	37.7	1.11
Present foreign wool with duty (34 cents) added.....	38.0	1.20

Mr. SALTONSTALL. At the present time the Government has approximately 480,000,000 pounds of wool as an inventory. That is 30,000,000 pounds more than was mentioned by the junior Senator from Wyoming, but I think that is the correct figure as of the present time.

Mr. ROBERTSON of Wyoming. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. ROBERTSON of Wyoming. My figure of 450,000,000 pounds was approximate only. It varies from month to month.

Mr. SALTONSTALL. The Senators from Massachusetts are entirely in accord with the Senators from Wyoming, in that this inventory of wool should be eliminated in an orderly manner. The inventory of wool, which represents the domestic wool purchased by the Government, has been built up because the market price of wool has been under the price at which the Government could sell it. If either of the bills becomes law it will permit the Government, in an orderly way, to get rid of the big inventory of wool and make the market a more orderly one in the future.

The bill of the Senator from Wyoming also makes wool a basic agricultural commodity. I mentioned that not because it necessarily affects the price at which the Government will buy wool under the formula suggested, but because it may affect the purchase by the Government, at a different level, of many other agricultural commodities. That information is obtained from page 4 of the committee's report on Senate bill 814, and is the statement of the Secretary of Agriculture. He says:

To add wool to the six basic commodities now named in existing legislation might result in changing the computation of comparable prices and support prices for many of the other commodities which are affected by section 4 (a) and (b) of the Stegall amendment and other legislation.

I mention that that provision is still in the bill of the Senator from Wyoming,

and in the opinion of the Department of Agriculture it might have the effect described on the cost prices of other commodities.

What we in Massachusetts want is to help the wool grower to make it possible for the wool trader to stay in business, and not to keep the Government in the wool business indefinitely.

As the Senator has said, in ordinary years we buy between 600,000,000 and 700,000,000 pounds of wool. During the past few years we have bought as much as 1,000,000,000 pounds of wool. When we get back to the normal level of 600,000,000 to 700,000,000 pounds, our domestic crop will be approximately half of all we use. What we want to do is to make it possible to use that domestic crop by placing a floor under the prices for the wool grower, so that the price of wool will not fall as low as 8 cents, as it did in 1932, and to keep the Government out of business so far as we can do so.

This is a stopgap law for 1947 and 1948. However, we must remember that if this bill becomes law and those who are now in the wool trade have to go out of that business, or suffer a substantial reduction in their business, we may find if we try to adopt some new system in 1949 there will not be the market for wool that there is at the present time.

As I understand, the wool cooperatives sell about 20 percent of the domestic supply. The remainder 80 percent is sold by the wool trade. They have not been able to get any of it in the last few years, because it has been off the market, and, consequently, to supply the market they have to buy foreign wools.

What the Senator from Wyoming [Mr. ROBERTSON] says as to 80 percent of the wool coming in from the foreign market is entirely correct. But that is not the fault of the woolen mills or the fault of the wool traders. It is the fault of the Government in keeping the price so high that the wool traders cannot buy the wool and sell it to the wool industry, because the industry cannot pay that price when they can obtain wool from abroad at a cheaper price.

What has been the result? The Bureau of the Budget, in response to a letter from me, states that as of June 30, 1947, it is estimated that the Commodity Credit Corporation will have outstanding in the price-support program approximately \$225,970,000, of which \$169,000,000 will be in wool and the balance in other commodities. As of June 30, 1948, they estimate the total price-support program will be \$348,375,000, of which \$116,000,000 will be in wool. Actually, as of June 30, 1946, the total price-support program was \$472,987,000, of which \$243,416,000, or a little more than half, was in wool. In other words, the expenditures which it has been necessary for the Commodity Credit Corporation to make in order to sustain the price of wool under the laws which have been passed, has amounted to more than half of all the expenditures it has had to make for the entire price-support program for all commodities.

As I have already pointed out, in two particulars this bill goes further than the Acting Secretary of Agriculture recom-

mended in his report to the committee. The Senator from Wyoming has corrected one, and wool as a basic commodity is still in the bill. The Senator has argued that the flocks of sheep in this country are diminishing. I submit most respectfully that 80 percent of the weight value and 66 percent of the money value of sheep is in meat and one-third of the money value is in wool. In the past few years meat prices have been very high, and at the same time the Government has been supporting wool. That situation has already been discussed. It does not seem that the wool producer has suffered.

In conclusion, let me reiterate that the Massachusetts wool trade has no desire to put the wool growers out of business. They want to encourage the domestic supply of wool, stay in business themselves, and keep the Government out of the business. If I know anything of what is desired in this country today, it is the free-enterprise system. We do not want the Government put in the position of having to buy and sell in peacetime the ordinary necessities of life.

The question of tariffs and quotas has been referred to. The wool traders of Boston certainly are not against higher tariffs, if that be the answer to the problem of the wool grower. They are against quotas. I think, although I do not know this, that the wool growers themselves are against quotas. The wool trade is against the quota system because the situation is too uncertain. The amount of wool used this year and the amount of wool to be used next year are so variable that it would be almost impossible for any administrator properly to fix the price quotas.

So, Mr. President, I conclude these few remarks by saying that we want some bill; we do not want to end all legislation on the subject. We want a floor put under the wool grower's prices, but we do not want the floor so high that we cannot compete in the free wool market in this country.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. DONNELL. Mr. President, I should like to ask one question of the junior Senator from Wyoming, if he will be kind enough to answer. In 1946 was the price at which the Commodity Credit Corporation undertook to support wool the same throughout the entire 12 months?

Mr. ROBERTSON of Wyoming. The average price for fine wool during that period was 41.6 cents.

Mr. DONNELL. But the price itself varied in different portions of the year 1946, did it not?

Mr. ROBERTSON of Wyoming. Not materially.

Mr. DONNELL. Was it substantially the same at all times?

Mr. ROBERTSON of Wyoming. It was substantially the same at all times.

Mr. DONNELL. The point I had in mind was that which I suggested to the Senator from Massachusetts, namely, that in section 2 the Commodity Credit

Corporation is directed to support a price in 1947 and 1948 not less than that at which the Commodity Credit Corporation has undertaken to support wool in 1946. If the price varied at different times during the year 1946 it would seem to me that there is an ambiguity in this section which should be cleared.

Mr. ROBERTSON of Wyoming. There is no ambiguity. The Department of Agriculture knows very well what the price was in 1946, and that will be the price, and not less than that price, for wool under this bill.

Mr. DONNELL. In January of 1946 it was substantially the same as it was in December of 1946?

Mr. ROBERTSON of Wyoming. Yes.

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

Mr. ROBERTSON of Wyoming. I yield.

Mr. AIKEN. The Department of Agriculture did not support a price of 90 percent of parity, or 96 percent of parity. It supported a price at a level which is felt necessary to save a vanishing agricultural industry from extinction. At this time, as I recall, it is supporting the price of wool at as high as 118 percent of parity; but that was a price which the Department determined was necessary in order to keep the wool grower in the business of producing wool, and was not fixed according to any percentage of parity.

Mr. DONNELL. Mr. President, I should like to ask the Senator from Wyoming one further question. There was some variation between the price at which the Commodity Credit Corporation undertook to support wool in a number of periods in 1946, was there not?

Mr. ROBERTSON of Wyoming. I do not think there was, for the identical type of wool. There are so many different types of wool that it is very rarely that two different types would have the same price. But for actually the same type of wool, the same kind of wool, the price was the same.

Mr. DONNELL. Throughout the entire year?

Mr. ROBERTSON of Wyoming. Throughout the year.

Mr. DONNELL. The Senator does not regard it as necessary, therefore, to insert the words "of parity" in this section?

Mr. ROBERTSON of Wyoming. No, sir; I do not.

Mr. DONNELL. I thank the Senator.

Mr. YOUNG. Mr. President, the bill introduced by the Senators from Massachusetts and offered as an amendment to the pending bill is, I believe, written by the Boston wool trade. I need only read the first four or five words:

To encourage the production of sheep.

How is it possible to encourage the production of sheep when the purpose is to reduce the price of wool at a time when the industry is being liquidated?

Figures have been presented to show that the sheep population is now the lowest in 68 years; but still the Boston wool trade proposes to lower wool prices still more and force still more liquidation, at a time when the Boston wool trade itself is making plenty of money. In fact, the number of dealers in the Boston wool trade has increased. There are

more dealers now than there were 5 years ago. They handle all the wool for the Commodity Credit Corporation on a fee basis. They store all the wool at a good profit. It is true that possibly they do not make quite so much money as if there were a fluctuating gambling market, but they make a reasonable profit with which they ought to be satisfied.

I should like to read a portion of a statement which I made before the Senate Committee on Agriculture and Forestry, and should like to have the remainder of it inserted in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. YOUNG. Briefly, Mr. President, the statement to which I have referred shows that the president of Draper & Co. received a total compensation, including basic salary, bonus, and premiums paid on annuity contracts, of \$161,000; and the statement also shows that other officials of his company received up to \$90,000 a year and more—all at a time when the wool-growing industry in this country was being liquidated. So I cannot understand why they should appear before the Senate committee and present themselves as an industry going out of business. It seems to me absolutely absurd.

At the present time, and for many years past, the price of wool has been supported by the Commodity Credit Corporation. Since the existence of the Commodity Credit Corporation, it has had an over-all net profit of \$55,000,000 in its program in support of all farm prices. That is contrary to the statements made in numerous articles appearing in magazines and newspapers in the United States. Occasionally there is a little loss by the Commodity Credit Corporation in connection with its support of certain farm prices, but the Corporation has had an over-all net profit during all the years of its existence, of \$55,000,000.

Let us compare that situation, Mr. President, with the situation of industry, which during the war years was guaranteed a return on the basis of cost plus profit. The War Department in connection with its cancellations of contracts with business, paid business, up to February 28, 1947, \$4,694,055,000. The Navy Department paid business a gross of \$1,236,900,000—and that at a time when the Commodity Credit Corporation, in connection with its program for the support of agricultural prices—the prices of commodities just as important to the country during the war as the production of other goods or articles needed in the war—had an actual profit of \$55,000,000.

There are other subjects which I should like to discuss, but time now will not permit, to show how business constantly, and even as of today, has received large subsidies—for instance, huge subsidies have been paid to the copper, zinc, and lead producers as well as to other industries—whereas the

farm price-support program has constantly shown a profit.

Mr. President, Senate bill 814 is supported by the Farm Bureau, the Grange, and every other major farm organization. It has the approval of the Department of Agriculture, and it has the wholehearted support of the National Wool Growers Association. In opposition to it there is only the Boston wool trade, which will exist regardless of whether this bill is passed.

#### EXHIBIT A

##### STATEMENT BY SENATOR MILTON R. YOUNG

Mr. Malcolm Green, who was asked to testify in behalf of the wool-trades position by Senator SALTONSTALL and who, it is expected will testify for the wool trade at a later date, is the vice president of Draper & Co.

Draper & Co. is one of the largest handlers of wool in the United States and in addition to handling raw wool has a subsidiary company which makes tops (known as the Draper Top Co.).

This company never attempted to become a handler of domestic wool during this war period under the Government's wool-purchase program. This program began in April 1943 and has continued since. Three domestic clips of wool handled during the war. Draper & Co. did not assist or take any part in this program.

It is difficult to understand why they now step in and oppose a program which is de-

signed to care for the domestic producer, since they have had no interest in him during this period, unless it is for the purpose of continuing their high speculative profits.

This company had a review of its profits by the Internal Revenue Bureau just recently. A statement of this review and decision by the Bureau is attached herewith.

This statement refers only to the salaries, bonuses, and pensions of the officers. It does not show the net profit to the company, which undoubtedly must have been great considering the salaries, and so forth, paid.

Mr. Malcolm Green, when testifying before the Senate Agriculture Committee, stated that the only reason for opposing the growers was to permit a good old Boston industry to live. The Internal Revenue has another name for it.

A case in The Tax Court of the United States of America, Docket No. 6376, promulgated September 28, 1945, *Draper & Co., Inc., petitioner, v. Commissioner of Internal Revenue, respondent*, in which the rather startling statement is made, as follows:

"4. Officers' compensation disallowed, \$271,218.41: Officers' compensation of \$156,000, representing basic salaries paid, plus bonus equal to 100 percent thereof, has been allowed as reasonable compensation for services rendered. The amount of \$427,216.41 claimed in the return in excess thereof, or \$271,218.41, is therefore determined to be excessive compensation for services actually rendered and not deductible as ordinary and necessary expenses."

The table gives the amounts claimed and the amounts allowed.

#### CLAIMED

Name	Basic salary	Bonus	Premiums paid on annuity contracts	Total
Paul A. Draper, president and treasurer.....	\$30,000	\$102,000	\$29,350.81	\$161,350.81
Robert W. Dana, vice president.....	18,000	72,000	17,579.00	107,579.00
Malcolm Green, vice president.....	18,000	72,000	17,579.00	107,579.00
George W. Brown, assistant treasurer.....	12,000	27,000	11,709.60	50,709.60
Amounts claimed.....	78,000	273,000	76,218.41	427,218.41

#### ALLOWED

Paul A. Draper.....	\$30,000	\$30,000	None	\$60,000.00
Robert W. Dana.....	18,000	18,000	None	36,000.00
Malcolm Green.....	18,000	18,000	None	36,000.00
George W. Brown.....	12,000	12,000	None	24,000.00
Amounts allowed.....	78,000	78,000	None	156,000.00
Amounts disallowed.....	None	195,000	76,218.41	271,218.41

Yet, Malcolm Green, vice president of Draper & Co., is one of the parties who has been spearheading the attack upon wool growers, and, through the wool-trades activities and their corps of attorney-lobbyists in Washington, are seeking to force lower prices on domestic wool.

Mr. LODGE. Mr. President, I recognize that the hour is growing late, and therefore I shall detain the Senate for only a few minutes.

I wish the RECORD to show my hope that the bill which the senior Senator from Massachusetts [Mr. SALTONSTALL] and I have introduced will be adopted as a substitute for the pending measure.

As the Senate realizes, my immediate interest in this measure is due to the fact that the Boston wool trade is located in the State which I have the honor in part to represent; and there are some 6,000 people, 3,000 of whom are in Massachusetts, whose livelihood is involved.

It stands to reason that a bill such as the one now pending, which would continue the Government in the wool business, is naturally dangerous to the employment of people who themselves are engaged in the wool trade, a business which has had a clean record and is more than 100 years old. Nor is it necessary to dwell very long on the fact that this wool will be sold at a loss. I believe the estimate is that \$75,000,000 will be lost this year, and, of course, that loss will have to be borne by the American taxpayers.

My colleague has advanced the very valid argument that legislation of this kind is definitely a step away from getting the Government out of this type of economic activity. I understand that the Under Secretary of Agriculture, Mr. Dodd, has testified that the Department of Agriculture hoped to be able to get out of the wool business. Of course, leg-

islation of this type is not a step in that direction.

Mr. President, the longer I serve as a Member of the Senate, the more I am impressed with the fact that all of us are essentially members of one team. We have the wool growers who raise the wool; we have the people in the wool trade, who handle the wool, buy it, and sell it; we have the laborers and the management who process wool and make it into things which you and I wear; and then we have the consumers who wear it. Certainly it is entirely possible that those of us who serve in the Congress have the brains to fashion a measure which will reconcile all those different interests and place this vital activity on a sound footing, for it certainly is a vital activity and one which in time of war has shown how important it is.

Mr. President, I shall not detain the Senate any longer, but I wish the RECORD to show my hope that Senate bill 917 will be substituted for Senate bill 814.

Mr. DWORSHAK. Mr. President, I desire to make a few remarks in support of the bill reported by the committee. I agree with the junior Senator from Massachusetts [Mr. LONGE] that Congress should do everything in its power to withdraw the Federal Government from competition with private industry or private enterprise. I wish to point out that this bill would merely continue for 2 years the Government's interest in supporting the price of wool on a basis comparable to that which already is maintained by the Federal Government for the basic commodities and the so-called Steagall commodities.

I wish to point out further that those engaged in the wool industry are asking for no special consideration at this time. In the early years of the war those engaged in the production of wool recognized the need for wool in the national defense and in the prosecution of the war. They were among the last producing groups in the United States to ask for any support or assistance or cooperation from the Federal Government in connection with handling their particular commodity.

Recently the President declared the official end of hostilities; but under existing statutes the Federal Government is obligated to support the prices of the Steagall and basic commodities during the years 1947 and 1948. The proposed legislation would merely give the same consideration to wool. Unless that is accorded the wool industry, there will, in fact, be discrimination against it.

I desire to support wholeheartedly the bill of the junior Senator from Wyoming [Mr. ROBERTSON] which has been reported favorably by the Committee on Agriculture and Forestry. I think its enactment is essential and vital in preserving for wool the same price protection that is given other commodities.

Mr. President, we wish this action to be taken now, so as to enable the other branch of Congress to take action prior to April 15.

Mr. ROBERTSON of Wyoming. Mr. President, I do not wish to prolong the debate in any way, but I should like to mention that for the first time in his-

tory the Boston wool dealers are handling 800,000,000 pounds of wool a year, and many competent persons say that the consumption of 1,000,000,000 pounds of wool a year will continue. I confess Mr. President, that I am not that optimistic. I do not believe that the consumption can remain at that figure for many years. It seems to me that probably it will drop to somewhere around 800,000,000 pounds.

I cannot for the life of me see how the jobs of 6,000, or 1,000, or 100 people employed in the Boston wool dealers' business are in jeopardy in any way whatsoever.

I hope the Senate will reject the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL].

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. WILLIAMS. Mr. President, before the vote is taken I should like to say just a few words in reference to the support price on wool. This is more than a support program. Under this scheme the Government is proposing to guarantee wartime prices for the next two years to a group of wool producers at the expense and to the disadvantage of all other farmers.

As has been pointed out by Senators, the act we are considering is a wartime measure. It is a measure which was passed during the war for the protection of wool farmers, with a definite understanding on the part of those farmers that it would expire when the war was over; and the war is now over. I am not arguing that the wool farmers are not entitled to some consideration, but they are not entitled to receive any more consideration than is afforded the producers of other agricultural commodities.

I have here a few figures I should like to read to show how the money under the program proposed would be distributed. The latest estimated figure I have been able to obtain as to the cost to the taxpayers is \$32,000,000, and the highest estimate from other sources is \$75,000,000. For the purpose of this argument I have taken the figure of \$32,000,000 a year.

The State of Wyoming would receive \$2,500,000, and their proportionate part of the payment through Federal income taxes would be \$30,000.

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

Mr. WILLIAMS. I yield.

Mr. YOUNG. Where did the Senator get these figures?

Mr. WILLIAMS. From the Department of Agriculture Yearbook of 1946, which I have here, and I shall be glad to have the Senator from North Dakota show me wherein I am wrong.

Mr. YOUNG. Are the figures based on a loss? There may be a profit, as there has been on many commodities.

Mr. WILLIAMS. If the Senator thinks there is any probability of a profit, then there would be no need for the support price. The farmers would make more money without it. So, all those in favor of the measure are acting under the assumption there would be a loss.

Mr. YOUNG. If there should be no bill passed at all, there would be no way of disposing of the wool. It would remain on the shelves.

Mr. WILLIAMS. The Government could dispose of this wool today as readily as 2 years hence when the proposed legislation is to expire. My estimate as to losses were obtained from the Department of Agriculture.

Mr. YOUNG. As to the probable losses?

Mr. WILLIAMS. As to the probable losses under the bill if it shall be passed.

Mr. YOUNG. That is entirely different from the information given to the Committee on Agriculture and Forestry.

Mr. WILLIAMS. I was talking to Mr. Cooper of the Department of Agriculture today as to estimated losses.

The State of Idaho would receive \$1,100,000, and its proportionate payment would be \$55,000.

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

Mr. WILLIAMS. I yield.

Mr. THYE. Does the Senator think that 42 cents a pound for the raw wool, or even 41 cents or less, is too high for the producer to receive in this day and age?

Mr. WILLIAMS. I do not know enough about the price of wool, and what it should be, to answer the question, but I will say that the wool grower has no more right to this subsidy than other farmers.

Mr. THYE. Again may I imposed upon the Senator's time for just a slight observation on this question? During the war years there had to be held in reserve a great amount of wool for war purposes, and because it was held in reserve there was a great accumulation of foreign wool held in the British Isles, as well as the wool we had under our own Commodity Credit Corporation.

In the event the Commodity Credit Corporation were to cease the support price, then the wool price would have to drop to whatever level at which it happened to find itself, would it not? It might go to 34, it might go to 38, but it is quite obvious that it would drop until the time when foreign wool would no longer find it profitable to come to America. Only then would we commence to use up not only our own clip of today, but the clips we have in storage under the Commodity Credit Corporation holding. So the question is simply this, Should we further ruin the sheep producing areas of the Nation, and drive them down to a position lower than that in which they already find themselves, or should we give consideration to some type of support program for the wool producer? As I see the situation, we are either going to support the price, or the price is going to drop until the foreigner ceases to export his wool to this country.

Mr. WILLIAMS. Surprising as it seems, I agree 100 percent with the Senator from Minnesota. On the other hand, the same statement could be made in connection with any commodity that is produced here. I know the price would drop, and would seek its level, because I happen to come from the northeastern section, where the price of commodities

is not held up by a support program, and I know exactly what happens to the market price. The American farmers have to bring production down to peacetime requirements as they did following World War I or Congress has to establish an over-all support program. The only way that can be done is to socialize agriculture over a period of years, because we cannot have support prices, we cannot have the Government supporting any agricultural commodity above the free market, unless the Government monopolizes the market.

To continue the statement—and I should like to get these figures into the RECORD—the State of Montana would receive \$2,400,000, but its proportionate part of the payment would be only \$55,000.

The State of Texas would receive \$8,000,000, and pay \$850,000.

The State of Utah would receive \$1,800,000, and would pay only \$60,000.

The State of Colorado would receive \$1,300,000, and would pay \$200,000.

The State of New Mexico would receive \$1,300,000, and would pay \$30,000.

The State of South Dakota would receive \$1,100,000, and would pay \$30,000.

Mr. THYE. I wonder if the Senator would yield again?

Mr. WILLIAMS. I yield.

Mr. THYE. Are those figures based upon an orderly disposal of the Commodity Credit Corporation holdings, or on the basis of the wool price of today as compared to the price when the wool was purchased by the Commodity Credit Corporation? Do they represent the result if we were to sell the wool on the market for just what the market would offer as of today? Mr. Dodd did not give us any such figures when he testified before the committee.

Mr. WILLIAMS. Unfortunately, I did not have access to Mr. Dodd's figures, because, as the Senator knows, this bill is being rushed through. It is another emergency. The bill is being rushed through even before we have a chance to see the minutes of the hearings. Therefore I called Mr. Cooper, who was referred to me as being the wool expert of the Department of Agriculture, and these are the figures he gave me, based upon an estimate of a loss of 10 cents a pound on all wool produced in the United States.

To return to the figures, the State of North Dakota would receive \$600,000, and would pay \$30,000.

To show how this is to the disadvantage of the eastern farmers, I pick three States now. The State of New York will pay \$6,400,000 under the bill, and the New York farmers will receive \$200,000.

Pennsylvania will pay \$2,500,000, under the bill, and the farmers of Pennsylvania will receive \$200,000.

My own State of Delaware will pay \$320,000, and receive a little less than \$1,300.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. THYE. I should like to ask the junior Senator from Delaware one more question. What is the wool buyer paying for imported wool of quality compa-

parable to that the Commodity Credit Corporation now holds? The Senator said about 10 cents a pound would be the loss. Did he not say that?

Mr. WILLIAMS. Mr. Cooper said it was estimated that 10 cents a pound would be the loss if the Commodity Credit Corporation were to continue purchasing all the wool and then have to sell it on the free market in competition with foreign wool. I do not know how nearly accurate that is, but those are Mr. Cooper's figures.

Mr. THYE. Then, in order to protect wool, the tariff should be upped so as to afford a retaining wall. Otherwise the wool industry would be ruined.

Mr. WILLIAMS. I agree with the Senator on that statement, but it is discouraging to see Senators today favoring a Government hand-out who were yesterday singing the praises of the New Deal trade-agreement program.

Mr. AIKEN. Mr. President, I think some things pertinent to this subject have not been said which should be brought to the attention of the Senate. First, I think the 10 cents a pound, the figure given to the Senator from Delaware, is completely erroneous, and I do not think anyone in the wool trade, or any wool grower, will dispute my statement.

Next, I am afraid that if we adopt the amendment of the Senator from Massachusetts we will be contributing very greatly to the complete decline and ultimate extinction of the wool industry of the United States.

There are wool manufacturers in my State, and at one time Vermont was the most important sheep-producing State in the Union. I think this matter is so big that we cannot look at it from the standpoint of any single area. It is a great national problem which we have to consider. We have got to consider it for this reason. Today our wool growers are not competing with the wool growers of other parts of the world or the wool dealers of other parts of the world; they are competing with the British Empire for the wool markets of the world. What has happened is this: England has consistently sold wool on the American markets for just under the United States price for wool. Therefore our wool dealers have used a great deal more foreign wool than they have American wool.

For two or three months last summer, for some reason or other, the American price for the domestic wool and the price for the foreign wool were approximately the same, and during that period 170,000,000 pounds of American wool were disposed of for a fair price, but here is what will happen if we adopt the amendment of the Senator from Massachusetts: A floor under wool of approximately 36 cents a pound will be fixed. The world price today is 38 cents a pound, but if forced to do so, England will lower her price just below 36 cents a pound, and will continue to supply the American market, just as she has been doing for the last year or two, in an effort to get rid of her own tremendous stock pile of wool, which she is successfully doing.

Furthermore, the wool grower cannot produce wool on parity today. The

parity formula is grossly unfair to many agricultural commodities. That is because, for most commodities, the base period goes back to 1913 when conditions were entirely different. Therefore, in order to get production during the war the Government has had to maintain a support price for above parity. Our milk producers have been getting 140 percent of parity. Our poultry producers have been getting 130 percent of parity, during most of the war. They could not have produced at parity price.

Mr. WILLIAMS. If the Senator will yield, may I say that that was not true of the poultry growers in my State, because our State produces broilers, and they are not included under the support program. I would like to ask the Senator one more question. Could the Senator tell me what parity is?

Mr. AIKEN. Within 2 weeks' time, yes. I am not going to attempt to tell the Senator tonight.

Mr. WILLIAMS. I think that answers the question.

Mr. AIKEN. But poultry growers under our parity formula received about 130 percent of parity during most of the war years. They could not have produced and made a profit at any less than that. Other producers have received less than parity. The price of wool has been supported at more than parity—105 percent of parity at the present time, and as I said a little while ago, up to 118 percent of parity. So I do not believe that it is safe for us to adopt the amendment of the Senator from Massachusetts and run the risk of still further reducing the domestic crop of wool.

There are two basic reasons why the wool industry in the United States should be preserved. The first is that very few materials are of more strategic importance in time of war than wool. War cannot be waged without wool, particularly wars in cold climates; and until somebody can guarantee to this country that we are not going to have any more wars, then we have no right to make ourselves dependent on a source of wool 10,000 miles away.

The other reason why we should maintain the domestic wool industry is that cutting the price away down would spell economic ruin for 11 or 12 States in the West, and would seriously injure the agriculture of some 20 or 22 other States. There are 48 States in the Union, Mr. President, and the level at which the economy of every one of them is maintained affects every one of the other 47 States. We cannot afford to let the sheep growers of Utah and Wyoming or Idaho or Oregon or California be ruined. It would have a very serious effect on the agricultural and industrial economy of all the rest of the country.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. AIKEN. I shall yield in a moment to the Senator from Wyoming.

Mr. O'MAHONEY. I merely want to make a remark at that point.

Mr. AIKEN. I want to say, and then I shall yield the floor to the Senator from Wyoming, that the wool trade throughout the years has performed



very useful service. It has bought wool from the producers here and abroad and has supplied our mills, our manufacturers, with a steady supply of wool of the grades they wanted when they wanted it. They have performed a very useful service indeed in that respect. They have made money; indeed, they have made a great deal of money during the war; but in the course of the hearings when the Senator from North Dakota [Mr. YOUNG] engaged in a discussion with some of the wool traders and told them how much money they had made, they replied, "Yes, we have made a lot of money, but we have made it on the foreign wool; we have not made much money on the domestic wool." Therefore, I do not think our wool trade would be hurt particularly if the domestic wool growing were reduced a great deal further, and provided, of course, that we did not engage in war. Our wool trade would continue making money on the foreign wool; they told us in the committee that they made more money on foreign wool than they did by handling domestic wool, which the Commodity Credit Corporation had turned over to them to handle; but our wool manufacturers would suffer terrifically if Great Britain should ever get a monopoly of the world wool market.

We ought to remember what happened in the case of rubber. It went down to 3 cents, and then it became a Government monopoly. The price went to 22 cents, and we had to pay whatever price was asked. If any other country on earth should ever get a monopoly of the wool market of the world, our manufacturers would find that they would not be paying 90 percent of parity, but would be paying every dollar the traffic would bear, every dollar they have. They would be even greater losers than the growers who would have to go out of business.

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

Mr. AIKEN. I yield to the Senator from Missouri.

Mr. DONNELL. Mr. President, earlier this afternoon I made inquiry of the junior Senator from Wyoming as to the sufficiency of the general statement of the price at which the Commodity Credit Corporation was undertaking to support wool in 1946. Subsequently I spoke to the Senator from Vermont, who was kind enough to check the matter to the present time. I should be glad if he would be so kind as to place in the RECORD the result of his investigation.

Mr. AIKEN. Since the colloquy between the Senator from Missouri and the Senator from Wyoming took place, I have talked with the Undersecretary of Agriculture, and he advises me that 41.6 cents was the price for the year at which wool was supported during 1946. The only variation was a little higher for better grades, and a little lower for poorer grades; which was perfectly proper.

Mr. WILLIAMS. If the Senator will yield, do I understand that the price under this proposed bill would be 41.6 cents a pound.

Mr. AIKEN. It would be not less than 41.6, if it were insisted that the words

"not less" be in it. We do not know whether we are headed for a depression or an inflation. There should be some leeway for the Department of Agriculture to protect the wool grower in the event the rest of the prices changed so rapidly it could not be checked.

Mr. WILLIAMS. Mr. President, if the Senator from Vermont will yield, does he not know that this computation is 12.9 cents a pound higher than the average price of wool between the years 1934 to 1943?

Mr. AIKEN. Will the Senator repeat the question?

Mr. WILLIAMS. I say the average price for wool, 1934 to 1943, according to the Department of Agriculture, was 28.7 cents per pound, and the proposal under this bill supports the price at 12.9 cents per pound higher than the average for those 9 years. In other words, we are supposed to support wool at the highest wartime price known, is that correct?

Mr. AIKEN. I do not question the figures the Senator from Delaware is producing, but I will not say "Yes."

Mr. WILLIAMS. The Senator will find the figures on page 353 of the agricultural statistics for 1946.

Mr. AIKEN. I do not question the figures; but I want to say that if the prices of commodities go back to the 1933, 1934, or 1935 level the economy of the country will become bankrupt. With a \$260,000,000,000 debt hanging over our heads Government bonds probably would not be worth much more than the paper they are printed on.

Mr. WILLIAMS. But if depression prices hit 60 percent of the agriculture of the United States which is not under the agricultural support programs, and the other 40 percent of farmers are guaranteed wartime prices, how can the 60 percent keep the 40 percent going? How can the farmers of the Senator's own State help support the farmers whose prices are guaranteed?

Mr. AIKEN. We must be fair to all farmers of the country. If we continue the use of the parity formula it must be brought up to date so as to be fair to all farmers, and we must maintain a high level of prices for farm products if we are to keep the country on an economically stable basis.

Mr. WILLIAMS. Would the Senator be willing to venture a guess as what it would cost to maintain the level of all agricultural commodities?

Mr. AIKEN. The Senator from Vermont would not want to venture a guess as to what the prices of anything should be 6 months from now. The Senator from Vermont is convinced that we cannot put the United States at the mercy of any other part of the world in respect to wool until we are sure that we are not going to engage in any future war; and we cannot put our woolen manufacturers at the mercy of any other nation of the world unless we expect them to pay more than they can pay, unless we want to see the domestic woolen industry follow the wool production in its decline.

The PRESIDING OFFICER. The question is on agreeing to the amend-

ment offered by the senior Senator from Massachusetts [Mr. SALTONSTALL] on behalf of himself and his colleague [Mr. LODGE].

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

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Massachusetts on behalf of himself and his colleague.

The amendment was rejected.

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

The bill was ordered to be engrossed for a third reading and read a third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

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

The yeas and nays were not ordered.

Mr. WILLIAMS. I should like to say that on the voice vote on the passage of the bill I shall vote "nay."

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 814) was passed.

The title was amended so as to read: "A bill to provide support for wool, and for other purposes."

Mr. MORSE. Mr. President, I wish to make a very brief statement in regard to the wool bill which was just passed. Early this afternoon when there was a record vote on taking up the bill I was down town on official business in behalf of a constituent and could not be in the Senate Chamber for that vote. I was here, however, when the voice vote was taken on the passage of the bill. I want the RECORD to show that I voted to pass the bill.

NOMINATIONS TO THE ATOMIC ENERGY COMMISSION

Mr. WHITE obtained the floor.

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

Mr. WHITE. I yield.

Mr. HICKENLOOPER. Before Senators leave the Chamber I should like to make a request for unanimous consent as follows:

I request unanimous consent that on Wednesday next, April 9, at 5 p. m., the Senate go into executive session and proceed to vote, without further debate, upon the questions of the confirmation of the Chairman and the other members appointed to the Atomic Energy Commission, each appointee to be voted upon separately, and in the order in which their names appear on the Executive Calendar; I further ask unanimous consent that immediately thereafter a vote, without debate, be had on the question of the confirmation of the General Manager of the Commission.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request made by the Senator from Iowa?

Mr. CONNALLY. Reserving the right to object, I ask what will be done between now and Wednesday?

Mr. HICKENLOOPER. Between now and Wednesday I understand other business can be discussed. This request

would fix the exact time for voting. Meanwhile, between now and Wednesday at 5, any Member of the Senate who can obtain the floor and desires to discuss any matters in connection with Mr. Lilienthal or other members nominated to the Atomic Energy Commission can do so. The request requires that a vote in executive session shall be taken at 5 o'clock on Wednesday.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request submitted by the Senator from Iowa? The Chair hears none, and it is so ordered.

#### AID TO GREECE AND TURKEY

Mr. WHITE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 87, Senate bill 938, the bill to provide for assistance to Greece and Turkey.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 938) to provide for assistance to Greece and Turkey.

The PRESIDING OFFICER. The question is on the motion of the Senator from Maine.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 938) to provide for assistance to Greece and Turkey, which had been reported from the Committee on Foreign Relations with amendments.

Mr. WHITE. Mr. President, I now ask unanimous consent that the Senator from Michigan [Mr. VANDENBERG] may be recognized when the Senate reconvenes tomorrow, in order that he may have charge of and speak on the bill.

The PRESIDING OFFICER. Is there objection to the request made by the senior Senator from Maine? Hearing none, the request is granted.

Mr. VANDENBERG. Mr. President, I merely wish to make it clear that while Senate bill 938 has been made the unfinished business and will be taken up at noon tomorrow, it is my understanding that it may be temporarily laid aside in the course of the day for the consideration of two or three other measures upon which there is expected to be very little controversy, but for which there is present necessity for action. The first, as I understand, will be House bill 2102, Calendar No. 49, relating to the farm labor supply. It is my understanding that the distinguished Senator from Maine [Mr. WHITE] made a request in my behalf in connection with the program for tomorrow. I wish to say that if I can arrange it with the President pro tempore [laughter] I should like to be recognized at noon tomorrow to discuss the Greek and Turkish assistance bill.

Mr. HILL. Mr. President, the distinguished Senator from Michigan stated that the Greek-Turkish loan measure might be temporarily laid aside for the consideration of one or two other measures. He referred particularly to the farm-labor bill. I wonder if I may ask him what other bills he had in mind.

Mr. VANDENBERG. The Commodity Credit Corporation bill, for one.

Mr. WHERRY. Also the resolution of the Senator from North Dakota [Mr. LANGER] providing for an investigation

of the appointment of certain postmasters.

Mr. HILL. I thank the Senator.

Mr. VANDENBERG. I understand that they are matters which will require very little time.

#### RECESS

Mr. WHITE. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 35 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, April 8, 1947, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate April 7 (legislative day of March 24), 1947:

##### DIPLOMATIC AND FOREIGN SERVICE

Henry F. Grady, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India.

George A. Garrett, of the District of Columbia, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Ireland.

##### UNITED STATES CUSTOMS COURT

Hon. Jed Johnson, of Oklahoma, to be judge of the United States Customs Court, vice Hon. William J. Keefe, resigned.

##### UNITED STATES MARSHAL

Otto F. Heine, of Hawaii, to be United States marshal for the district of Hawaii. (Mr. Heine is now serving in this post under an appointment which expired June 26, 1946.)

##### UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for promotions in the Regular Corps of the Public Health Service:

##### SENIOR SURGEON TO BE MEDICAL DIRECTOR

Carl E. Rice

##### DENTAL SURGEON TO BE TEMPORARY SENIOR DENTAL SURGEON

Norman F. Gerrie

##### POSTMASTERS

The following-named persons to be postmasters:

##### ALABAMA

Alma Coaker, Fruitdale, Ala., in place of L. J. Burnes, retired.

##### ALASKA

Retha M. Young, Haines, Alaska, in place of A. H. Kingsbury, Jr., resigned.

##### ARKANSAS

Dwight B. Witherspoon, Hunter, Ark. Office became Presidential July 1, 1945.

##### CALIFORNIA

Ivy A. Dahl, Mokelumne Hill, Calif., in place of F. E. Dahl, deceased.

Grace D. Hyde, Thousand Palms, Calif. Office became Presidential July 1, 1946.

John A. McConnell, Westley, Calif. Office became Presidential July 1, 1943.

##### COLORADO

Floyd R. Duncan, Del Norte, Colo., in place of N. M. Weiss, resigned.

##### CONNECTICUT

Earle G. Donegan, Windsor, Conn., in place of A. E. Lennox, deceased.

##### FLORIDA

Robert O. Seaver, Clermont, Fla., in place of F. M. Bowman, resigned.

##### GEORGIA

Jessie N. Hope, Pembroke, Ga., in place of M. E. Harvey, deceased.

##### ILLINOIS

James A. Giesler, Cisco, Ill., in place of Mariitta Clover, retired.

Donald R. Toberman, Coffeen, Ill., in place of J. H. Whitten, resigned.

John G. Robben, Germantown, Ill., in place of G. H. Henken, deceased.

Gerald L. Hamer, Olivet, Ill., in place of L. J. Willison, resigned.

Lincoln A. Hardcastle, Royalton, Ill., in place of J. S. Browning, deceased.

Francis L. Weghorst, South Pekin, Ill., in place of R. C. Morris, removed.

Herbert M. Bowman, Thompsonville, Ill., in place of A. M. Akin, resigned.

##### IOWA

Baird Jennings Okey, Dayton, Iowa, in place of K. C. Warner, retired.

Clyde M. Maulsby Plover, Iowa, in place of M. K. Bruner, resigned.

Marvin O. Larson, Thompson, Iowa, in place of O. J. Johnson, resigned.

##### KENTUCKY

Lynn R. Rich, Jr., Barlow, Ky., in place of H. R. Tanner, resigned.

Thomas M. Murray, Prospect, Ky., in place of T. H. Skaggs, transferred.

##### LOUISIANA

Rosa M. Owens, Frierson, La., in place of Rusk Stallcup, retired.

##### MAINE

Robert M. Dolloff, Brooks, Maine, in place of F. S. Littlefield, transferred.

Emma L. Davis, Hampden, Maine, in place of A. W. Braithwaite, retired.

##### MARYLAND

Milton T. Holt, Brandywine, Md., in place of S. G. Townshend, Jr., transferred.

Mary R. Schmidt, Eccleston, Md. Office became Presidential July 1, 1946.

William E. Spoerlein, Oakland, Md., in place of I. R. Rudy, resigned.

Cornelia W. Hickman, Point of Rocks, Md. Office became Presidential July 1, 1945.

Edward P. Harris, Snow Hill, Md., in place of E. W. Marshall, deceased.

##### MASSACHUSETTS

Gertrude M. Fallon, North Chelmsford, Mass., in place of J. E. Harrington, resigned.

##### MICHIGAN

Isabell H. Cumberworth, Rives Junction, Mich., in place of E. M. Southworth, resigned.

John J. McLaughlin, Twin Lake, Mich., in place of W. F. Reddy, removed.

##### MINNESOTA

Irene Rutter, Kinney, Minn. Office became Presidential July 1, 1946.

##### MISSISSIPPI

John Cecil Thead, Crandall, Miss., in place of G. H. Fleming, transferred.

Martha M. Chapman, Friar Point, Miss., in place of T. A. Chapman, deceased.

Hilliard E. Jordan, Kosciusko, Miss., in place of R. S. Burroughs, resigned.

Oliver Theow Fowler, Sweetman, Miss., in place of L. R. Adams, retired.

##### MISSOURI

Lester F. Bain, Fornfelt, Mo., in place of F. F. Klughart, resigned.

Paul A. Davidson, Illmo, Mo., in place of C. V. Hollady, resigned.

Floyd J. Strain, Louisburg, Mo., in place of H. W. Atchley, resigned.

Charles N. Bruton, Rosebud, Mo., in place of E. G. Karstedt, retired.

Adrian J. D. Ockerby, Wentworth, Mo., in place of E. F. Gorman, Jr., transferred.

Billie B. Cooper, Windsor, Mo., in place of F. L. Stafford, resigned.

##### NEVADA

Sue Smith, Fernley, Nev., in place of A. B. Jackson, resigned.

##### NEW YORK

Frank H. Doyle, Stuyvesant, N. Y. Office became Presidential July 1, 1946.

Anna E. Finkle, West Copake, N. Y. Office became Presidential July 1, 1946.

Foster B. Tice, West Edmeston, N. Y., in place of O. I. Mayne, deceased.

under the control of an international organization. Why should the one Nation in which free enterprise still lives lead the movement to create a planned world economy which is utterly hostile to the philosophy of free enterprise? Why should the United States give in to other nations who favor world participation only because they fear American competition—if free enterprise survives in this country?

Mr. Speaker, we must unwrap and examine carefully this Pandora box of international control which the State Department has taken the pains to wrap up for us in so much secrecy. Let us study its contents before we turn them loose upon the world, lest they prove an economic atom bomb of destruction to our free democratic form of government.

The all-important question to be settled at Geneva is, Shall the United States surrender control of its tariff completely; shall it give up the regulation of its own trade, industrial production, labor, and agriculture, to an international organization that does not care a rap for Uncle Sam? The economic pattern for the world of the future depends upon the answer to that question.

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

Mr. MASON. I am happy to yield to my colleague from Ohio.

Mr. CLEVINGER. I hope the gentleman will bear with me for a minute or so.

We have now before the Committee on Agriculture of the House a perfect example of the results of this reciprocal-trade program. I speak of wool.

We have two crops of American clip and a third one coming up, and we are unable to sell it.

We have one law that requires that a farm product may not be sold at less than the parity price yet we have the most perfect tariff law in the world, an elastic one with an escalator clause that works both ways. As we sit in this committee our Democratic friends are in a quandary. They have got their feet all tangled up and their eyes dim with the mist of the halo that has been around the head of Cordell Hull for so many years. They do not know where they are going. They want to charge it up as a war casualty.

As a matter of fact the wool trade is going out of business in this country. It is only 31 percent. This problem is a postwar problem. They want to solve it by going to the Treasury of the United States and bailing out the American wool grower, yet today we have all the legislation necessary to raise the price of clean wool 17 cents a pound, 8½ cents a pound on grease wool, and wool as it comes off the sheep 4 cents a pound. If that is still not enough to save the American wool grower we can raise it another 4 cents.

I am intrigued this morning by this talk on communism.

It seems to me that during the time I have been down here our Presidents do not know any good Democrats. Whenever an appointment is made, they find an ardent left-winger or one of these one-world do-gooders or a fellow traveler. Whenever an appointment is

made on a board, even involving the safety of the world, they do that. They are always good to us when they reach into this Pandora's box and bring out out of these emergencies to put us on the spot. They give us an alternative, however. We may take this or chaos. We always have the choice.

I want to remind my Democratic friends that you cannot lie down with the dogs and not get up with fleas, you cannot play with these Communists and left wingers, and you and I have met them in every election, then suddenly wish them off. When they are still under your tent you are playing ball with them. It is about time that we discovered there are old-fashioned Democrats that some of these appointments might be given to, men whom we could believe in, men who have the interest of their country at heart.

Mr. MASON. I say that the New Deal domestic planned economy brought chaos to us and now the planned international economy will bring chaos to the world involving us.

Mr. CLEVINGER. May I say something else?

Mr. MASON. Yes; go ahead.

Mr. CLEVINGER. According to the Agriculture Department, one of the greatest shortages is in connection with fats and oils in the last week of this month that we have ever seen. There is a shortage of lard and all cooking fats we use. It is because of a board in which one American sits down with 43 foreigners. The Chairman is a Belgian. That board allots this oil that belongs to Americans to the people all over the world. It is time that somebody rub a little Americanism on this party that rules the other end of the Avenue in order to get them to think America and work for America and protect America.

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

Mr. MASON. I yield to the gentleman from Illinois.

Mr. VURSELL. I have two questions I would like to ask the gentleman who has evidently made quite a study of this matter. First, will the Congress have an opportunity to pass upon the plan?

Mr. MASON. There is a difference of opinion on that. Some claim that this international agreement setting up this international-trade organization at Geneva will have to be submitted to the United States Senate for confirmation before it can be approved. Others say that is not so, that the United States Senate and the Congress can be sidetracked. I am not an international lawyer, so I cannot say.

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

Mr. MASON. I yield to the gentleman from New Jersey.

Mr. KEAN. Under Secretary Clayton made the flat statement to us on the Ways and Means Committee that he would submit that to the Congress of the United States. I think that is something that we must take him at his word on.

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

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

Mr. AUGUST H. ANDRESEN. The administration is now negotiating 18 reciprocal trade agreements. When they do that they can carry into effect the agreement made over at Geneva, so it will be an accomplished fact, and there will not be any necessity for Congress to pass on the final agreement.

Mr. MASON. That is one viewpoint.

Mr. VURSELL. We have had an experience with our products and with our finances being handled in a great brotherly fashion around the table of many nations through UNRRA, which has been a complete failure. We are outvoted, if there was anyone in UNRRA to vote for us, which I doubt that there has been. We have contributed greatly to the building up of the strength of Russia and her satellite nations at the expense of the American taxpayers.

Here is the question I want to ask: If we go into this thing how many votes will we have or how much control will we have in view of the fact that we are the Nation that will probably suffer the most?

Mr. MASON. Well, I would answer that very bluntly and directly by saying that in this international trade organization we would have the same amount of say-so and the same vote exactly in proportion to the rest of the world as we had in UNRRA, and that was very, very small, as the gentleman knows.

Mr. VURSELL. Would we not go on a world free-trade basis, and no doubt find that we had reduced the standard of living in this country through the power of this organization to the detriment of the American people?

Mr. MASON. That is my opinion, and that is why I am opposed to it.

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

Mr. MASON. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I am on the committee with the gentleman from Illinois. I recall appearing before that committee some years ago bewailing the fact that we had transferred from our jurisdiction the protection of our industries to the State Department. I want to ask the gentleman, concerning the condition of all other nations today, as portrayed to us—and in that I am reminded of a statement I read last year—how can you do business with a poorhouse.

Mr. MASON. Well, of course, we can do business with the poorhouse providing we provide the funds to the poorhouse to do business with us, and that is part of the program.

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

Mr. MASON. I yield to the gentleman from New Hampshire.

Mr. MERROW. I have felt for a long time that this House ought to have a stronger voice in the formulation of the foreign policy of the United States. I introduced in the last session of Congress and also on the opening day of this session a bill that would provide for a select committee of 23 Members of the House of Representatives to make a study and report on the foreign policy of this country, both economically and politically, in every country and every section, and with full power to investigate the

State Department and the Foreign Service. In view of what the gentleman has said today, I want to ask him this question: Does he think that such an investigation and study by a special committee of this House would help in formulating a better foreign policy for this country?

Mr. MASON. I certainly do, but I think it is a belated effort. I think it should have been done long ago. But, of course, we could not expect any such resolution as that to go through under the New Deal regime.

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

Mr. MASON. I yield to the gentleman from Illinois.

Mr. OWENS. Aside from the fact that the executive department has emergency powers during wartime, is there any question in the gentleman's mind but that this Congress has the right to make laws and have the executive department enforce them, and that it is about time that we begin to do that in order to save our national policy?

Mr. MASON. Of course, for 150 years that was true, but that has not been true during the last 16 years, because not only has the judiciary department interpreted the laws and said what the Congress should have put in, whether they put it in or not, but our executive departments have been interpreting the laws to suit themselves, and the business of the Congress today is quite largely the vetoing of department rulings which misinterpret the laws, and even vetoing some of the rulings of the Supreme Court on the laws that we have passed.

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

Mr. MASON. I yield to the gentleman from Mississippi.

Mr. RANKIN. I could not keep track of all the items the gentleman had numbered, but I noticed one of them. He referred to the Morgenthau plan and to Mr. W. L. Clayton, Assistant Secretary of State in connection with it. I do not understand that Mr. Clayton ever subscribed to the Morgenthau fiasco.

Mr. MASON. Mr. Clayton never subscribed to the Morgenthau fiasco, and the Morgenthau fiasco was discarded by the executive department of this Government after it had been adopted, because it proved so unworkable.

Mr. RANKIN. I understood that Mr. Clayton—whom I know quite well; we came from the same town—stated to the committee that whatever agreements were made should come back to Congress for ratification; at least, to the Senate.

Mr. MASON. He did this on this international trade organization. He said he would submit that to the Senate for approval before it would go into effect. He said, however, that as to the 18 reciprocal trade agreements which they expect to put into effect before this international trade organization is set up, they, of course, would not go to the Senate.

Mr. RANKIN. One or two gentlemen indicated that Mr. Clayton is communistic. I want to say that Will Clayton is as far from being a Communist as any man in America.

Mr. MASON. In my opinion, Mr. Clayton is one of the biggest and soundest businessmen in America today.

Mr. RANKIN. That is the way I feel about him.

Mr. MASON. That is my personal opinion of him.

Mr. RANKIN. I thank the gentleman from Illinois.

#### EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in two instances, and in each case to include extraneous matter, one a radio address and another an article from a magazine.

#### SPECIAL ORDER

The SPEAKER pro tempore (Mr. ARENDS). Under previous order of the House, the gentleman from Oklahoma [Mr. STIGLER] is recognized for 30 minutes.

#### VETERANS' EMPLOYMENT SERVICE

Mr. STIGLER. Mr. Speaker, I am sorry the distinguished gentleman from Wisconsin [Mr. KEEFE] is not on the floor at this hour. I notified his office that I expected to direct my remarks particularly to the appropriation for the Veterans' Employment Service carried in the Labor Department appropriation bill.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. STIGLER. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I wonder when the gentleman notified the office of the gentleman from Wisconsin [Mr. KEEFE].

Mr. STIGLER. I did not notify his office until this morning.

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

Mr. STIGLER. I yield to the gentleman from Illinois.

Mr. CHURCH. As a member of the subcommittee of the Committee on Appropriations of which the gentleman from Wisconsin [Mr. KEEFE] is chairman, I feel that I should remind the gentleman that the gentleman from Wisconsin since the first of the year has been expending his whole energy and all his time, as have the other members of the subcommittee, on the appropriation bill that recently passed the House. I think the gentleman from Oklahoma, if he expected the gentleman from Wisconsin to be here today, should have given him more notice. After all, the gentleman remembers that the gentleman from Wisconsin, shortly before the bill passed the House, stated that he was quite tired. He is not in his office because he is taking a little rest from the almost 3 months of very hard work he put in on the appropriation bill to which the gentleman from Oklahoma refers.

Mr. STIGLER. May I say to the distinguished gentleman from Illinois that no one more than I appreciates the diligent effort and the long hours spent by the distinguished chairman of the subcommittee on that bill, as did the gentleman from Illinois himself.

Mr. CHURCH. The gentleman will remember that the gentleman from Wisconsin took the floor here one day and talked for an hour without referring to notes, which indicates his knowledge of the subjects dealt with in that bill.

Mr. STIGLER. Yes; and I wish to congratulate the gentleman on his knowledge of the bill. Further, may I say to the distinguished gentleman from Illinois that I sought and made every effort to obtain recognition at the time an effort was made to cut off debate. I never had a chance to answer the argument the gentleman made on the floor at that time with reference to the Veterans' Employment Service. Therefore, I feel within my rights in taking the very first opportunity I could get to speak on this subject. I, too, have spent some time since the bill was passed in research work, in getting material which I expect to deliver to the House at this hour.

Mr. Speaker, a challenge was issued by the gentleman from Wisconsin [Mr. KEEFE], chairman of the Subcommittee on Appropriations of the Labor Department, on Tuesday, March 26, which cannot go unanswered. In the discussions concerning the Veterans Employment Service under title IV of the Servicemen's Readjustment Act of 1944 there were statements made and definitions given that were in some sense harmful to a service whose record in behalf of the veteran is impressive—an old service established following the First World War and continued under the Wagner-Peyser Act of 1933 establishing a nationwide system of public employment offices.

Under the more recent legislative mandate as contained in title IV of Public Law 346, passed in June 1944, Congress declared its intent and purpose unequivocally. It is specifically stated in that act, and I quote:

The Congress declares as its intent and purpose that there shall be an effective job counseling and employment placement service for veterans and that to this end policies shall be promulgated and administered so as to provide for them (the veterans) the maximum of job opportunity in the field of gainful employment.

In order that these policies might be sound and that the USES might be rendered maximum assistance, the Veterans Placement Service Board was established and there were designated as members of that Board men of recognized administrative ability. The present members of that Board are: Gen. Omar N. Bradley as Chairman, and Maj. Gen. Lewis B. Hershey, and Secretary of Labor Lewis B. Schwellenbach as members.

And mind you, Mr. Speaker, this law was passed without a dissenting vote. As a matter of record, the gentleman from Wisconsin was at that time a Member of Congress. Yes, Mr. Speaker, it was a far different thing then to cast an "aye" for a beneficial law in behalf of our fighting men and women. How different from the chorus of "nays" produced the other day at the cracking of a party whip. And what a sad commentary that is on the Republican Party.

The gentleman from Wisconsin boldly stood before this House a few days ago





80TH CONGRESS  
1ST SESSION

# S. 814

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IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 1947

Referred to the Committee on Agriculture

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## AN ACT

To provide support for wool, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That this Act may be cited as the "Wool Act of 1947".

4        SEC. 2. (a) The Commodity Credit Corporation is  
5        directed, through loans, purchases, or other operations to  
6        support a price to producers of wool produced (shorn or  
7        pulled) in the calendar years 1947 and 1948 in the United  
8        States and its Territories at the price not less than that which  
9        the Commodity Credit Corporation has undertaken to support  
10       wool in 1946.

11       (b) Notwithstanding any other provisions hereof, the

1 Commodity Credit Corporation may adjust support prices  
2 for individual grades and qualities of wool for the purpose  
3 of bringing about a fair and equitable relationship in the  
4 support prices for the various grades and qualities of wool;  
5 and may make discounts from support prices for off-quality,  
6 inferior-grade, or poorly prepared wool.

7       SEC. 3. The Secretary of Agriculture shall establish  
8 monthly (commencing with the month of January 1947)  
9 a comparable price for wool and the comparable price so  
10 established shall be used for the purposes of all laws in which  
11 a parity or comparable price is established or used. The  
12 comparable price for wool shall be that price which bears  
13 the same relation to the average parity prices of the other  
14 basic agricultural commodities, cotton, corn, wheat, rice,  
15 tobacco, and peanuts, as the actual price for wool bore to  
16 the actual average prices of such basic commodities during  
17 the period August 1934 to July 1939. Such comparable  
18 price for wool may be adjusted for grade, quality, season,  
19 and location.

20       SEC. 4. The provisions of sections 385, 386, and 388  
21 of the Agricultural Adjustment Act of 1938, as amended,  
22 shall be applicable to the support operations carried out  
23 pursuant to section 2 of this Act.

24       SEC. 5. The Commodity Credit Corporation may, with-  
25 out regard to restrictions imposed upon it by any law, dispose



1 of any wool produced prior to January 1, 1949, at prices  
2 which will permit such wool to be sold in competition with  
3 imported wool. The disposition of any accumulated stock  
4 under the provisions of this section, however, shall be made  
5 at such rate and in such manner as will avoid disruption  
6 of the domestic market.

7 SEC. 6. Wool is a basic source of clothing for the  
8 people of the United States, and, as such, is deemed a  
9 basic agricultural commodity.

Passed the Senate April 7 (legislative day, March 24),  
1947.

Attest:

CARL A. LOEFFLER,

*Secretary.*

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**AN ACT**

To provide support for wool, and for other purposes.

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APRIL 10, 1947

Referred to the Committee on Agriculture





DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued April 16, 1947  
For actions of April 15, 1947  
80th-1st, No. 70

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HIGHLIGHTS: House received conference report on bill to continue farm-labor program. House committee reported amended bill to provide for wool price supports. Rep. O'Konski commended FHA farm loans to veterans.

HOUSE

1. FARM LABOR. Received the conference report on H. R. 2102, to continue the farm-labor supply program (pp. 3565-6). As reported by the conferees, the bill provides for ending the program on Dec. 31, 1947, with a 30-day grace period for foreign laborers to return to their country, and stipulates that the program shall not be construed to interfere with the functions of the USES or State employment services with respect to maintaining a Farm Placement Service; also includes the Knowland amendment providing that Mexican labor may stay in the U. S. as long as employed as such, but in no event after Dec. 31, 1947.
2. WOOL PROGRAM. The Agriculture Committee reported with amendments S. 814, to provide for price support of wool (H. Rept. 257) (p. 3568). The committee added an amendment imposing a tax of up to 50% on imported wool, voted to maintain support prices at the 1946 level (the Senate version would have permitted CCC to exceed 1946 prices), and included an authorization for CCC to sell Government wool below parity; and rejected a proposal that wool be made a basic commodity.
3. LABOR. Began debate on H. R. 3020, the labor-management relations bill, after agreeing to consider it by a 319-46 vote (pp. 3520-65).
4. REGIONAL DEVELOPMENT. Rep. Lane, Mass., spoke in favor of creation of a Merrimack Valley Authority (pp. 3566-8).
5. FOREIGN TRADE. Received the President's message recommending legislation to authorize supervision of the exportation of arms, ammunition, implements of war, and related commodities, and the importation of arms, ammunition, and implements of war; to provide for registration of manufacturers, etc., of munitions; and to provide for more information on arms traffic (H. Doc. 195); to Foreign Affairs Committee (pp. 3531-2).

- 6. FLOOD CONTROL. Received from the War Department flood-control survey reports on the Wabash River and Mill Creek Valley (H. Docs. 197, 198); to Public Lands Committee. (p. 3568).
- 7. COMMITTEES. Various subcommittees have been set up under the House Agriculture Committee. They are as follows:

- Subcommittee No. 1. Andresen (chm.), Gillie, Simpson, Dague, Flannagan, Grant, and McMillan.
- Subcommittee No. 2. Johnson (chm.); Hall, Gross, Goff, Cooley, Poage, and Worley.
- Subcommittee No. 3. Murray (chm.), Hill, Fuller, Cotton, Zimmerman, Granger, Abernethy, and Fernos-Isern.
- Subcommittee No. 4. Clevenger (chm.), Hoeven, Bramblett, Pace, Gathings, Farrington, and Bartlett.
- Food and Agricultural Production Subcommittee. Andresen (chm.), Clevenger, Hill, Hoeven, Farrington, Pace, Poage, and Gathings.
- Fertilizer Subcommittee. Johnson (chm.), Murray, Hoeven, Gross, Cooley, Grant, and Abernethy.
- Foot and Mouth Disease Subcommittee. Gillie (chm.); Simpson, Bramblett, Granger, and Worley.
- Cotton Subcommittee. Johnson (chm.), Clevenger, Hill, Bramblett, Goff, Cooley, Zimmerman, Pace, and Poage.
- Fur Subcommittee. Murray (chm.), Hall, Dague, Cotton, Granger, McMillan, Abernethy, and Bartlett.
- Crop Insurance Subcommittee. Hill (chm.), Hoeven, Simpson, Goff, Cooley, Pace, and Poage.

(The numbered subcommittees have no general assignments.)

SENATE

- 8. FOREIGN RELIEF. Continued debate on S. 938, to provide assistance for Greece and Turkey (pp. 3492-517).  
Sen. Martin, Pa., inserted speeches delivered by Sens. O'Connor (Md.) and Knowland (Calif.) on America's foreign policy (pp. 3488-92).
- 9. WILDLIFE; GRAZING. Received a Calif. Legislature resolution urging that action be taken to furnish a permanent supply of water to the grasslands in the western San Joaquin Valley to provide adequate grass for grazing and resting place for wild fowl (p. 3483).
- 10. REPORTS. Received the annual report of the Library of Congress for the fiscal year ending June 30, 1946 and the report of RFC's small business activities for Dec. 1946 (p. 3486).

BILLS INTRODUCED

- 11. LANDS. S. 1112, by Sen. Watkins, Utah (for himself and Sen. Thomas, Utah), and H.R. 3057, by Rep. Dawson, Utah, providing for the transfer of a part of Fort Douglas, Utah, to the jurisdiction of the Secretary of Agriculture, and conveyance of part to the State of Utah, and public agencies of the State of Utah. To Armed Services Committees. (pp. 3487, 3569.)
- 12. SUBSIDIES. S. 1101, by Sen. Downey, Calif., "to amend Public Law 88, Seventy-ninth Congress," relative to certain RFC subsidies. To Banking and Currency Committee. (p. 3487.)
- 13. TRANSPORTATION. S. 1111, by Sen. Baldwin, Conn., to amend the act entitled

the up-and-coming textile manufacturers of that period.

Abbott Lawrence was principal stockholder of the group of capitalists who became interested in the building of the new textile center. At one time, he represented the United States as Minister to England.

Some will wonder why Mr. Saunders, who, more than any other one man, can take credit for this beginning, should have declined the honor of having his town named after him. His thoughts, however, were in another direction. Should the enterprise succeed, there would be satisfaction enough for him in seeing a thriving city rise from this countryside, giving employment to thousands; profits on capital invested, to others; and producing the clothing needed all over the earth.

On the 20th of March 1945 the Legislature of Massachusetts granted to the original association and their successors, the charter of the Essex Co., authorizing the construction of a dam across the Merrimack River. On the 16th of April, the stock of \$1,000,000 having been taken up, the company was organized and the work began. An accurate survey was made, plans executed for a dam, canal, mill sites, streets, lots and public squares in the town, and on the 19th of September the first stone was laid in the company's dam. Within two years, the work was completed. At the time, it was one of the outstanding engineering accomplishments in the country. It is of granite, 1,629 feet in length, 35 feet thick at the base and twelve and a half at the top, backed by gravel to within a few feet of the surface. The granite blocks from which the dam is built, were hammered on the bed and laid in hydraulic cement. The overflow of water is 900 feet wide and the fall is 26 feet. In some places, the dam is as high as 40½ feet. The cost was only \$250,000.

The north canal is somewhat over a mile long, 100 feet wide at the upper, and 60 feet wide at the lower end, and is 12 feet deep. It is 400 feet distant from the river and runs parallel with it. The river affords an average of 5,000 cubic feet of water per second, but sometimes it reaches 60,000. In the old days, a power thus obtained was estimated at 150 mill power. A mill power takes 30 cubic feet of water a second, with a head and fall of 25 feet. This produces a force calculated to give 60 to 70 horsepower. When the Atlantic Mills Corp. purchased the site for their factory, the price agreed upon for a mill power was \$14,000, of which \$9,000 was paid in cash, the balance of \$5,000 remaining perpetually at 4 percent interest, payable annually in silver or its equivalent. The Atlantic Co. bought 20 mill powers, and the other corporations in proportion to their needs.

A second canal, on the south side of the river, was built in 1870. This detour of the river water to furnish power, is nearly a mile in length.

On the many occasions when the Lawrence pioneer, Daniel Saunders, reined up old Snow Ball, the white horse he

rode, to the tumbling rapids, he dreamed of the possibility of harnessing that wasting power to the machinery of workshops and mills. His dreams came true in a manner exceeding his expectations. The town developed almost overnight. Acres of red-brick factory buildings crowded the banks of the river, gathering raw material from the wide world and scattering finished products far and near. Immigrants came from all parts of the earth to man the looms and the spinning machines.

How much the mills depended upon the water power furnished by the Merrimack may be gleaned from statistics published in 1880.

The motive power of the Washington Mills, producing 280,000 yards of goods a week, consists of 7 water wheels of 1025 horsepower and two engines of 1,000 horsepower.

The Atlantic Mills, producing 23,000,000 yards of cloth annually, are powered by one steam engine of 500 horsepower, and four turbine water wheels.

The Pacific Mills, being the most extensive works of its kind in the world at that period, produced and printed a total of 65,000,000 yards of dress goods annually. This was sufficient to put a bandage three-quarters of a yard wide, once and a half around the world. This plant used 50 steam boilers of 3,000 horsepower, 37 steam engines of 1,200 horsepower, and 11 turbine water wheels of 2,000 horsepower.

The Pemberton Mills, producing over 6,000,000 yards a year, used steam double engines of 300 horsepower and 3 water wheels, each of 200 horsepower.

The Everett Mills, with an annual production of 8,000,000 yards of goods, depended for its power on three turbine water wheels.

The Arlington Mills, turning out over 5,000,000 yards of goods a year, was supplied by one Corliss engine of 300 horsepower and three Swaine water wheels of 200 horsepower.

Lawrence was indeed a "corporate town," built by waterpower. The operatives in the mills lived in corporation boarding houses run by the mills. Indeed, the whole material welfare of the mills and the workers depended upon the Essex Co. The land and the power were all vested in this corporation. H. A. Wadsworth, in his History of Lawrence, Mass., states:

With the acceptance of the city charter (1853) came new duties, new responsibilities, and the clear-cut outlines of individualism faded away, with here and there an exception, and men became merely the mass.

The city was to grow until, during World War I, close to 100,000 people worked and lived within its small area of 6.75 miles. New and larger mills were built, including that of the American Woolen Co., a quarter of a mile long, the largest of its type in the world. In time, the mills began to rely more and more upon coal and steam to develop electricity which was used to power the machines, and the water-power of the river, never fully utilized, was now neglected. After the turn of the century, there was a concerted movement, carried as far as committee hearings before Congress, to

have the mouth of the Merrimack dredged, so that barges might bring sea-borne coal up the river to the mills. In view of the opposition presented by competing interests and the unfavorable report handed in by the Army engineers, this proposal was defeated. But the mills continued to use coal and oil brought in by rail.

If Daniel Saunders could return to life and stand again on the bank of the river which he loved, he would be dismayed by the changes which have come. True the city of Lawrence filters the water to make it fit for drinking as it comes through faucets into thousands of homes. The Merrimack serves the needs of the fire department, and its water is used for incidental functions in many offices and in every store and factory. But, by and large, to all the communities along its course, this river which gave birth to a great industry, has become just a sewer.

Daniel Saunders would miss the miracle of its power, once used and then largely forgotten before its full potentialities were realized.

This year Lawrence is celebrating the fact that 100 years ago it was incorporated as a town. It is a time, not only to review and rejoice over the things of the past, but to make progressive plans for the future. At the very moment when other regions are reaping the benefits flowing from the public development of cheap and abundant hydroelectric power, we look at our Merrimack and wonder why it is being neglected. For this river is not only the second largest in the six States, it is the source which originally powered New England to industrial greatness. But now it hurries wastefully to the sea.

In this centennial year the people of Lawrence recall the stories of our city's birth and growth.

They are reminded of the river which gave it being.

We do not intend to dwell on the industrial accomplishments of the past. Daniel Saunders was not a man to do so, and neither are we who live in 1947.

At this moment we are closer than ever before to the vision and will of the pioneers who founded Lawrence. Like the prodigal son, our generation has come back home. With a clearer understanding of first causes and fundamentals, we know that our one sure, un failing resource is the dormant power of the Merrimack River. Inspired by recollections of the original enterprise and challenged by the present opportunity, we are determined to follow through on our predestined courses.

Only through greater use of the river's power potential, can the people of the Merrimack Valley realize their objectives of better production, better wages, and better living conditions. On this one-hundredth anniversary, we in Lawrence are pointedly reminded that our future depends upon the unlimited development of the Merrimack River.

And so we are setting our sights on the establishment of a Merrimack Valley Authority to fully utilize this power for the common welfare.

That is Lawrence's goal as it goes forward into the second century of its life.

(Mr. LANE asked and was given permission to revise and extend his remarks.)

#### SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 350. An act to continue the Commodity Credit Corporation as an agency of the United States until June 30, 1948; to the Committee on Banking and Currency.

#### ENROLLED BILL SIGNED

Mr. LECOMPTE, 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, which was thereupon signed by the Speaker:

H. R. 731. An act to establish the Theodore Roosevelt National Park; to erect a monument in memory of Theodore Roosevelt in the village of Medora, N. Dak.; and for other purposes.

#### ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 53 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, April 16, 1947, 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:

545. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 20, 1946, submitting a report, together with accompanying papers and illustrations, on a review of reports on Taunton River, Mass., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on May 15, 1939 (H. Doc. No. 196); to the Committee on Public Works and ordered to be printed, with three illustrations.

546. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 9, 1946, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of and a review of reports on the Wabash River and tributaries, Indiana and Illinois, authorized by the Flood Control Acts approved on June 28, 1938, and August 11, 1939, and requested by resolutions of the Committee on Flood Control, House of Representatives, adopted on June 6, 1939, and August 2, 1939 (H. Doc. No. 197); to the Committee on Public Works and ordered to be printed, with three illustrations.

547. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 8, 1946, submitting a report, together with accompanying papers and an illustration, on a review of report on the Ohio and lower Mississippi Rivers, with a view to modifying the plans for flood walls and works for the protection of the city of Cincinnati, Ohio, and a preliminary examination and survey of Mill Creek Valley, Ohio, requested by a resolution of the Committee on Flood Control, House of Representatives, adopted on July 28, 1937, and authorized by the Flood Control Act approved on August 28, 1937 (H. Doc. No. 198); to the Committee on Public Works and ordered to be printed, with an illustration.

548. A letter from the Librarian of Congress, transmitting the annual report of the Librarian of Congress for the fiscal year end-

ing June 30, 1946, and the annual report of the Register of Copyrights for the same period; to the Committee on House Administration.

549. A letter from the Acting Secretary of the Navy, transmitting a report of a proposed transfer of a landing craft for use by the Girl Scout mariner troop at Pacific Grove, Calif.; to the Committee on Armed Services.

550. A letter from the Secretary of Hawaii, transmitting a copy of the journal of the House of Representatives of the Legislature of the Territory of Hawaii, regular session of 1945; to the Committee on Public Lands.

551. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$30,000 for the legislative branch, United States Senate (H. Doc. No. 199); to the Committee on Appropriations 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. LECOMPTE: Committee on House Administration. House Resolution 181. Resolution authorizing the printing of additional copies of House Report No. 245, current session, submitted to accompany the bill H. R. 3020, relating to the Labor-Management Relations Act, 1947; without amendment (Rept. No. 256). Ordered to be printed.

Mr. HOPE: Committee on Agriculture. S. 814. An act to provide support for wool, and for other purposes; with amendments (Rept. No. 257). Referred to the Committee of the Whole House on the State of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CRAVENS: Committee on the Judiciary. H. R. 334. A bill for the relief of the legal guardian of James Harold Nesbitt, a minor; without amendment (Rept. No. 258). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 385. A bill for the relief of Reginald Mitchell; without amendment (Rept. No. 259). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 407. A bill for the relief of Claude R. Hall and Florence V. Hall; with amendments (Rept. No. 260). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 765. A bill for the relief of Elwood L. Keeler; with amendment (Rept. No. 261). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 821. A bill for the relief of Charles W. Taylor, Jr.; with amendment (Rept. No. 262). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 889. A bill for the relief of Russell F. Taylor; with amendment (Rept. No. 263). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1015. A bill for the relief of Fred Pittelli; with amendments (Rept. No. 264). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1067. A bill for the relief of S. C. Spradling and R. T. Morris; without amend-

ment (Rept. No. 265). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1788. A bill for the relief of the estate of John F. Hopperton, a minor, deceased; with amendment (Rept. No. 266). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 1866. A bill for the relief of Paul Goodman; with amendments (Rept. No. 267). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 1956. A bill for the relief of Hugh C. Gilliam; with amendment (Rept. No. 268). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 2257. A bill for the relief of South-eastern Sand & Gravel Co.; without amendment (Rept. No. 269). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BELL:

H. R. 3041. A bill to incorporate the American War Dads; to the Committee on the Judiciary.

By Mr. BENNETT of Missouri:

H. R. 3042. A bill to license persons operating motor vehicles upon highways and to make uniform the law relating thereto; to the Committee on Interstate and Foreign Commerce.

By Mr. BISHOP:

H. R. 3043. A bill to provide for the transfer of certain lands to the Secretary of the Interior, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GRANT of Indiana:

H. R. 3044. A bill to establish the Territory of Guam, to provide for the civil government thereof, and to confer United States citizenship upon certain of the inhabitants thereof; to the Committee on Public Lands.

By Mr. HORAN:

H. R. 3045. A bill to place the office of Recorder of Deeds of the District of Columbia under the jurisdiction, supervision, and control of the Commissioners of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. MICHENER (by request):

H. R. 3046. A bill to provide for the detention, care, and treatment of persons of unsound mind in certain Federal reservations in Virginia and Maryland; to the Committee on the Judiciary.

By Mr. ROSS (by request):

H. R. 3047. A bill to amend the National Service Life Insurance Act of 1940, as amended, paragraph (t) of section 602, to provide lump-sum payment of national service life insurance claims which matured prior to August 1, 1946, in any case where the beneficiary now receiving monthly payments, so elects; and to afford to the beneficiary an election of the optional modes of settlement of claims maturing on or after August 1, 1946; to the Committee on Veterans' Affairs.

H. R. 3048. A bill to amend Public Law 704 to extend terminal leave benefits to next of kin of those who died prior to separation from service, and for other purposes; to the Committee on Armed Services.

By Mr. SHAFER:

H. R. 3049. A bill to continue in effect section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, relating to the exportation of certain commodities; to the Committee on Armed Services.

By Mr. DIRKSEN (by request):

H. R. 3050. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide



## PROVIDING SUPPORT FOR WOOL

APRIL 15, 1947.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HOPE, from the Committee on Agriculture, submitted the following

### REPORT

[To accompany S. 814]

The Committee on Agriculture, to whom was referred the bill (S. 814) to provide support for wool, and for other purposes, having considered the same, report thereon with a recommendation that it do pass with the following amendments:

(1) Page 1, line 4, strike out section 2 (a) and insert in lieu thereof the following:

SEC. 2 (a) The Commodity Credit Corporation shall continue, until December 31, 1948, to support a price to producers of wool in the continental United States and Territories at the price it supported wool in 1946.

(2) Page 2, lines 7 to 19, strike out section 3 in its entirety.

(3) Page 2, line 20, renumber section 4 as section 3, and insert a new section 4 to read as follows:

SEC. 3. Section 22 of the Agricultural Adjustment Act, as amended and reenacted (U. S. C. 1940 edition, title 7, sec. 624), is hereby amended by adding a new subdivision as follows:

(f) (1) Whenever the Secretary of Agriculture finds that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with any loan, purchase, or other program or operation undertaken by the Department of Agriculture or any agency operating under its direction with respect to wool or any product thereof or to reduce substantially the amount of any product processed in the United States from wool or any product thereof while any such program or operation is being undertaken, he shall, by order, impose such fees not in excess of 50 per centum ad valorem on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to above, or reduce substantially the amount of any product processed in the United States from any wool or any product thereof. In designating any article or articles, the Secretary may describe them by physical qualities, value, use or upon such other basis as he shall determine.

(2) The fees imposed by the Secretary by order under subdivision (f) and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930.

(3) Any order or provision thereof may be suspended or terminated by the Secretary whenever he finds that the circumstances requiring the order or provision thereof no longer exist or may be modified by the Secretary whenever he finds that changed circumstances require such modification to carry out the purposes of subdivision (f).

(4) Any decision of the Secretary under subdivision (f) shall be final and any finding, order, or rule under subdivision (f) may be made by the Secretary without a hearing, formal or informal.

(5) Whenever any fee is imposed initially on any grade or quality of imported raw wool pursuant to subdivision (f), there shall be levied, assessed, collected, and paid upon all such imported raw wool which on the date of the imposition of such fee is held in the United States by any person for sale or other disposition, other than wool held in customs bonded warehouses, a floor stocks tax at a rate equal to the amount of the fee imposed with respect to imported raw wool of the same grade and quality.

(6) Under such regulations as the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury shall prescribe, every person required to pay any floor stocks tax shall make a return within such time as may be prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury and pay such tax within six months after the imposition of such fees.

(7) Any person required to pay a floor-stocks tax or file a return hereunder, who wilfully fails to pay such tax, or make such return, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than one year, or both, together with the costs of prosecution.

(8) The term "person", as used in subdivision (f), includes an officer or employee of a corporation, or a member or employee of a partnership, who, as such officer, employee, or member, is under a duty to perform the act in respect of which the violation occurs.

(4) Page 2, line 24, strike out section 5 and insert in lieu thereof the following:

SEC. 5. The Commodity Credit Corporation may, until December 31, 1948, dispose of wool owned by it without regard to any restriction imposed upon it by law.

(5) Page 3, line 7, strike out section 6 in its entirety.

#### STATEMENT

The bill (S. 814), as amended by the committee, would continue support for wool until December 31, 1948, at the 1946 price-support level. It would also authorize the imposition of import fees not in excess of 50 percent ad valorem on imported articles, whenever the Secretary of Agriculture finds that such articles are being imported in such quantities or under such conditions as to render, or tend to render, ineffective, or materially interfere with the wool-support program. In order to prevent unjust enrichment and to avoid unfair competitive advantages which might arise through the initial imposition of import fees on imported raw wool, provision is made for the imposition of a comparable floor-stocks tax upon foreign raw wool held in this country whenever any fee is initially imposed upon the importation of foreign raw wool.

The principal changes which are made by the committee amendments to S. 814 are as follows:

1. The committee amendment definitely terminates the wool-support program on December 31, 1948. The bill without the committee amendment would provide price support for wool produced in the calendar years 1947 and 1948, irrespective of the date of the marketing of such wool. Such provision might necessitate the continuation of the support program for an indefinite period and until such time as the producers of wool decided to market their 1947 and 1948 wool clips.

2. The level of price support under the committee amendment is definitely fixed at the price at which the Commodity Credit Corporation supported wool in 1946. Under the provisions of the Senate bill before amendment by the committee, the Commodity Credit Corporation was directed to support wool at not less than the price at which the Commodity Credit Corporation supported wool in 1946. The effect of such a provision would have provided a minimum price support level and would have left the maximum support level entirely to the discretion of the Commodity Credit Corporation without any legislative standard or guide except that which might have been provided under section 3 of the Senate bill, relating to the establishment of a comparable price. The committee are of the opinion that the level of price support should be definite, and that the level of price support should not be increased or decreased above or below that at which wool has been supported in the past under the support program which was inaugurated in 1943.

3. The committee amendment eliminating section 3 from the bill as passed by the Senate removes the provision providing for the establishment of a comparable price for wool. With the support level fixed at the price at which wool was supported in 1946, the establishment of a comparable price would have no legal significance and would inject ambiguity into the proposed legislation. For this reason, section 3 was eliminated. Its elimination, however, is not to be construed as a determination by the committee that wool is not entitled to some adjustment for purposes of parity calculations. On the contrary, it appears from the testimony adduced in connection with the committee's consideration of House Joint Resolution 158, that wool was in a depressed condition during the parity base period of 1909-14 and that the parity price for wool is out of line with the parity price of other agricultural commodities. It is the view of the committee, however, that since the price-support level as provided in the accompanying bill is based neither upon parity nor comparable price, the question of the establishment of a comparable price for wool should await further study in connection with the whole problem of parity revision and the establishment of a long-time farm program, and it is the intent of the committee to consider such question at that time.

4. Section 4, a new section added by the committee amendment, provides for the establishment of an import fee not in excess of 50 percent ad valorem on the entry of any article whenever the Secretary of Agriculture finds that any such article is being imported under such conditions or in such quantities as to render, or tend to render, ineffective, or materially interfere with any loan, purchase, or other program or operation undertaken by the Department of Agriculture or any agency operating under its direction, with respect to wool. The

amount of the fee imposed within the maximum limitation shall be such as the Secretary finds necessary, so that the entry of the article or articles will not render, or tend to render, ineffective, or materially interfere with any support program undertaken by the Department of Agriculture with respect to wool, or reduce substantially the amount of any product processed in the United States from wool or any product thereof.

Under the authority of this section, it is anticipated that import fees will be imposed in such a manner as to keep the price of imported wool, including the duty and the import fees, in line with the domestic support price. If this objective is substantially accomplished, producers of wool in the United States can be assured of receiving a price for wool equivalent to the domestic support price, and the Commodity Credit Corporation will be able to dispose of its stocks of wool without loss.

The Secretary of Agriculture is authorized under subdivision (f) to impose import fees without hearing, formal or informal. It is intended by such language to permit import fees to be imposed without reference to any rule-making procedural provision of the Administrative Procedure Act.

In Report No. 186, accompanying House Joint Resolution 158, it was pointed out that the Commodity Credit Corporation has on hand approximately 480,000,000 pounds of wool which it purchased under the wool-support program and on which a substantial loss is threatened unless some means is employed to prevent foreign wool from capturing the domestic market. Under the existing provisions of law, the Commodity Credit Corporation is not permitted to sell wool below the parity price. With the parity index increasing and with the price of comparable grades and qualities of foreign wool already under-selling wool owned by the Commodity Credit Corporation, practically the entire domestic market has been surrendered to foreign wool. The committee believe that the authority to impose import fees in the manner authorized under section 4 is the most practical method of solving the difficult wool problem, and providing for producers of wool the support deemed necessary without requiring the Treasury of the United States to absorb huge losses on wool-support operations.

Provision is also made for levying assessments and collecting a floor-stocks tax upon all imported raw wool held in the United States by any person, for sale or other disposition, whenever any fee is initially imposed upon the entry of raw wool. This provision merely prevents the unjust enrichment of any person who holds stocks of foreign wool at the time any fee is initially imposed, and it also prevents any such person from obtaining competitive advantages over persons who do not hold such stocks.

5. The committee amendment eliminating section 5 and substituting a provision authorizing the Commodity Credit Corporation to dispose of wool without regard to any restriction imposed upon it by law is designed to give the Commodity Credit Corporation full authority to dispose of existing stocks of wool while the demand for wool is at or near record levels. The intent of the language of the bill as passed by the Senate directing that existing wool stocks shall be disposed of at such a rate or in such a manner as will avoid disruption of the domestic market is not entirely clear, and such a provision might be

construed as a rather strict limitation upon the authority conferred upon the Commodity Credit Corporation to sell and dispose of its wool stocks. The committee amendment is the same as the provision contained in House Joint Resolution 158. In Report No. 186, accompanying that resolution, it was pointed out that the removal of the restrictions upon the sale of wool owned by the Commodity Credit Corporation was not intended to authorize the Commodity Credit Corporation to dump its stocks of wool. It is intended, however, to enable the Commodity Credit Corporation to merchandise its wool stocks in an orderly manner, and to compete with foreign sellers for the domestic market.

6. The committee amendment eliminating section 6 of the bill as passed by the Senate removes the provision which would make wool a basic agricultural commodity. This provision bears no relation to the other provisions of the bill and is unnecessary. The mere declaration that wool is a basic commodity has no legal significance and would merely create uncertainty as to the meaning of such a provision.





# Union Calendar No. 121

80TH CONGRESS  
1ST SESSION

## S. 814

[Report No. 257]

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### IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 1947

Referred to the Committee on Agriculture

APRIL 15, 1947

Reported with amendments, committed to the Committee of the Whole House  
on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

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## AN ACT

To provide support for wool, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That this Act may be cited as the "Wool Act of 1947".

4 ~~SEC. 2. (a) The Commodity Credit Corporation is~~  
5 ~~directed, through loans, purchases, or other operations to~~  
6 ~~support a price to producers of wool produced (shorn or~~  
7 ~~pulled) in the calendar years 1947 and 1948 in the United~~  
8 ~~States and its Territories at the price not less than that which~~  
9 ~~the Commodity Credit Corporation has undertaken to support~~  
10 ~~wool in 1946.~~

11 *SEC. 2. (a) The Commodity Credit Corporation shall*

1 *continue, until December 31, 1948, to support a price to*  
2 *producers of wool in the continental United States and*  
3 *Territories at the price it supported wool in 1946.*

4 (b) Notwithstanding any other provisions hereof, the  
5 Commodity Credit Corporation may adjust support prices  
6 for individual grades and qualities of wool for the purpose  
7 of bringing about a fair and equitable relationship in the  
8 support prices for the various grades and qualities of wool;  
9 and may make discounts from support prices for off-quality,  
10 inferior-grade, or poorly prepared wool.

11 SEC. 3. The Secretary of Agriculture shall establish  
12 monthly (~~commencing with the month of January 1947~~)  
13 a comparable price for wool and the comparable price so  
14 established shall be used for the purposes of all laws in which  
15 a parity or comparable price is established or used. The  
16 comparable price for wool shall be that price which bears  
17 the same relation to the average parity prices of the other  
18 basic agricultural commodities, cotton, corn, wheat, rice,  
19 tobacco, and peanuts, as the actual price for wool bore to  
20 the actual average price of such basic commodities during  
21 the period August 1934 to July 1939. Such comparable  
22 price for wool may be adjusted for grade, quality, season,  
23 and location.

24 SEC. 4 3. The provisions of sections 385, 386, and 388  
25 of the Agricultural Adjustment Act of 1938, as amended,



1 shall be applicable to the support operations carried out  
2 pursuant to section 2 of this Act.

3       SEC. 5. The Commodity Credit Corporation may, with-  
4 out regard to restrictions imposed upon it by any law, dispose  
5 of any wool produced prior to January 1, 1949, at prices  
6 which will permit such wool to be sold in competition with  
7 imported wool. The disposition of any accumulated stock  
8 under the provisions of this section, however, shall be made  
9 at such rate and in such manner as will avoid disruption  
10 of the domestic market.

11       SEC. 6. Wool is a basic source of clothing for the  
12 people of the United States, and, as such, is deemed a  
13 basic agricultural commodity.

14       SEC. 4. Section 22 of the Agricultural Adjustment Act,  
15 as amended and reenacted (U. S. C., 1940 edition, title 7,  
16 sec. 624), is hereby amended by adding a new subdivision  
17 as follows:

18       “(f) (1) Whenever the Secretary of Agriculture finds  
19 that any article or articles are being or are practically  
20 certain to be imported into the United States under such  
21 conditions and in such quantities as to render or tend to  
22 render ineffective or materially interfere with any loan, pur-  
23 chase, or other program or operation undertaken by the  
24 Department of Agriculture or any agency operating under  
25 its direction with respect to wool or any product thereof

1 or to reduce substantially the amount of any product  
2 processed in the United States from wool or any product  
3 thereof while any such program or operation is being under-  
4 taken, he shall, by order, impose such fees not in excess  
5 of 50 per centum ad valorem on any article or articles  
6 which may be entered, or withdrawn from warehouse, for  
7 consumption as he finds and declares to be necessary in  
8 order that the entry of such article or articles will not render  
9 or tend to render ineffective, or materially interfere with,  
10 any program or operation referred to above, or reduce sub-  
11 stantially the amount of any product processed in the United  
12 States from any wool or any product thereof. In desig-  
13 nating any article or articles, the Secretary may describe  
14 them by physical qualities, value, use, or upon such other  
15 basis as he shall determine.

16 “(2) The fees imposed by the Secretary by order under  
17 subdivision (f) and any revocation, suspension, or modifica-  
18 tion thereof, shall become effective on such date as shall be  
19 therein specified, and such fees shall be treated for administra-  
20 tive purposes and for the purposes of section 32 of Public Law  
21 Numbered 320, Seventy-fourth Congress, approved August  
22 24, 1935, as amended, as duties imposed by the Tariff Act  
23 of 1930.

24 “(3) Any order or provision thereof may be suspended  
25 or terminated by the Secretary whenever he finds that the

1 *circumstances requiring the order or provision thereof no*  
2 *longer exist or may be modified by the Secretary whenever*  
3 *he finds that changed circumstances require such modification*  
4 *to carry out the purposes of subdivision (f).*

5       “(4) *Any decision of the Secretary under subdivision*  
6 *(f) shall be final and any finding, order, or rule under sub-*  
7 *division (f) may be made by the Secretary without a hearing,*  
8 *formal or informal.*

9       “(5) *Whenever any fee is imposed initially on any grade*  
10 *or quality of imported raw wool pursuant to subdivision (f),*  
11 *there shall be levied, assessed, collected, and paid upon all*  
12 *such imported raw wool which on the date of the imposition*  
13 *of such fee is held in the United States by any person for sale*  
14 *or other disposition, other than wool held in customs-bonded*  
15 *warehouses, a floor-stocks tax at a rate equal to the amount*  
16 *of the fee imposed with respect to imported raw wool of the*  
17 *same grade and quality.*

18       “(6) *Under such regulations as the Commissioner of*  
19 *Internal Revenue with the approval of the Secretary of the*  
20 *Treasury shall prescribe, every person required to pay any*  
21 *floor-stocks tax shall make a return within such time as may be*  
22 *prescribed by the Commissioner of Internal Revenue with the*  
23 *approval of the Secretary of the Treasury and pay such tax*  
24 *within six months after the imposition of such fees.*

25       “(7) *Any person required to pay a floor-stocks tax or file*

1 a return hereunder, who willfully fails to pay such tax, or  
2 make such return, shall, in addition to other penalties pro-  
3 vided by law, be guilty of a misdemeanor and, upon convic-  
4 tion thereof, be fined not more than \$10,000 or imprisoned  
5 for not more than one year, or both, together with the costs  
6 of prosecution.

7 “(8) The term ‘person’, as used in subdivision (f),  
8 includes an officer or employee of a corporation, or a member  
9 or employee of a partnership, who, as such officer, employee,  
10 or member, is under a duty to perform the act in respect of  
11 which the violation occurs.”

12 SEC. 5. The Commodity Credit Corporation may, until  
13 December 31, 1948, dispose of wool owned by it without  
14 regard to any restriction imposed upon it by law.

Passed the Senate April 7 (legislative day, March 24),  
1947.

Attest:

CARL A. LOEFFLER,

Secretary.



**AN ACT**

To provide support for wool, and for other purposes.

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APRIL 10, 1947

Referred to the Committee on Agriculture

APRIL 15, 1947

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed







DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

Division of Legislative Reports  
(For Department staff only)

Issued  
For actions of

May 13, 1947  
May 12, 1947  
80th-1st, No. 89

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HIGHLIGHTS: House passed bill to regulate marketing of insecticides, rodenticides, weedkillers, etc. Rep. Murray discussed wool bill. Rep. Flannagan introduced national-fertilizer-policy bill. Rep. Cunningham introduced bill to provide "more adequate and effective farm-loan benefits" for veterans. Rep. Murray criticized USDA's handling of dairy price supports.

HOUSE

1. **MARKETING.** Passed as reported H. R. 1237, to regulate the marketing of insecticides, rodenticides, weed killers, etc. (pp. 5182-6).
2. **VETERANS' TRAINING.** Passed as reported H. R. 2181, to include "institutional on-farm training" in the education and training program for veterans (pp. 5188-90). (The Congressional Record does not make it clear that this bill was passed, but the "Daily Digest" says it was.)
3. **ACCOUNTING.** Passed without amendment S. 273, which provides that, effective 3 years after enactment, the monthly and quarterly account of any disbursing, accountable, or certifying officer shall be settled by GAO within 3 years from the date of receipt of the complete account by GAO, except during a war emergency (pp. 5177-8). This bill will now be sent to the President.
4. **ROADS.** Passed without amendment H. R. 1874, to amend the Federal-Aid Highway Act of 1944 so as to provide for extending the period of availability of the post-war highway funds from 1 year to 2 years after the close of the fiscal year for which the appropriations are authorized (pp. 5180-1).
5. **CODIFICATION OF LAWS.** Passed several bills to enact titles of the U. S. C. into positive law, as follows: H. R. 1565, title 1, "General Provisions"; H. R. 1566, title 4, "Flag and Seal, Seat of Government, and the States"; H. R. 1567, title 6, "Official and Penal Bonds"; H. R. 2083, title 17, "Copyrights" (pp. 5162-76).
6. **INVESTIGATIONS.** Agreed, without amendment, to H. Res. 93, authorizing the Public Lands Committee to investigate matters within its jurisdiction, and H. Res. 153, continuing authority for a transportation investigation by the Interstate and Foreign Commerce Committee (pp. 5190-1).

7. TOBACCO QUOTAS. On objections of Reps. Rich, Mason, and Smith of Ohio, passed over H. J. Res. 152, providing for marketing quotas on Va. sun-cured tobacco (p. 5160).
8. VETERANS' PREFERENCE. At the Request of Rep. Cole of N. Y., passed over H. R. 966, to make it mandatory for an administrative officer to take corrective action recommended by CSC in the case of appeals made by preference eligibles (p. 5187).
9. LABOR-FEDERAL SECURITY APPROPRIATION BILL. House conferees were appointed on this bill, H. R. 2700 (p. 5151). Senate conferees were appointed May 5.
10. WOOL PROGRAM. Rep. Murray, Wis., gave a list of questions and answers regarding the wool bill, S. 814 (pp. 5191-4).
11. STATION TRANSFERS. Received from the War Department proposed legislation to validate payments heretofore made by U. S. disbursing officers covering the cost of shipment of household effects of civilian employees. To Judiciary Committee. (p. 5194.)
12. LOBBYING. Received the first 1947 quarterly report listing registration of lobbyists under the Lobbying Act of 1946 (pp. 5195-239).
13. MILK PRICE SUPPORTS. Rep. Murray, Wis., criticized USDA's handling of dairy price supports (pp. 5154-5).
14. ECONOMY. Rep. Hoffman, Mich., suggested increased appropriations as a way in which to stop loans to foreign countries (p. 5155).
15. APPROPRIATIONS. Received from the President (May 9) supplemental appropriation estimates of \$16,160,000 for CSC and \$8,740,000 for FBI, to carry out the administration of the employees loyalty program in the Executive Branch (H.Doc. 242). To Appropriations Committee.

SENATE

16. FOREIGN RELIEF. Sens. Vandenberg, Capper, Wiley, Connally, and George were appointed conferees on S. 938, the Greek-Turkish aid bill (pp. 5127-8). House conferees not yet appointed.
17. LABOR. Continued debate on S. 1126, the labor-management bill (pp. 5117-27, 5128-50). During the debate Sen. Pepper, Fla., stated that "The farmer should be opposing the pending legislation" and discussed the farmer-worker relationship (p. 5122).
18. VETERANS' HOUSING. The Banking and Currency Committee reported with amendment S. 1154, to amend the Veterans' Emergency Housing Act, 1946, so as to decrease the limitation on amounts used for premium payments for increasing materials supplies for the program (S.Rept. 162) (p. 5113).
19. CLAIMS; PERSONNEL. The Judiciary Committee reported without amendment S. 1073, to extend until June 30, 1948, the time during which service of a person in an executive agency does not prohibit him from acting as counsel, etc., for prosecuting claims against the U.S. (S.Rept. 163) (p. 5113).
20. MINERAL LANDS. The Public Lands Committee reported with amendments S. 1081, to promote mining of coal, phosphate, sodium, etc. on lands acquired by the United

Mr. ALLEN of Illinois. Mr. Speaker, as you have just heard read, this is a continuance of the authority granted this Committee on Interstate and Foreign Commerce under House Resolution 318.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### SPECIAL ORDER GRANTED

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

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

There was no objection.

#### SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. MURRAY] is recognized for 15 minutes.

#### THE WOOL PROGRAM

Mr. MURRAY of Wisconsin. Mr. Speaker, the wool problem has become so much an issue during the past few months and so many questions have been asked about it that I shall enumerate some of the questions and answers.

Question. Why has there been an accumulated stock pile of domestic wool of 412,000,000 pounds?

Answer. The direct cause of course was the war. The program set up in 1943 to support the price of wool, and legislation by Congress that required the domestic wool could not be sold at less than parity. Another cause was the fact that foreign wool was shipped to the United States from Australia so that it would not fall into the hands of the Japs. While these huge imports of foreign wool may have been put in bonded warehouses, their presence depressed domestic prices of wool. During these years when the domestic wool could not be sold below parity, foreign wools were and could be sold to American manufacturers for less than the fixed prices on domestic wool. Sellers of imported wool knew and now know what the United States parity price is and can undersell the domestic wool.

Question. Where are sheep produced in the United States?

Answer. In many States, largely in a dozen States nearly one-fifth of them in Texas.

Question. Why has not this problem been solved before this late hour?

Answer. Because the present administration's suggestion was to give a blank check to the CCC. This prevented the legislation coming on the floor for consideration even last year.

Question. How much wool is owned by the CCC at the present time and how much are the carrying charges? How much are the estimated losses?

Answer. The following memoranda from the United States Department of Agriculture gives the official answer.

Average carrying charge per month, for present stock pile of wool—first 3 months of 1947.....	\$581, 713
Stock on hand Mar. 31, 1947	
pounds..	412, 481, 000
Cost of stock on hand.....	\$217, 825, 000
Estimated loss on orderly <sup>1</sup> liquidation of present stock pile.....	47, 462, 000

<sup>1</sup>By the term "orderly liquidation" it is meant that this liquidation would take around 2 to 4 years and would have to be done without any interference by foreign market competition.

If it were necessary to compete with foreign markets it would be necessary to sell at an additional loss of perhaps 10 cents per pound.

Question. Are the American wool growers entitled to legislation in their present dilemma?

Answer. Most assuredly yes. Wool growers are faced with an unprecedented and abnormal situation as a result of the war.

Question. Why is it an unprecedented situation?

Answer. Before the war the domestic wool grower had a part of the domestic market for wool. The United States has, at least since 1909 been on an import basis so far as wool is concerned.

Question. How much wool has been imported in the past?

Answer. From 1920 to 1930 an average of 159,000,000 pounds of apparel wool per year were imported, from 1930 to 1940, a yearly average of 64,000,000 pounds were imported. Low domestic wool prices prevailed.

There was an average of 711,000,000 pounds of wool imported from 1940 to 1947.

Question. What is the annual production and what was the annual production of wool in the United States?

Answer. The domestic production of wool in the United States has been each year from 1930 to 1945—411 to 454 million pounds. The production in 1945 was 378,000,000 pounds, and in 1946 349,000,000 pounds.

Question. What were the provisions of the administration's sponsored bill?

Answer. The bill was as follows:

#### H. R. 1825

A bill to amend section 22 of the Agricultural Adjustment Act, reenacted by the Agricultural Marketing Agreement Act of 1937, by extending that statute to all programs of the Department of Agriculture and agencies operating under its direction, and in other respects

*Be it enacted, etc.,* That section 22 of the Agricultural Adjustment Act, as added by section 31 of the act of August 24, 1935 (49 Stat. 773), reenacted by section 1 of the Agricultural Marketing Agreement Act of 1937 (50 Stat. 246), as amended, is hereby amended to read as follows:

SEC. 22. (a) Whenever the President has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conser-

vation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the President shall specify.

"(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 percent ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a), of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any articles or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 percent of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the President: *And provided further*, That in designating any article or articles, the President may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

"(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law No. 320, Seventy-fourth Congress, approved August 34, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

"(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever he find and proclaims that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever he finds and proclaims that changed circumstances require such modification to carry out the purposes of this section.

"(e) Any decision of the President as to facts under this section shall be final.

"(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to

which the United States is or hereafter becomes a party."

You will note that the last paragraph nullifies all to be accomplished by this bill. The paragraph means that the Secretary of Agriculture can do so and so, unless someone in the State or other Departments of Government think it is better or best to do something else.

Question. What is the law now in regard to imports?

Answer. The following is from the United States Tariff Commission:

UNITED STATES TARIFF COMMISSION,  
Washington.  
IMPORT SECTION OF AGRICULTURAL ADJUSTMENT  
ACT (OF 1933)

SEC. 22. (a) Whenever the President has reason to believe that any one or more articles are being or are practically certain to be imported into the United States under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with any program or operation undertaken, or to reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, he shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties and shall be conducted subject to such regulations as the President shall specify.

(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees on, or such limitations on the total quantities of, any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary to prescribe in order that the entry of such article or articles will not render or tend to render ineffective or materially interfere with any program or operation undertaken, or will not reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended: *Provided*, That no limitation shall be imposed on the total quantity of any article which may be imported from any country which reduces such permissible total quantity to less than 50 percent of the average annual quantity of such article which was imported from such country during the period from January 1, 1929, to December 31, 1933, both dates inclusive.

(c) The fees and import restrictions proclaimed by the President under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be specified in such proclamation, revocation, suspension, or modification, and such fees, which shall not be in excess of 50 percent ad valorem, shall be treated for the purposes of all provisions of law relating to customs revenue as duties imposed by the Tariff Act of 1930.

(d) Any decision of the President as to facts under this section shall be final.

(e) After investigation, report, finding, and declaration in the manner provided in the

case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended by the President whenever he finds that the circumstances requiring the proclamation or provision thereof no longer exist, or may be modified by the President whenever he finds that changed circumstances require such modification to carry out the purposes of this section. (49 Stat. 773, sec. 31; 49 Stat. 1152, sec. 5; 50 Stat. 246, sec. 1; act of Jan. 25, 1940, H. R. 7171, 76th Cong.; 7 U. S. Code 624.)

Also the following from the United States Tariff Commission:

UNITED STATES TARIFF COMMISSION,  
Washington.  
TRADE AGREEMENTS ACT OF JUNE 12, 1934, AS  
AMENDED

An act to amend the Tariff Act of 1930

*Be it enacted, etc.*, That the Tariff Act of 1930 is amended by adding at the end of title III the following:

PART III. PROMOTION OF FOREIGN TRADE

SEC. 350. (a) For the purpose of expanding foreign markets for the products of the United States (as a means of assisting in the present emergency in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public, and in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce) by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time—

(1) To enter into foreign trade agreements with foreign governments or instrumentalities thereof; and

(2) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder. No proclamation shall be made increasing or decreasing by more than 50 percent [any existing rate of duty] any rate of duty, *however established, existing on January 1, 1945 (even though temporarily suspended by act of Congress)*, or transferring any article between the dutiable and free lists. The proclaimed duties and other import restrictions shall apply to articles the growth, produce, or manufacture of all foreign countries; whether imported directly or indirectly: *Provided*, That the President may suspend the application to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts (*including the operations of international cartels*) or policies which in his opinion tend to defeat the purposes set forth in this section; and the proclaimed duties and other import restrictions shall be in effect from and after such time as is specified in the proclamation. The Presi-

dent may at any time terminate any such proclamation in whole or in part.

(b) Nothing in this section shall be construed to prevent the application, with respect to rates of duty established under this section pursuant to agreements with countries other than Cuba, of the provisions of the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on December 11, 1902, or to preclude giving effect to an exclusive agreement with Cuba concluded under this section, modifying the existing preferential customs treatment of any article the growth, produce, or manufacture of Cuba: *Provided*, That the duties [payable] on such an article shall in no case be increased or decreased by more than 50 percent of the duties, [now payable thereon], *however established, existing on January 1, 1945 (even though temporarily suspended by act of Congress)*.

(c) As used in this section, the term "duties and other import restrictions" includes (1) rate and form of import duties and classification of articles, and (2) limitations, prohibitions, charges, and exactions other than duties, imposed on importation or imposed for the regulation of imports.

Question. Is this a tariff question?

Answer. No; it is not necessarily one, but of course it lends itself to that approach to the politically minded.

Question. Have the section 22 provisions been used for other crops or commodities?

Answer. Yes. The following excerpt from a letter from the United States Tariff Commission on April 29, 1945, is as follows:

On February 1, 1947, the President, acting under section 22 of the Agricultural Adjustment Act of 1933 as amended, imposed an absolute import quota of 70,000,000 pounds per year on harsh or rough cotton having a staple length less than three-quarters of 1 inch. (Proclamation 2715, Treasury Decision 51624.) This class of cotton had previously been exempt from import quotas.

Question. Have the provisions of section 350 of the Tariff Act been used previously?

Answer. Yes. The following excerpt from a letter of April 29, 1947, from the United States Tariff Commission shows that it has:

The absolute import quota on silver fox pelts was terminated by Presidential proclamation issued under section 350 of the Tariff Act of 1930 as amended (the Trade Agreements Act). This proclamation was issued on March 18, 1947 and takes effect on May 1, 1947. In other words, the import quota is eliminated on May 1, 1947. (T. D. 51647.)

Question. Was H. R. 1825 needed for further authority and power to take care of the wool problem?

Answer. Yes and no. Since the near embargo quota on wheat imports and since at least two near embargo quotas have been placed on cotton imports under section 22, and since this section says that when imports "render ineffective or materially interfere with any program or operation undertaken" it would appear no legislation is necessary, but wool was never in any previous program nor were section 32 funds used so it would appear that a wool bill is necessary to set up a quota. The section 350 of the Tariff Act could be used to increase the duty or to put on an import fee which is really an increase in duty.

Question. Who submitted the wool bill to the Congress?

Answer. The Secretary of Agriculture, Clinton P. Anderson in January 1947. He also announced the discontinuation of the wool buying program as of April 15, 1947.

Question. Were extended hearings held on the wool problem by the Agricultural Committee?

Answer. Yes; very extended hearings were held and Chairman HOPE has shown the patience of Job in trying to iron out this wool problem. All phases of the wool industry were heard.

Question. What is the duty on wool imports?

Answer. Thirty-four cents per pound, cleaned basis. Natural basis, 17 cents per pound.

Question. Is this duty of 34 cents a pound sufficient to protect the producer of domestic wool?

Answer. It apparently was a sufficient duty to satisfy the wool people under normal times, but the present wool problem is before us in spite of this duty. This administration put an embargo in addition to the 42-cents-per-bushel duty on wheat, and wool finds itself in the same embarrassing situation.

Question. Is there a world wool monopoly?

Answer. Yes. I presume that since the British control 85 percent of the world's wool, it could appropriately be called a monopoly.

Question. Why should the American wool producer be compelled or expected to compete with a world wool cartel?

Answer. They should not and most assuredly are entitled to have protection from a world monopoly as well as from any domestic monopoly.

Question. Why are and why should millions of dollars be appropriated each year to control domestic monopolies at a time we refuse to protect a domestic industry—like the wool producers—from a foreign monopoly?

Answer. Americans are entitled to protection from any foreign or domestic monopoly.

Question. How much of the world wool is controlled by the British wool monopoly?

Answer. An estimated four to five billion of pounds, and at this time a continuing world monopoly to face as well.

Question. Why are American wool producers having difficulty in selling their wool at the present time?

Answer. One reason is the Secretary of Agriculture has discontinued the CCC purchases; Two, the wool buyer does not wish to purchase a commodity that is in such a liquid price set-up; Three, the wool buyer does not wish to invest in wool if Mr. Clayton is going to reduce duty from 34 cents to 17 cents per pound or by 50 percent, which act would have a direct effect on wool prices.

Question. How much wool is consumed in the United States?

Answer. The following memorandum is an official answer from the United States Department of Agriculture:

<i>Wool consumption in the United States</i>	
	<i>Pounds</i>
1942.....	1, 077, 000, 000
1943.....	1, 061, 000, 000
1944.....	1, 009, 000, 000
1945.....	1, 013, 000, 000
1946 (civilian basis).....	1, 072, 000, 000

During 1942-45 war years average consumption over a billion pounds; 1935-39 prewar average, 592,000,000 pounds.

Source of information: Mr. R. H. Roberts, Livestock Branch, Production and Marketing Administration U. S. Department of Agriculture.

Question. What will be the United States wool consumption in the future?

Answer. That depends on economic conditions. The income of the people will be the answer to that question. You can compare the prewar and wartime consumption and your best judgment. Factory pay rolls must be maintained if anywhere near a billion pounds yearly consumption is to be maintained.

Question. How have the customs receipts been on our wool during the years?

Answer. From 1940 to 1947 the 711,000,000 pounds of imports should have provided \$120,000,000 in revenue. This should have provided some \$36,000,000 for section 32 funds.

Question. Is wool one of the larger agriculture imports?

Answer. Yes, the largest agriculture import. The custom receipts from this one agriculture product have furnished large amounts of money for section 32 funds.

Question. The 30 percent of the custom receipts provide funds for section 32 funds, do they not?

Answer. Yes.

Question. What are these section 32 funds used for?

Answer. For disposing of surpluses. For paying export subsidies on cotton and wheat, and still we hear talk about a soil-conservation program; to furnish funds to find new uses for cotton; to furnish funds for school-lunch programs.

Question. Is wool a Stegall commodity?

Answer. No; in my opinion, it should have been made a Stegall commodity in the beginning. The fact that a wool-support program was put in operation is conclusive evidence to justify a consideration of wool comparable to the consideration accorded a Stegall commodity.

Question. What legislation should a wool bill include?

Answer. Legislation that definitely places wool under the provisions of section 22 of the AAA Act.

Question. Should the support price be definitely fixed in amount?

Answer. Yes; for two reasons. One reason is that wool has been put on the spot as a war casualty. Two, because if the definite price is not fixed there is no assurance that this administration will even follow the law and live up to a "not less than 90-percent parity" floor price.

Question. Have any other crops or farm produce had consideration under section 350 of the Tariff Act of 1930 and section 22 of the AAA Act?

Answer. Yes; section 22. There has been two import quotas put on cotton. Yes; the Smoot-Hawley duty of 42 cents per bushel on wheat was not effective, so a near-embargo was added to the Smoot-Hawley duty.

Question. Has section 350 of the Tariff Act of 1930 been used by the President?

Answer. Yes; on May 1, 1945, the import quota was removed on silver fox. In fact, the country making the largest shipments to the United States were sub-

sidizing silver-fox production in their own country at the very time the import quota was removed by President Truman.

Question. Have the letters of the wool trade given the facts about the wool problem?

Answer. No; not exactly. They seem to be laboring under the impression that the law says a support of 90 percent is guaranteed under certain commodities when the law says "not less than 90 percent of parity." There is not much use talking about a support price to anyone so long as the Secretary of Agriculture allows Steagall commodities to sell below even the 90-percent parity guaranteed floor price as is the case of a part of the milk industry today.

Question. What will be the future of domestic sheep production if no additional protection is given the American sheep industry?

Answer. The future is obvious. The numbers have already been reduced from 55,000,000 in 1943 to 38,000,000 on January 1, 1947.

Question. What will be the United States wool prices if the domestic producers are liquidated?

Answer. The \$1 a pound for imported rubber after World War I should be some indication as to what might happen if the American wool consumers are placed in the clutches of a world wool monopoly.

Question. Do you remember sugar prices after World War I? What will be the attitude of the public toward support prices to agriculture if the 412,000,000-pound stock pile is not disposed of with as little loss as possible?

Answer. If a loss on wool that could be avoided is really allowed to take place, public opposition to the whole support program can be expected. The millions lost through maladministration of the potato program adds to this public disapproval.

Question. Will the American sheep industry be ruined if no action is taken?

Answer. Apparently so.

Question. Has there been a similar situation in other agricultural fields?

Answer. Yes; the fur farmers have been subjected to treatment not in keeping with a desirable policy, so far as the administrative agencies are concerned. An Administration delegation was sent to invite imports, and the quota on imports was removed on certain furs when the country doing the importing was subsidizing their own producers. Small agricultural groups are the ones neglected or penalized while the big operators, with large numbers, have special privileges extended to them in various ways.

Question. Was not wool really included as a Steagall commodity indirectly when the sheepmen were asked to increase lamb and mutton production?

Answer. There is reason to believe that if wool is to be denied support, then additional support should go to the meat produced.

Question. Could the antidumping provisions of the tariff laws be effectively invoked?

Answer. Yes, I presume they could, but the antidumping provisions of the law are rather ambiguous to say the least. Understand that they have been interpreted to mean that they provide for assessment of additional duties on

goods which are sold in export to the United States below the prevailing price in the country exporting. The additional duty is equal to the disparity referred to. However, if the goods have a market and are sold for as much in the export government, the antidumping law does not apply.

Question. Would any wool bill affect what Mr. Clayton is doing at Geneva?

Answer. Yes, I presume it might. However, I do believe we should go into the whole tariff argument at this time. I will point out that Mr. Clayton nor any other individual should be allowed to have the power to cooperate with a foreign monopoly.

Question. Does not the price of wool determine the wage per hour to American wool producers? Does the price of woolen cloth determine the wage per hour to the workmen in the American woolen mills?

Answer. Surely.

Question. Has Australia an embargo on exports of certain types of high quality wool producing sheep?

Answer. Yes, they have an embargo on rams if not ewes and I understand this embargo applies to other parts of the British Empire as well as to the United States.

Question. Could the President not now raise the duty by 50 percent and slow up imports and help liquidate the domestic stock pile of wool?

Answer. Yes, I presume he could, but it appears that an import fee is less palatable than a quota. There are many precedents for the quota, though no increased import fee has been put in operation during the past 15 years.

Question. Were quotas ever put in operation during the past 15 years?

Answer. Yes. Several times that I know of. Once on wheat and twice on cotton.

Question. Section 22 if amended then could be used the same as it was used for additional protection for cotton and wheat?

Answer. Yes.

Question. Did not the custom receipts on the 900,000,000 pounds of wool imported in 1946 put over \$156,000,000 in the United States Treasury in 1946?

Answer. That is correct.

Question. If some public funds are necessarily used to dispose of the present wool stock pile would not the United States Treasury still have some millions left?

Answer. That depends wholly on the administrative procedures. If the whole \$150,000,000 were used the United States Treasury would be as well off as it is where other products are imported free of duty with no custom receipts channeled to the United States Treasury.

Question. Does it not appear rather ridiculous to talk about soil conservation, then acquire custom receipts from a live stock product, and then use 30 percent of the custom receipts to dispose of soil depleting crops?

Answer. It sure does not make sense—economic or any other kind.

Question. Have not these section 32 funds representing 30 percent of the customs receipts and in this case as a result

of wool imports been used to export subsidy for cotton?

Answer. Yes, not only for subsidized cotton exports but for other soil depleting crops like corn and wheat and even tobacco. These funds have been used to pay 6 to 9 cents per pound subsidy on cotton for making undulating material and other uses. In fact, this domestic use experimental program appears mostly subsidy and little experimental.

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

(Mr. MURRAY of Wisconsin asked and was granted permission to revise and extend his remarks.)

#### EXTENSION OF REMARKS

Mr. CURTIS asked and was granted permission to revise and extend the remarks he made today and include certain memorandum.

Mr. MORRISON (at the request of Mr. DINGELL) was granted permission to extend his remarks in the RECORD.

#### ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 450. An act providing for the conveyance to the town of Marblehead, in the State of Massachusetts, of Marblehead Military Reservation for public use; and

H. R. 1098. An act to authorize the segregation and expenditure of trust funds held in joint ownership by the Shoshone and Arapaho Tribes of the Wind River Reservation.

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 102. Joint resolution to permit United States common communications carriers to accord free communication privileges to official participants in the world telecommunications conferences to be held in the United States in 1947.

#### ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 27 minutes p. m.) the House adjourned until tomorrow, Tuesday, May 13, 1947, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

671. A letter from the Secretary of War, transmitting a draft of a proposed bill to validate payments heretofore made by disbursing officers of the United States Government covering the cost of shipment of household effects of civilian employees, and for other purposes; to the Committee on the Judiciary.

672. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

673. A letter from the Director, Office of Selective Service Records, transmitting a list of the selective-service registrants of inductible age occupationally deferred by the local boards of the Selective Service System as of March 31, 1947, because of their em-

ployment in or under the Federal Government; to the Committee on Armed Services.

674. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to integrate certain personnel of the former Bureau of Marine Inspection and Navigation and the Bureau of Customs into the Regular Coast Guard, to establish the permanent commissioned personnel strength of the Coast Guard, and for other purposes; to the Committee on Merchant Marine and Fisheries.

#### 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. ANDREWS of New York: Committee on Armed Services. H. R. 2276. A bill to authorize the Secretary of War to pay certain expenses incident to training, attendance, and participation of personnel of the Army of the United States in the Seventh Winter Sports Olympic Games and the Fourteenth Olympic Games, and for future Olympic games; with amendment (Rept. No. 346). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDREWS of New York: Committee on Armed Services. H. R. 3124. A bill to authorize the attendance of the Marine Band at the Eighty-first National Encampment of the Grand Army of the Republic to be held in Cleveland, Ohio, August 10 to 14, 1947; without amendment (Rept. No. 347). Referred to the Committee of the Whole House on the State of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H. R. 3413. A bill to direct the Secretary of Agriculture to support the price of milk at not less than \$3.10 per hundred pounds; to the Committee on Banking and Currency.

H. R. 3414. A bill to amend section 2357 of the Revised Statutes to increase the size of isolated or disconnected tracts or parcels of the public domain which may be sold, and for other purposes; to the Committee on Public Lands.

By Mr. GROSS:

H. R. 3415. A bill to prohibit further shipments to Russia under the Lease-Lend Act; to the Committee on Foreign Affairs.

By Mr. SIKES:

H. R. 3416. A bill to provide for the establishment of the Pensacola National Monument; to the Committee on Public Lands.

H. R. 3417. A bill to provide for the conveyance to Escambia County, State of Florida, of a portion of Santa Rosa Island which is under the jurisdiction of the War Department; to the Committee on Armed Services.

By Mr. WILSON of Indiana:

H. R. 3418. A bill to provide that veterans who have at any time suffered from service-connected advanced tuberculosis shall be rated as permanently and totally disabled by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. GEARHART:

H. R. 3419. A bill to make permanent the special survivorship protection provided for veterans under section 210 of the Social Security Act; to the Committee on Ways and Means.

By Mr. LYNCH:

H. R. 3420. A bill to make permanent the special survivorship protection provided for veterans under section 210 of the Social Security Act; to the Committee on Ways and Means.







# DIGEST OF CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued May 21, 1947  
For actions of May 20, 1947  
80th-1st, No. 95

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**HIGHLIGHTS:** Senate passed Science Foundation bill. Sen. Bushfield criticized proposal for conference on farm-land prices. Sen. Capper introduced CCC charter bill. Sen. McCarthy introduced and discussed bill to decontrol sugar. Sen. Murray introduced and discussed, and Rep. Dingell introduced, health-program bills. Rep. Hope inserted compromise amendment to wool bill; House to debate bill today. Reps. Potts and Doggs criticized handling of potato surplus. Rep. Lane criticized wool bill. Rep. Gillie inserted BAI answer to criticisms of Mexico foot-and-mouth disease campaign.

## SENATE

1. **RESEARCH.** Passed, 79-8, with amendments S. 526, creating a National Science Foundation (pp. 5632, 5636-53). Rejected, 23-52, an amendment by Sen. Kilgore, Va., to provide for an Administrator appointed by the President and confirmed by the Senate, with an advisory board (p. 5644). Agreed to an amendment by Sen. O'Mahoney, Wyo., to provide that nothing in the bill shall be construed to authorize the Foundation to alter or modify any law regarding patents (p. 5644). Agreed, 42-41, to an amendment by Sen. Magnuson, Wash., to provide for appointment of the Director by the President, with Senate confirmation, but to make him subject to supervision by the executive committee (p. 5649). Rejected, 23-63, an amendment by Sen. Fulbright, Ark., to provide for a Division of Social Sciences (p. 5650). The bill, as passed, was printed (pp. 5650-2).
2. **FARM-LAND PRICES.** Sen. Bushfield, S. Dak., said the President's proposal to call a conference on this subject is "ill-conceived" and that "there is no substantial inflation...in farm-land prices" (p. 5653).
3. **SCHOOL LUNCH PROGRAM.** Received a Calif. Legislature memorial urging continuation of this program without reduction (p. 5631).
4. **NOMINATION** of R. A. Lovett to be Under Secretary of State was favorably reported by the Foreign Relations Committee (p. 5632).
5. **NATIONAL FORESTS.** At the request of Chairman Capper of the Agriculture and Forestry Committee, the proposed bill providing for sale of certain timber in the Tongass National Forest was transferred from that Committee to the Public Lands Committee (p. 5632).
6. **TAXATION.** H. R. 1, the tax-reduction bill, was made the unfinished business (p. 5660).

HOUSE

7. WOOL. Rep. Lane, Mass., spoke in opposition to S. 814, the wool price-support bill, claiming that it "means the nationalization of the raw-wool industry" and that "The woollen and worsted industry cannot survive the drastic penalties imposed by S. 814" (pp. 5698-5700).  
S. 814 is to be taken up by the House Wed., May 21 (p. D272).
8. FOOT-AND-MOUTH DISEASE. Rep. Gillie, Ind., inserted a letter from Dr. Simms, BAI, answering criticisms of the conduct of the campaign to eradicate the foot-and-mouth disease in Mexico (p. 5670).
9. POTATOES. Rep. Buck, Del., criticized the Government's potato-surplus policies, asking "do you know of any sound reason why potatoes should at this time be destroyed as surplus when there exists so great a need for them for consumption" (p. 5664).
10. FOREIGN RELIEF. Received the conference report on H.J.Res. 153, authorizing appropriations of \$350,000,000 for relief of war-devastated countries, with a provision authorizing RFC to advance \$75,000,000 until an appropriation is made (pp. 5661-4).
11. SECOND DEFICIENCY APPROPRIATION BILL, 1947. Reps. Taber, Wigglesworth, Engel, Stefan, Case, Keefe, Cannon, Kerr, and Mahon were appointed conferees on this bill (p. 5664). Senate conferees appointed May 16.
12. SUGAR. Rep. Hall, N.Y., claimed that "the warehouses of this country are bulging with sugar" and stated that "This food should be made available to our housewives so that the American diet may be improved" (pp. 5670-1).
13. NAVAL APPROPRIATION BILL, 1948. Passed with amendment this bill H.R. 3493 (pp. 5681-98).
14. RECLAMATION. The Public Lands Committee reported without amendment H.R. 1274, to extend the reclamation laws to the State of Arkansas (H.Rept. 399) (p. 5700).  
The Public Lands Committee reported without amendment H.R. 3348, to declare the policy of the U.S. with respect to the allocation of costs of construction of the Coachella Division of the All-American Canal irrigation project, Calif. (H.Rept. 404) (p. 5700).
15. SCHOOL-LUNCH PROGRAM. Received a Calif. Legislature memorial favoring the continuation of this program (p. 5701).

BILLS INTRODUCED

16. SUGAR. S. 1321, by Sen. McCarthy, Wis. (for himself and others), to decontrol sugar. To Banking and Currency Committee. (p. 5632.) Sen. McCarthy criticized USDA's sugar-rationing program, discussed surplus sugar supplies, and inserted J.H. Marshall's (Dir., Sugar Branch, PMA) letter explaining the sugar situation (pp. 5653-4).
17. HEALTH. S. 1320, by Sen. Murray, Mont. (for himself and others), and H.R. 3548, by Rep. Dingell, Mich., to provide a national health insurance and public-health program. To Senate Labor and Public Welfare and House Ways and Means Committees, respectively. (pp. 5632, 5701). Remarks of Sen. Murray (pp. 5654-60).
18. C.C.C. CHARTER. S. 1332, by Sen. Capper, Kans., to provide a Federal charter for CCC. To Agriculture and Forestry Committee. (p. 5632).

19. PERSONNEL. H.R. 3544, by Rep. Gearhart, Calif., to provide for payment by the U.S. of premiums on bonds given to the U.S. by persons employed in the field or departmental service of the Federal Government. To Expenditures in the Executive Departments. (p. 5701.)
20. RECLAMATION. H.R. 3538, by Rep. Redden, N.C., to authorize the Bureau of Reclamation to investigate and report on projects for reclaiming lands by drainage. To Public Lands Committee. (p. 5701.)
21. ACCOUNTING. H.R. 3561 (see Digest 91) provides for establishment of a special deposit account or accounts with the U.S. Treasurer to facilitate payment of Government checks no longer immediately negotiable because of age, and amends Sec. 21 of the Permanent Appropriation Repeal Act of 1934 to provide for payment of these checks for 10 years after date of issue in lieu of settlement by GAO from outstanding liabilities.
22. CROP INSURANCE. H.R. 3465 (see Digest 91) amends the Federal Crop Insurance Act so that beginning in 1948, crop insurance would be placed on an experimental basis and would be limited to seven crops, including the five now covered (wheat, cotton, flax, corn, and tobacco), and not more than three additional crops could be added each year thereafter; coverage would not exceed 50 counties each for wheat, cotton, and corn and not exceed 25 counties each for flax and tobacco, with any others limited to 20 counties each. The bill would increase the minimum participation requirements to at least 200 farms or 1/3 of the farms producing the commodity in the county; prohibit insurance in any county where the FCIC Board of Directors determine that the income from the insured commodity constitutes an unimportant part of the agricultural income of the county; authorize the establishment of premiums on the basis of parity or comparable price, or average market price and the payment of indemnities on the same basis; and restates the purposes of the Act. These amendments would not affect the validity of any contract made prior to the Act insofar as such contract covers the 1947 crop year; and provide for administration by FCIC.

ITEMS IN APPENDIX

23. WOOL. Rep. Hope, Kans., inserted an amendment which he intends to propose to S. 814, the wool price-support bill (pp. A2516-7). The amendment would make wool a commodity under Sec. 22 of the AAAct and would provide that no limitation be imposed on the total quantities of wool or its products which may be entered or withdrawn from warehouse for consumption.
24. POTATO SURPLUS. Extension of remarks of Rep. Potts, N.Y., criticizing destruction of surplus potatoes (p. A2512).
25. TRANSPORTATION. Extension of remarks of Rep. McDonough, Calif., urging congressional action if necessary to relieve the boxcar shortage in the west (pp. A2505-6).
26. EXECUTIVE REORGANIZATION. Sen. Lodge, Mass., inserted an Evansville (Ind.) Press editorial favoring reorganization in the executive branch (p. A2488).
27. COTTON. Rep. Davis, Tenn., inserted his recent speech at the Memphis Cotton Carnival on the advances made in the cotton industry (pp. A2492-4).

Departments, technical information and service bill;

S. Public Lands, reclamation program; H. Agriculture, fur situation; H. Expenditures in the Executive Departments, Reorganization Plans 1 and 2 (Webb of BB to testify); H. Merchant Marine and Fisheries, Transfer of Crab Orchard project to Interior; H. Rules, wool bill; S. Public Lands, natural resources; S. Judiciary, Export Control Act extension; S. Labor and Public Welfare, Taft health bill; S. Appropriations, Interior appropriations; S. Civil Service, Government cafeterias; H. Appropriations, Government corporations, independent offices, and War Civil Functions appropriations bills (ex.); H. Banking and Currency, RFC extension; H. Education and Labor, Federal aid to education; H. Civil Service, retirement bills (ex.) H. Public Lands, granting lands to Mono County, Calif.; H. Public Works, Federal aid to States for rural post roads; H. Merchant Marine and Fisheries, Calif. land for wildlife management area; H. Rules, national minerals resources division; H. Newsprint and Paper Supply.

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For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Room 113 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

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Mr. PLOESER. I must honestly answer the gentleman that I have been told that on numerous occasions. Such a letter of instruction defeats honest budgeting.

Now, let me say that the subcommittee has to oppose this amendment, because we think we have made an adequate allowance.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT].

The amendment was rejected.

Mr. WEICHEL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Maritime Commission has about 250 war-built tankers still remaining in its possession which are unsold. At the present time the Maritime Commission is seeking legislation for the chartering of tankers. Since the end of hostilities, the Navy has turned back as surplus to the Maritime Commission 46 tankers, saying the Navy does not need tankers; that they are surplus; 16 of which have been turned back since the 30th day of June, 1946. There are 250 tankers now in control of the Maritime Commission which it is unable to sell, and the American-flag operators say that they own and have purchased all they need for domestic operation.

The Navy has appeared before the Committee on Merchant Marine urging that new legislation be enacted to give the Maritime Commission authority to charter these 250 unsold tankers, including the 46 the Navy turned back saying that it did not need them. The Navy says it has secured from the Appropriations Committee, the sum of \$17,300,000 so that it might charter the very tankers it turned back as not needed. There is no explanation in the hearings with reference to the fact that the Navy turned back 46 tankers. The Navy did not tell the Appropriations Committee, "We want \$17,300,000 to charter the very tankers we turned back."

The Navy in a statement before the Committee on Merchant Marine and Fisheries on Thursday, May 15, stated that it needs 20 tankers to be chartered for the fiscal year 1948, and that it secured \$17,300,000 in this appropriation bill for such chartering of tankers. I do not think that appropriation was secured fairly. There is no such explanation in the hearings. From the hearing on Thursday last before the Committee on Merchant Marine and Fisheries it first became known that the Navy is urging this legislation so that it might spend \$17,300,000 to charter the very tankers the Navy turned over to the Maritime Commission as surplus. I believe this sum of \$17,300,000 should be taken away from the Navy. The Navy should not be given \$17,300,000 to charter the very tankers it turned back as surplus, for at the very time and even now it can secure at no cost, the 250 tankers in the possession of the Maritime Commission and unsold. All the Navy has to do is operate them. They do not have to pay \$17,300,000 to secure these 250 surplus tankers. However, this was covered up in the hearings by the Navy and I believe it should be taken up in conference, and that \$17,300,000 should be taken out of

the appropriation of \$55,000,000 set forth on page 15, line 23, of the bill and described on pages 1225, 1226, and 1227 of the hearings under H. R. 3493.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield for a correction?

Mr. WEICHEL. I yield.

Mr. SHEPPARD. I rose and asked the gentleman to yield for the purpose of correcting a statement he made, that the Navy had not stated this to the subcommittee, because it did. Every member that is on this subcommittee can verify that statement.

Mr. WEICHEL. Did the Navy in asking for the \$17,300,000 to charter tankers, tell the committee that the Navy had no use for 46 tankers that it turned over to the Maritime Commission as surplus within the last 15 months, and that the Navy now will need to charter 24 tankers. If the Navy told the committee all that, would you still give the Navy \$17,300,000 to charter the very same tankers that it gave up to the Maritime Commission as surplus, while at the same time the Navy can secure all the tankers it needs without cost from the Maritime Commission who has 250 unsold tankers on hand.

Mr. SCRIVNER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time merely to answer the gentleman from Ohio, to tell him that this matter of chartering tankers was discussed. My recollection is that they did not say anything about having turned back to any agency any number of tankers, but I went into it thoroughly to determine why, with the number of men they have in the Navy, the Navy could not operate these tankers. We were told that they do operate some tankers themselves but that the \$17,000,000 which they sought for charter hire was a figure less than that for which they could operate tankers for themselves. I discussed that particular question and we were informed that due to the method under which the Navy operates their tankers it takes a much larger crew than it does in the civil lines, whether it be the merchant marine or private tanker, and that it is cheaper for them to charter tankers to haul oil and fuel than it is to operate them with Navy crews.

They did point out that during the war they operated tankers, fleet fuelers, and all of that, and that in view of the situation along the coast where there was no regularly maintained chartered tanker line they made short hauls themselves. We asked them whether or not there could be some training value for the personnel of the Navy in operating tankers. We were assured there could not be and that the method which they were seeking to follow resulted in the saving of dollars for the American taxpayer.

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

Mr. SCRIVNER. I gladly yield to the gentleman.

Mr. PLUMLEY. In testimony by the Navy they admitted that in securing these tankers without cost from the Maritime Commission if they did not have to pay for the replacements it would be cheaper. We have 250 tankers that we

have no purchasers for. So if the Navy has them and operates them and does not have to make replacements for them, it certainly would be cheaper. They did say that.

They also testified with reference to the crews. On a merchant tanker the crew is about 60 whereas the Navy uses 120 for the same operation. But they point out that with that 120-man crew they keep up the repairs and maintenance which they do not do on merchant tankers. They admit they are cheaper if they do not have to pay for the replacements.

Mr. SCRIVNER. May I say in view of some of the statements that have been made this morning you will find confirmation of the fact that I looked at many of these items with a very cold and fishy eye. Those who were present before the committee will tell you they had to prove what they said to me. In this one particular instance they convinced me that they were right and that it was more feasible to charter these tankers, as they propose doing, than it was to operate them by Navy personnel.

If the gentleman has some information which is contrary to that, the facts should be given to the Senate Committee on Appropriations and then possibly that can be cleared up in the hearings in the Senate and if necessary worked out in conference.

Mr. PLUMLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I corroborate the statement made by the gentleman from Kansas who conducted the larger part of the examination of witnesses with respect to the matter under discussion. His memory corresponds to mine, and I know with that of other members of the committee who are around me.

Mr. Chairman, in view of the hour, and in view of the fact that there is only one other amendment on the Clerk's desk, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment.

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

Mr. VAN ZANDT. Mr. Chairman, reserving the right to object, and I shall not object, may I ask the chairman of the subcommittee several questions?

First, I would like to know whether or not he has given the Navy every dollar they could justify.

Mr. PLUMLEY. And a little more.

Mr. VAN ZANDT. And is the chairman of the subcommittee satisfied that the amount of money allocated to the Navy will give to the American people the type of navy necessary to protect their interests?

Mr. PLUMLEY. Were it not so, your subcommittee would not have brought in the bill it did.

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

There was no objection.

(Mr. MATHEWS asked and was given permission to revise and extend his remarks.)

Mr. BRADLEY of California. Mr. Chairman, I move to strike out the last word.

(Mr. BRADLEY of California asked and was given permission to revise and extend his remarks.)

Mr. BRADLEY of California. Mr. Chairman, I was very much interested in the remarks of the gentleman from Massachusetts in regard to the inadequacy of the Naval Academy and the shortage of commissioned personnel at the commencement of this war. As many of you know, I graduated from the Naval Academy some 40 years ago. This spring we will have our fortieth reunion. We observe it at Annapolis next Saturday. So what I say about the Naval Academy I can say with good grace.

The Naval Academy is a fine school. It is one of the best. It does not need to take a back seat when compared to any other organization. Its graduates, I think, have been a credit to us throughout the world. However, there is nothing sacred about the Naval Academy. I have always believed there should be other ways of getting into the commissioned ranks than having to go through the Naval Academy and without having to get an appointment from a Senator or a Congressman. I believe the Navy would be better off if it took in, with reasonable safeguards, a reasonable number of graduates of colleges in the United States. I think that the proposed system, the system we are trying to build up, by which a certain number of ROTC graduates from accredited colleges are to be given commissions in the Navy, and then in a few years to go to a postgraduate school together with the regular graduates of the Naval Academy, will be for the best interests of the Nation.

We are trying to establish such a postgraduate school at Monterey, Calif., as you know. I have every hope that, rather than attempting to expand the facilities at the Naval Academy, at Annapolis, which I consider already very much congested, this House will support the efforts of the Navy Department to establish an adequate postgraduate school in California. We can thereby increase the number of our naval officers, have them all of the same kind, and, I hope, have them all representative Americans.

The CHAIRMAN. The time of the gentleman from California [Mr. BRADLEY] has expired.

Mr. McCORMACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: On page 28, line 11, after the semicolon and following the word "employee" add the following: "No part of the appropriations made in this act shall be available for the salary or pay of any officer, manager, superintendent, foreman, or other person or persons having charge of the work of any employee of the United States Government while making or causing to be made with a stop watch or other time-measuring device a time study of any job of any such employee between the starting and completion thereof, or of the movements of any such employee while engaged upon such work; nor shall any part of the appropriations made in this act be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant."

Mr. McCORMACK. Mr. Chairman, I have taken this matter up with the committee.

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

Mr. McCORMACK. Yes; I yield.

Mr. PLUMLEY. Unless there is objection on the part of the minority, as far as our side is concerned, I am willing to accept the amendment.

Mr. SHEPPARD. The minority accepts the ruling of the chairman of the committee most humbly and most acceptably.

Mr. PLUMLEY. That will save us a speech from the gentleman from Massachusetts.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. PLUMLEY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ARENDS, 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. 3493) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1948, and for other purposes, directed him to report the same back to the House with an amendment with the recommendation that the amendment be agreed to and the bill as amended do pass.

Mr. PLUMLEY. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The 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.

#### EXTENSION OF REMARKS

Mr. MACKINNON (at the request of Mr. ARENDS) was given permission to extend his remarks in two separate instances and in one to include an editorial.

Mr. POTTS asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. WEICHEL asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a letter from the Boston Wool Trade Association, together with a brief.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. JONES of Ohio asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. BATES of Massachusetts asked and was given permission to extend his remarks in the Appendix of the RECORD and insert therein an article from the

Lowell Sun bearing on the question of unification.

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

Mr. GAMBLE asked and was given permission to extend his remarks in the Appendix of the RECORD and include two editorials.

Mr. RANKIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include excerpts from an article on the Antidefamation League.

Mr. HORAN (at the request of Mr. PLOESER) was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

#### CORRECTION

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent that the RECORD of May 15, page 5528, second column, may be corrected as follows: My statement should read "Of that 2,500,000, at least 50 percent are in southern California," not "the State of California."

The SPEAKER. Without objection, the RECORD will be corrected accordingly. There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. LODGE. 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 Connecticut?

There was no objection.

#### LABOR-RELATIONS BILL

Mr. LODGE. Mr. Speaker, I believe that the labor bill recently passed by the other body, though not ideal, is a more equitable bill than the one passed by the House. Unlike the House bill, it does not authorize private employers to obtain injunctions, and it leaves the difficult and delicate problem of industry-wide bargaining for further study. Furthermore, it safeguards but does not prohibit employer contributions to union welfare funds.

It is my hope that the House conferees will see fit to accept the substance of the Senate bill. In my opinion, such a bill has a far better chance of becoming law. In the interests both of the workers and the general public it is important that some legislation on this vital problem should become law during this session.

#### EXTENSION OF REMARKS

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

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

There was no objection.

#### S. 814 IMPERILS THE WHOLE TEXTILE INDUSTRY

Mr. LANE. Mr. Speaker, this irresponsible piece of legislation must be defeated.

Coming at a time when prices have nearly reached the breaking point, this inflationary measure may well touch off the collapse in one industry which, spreading like a contagion to others, may plunge us into a swift deflation and a ruinous depression.

Already the demand for worsted goods is beginning to ease up. The artificial jacking up of prices embodied in this bill, could not come at a worse time for the industry. The provision to increase import duties on wool up to 50 percent ad valorem without notice or hearing, at the discretion of the Secretary of Agriculture, would totally disrupt the cost estimates of manufacturers. The inevitable result would be the cutting of production to a minimum, when the cry is for more and more production. This bill would put the textile industry out on a limb. The only protection for the manufacturers would be curtailment of all activities, causing loss of income and widespread unemployment.

In the New England States, textiles provide 4 out of every 10 jobs. In my home city of Lawrence, the largest producer of worsteds in the world, the industry provides 7 out of every 10 jobs. We are in no mood to stand idly by and permit the basic element in our economy to be destroyed by the wool-raiding lobby. If the woolen and worsted industries curtail production, as they certainly will if faced with this confiscatory tariff, the wool-growers of the United States will also lose.

The extremes to which S. 814 goes, has all the earmarks of a conspiracy to profit a few, at a disastrous cost to many.

At first glance, the extra preferences granted to the wool farmers may appear attractive to them. I give them sober warning, however, that this bill will prove to be a boomerang. If you paralyze the textile industry, you will be cutting off the market for your wool. And you cannot expect the Government to go on buying your product at a highly inflated level, when it can only dispose of it at a loss. These are totalitarian methods. They will not work and they will not be endured.

Let us face the facts honestly.

Our domestic wool crop was never able to supply more than half of the raw material needs of our manufacturers. In addition, it could not provide the long-fiber raw wool necessary for quality worsteds. Shall the manufacturers and the consumers of the Nation be penalized for this? That, precisely, will be the net result if S. 814 should be approved by this House. In essence it says: "Take my limited product at prices held high above real market value or take none at all." In effect, it is monopolistic and dangerous.

Wool needs some support. Every fair-minded person will agree with this. But when the growers seek preferences far above the bulk of all other agricultural items, their case loses ground. Ninety percent of parity is good enough insurance for any commodity. Parity is a Government index of farm-operation costs, similar to the cost-of-living index. But wool wants to be the prodigal son, getting a guaranty of 100 percent. Furthermore, they want this guaranty to hold through 1947-48, when prices in a free market are bound to come down. S. 814 would fix the price of wool for 2 years at over 100 percent of today's high parity, and could be 130 percent or more should

parity drop to wartime levels, which is inevitable.

The workers in the textile industry are feeling the high cost of living because their wages have not kept pace with costs. They know that the prices of agricultural commodities, as a group, have gone higher than any others. Why wool should be seeking a support price still higher than it has enjoyed, is beyond their common-sense understanding. They are unanimously opposed to S. 814.

The Government is already stuck with a 400,000,000-pound wool surplus which it cannot get rid of. On this program, to date, it has lost over \$38,000,000. It seems very strange to me that members of the so-called economy party in Congress should be working to have the Government drop another \$100,000,000 through indirect subsidies to wool farmers by outright Government purchase of the 1947 and 1948 wool production in the United States. And at the highest prices over a 27-year period. It is also a striking contradiction of their oft-expressed determination to get the Government out of business. For S. 814 means the nationalization of the raw-wool industry.

The House Agricultural Committee has inserted in the bill a provision directing the Secretary of Agriculture, whenever he finds cause, to impose an import fee above the present duty, after the duty has been paid, and also allows him to impose a floor tax at the time of withdrawal of wool from bonded warehouses. The temptation to do this stems from the fact that the Government already has a huge wool surplus. The textile industry needs long-fiber imported wool. Putting on the new import fee would drive import-wool prices up and would add a dollar to the price of 75,000,000 wool garments bought annually by Americans.

The effect on manufacturers would be disastrous. In the woolen-worsted industry, prices and orders are taken twice a year—in the spring and in the fall. If, after making a sale at a stated price, the manufacturer is confronted with the fact of additional import fees and floor taxes imposed suddenly by the Secretary of Agriculture, he will be forced into bankruptcy. In this capricious set-up, free enterprise would be choked to death.

The critical need of our Nation is for more production, so that supply may catch up with demand and result in a gradual reduction in prices. The remedy for the danger which exists is not to price an industry out of business.

We, from the manufacturing areas, recognize that the domestic growers of wool are entitled to some price support. In a spirit of cooperation, we ask that they, in turn, consider our problem.

The woolen and worsted industry cannot survive the drastic penalties imposed by S. 814.

Wool growers, manufacturers, textile workers, and consumers are partners in an enterprise. They must not become antagonists because all of them will suffer.

In place of the extreme provisions of S. 814, we suggest that you join with us in supporting the moderate Herter bill,

which gives due consideration to all factors in the problem. This will give Government support at 90 percent of parity to the wool growers, in line with other agricultural commodities. It will take the Government out of the wool business, where its record has been a costly failure. It will restore private incentive to the industry and protect tens of thousands of people from losing their jobs. It will bank and not fan the fires of inflation.

The wool growers already enjoy a generous tariff protection. The wool farmers are prosperous, and in this respect let it be noticed that 90 percent of the domestic wool supply is processed in the manufacturing plants in the Northeastern States and about three-quarters of the lamb crop is consumed in this area. It is hardly the best policy for the wool growers to bite the hand that feeds them.

Nor would it be wisdom on our part to fight against price support for wool.

The only reasonable course for all of us to follow is to enact legislation similar to the Herter bill, which is fair to all parties concerned.

S. 814 as amended by the Rules Committee of the House is discriminatory and inflationary. In the national interest, it must be defeated.

BOSTON WOOL TRADE ASSOCIATION,  
May 16, 1947.

HON. THOMAS J. LANE,  
House Office Building,  
Washington, D. C.

DEAR SIR: As representing most of the wool merchants of the country, including the National Wool Trade Association and the Philadelphia Wool and Textile Association, I ask you very earnestly to give your attention to the enclosed brief which covers S. 814, the wool bill which is about to reach the floor of the House.

It happens that three-fourths of all the woolen and worsted mills are within a 300-mile radius of Boston—hence this is the center of distribution of the raw wool of the country.

For generations, our merchants have been performing their function of going West each spring and summer, buying wool from the growers competitively, bringing it East for storage, grading, and preparing according to the needs of each manufacturer, and selling it gradually as the mills may want it for their various yarns and fabrics. This bill S. 814 would have the Government take over our business.

For war reasons, in 1943 it was necessary for the Government to purchase all domestic wool, but we expected our business to be returned at the cessation of hostilities. Bill S. 814 sponsored by Senator ROBERTSON of Wyoming and Representative HOPE of Kansas provides for the continuance of a Government purchase for at least two more years. Normally the handling of domestic wool comprises three-fourths of our business, and we have a right to expect the Government to permit a return to free enterprise.

The wool business is intricate and a technical one, but we have tried to summarize our case very briefly as per enclosure. Should you desire more detailed facts and figures, we will be pleased to forward them at once. Having no organized lobby working in our behalf, this is the only way of bringing our case to the Members of your legislative body.

Thanking you for your consideration, and asking for your assistance in this matter, I am

Sincerely yours,

HARRY A. TILTON,  
President, Boston Wool Trade Association.

BRIEF SUBMITTED BY THE WOOL MERCHANTS, IN  
OPPOSITION TO ENACTMENT OF S. 814

A. S. 814 is a denial of free enterprise to the wool distribution industry:

1. S. 814 compels Government purchase or loan on United States wool at 42.3 cents a pound (by agreed definition of 1946 support level).

2. The market price of United States wool is not over 38 cents (fact not disputed by any party).

3. By paying above the market price the Government excludes all competitive merchants from their livelihood, and nationalizes the industry.

B. S. 814 is very costly to the United States Treasury:

1. S. 814 authorizes the Government to sell the wool at market value.

2. At the present market value, which is the highest of any peacetime year since 1923, the loss under S. 814 on selling the 1947-48 wool figures to be at least \$30,000,000, plus minimum costs for storage, handling, administration, etc., of \$10,000,000—or \$40,000,000 certain loss to the taxpayers.

3. Should market value decline 20 percent the loss under S. 814 would be sixty million additional or one hundred million total.

4. The above is in addition to losses of thirty-seven million realized loss and fifty-five million anticipated by CCC to be lost on its wool operations to date.

C. S. 814 provides an indirect subsidy to sheep farmers that is totally unnecessary:

1. Sheep farmer produces annually more than 6 pounds of meat (mostly lamb) to every single pound of wool. Wool is incidental to the sheep operation.

2. Lamb prices today are 250 percent of prewar normal (1921-40). Today 20 cents against normal 8 cents. Wool prices are 140 percent of prewar normal. Today 38 cents against normal 27 cents. (Figures from United States Department of Agriculture).

3. Thus the over-all income of the sheep farmer is by official figures shown to be over 230 percent of normal (6 times 250 percent plus 1 times 140 percent averaged equal 230 percent). This is one of the highest increases of income of any class of citizens of our country. The sheep operation certainly does not now require subsidization from the United States Treasury.

4. If United States sheep population has declined, as it has since 1942, it is because the operators have been influenced by these high prices to sell their "seed-corn," i. e., their ewe lambs, and by intent have reduced their flocks. A similar thing happened from 1926 to 1931, when production rose 50 percent while prices declined 50 percent. It is normal in the sheep industry for production to rise when prices fall and for production to decline when prices rise.

5. Not a single individual case of farmer financial hardship was disclosed at the hearings on this bill.

Summary: S. 814 is not good legislation. It does not get the Government out of business.

It increases taxes.  
It subsidizes a segment of our economy that is in fact very prosperous.

It liquidates a class of skilled free-enterprise wool merchants and substitutes a Government bureaucracy in their place.

ADDENDA

Because S. 814 is not sound legislation it should not pass as written. This is not to say, however, that no wool legislation is in order.

Corn, wheat, tobacco, potatoes, hogs, and in fact, most agricultural products have been favored by a Government guaranty of a floor price during 1947-48 of 90 percent of parity. Wool has no such guaranty. We think that wool is equally entitled to such a guaranty and understand that Representative CHRISTIAN HERTER will submit substitute legislation to this end. Ninety per-

cent of parity is probably the limit within which private enterprise can function without the Government having to operate the market (as has happened recently to potatoes) and suffer tremendous losses.

Also there is an enabling law needed for the disposal of the Government war surplus of wool which cannot now legally be sold under 100 percent of parity. This is also covered in the Herter legislation, to enable selling the surplus at market.

These two points are all the legislation needed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. POWELL (at the request of Mr. CELLER), for an indefinite period, on account of illness.

To Mr. HUGH D. SCOTT, JR. (at the request of Mr. SIMPSON of Pennsylvania), indefinitely, on account of illness.

To Mr. JOHNSON of Illinois (at the request of Mr. ARENDS), indefinitely, for the purpose of attending a funeral.

ADJOURNMENT

Mr. ARENDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 14 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 21, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

698. Under clause 2 of rule XXIV, a letter from the Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the case of 191 individuals whose deportation has been suspended for more than 6 months, together with a statement of the reason for such suspension, was taken from the Speaker's table and referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 3308. A bill to increase the minimum allowance payable for rehabilitation in service-connected cases; with an amendment (Rept. No. 396). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 3516. A bill to provide increases in the rates of pension payable to Spanish-American War and Civil War veterans and their dependents; without amendment (Rept. No. 397). Referred to the Committee of the Whole House on the State of the Union.

Mr. POTTS: Committee on Merchant Marine and Fisheries. H. R. 1260. A bill to amend section 107 of title 2 of the Canal Zone Code, approved June 19, 1934; with an amendment (Rept. No. 398). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 1274. A bill to extend the reclamation laws to the State of Arkansas; without amendment (Rept. No. 399). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEALL: Committee on the District of Columbia. H. R. 2947. A bill to authorize an adequate White House Police force; with an amendment (Rept. No. 400). Referred to

the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3151. A bill to grant a certain water right and a certain parcel of land in Clark County, Nev., to the city of Las Vegas, Nev.; without amendment (Rept. No. 401). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3197. A bill to authorize the Secretary of the Interior to contract with the Mancos Water Conservancy District increasing the reimbursable construction cost obligation of the district to the United States for construction of the Mancos project and extending the repayment period; without amendment (Rept. No. 402). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on the District of Columbia. H. R. 3235. A bill to amend the Code of Laws of the District of Columbia, with respect to abandonment of condemnation proceedings; with an amendment (Rept. No. 403). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 3348. A bill to declare the policy of the United States with respect to the allocation of costs of construction of the Coachella Division of the All-American Canal irrigation project, California; without amendment (Rept. No. 404). Referred to the Committee of the Whole House on the State of the Union.

Mr. WEICHEL: Committee on Merchant Marine and Fisheries. H. R. 3350. A bill relating to the rules for the prevention of collisions on certain inland waters of the United States and on the western rivers, and for other purposes; with an amendment (Rept. No. 406). Referred to the Committee of the Whole House on the State of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 325. A bill to transfer Blair County, Pa., from the middle judicial district of Pennsylvania to the western judicial district of Pennsylvania; without amendment (Rept. No. 407). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'HARA: Committee on the District of Columbia. H. R. 1893. A bill to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia; without amendment (Rept. No. 405). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California:

H. R. 3527. A bill to exempt from taxation certain property of the Reserve Officers Association of the United States in the District of Columbia; to the Committee on the District of Columbia.

By Mr. BARTLETT:

H. R. 3528. A bill to increase the rates of certain educational and readjustment allowances payable to veterans in order to compensate for the higher cost of living in Alaska; to the Committee on Veterans' Affairs.

By Mr. BOGGS of Louisiana:

H. R. 3529. A bill prohibiting members of certain subversive organizations from being members of any labor organization, and for other purposes; to the Committee on the Judiciary.



organization, dated April 18, 1947, the problem has been presented, and a solution offered. I should like to present their suggestion to the Congress for its immediate consideration and study. I include this letter from the National Small Businessmen's Association, Inc.:

NATIONAL SMALL BUSINESSMEN'S  
ASSOCIATION, INC.,

Washington, D. C., April 18, 1947.

HON. CHARLES R. ROBERTSON,  
House of Representatives,

Washington, D. C.

DEAR MR. ROBERTSON: A great many members of our association are quite concerned regarding the unfairness of the so-called notch tax and urge that Congress amend the Federal tax on corporate income under the Revenue Act of 1945 so as to do away with the inequities resulting from the notch tax.

The particular phase of this taxing schedule with which we are concerned is that portion on net earnings between \$25,000 and \$50,000 which is the usual range for small- and medium-sized corporations. The normal tax of 31 percent plus the surtax of 22 percent or a total of 53 percent is out of line with the total tax up to \$25,000 and the tax on net earnings over \$50,000.

The so-called normal tax on corporation net income under the Revenue Act of 1945 is 15 percent for the first \$5,000, 17 percent for the net income from \$5,000 to \$20,000, 19 percent for the net income from \$20,000 to \$25,000, and 31 percent for the net income from \$25,000 to \$50,000, and then drops back to 24 percent for net income over \$50,000. The surtax on the first \$25,000 is 6 percent and on the portion of net income from \$25,000 to \$50,000 is 22 percent and on all net income over \$50,000 drops back to 14 percent.

The sum total of the two taxes being 21 percent on net income from 0 to \$5,000, 23 percent on net income from \$5,000 to \$20,000, 25 percent on net income from \$20,000 to \$25,000, 53 percent on net income from \$25,000 to \$50,000.

After the net income passed \$50,000 the tax drops back to 38 percent and remains at that rate for all net income over \$50,000.

Although the 53-percent bracket to which we object applies on all tax returns where the net income reaches or exceeds this bracket this 53-percent rate nevertheless places a disproportionately heavy burden on the small corporations which have net profits of between \$25,000 and \$50,000.

In other words, if a corporation has net income of \$500,000 the fact that it has to pay 53 percent in the \$25,000 to \$50,000 bracket doesn't mean much. On the other hand paying 53 percent in this bracket does mean a great deal to a corporation with net income of \$45,000.

It is the opinion of our association that the 53-percent bracket could be made more equitable by placing the corporation tax on a graduation basis in the same manner as income tax. We suggest the following schedule be given consideration: 15 percent for the first \$5,000, 17 percent for the net income from \$5,000 to \$20,000, 19 percent for the net income from \$20,000 to \$35,000, 24 percent for the net income of \$35,000 and over.

We also suggest that the surtax on net income be changed from 6 percent on the first \$25,000 to 6 percent on the first \$35,000, 8 percent from \$35,000 to \$50,000, and 14 percent on net income over \$50,000, with the total of the two taxes being 21 percent on net income from 0 to \$5,000, 23 percent on net income from \$5,000 to \$20,000, 25 percent on net income from \$20,000 to \$35,000, 32 percent on net income from \$35,000 to \$50,000, 38 percent on net income of \$50,000 and over.

This suggested schedule would not penalize anyone and would certainly place the firm in the \$25,000 to \$50,000 bracket on a much fairer position than they now hold.

We solicit your study and consideration of this phase of the tax question, and sincerely hope that something can be done to correct this particular situation.

Sincerely,

A. W. KIMBALL,  
Director, Washington Office.

J. Edgar Hoover

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1947

Mr. WOODRUFF. Mr. Speaker, I have known J. Edgar Hoover, the very capable Director of the Federal Bureau of Investigation, since 1924 when he assumed the responsibilities of that position. His record has been an amazingly successful one. Prior to Mr. Hoover's appointment, there had been frequent changes in the directorship. These changes were made presumably either because of politics or dissatisfaction with the way those responsibilities had been discharged by the directors. It is a most significant fact that there has been no change during the past 23 years. During this time the Department has been greatly enlarged and the efficiency thereof has been above criticism. As a matter of fact, the FBI has acquired a standing among the law-enforcement agencies of the world such as no other has equalled. The people of the United States are fortunate indeed to have had the services of this fine public official. There have been times when elements of our society have undertaken to bring about Mr. Hoover's replacement, but, notwithstanding these efforts, he has retained the confidence and the support of each administration since his appointment.

Mr. Speaker, recently I read an article in the New York Post written by Mr. Victor Riesel. Evidently this very able writer thinks as highly of Mr. Hoover as I and he sets forth certain things and activities concerning the FBI which should be interesting to everyone with any regard for efficient administration and law enforcement.

Mr. Speaker, I include as part of these remarks the article referred to:

[From the New York Post of May 13, 1947]

INSIDE LABOR

(By Victor Riesel)

I'll always be grateful to those high school and college athletes who cracked my nose and hospitalized me by ripping my sides with their muddy cleats on the football field. This sandlotting took up so many hours I couldn't find the time to become an intellectual.

Because I got to know so little and didn't have time to develop my mind, I found when I took to the typewriter to earn my daily bread that I'd neglected to lease an ivory tower and had to go out and look at things before I could write about them.

So while I traveled I kept up with the latest in crusades by reading my more intellectual colleagues, especially those professional liberals who never went anyplace but who knew just what was right for the world, the working class, and humanity.

There are lots of ways to earn a living and the ivory tower specialists can work their corner any way they see fit. But I'm exceedingly wearied by the professional liberal who sees as Fascist all who disagree with his thesis that our country, right or wrong, is wrong.

I'm weary, for example, of those who now are trying to smear the FBI as a secret political police because the Bureau will check the loyalty of all Federal workers. I wonder if it has ever occurred to that professional "our country can't be right" crowd to climb down from the stars and learn what the FBI is, before they try to smear it as an antilabor, antiliberal thought police agency.

Why don't they go and look? They'd find, for example, that the \$35,000,000 which the Government spends on the FBI nets it about \$68,500,000 a year in fines, savings, and recoveries.

There were 169 convictions for white slavery in 1946 on the basis of FBI evidence. Since 1941, there have been 41 convictions of seditionists and last year three Axis spies were jailed while recoveries of funds came to \$3,650,000 from this crowd.

And if these men who crusade in the name of the working stiff, whether said stiff like it or not, aren't interested in the seditionists, their great hearts should glow over the fact that the FBI made 15 election fraud investigations this year and sent 45 persons to jail for tampering with the democratic process. And what about the 145 convictions for antitrust violations which resulted in \$405,700 fines and recoveries of \$31,248,000?

As for this dreadful secret police's suppression of labor, last year it participated in the conviction of nine union men who violated the War Labor Disputes Act and were sentenced to a total of 6 months and fined all of \$2,340.

I wish those professional liberals would lease their ivory towers to the apartment-hungry crowds and go and see for themselves. And it would make better copy, too.

Commission on Christian Social Relations

EXTENSION OF REMARKS

OF

HON. JACOB K. JAVITS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1947

Mr. JAVITS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include certain statements and resolutions:

DIocese of New York,  
New York, May 16, 1947.

The Honorable JACOB K. JAVITS,  
The House Office Building,  
Washington, D. C.

DEAR SIR: I hereby certify that the enclosed statements and resolutions, entitled 1. "Displaced Persons and United States Immigration Policy"; 2. "The Taft-Ellender-Wagner Federal Housing bill"; 3. "Social Security for Lay Employees of the Church" were presented to the annual convention of the diocese of New York, held in the synod house of the Cathedral Church of St. John the Divine, New York City on Tuesday, May 13, 1947. Each of these, separately, was adopted by a unanimous vote of the convention.

Respectfully yours,  
Rev. R. A. D. BEATY,  
Secretary of Convention.

COMMISSION ON  
CHRISTIAN SOCIAL RELATIONS,  
DIOCESE OF NEW YORK.

STATEMENTS AND RESOLUTIONS PRESENTED TO  
DIOCESAN CONVENTION, MAY 13, 1947

1. Displaced persons and United States immigration policy.
2. The Taft-Ellender-Wagner Federal housing bill.
3. Social security for lay employees of the church.

REV. HAROLD F. HOHLY,  
*Chairman.*  
REV. DELAND B. HENRY,  
*Executive Director.*

DISPLACED PERSONS AND UNITED STATES  
IMMIGRATION POLICY

Two years after the war there are at least 850,000 persons in detention camps in Europe who do not wish to return to their native lands for fear of oppression for religious, racial or political reasons. They represent all religions—80 percent Christians of various denominations, 20 percent Jews. The United States could easily absorb some of these people, especially since during the years 1940-1946 only 15 percent of our total world quota (of immigrants) was used. A fair share of displaced persons (estimated by experts) would be 400,000—less than half of the number that were not admitted during the war years.

No displaced person entering the United States could become a public charge as every individual corporation or agency sponsoring a displaced person must furnish an affidavit to that effect. They would be housed by friends, relatives and organizations responsible. They are workers: agricultural, housemaids, skilled workers, business and professional.

RESOLUTION

Believing in the Fatherhood of God and the Brotherhood of Man: Be it therefore

*Resolved*, That the Diocese of New York, in convention assembled, approve the plan to admit up to 400,000 displaced persons by reopening unused immigration quotas back to 1940 and allowing quotas to be transferable, this to be done over a period of 4 years, through the regular channels of the United States Government, and further be it

*Resolved*, That copies of this resolution be sent to the President of the United States, the chairmen of the appropriate committees of the Senate and of the House of Representatives, to the Senators from the State of New York and to the Representatives whose districts lie wholly or in part within the boundaries of the diocese.

THE TAFT-ELLENDER-WAGNER FEDERAL HOUSING  
BILL

THE NEED

The National Housing Agency estimates the present housing shortage at not less than 4,300,000 family units, not including any construction for the replacement of an additional 7,000,000 substandard dwellings, many of which are definitely unfit for human occupancy.

THE HUMAN COST

The housing shortage is the most serious single social problem facing the American people today. Several million families are living in inadequate quarters doubled-up with in-laws or friends, in quonset huts, in Army barracks and in trailer camps. The social, moral and spiritual results are reflected in broken homes, juvenile delinquency, ill-health, and increasing social tensions. The feeling of disillusionment and frustration on the part of millions of veterans who return from military service to find the country and social order they fought to defend unable to supply them with the

ordinary decencies of life constitutes an increasingly serious problem.

The welfare of the family has always been a concern of the Christian church. The welfare of the family requires a home. Therefore, the housing shortage is a legitimate interest of the church.

PRESENT CONSTRUCTION

In New York City (where the current shortage is 150,000 family units, not including the replacement of any substandard dwellings) during 1946 8,926 units were demolished and 4,578 new dwellings completed. Against a need of 150,000 units we have a net loss of 4,348 units. During the first 3 months of 1947 home building by private industry in New York City is 53 percent below the same period of 1946. So far as private construction is concerned, we are actually losing ground.

A FOUR-POINT PLAN

Due to the cost of construction, housing authorities are generally agreed that the provision of new housing requires a four-fold approach.

1. The needs of the lowest income group, able to pay not more than \$30 per month, can be met only by public housing, with both tax exemption and subsidy. (For example, East River houses.)

2. The needs of the group able to pay from \$35 to \$50 per month can be met by public housing with tax exemption but without subsidy. (No local example.)

3. The needs of the group able to pay from \$55 to \$80 per month can be met by various forms of institutional investment, and by private, limited-dividend housing. This requires no subsidy, but does require temporary, limited tax exemption. (For example, Stuyvesant Town and Knickerbocker Village.)

4. The needs of the group able to pay over \$80 per month can be met by unaided private industry.

TAFT-ELLENDER-WAGNER BILL

A comprehensive approach to the entire problem, with special emphasis upon the needs of the lower middle-income group is provided by legislation now pending in Congress. The Taft-Ellender-Wagner bill (S. 866), and its companion bill in the House (H. R. 2523) have been introduced with bipartisan support after extended hearings in the Senate.

This bill has the support of the Federal Council of Churches, the National Catholic Welfare Council, the National Council of Jewish Women, the American Federation of Labor, the Congress of Industrial Organizations, the United States Conference of Mayors; the Veterans of Foreign Wars, the American Veterans' Committee, the Citizens Housing Council and literally hundreds of civic groups. The bill has been drawn to cover every aspect of the housing problem with a well-planned, long-range approach. In the opinion of qualified experts in the field it is the most comprehensive housing bill ever presented.

The Commission on Christian Social Relations therefore offers the following resolution:

Whereas the church in common with all social minded individuals and groups, is keenly aware of the gravity of the present housing shortage, with its tragic affects upon family stability, juvenile delinquency, health, and the social, moral, and spiritual welfare of hundreds of thousands of our fellow citizens: Be it therefore

*Resolved*, That the Diocese of New York, in convention assembled, urge the enactment by the Congress of the United States of the Taft-Ellender-Wagner Federal Housing bill (S. 866, H. R. 2523); and be it further

*Resolved*, That copies of this resolution be sent to the President of the United States,

the chairmen of the appropriate committees of the Senate and of the House of Representatives, to the Senators from the State of New York and to the Representatives whose districts lie wholly or in part within the boundaries of the diocese.

SOCIAL SECURITY FOR LAY EMPLOYEES OF THE  
CHURCH

A RESOLUTION

Whereas lay employees of religious organizations are not included among those covered under the provision of the Federal laws providing for Federal old-age and survivors insurance benefits; and

Whereas the persons not so covered by reason of such employment are deprived of substantial rights and benefits, which are enjoyed by the vast majority of their fellow-citizens; and

Whereas the public interest and welfare require that such benefits should be made available to persons not now covered under the Federal law so as to bring a measure of security to them in their old ages, and also to their dependent survivors; and

Whereas it is in the interest of the church to have at least a portion of the responsibility for the old age of her lay employees covered by the benefits made available under the Federal law: Be it therefore

*Resolved*, That the diocese of New York, in convention assembled, hereby memorializes the Congress of the United States to enact legislation to bring within the coverage of the Federal laws providing for Federal old-age and survivors insurance benefits, lay employees of religious organizations; and be it further

*Resolved*, That copies of this resolution be transmitted to the President of the United States, to the President of the Senate, to the Speaker of the House of Representatives, to the Senators from the State of New York, and to the Representatives whose districts lie wholly or in part within the boundaries of the diocese.

Amendment to Wool Bill, S. 814

EXTENSION OF REMARKS  
OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1947

Mr. HOPE. Mr. Speaker, under permission given me to extend my remarks in the RECORD, I include herewith an amendment which will be offered to the wool bill, S. 814, when that measure comes before the House for consideration.

The amendment will be offered as a substitute for section 4 which is a committee amendment inserted by the House Committee on Agriculture. The new amendment makes wool one of the commodities to which section 22 of the Agricultural Adjustment Act is applicable. It provides further that as to wool "no limitation shall be imposed on the total quantities of wool or products thereof which may be entered or withdrawn from warehouse for consumption." The new matter added to section 22 is that which is in italic:

(a) Whenever the President has reason to believe that any one or more articles are being, or are practically certain to be, imported into the United States under such conditions and in sufficient quantities as

to render or tend to render ineffective or materially interfere with any program or operation undertaken, or to reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32 Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or the Wool Act of 1947, he shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigations shall be made after due notice and opportunity for hearing to interested parties and shall be conducted subject to such regulations as the President shall specify.

(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees on, or such limitations on the total quantities of, any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary to prescribe in order that the entry of such article or articles will not render or tend to render ineffective or materially interfere with any program or operation undertaken, or will not reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or the Wool Act of 1947: Provided, that no limitation shall be imposed on the total quantity of any article which may be imported from any country which reduces such permissible total quantity to less than 50 percent of the average annual quantity of such article which was imported from such country during the period from January 1, 1929, to December 31, 1933, both dates inclusive: And provided further, That no limitation shall be imposed on the total quantities of wool or products thereof which may be entered or withdrawn from warehouse for consumption.

### Low-Cost Peace

#### SPEECH

OF

**HON. LYNDON B. JOHNSON**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1947

Mr. JOHNSON of Texas. Mr. Speaker, there is no doubt that this Nation needs progressive and enlightened leadership from both management and labor. There are signs that a new generation is arising in American business which is aware of its responsibilities and which has the imagination not merely to talk about the need for enlightened leadership, but to provide it.

One of these leaders is Charles Luckman, president of Lever Bros. Mr. Luckman has recently delivered a series of remarkable speeches, in each one of which he has advocated a program designed really to make democracy work. In a speech which he made at the University of Illinois last Thursday, Mr. Luckman advocated a round-table pro-

gram for labor and management to be financed by a voluntary round-table fund of a million dollars. He has offered on behalf of his company to contribute \$100,000 of this. It is Mr. Luckman's belief, as he has said in several of his speeches, that both labor and management must realize that their battles are not a private war; that they influence the entire people of the United States—and even of the world, and he proposes that the ranking junior leaders of both labor and management should engage in a joint educational program in which they consider not merely their own private problems but the problems of the entire Nation. I commend his speech to the consideration of the Members of the House:

#### LOW-COST PEACE

I am not here to be sentimental about our university's past. It is my privilege to join other voices here in doing honor to the man who will lead it into the future.

If someone should compile a set of ideal qualifications for the president of a great State university, these would surely include a distinguished teaching record, outstanding experience as an administrator, service in high public office, wide knowledge of the world through travel and observation, and an international reputation. There is no man in American education today in whom these qualifications are more ideally combined than in Dr. George Dinsmore Stoddard.

Last year he remarked to an alumni group: "The University of Illinois is not only a great university now, but it can become the greatest of all State universities."

On his own distinguished record as a scientist and a teacher, we understand Dr. Stoddard's prophecy to mean this: The greatness of the University of Illinois will be measured by the greatness of its service to the people of this State, this Nation, and this world.

It has already rendered a great service to thousands of young men and women. The 4 years I spent here as a student of architecture endowed me with a basic formula for studying, analyzing, and thinking problems through to their logical, though not necessarily obvious conclusions. Those who participated in my education passed on to me a way of life, nor merely a means of livelihood.

In the years which have ensued, I have been blessed with much—a large part of which resulted from my having been the beneficiary of the education afforded by this University. It is, therefore, only natural that I have a deep and abiding sense of obligation to do my utmost to help make it possible for millions of other young men to be given the same opportunity.

Once again, this is more than a mere conventional acknowledgment. The scope of this self-imposed obligation is both staggering and frightening. The future of the world is at stake in the race between education and catastrophe. In 1914, catastrophe won. Again in 1939 catastrophe won. These two lost races cost the world 120,000,000 casualties and \$3,337,000,000,000.

Have we not already paid a disastrous price to give living significance to one of the United Nations preambles which states:

"Since wars begin in the minds of men, it is in the minds of men that the defenses of peace must be established."

We cannot act upon this self-evident proposition, unless we are willing to forego a few of our luxuries to pay for the training and cultivation of our national intellect. For too many years we have measured the wealth of nations by their natural resources, not reckoning that the greatest resource possessed by any country is the capacity of its people to be educated. In the development

of our education, we Americans now spend no more than \$3,000,000,000 annually, which represents only 1½ percent of our national income.

This simply is not enough in a world threatened by imperial communism. It is not enough when the Soviet Union spends 8 percent of its income, or \$7,500,000,000 a year to make big Marxists out of little ones. If we truly want our children to believe in the Bill of Rights, in the freedom and dignity of the individual, and in the political ideals of Jefferson and Lincoln, then we will have to spend, and spend, and spend.

In this troubled era, any nation is insane to worry about appropriations big enough for parity of physical armaments, while failing to make appropriations which will assure a parity of intellectual armaments.

This is particularly true of a nation which has grown soft with good living, and which has counted the training of its young as less important than liquor for its gullet, or paints and perfumes for the adornment of its women.

If our country can afford to spend \$20,000,000,000 a year on recreation, tobacco, alcohol, soap, and beauty preparations, it can afford to ante up an additional \$3,000,000,000 for the knowledge and understanding so vital to the perpetuation of our democratic way of life. It is written in Ecclesiastes that "wisdom is better than weapons of war"—a thought echoed 2,000 years later by Edmund Burke when he so wisely said: "Education is the cheap defense of nations."

If we can't afford this cheapest of defenses, then we should cut down on the consumption of our comforts and luxuries. As a manufacturer, I say to you that I would rather sell 15 percent less of these comforts, which include my own products, if this must be the price for providing the youth of our country with a passport to a good education.

Democracy is postulated upon the existence of an intelligent electorate. It cannot flourish half educated and half illiterate. "It is by education," said Aristotle, that "I learn to do by choice, what other man do by the constraint of fear." How well are we progressing in the endeavor to make education common to all, to the end that we may do by choice what other men do by constraint of fear? Rather poorly. It is a shocking fact that today over 3,000,000 American children of school age are not in school. On top of that tragic fact, we must also remember that there is an additional 2,000,000 children who are in schools where they are receiving an inadequate, substandard education. Thus, one child out of every six school-age youngsters is being disenfranchised by our apathy and selfishness. This condition is of vital significance to the colleges of our Nation because the future of higher education is inextricably tied to the quantity and quality of the cross-road schools.

These schools have given us a present college enrollment of 2,100,000 students, with an additional half million young men and women knocking at the doors—only to be turned away.

I hasten to point out that among these half-million educationally displaced persons, there are over 350,000 GI's. They have already sacrificed 5 years of their lives. Shall we now deny them the opportunity to benefit from the kind of life which they fought and bled to protect?

How dare we Americans gamble \$5,000,000,000 a year on horse races while veterans of our armed forces are unable to gain admission to college because of lack of facilities? Or do we expect to ride the wave of the future on the back of our favorite gelding at 2-to-1 odds?

Why are we making educationally displaced persons out of 5,500,000 American youngsters?

Is it not about time for us to make another historic declaration of war—this time on ignorance?

The most common answer to these questions seems to be that our physical facilities for education are inadequate to bear a heavier load.

An inventory of our plant facilities for education reveals that we now have about 209,000 primary schools, 29,000 secondary schools and 1,750 colleges serving approximately 30,000,000 young people between elementary and college ages. We also know that room is needed for approximately 4,000,000 more. In other words, our present plant capacity is capable of serving only 30 students out of 34 applicants.

So, I think we can agree that the immediate problem is to find some kind of housing for our educational machinery—and to get its wheels, however creaky, in motion so that millions of students shall not lose irretrievable time while we are repairing the consequences of our own neglect.

I think a production executive would try to accomplish this objective by recognizing at the outset that he was dealing with a crisis, and that he could not overcome it by using niminy-piminy methods. He would further recognize, as he did during the war, that plant equipment is one problem, and the necessary personnel to operate it, quite another. He would, therefore, tackle these problems singly. Turning first to the problem of physical plant, he would ask himself: "How much equipment have I to work with, and how much of the time is it now being used?"

In analyzing the facts, he would discover that the Nation's primary and secondary school equipment is generally operated only 9½ months, or 42 weeks a year. He would then say to himself: "By operating that equipment 52 weeks a year, instead of 42, I could process 20 to 25 percent more students and thereby solve my problem. What then is there to prevent the year-round use of this equipment?" Nothing. We can eliminate the century-old habit of long summer vacations by admitting their probable value to the younger children, but by admitting also that for the older children they could be shortened and staggered throughout the year.

This idea of year-round education is literally a revolutionary one, although, in this context, the word carries a historical rather than a radical connotation. New England in the early eighteenth century contributed some of the greatest personalities our country has ever known. Under the discipline of an all-year-round school system, they created our birthright of freedom and democracy. As a temporary measure, to solve a temporary crisis, we could do worse than emulate our forebears. By sacrificing play time, we can secure an equality of learning time for the children who will further our American civilization in the years to come.

Before turning away from the ancient and well-encrusted tradition of a long summer hiatus, a word should be said about those badly overworked teachers who may be troubled by the prospect of any further reduction in their vacation time. A solution to this problem has been suggested by that learned educator, Dr. Alvin Johnson, who says:

"The biggest reason for overworked teachers is paper work, which consumes almost a third of their time and, in the main, is of no earthly use. What we need is a thorough overhauling of educational techniques to simplify teaching methods. This would permit teachers to devote less time to bookkeeping and more time to teaching."

This same type of urgent thinking must also be applied to college plant equipment problems. Here the situation is a much more complicated one because it involves not only classroom and study accommodations but housing and recreational space as well. With respect to classrooms, libraries, and study halls, I believe the emergency accommoda-

tion of surplus students could be handled by a combination of two different adjustments:

First, by operating our college plants 6 days a week, 52 weeks a year.

Second, by scheduling classes on a three-shift basis during the 15 hours each day between 8 a. m. and 11 p. m.

Under this three-shift plan students would carry their normal schedules of 15 lecture hours per week during either a morning, afternoon, or evening shift, with appropriate staggered vacations spread out over a 12 months' period. We ran our industrial plants in round-the-clock operations for 5 years to win the war on fascism. We certainly should be able to run our educational plants half-way round the clock to win the war on ignorance.

So, let's do a little simple arithmetic. Our college plants are presently operating 5½ days a week, 43 weeks a year, 9 hours a day, 50 hours a week—a total of 2,150 hours per year. The three-shift plan would utilize plant facilities 4,680 hours a year, an increase of 117.9 percent in the usage of our present plant facilities.

With respect to housing and recreational facilities, I believe that a little of our wartime imagination, team work, and resourcefulness could be of great help during this period of crisis. None of us will ever forget that during the war the standard training mission for the Seabees was to construct—in 30 hours—a city for 1,000 men.

So let's call in our armed forces. If living facilities constitute the first beachhead in the battle of education, let them build student cities for peace as they built cities of occupation for war—complete with barracks, Quonset huts, kitchens, dining halls, medical and hospital facilities, and recreational equipment. This may seem a gigantic undertaking, but the armed forces have had enough practice to be just about perfect. Let us simply apply the bold methods which won the war on fascism to the strategic planning of our war on ignorance.

As a permanent, long-term solution, I am convinced that with an intelligent 3-year program of school building and repair, which would involve only 80 percent of the money we intend to spend on roads in the immediate future, we could ultimately return to a less drastic program. But, in the meantime our temporary solution would insure the cost of the present emergency being borne by the whole community, and not by 5,500,000 helpless youngsters.

Their neglect would be a stain on our national honor. Their ignorance would be a mighty obstacle in the path of our future progress. We dare not persist in being blind to our obligations and to their rights.

The second phase of the educational problem turns on the twofold question of getting enough teachers, with proper qualifications, to staff our national educational plant. This emphasis on proper qualifications cannot be too great.

The facts are that we have a predictable immediate need for a minimum of 1,100,000 teachers. We will have approximately 675,000 to meet that requirement. We are, thus, clearly headed for a disastrous teacher-power shortage of not less than 425,000 within the next 3 years.

Bad economics and bad human relations are the primary reasons why our communities are threatened with this disaster. At this moment, we, the employers of these teachers, are guilty of an economic exploitation which, by comparison, makes the industrial sweatshops of 30 years ago look like a Sunday school picnic. On top of economic exploitation of the most pernicious variety, we have heaped personal indignities upon these men and women with a sickening degree of narrow-minded self-righteousness.

Now, these are very serious charges, and the supporting facts should be carefully ex-

amined. To start with, let's ask ourselves what are the requirements we impose upon individuals before we are willing to entrust them with the care and training of our children.

Dr. Ralph McDonald has analyzed this question. He concludes that the teachers of our young must be strong and vigorous, keen of intellect, balanced in outlook, superior in personality traits, deep-rooted in their spiritual foundations. They must have a passionate devotion to human freedom and be anchored to an abiding faith in the improvable of man. To such an outstanding personality must be added education and training in the heritage of the human race, in the knowledge of the world today, in a loving understanding of human growth and development, in the precepts of democracy, in the lore of the school, and in the skills of teaching.

Ladies and gentlemen, that is quite a job description. But, I think it is an accurate portrayal of the kind of people most of us expect our children's teachers to be. It is not the job description that is amazing. What is amazing is the fact that 200,000 of our teachers earn less than \$25 a week. What is even more amazing is our apparent belief that this kind of talent and years of training can be procured for the average salary earned by all teachers in America, namely, \$37.02 a week. We are so naive that we actually expect to command the services of this type of intellect at a salary which is lower than our starting wage for the youngsters who are just beginning to work in the factories of Lever Bros. Co.

No educational system in the world could be expected to survive in the face of such absurd economic thinking.

If we want capable teachers for tomorrow's citizen we cannot afford to hire any teacher for less than \$3,000 a year. Plainly the people of our country are in basic agreement. Look to the Gallup poll of March 1947, which clearly indicates that a substantial majority of the American public believes that teachers' salaries are too low. More importantly, they are willing to pay higher taxes in order to raise salaries.

Now this readiness on the part of the little guys who are America, to respond to the needs of our educational system, plainly leaves the next move up to American business. We would be patently false to deny our responsibility, for there are 261,000 of us businessmen who today serve on school boards throughout the Nation. We therefore constitute 76 percent of the total membership of the Nation's school boards. Recognizing our self-imposed duty, there are two things we can do to remedy the bad economic thinking which now paralyzes our educational system.

First of all, we can see to it that industrial real-estate property assessments are not held down, but on the contrary are held up, because the revenue from these assessments is the foundation of the local school support in our industrial areas. I make this suggestion with a full awareness of the fact that Lever Bros Co. owns very substantial quantities of real estate throughout the United States. But I have no other alternative, for when we depress assessments, we depress our children—and I submit this is malodorous business, selfish parenthood, and a frightfully short-sighted brand of citizenship.

The second step we can take—and this applies not only to businessmen but to every voter within reach of these thoughts—is to make our voices heard in the halls of Congress that our legislators may know we approve of Federal aid to education. We know that educational opportunity cannot be equally distributed without Federal assistance.

But let us also remember that money is not the only root of the problem. In addition to a reasonable starting salary, we must provide for a progressive and modern personnel





# DIGEST OF CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued May 22, 1947  
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80th-1st, No. 96

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**HIGHLIGHTS:** House Rules Committee cleared compromise wool bill; to be debated today. House received conference report on 2nd deficiency appropriation bill; farm labor reduced to \$5,000,000; CCC-notes item in technical disagreement. Both Houses agreed to conference report authorizing \$350,000,000 for relief in war-devastated areas. Rep. Clevenger said he had asked Secretary Anderson for trade-agreement item of benefit to farmers but had not received one. Rep. Andresen strongly criticized potato destruction in connection with price supports. Senate committee reported on GAO audit of FCIC. Sens. Aiken and McClellan introduced bill to amend Crop Insurance Act. House Committee reported information and educational exchange bill. Rep. Hope introduced measure to authorize USDA to sell timber in Tongass Forest. Rep. Hoffman introduced measure against Reorganization Plan 1, which includes ARA item.

## HOUSE

1. **WOOL PRICE-SUPPORTS.** The Rules Committee reported a resolution providing for consideration of S. 814, the wool bill, and the amendment on p. A2516 of the Congressional Record of May 20, without intervention of any point of order (p. 5759). The bill is to be debated today (p. D277).
2. **FOREIGN RELIEF.** Agreed, 288-86, to the conference report on H. J. Res. 153, to authorize appropriation of \$350,000,000 for relief in war-devastated areas, including food, etc. (pp. 5760-9). Rejected, 170-205, the Jonkman motion to recommit the measure to conference with instructions to the House conferees to insist on an authorization of \$200,000,000 (pp. 5767-8). The Senate also agreed to the conference report on this measure (pp. 5744-6). The joint resolution will now be sent to the President.
3. **WILDLIFE CONSERVATION.** H. R. 2472, providing for cooperation and assistance to Federal and State agencies in promoting wildlife conservation through sound land-use practices, was re-referred from the Agriculture Committee to the Merchant Marine and Fisheries Committee (p. 5760).
4. **SECOND DEFICIENCY APPROPRIATION BILL.** Received the conference report on this bill, H. R. 3245 (pp. 5769-70). The conferees agreed to the farm-labor item but reduced the amount to \$5,000,000. They reported the provision regarding cancellation of CCC notes in disagreement, but the House conferees plan to ask the House to agree to the item. For other items of interest to the Department see Digest 93.
5. **EDUCATION.** Mr. W. R. Ogg, of the Farm Bureau, testified before the Education and Labor Committee favoring Federal aid to education (p. D 278).
6. **REORGANIZATION.** The Daily Digest stated that "There is no opposition by the

committee to Plan No. 1" regarding ARA (p. D273).

7. TRADE AGREEMENTS. Rep. Reed, N. Y., criticized the handling of the trade-agreements program (pp. 5771-4). Rep. Clevenger, Ohio, stated that he had asked the Secretary of Agriculture for "one item that would show a definite gain for America or American agriculture" in connection with this program and that "I have been promised, but I have never received one single item" (pp. 5773-4).
8. POTATO PRICE-SUPPORTS. Rep. Andresen, Minn., criticized the handling of the program, stating, "I call upon Secretary Anderson to halt the Department of Agriculture's wanton destruction of potatoes" (pp. 5775-6).  
It was incorrectly stated in Digest 95 (Item 9) that "Rep. Buck, Del." criticized the Government's potato-surplus policies. These comments were made by Rep. Boggs, Del.
9. FOREIGN AFFAIRS; EDUCATION. The Foreign Affairs Committee reported with amendment H.R. 3342; to enable the U.S. Government more effectively to carry on its foreign relations by means of promotion of the interchange of persons, knowledge, and skills between the people of the U.S. and other countries (H.Rept. 416) (p. 5776).
10. POSTAL SERVICE. The Post Office and Civil Service Committee reported without amendment H.R. 3519, to provide for permanent postage rates (H.Rept. 410) (p. 5776).
11. SUGAR. Received an Elmwood (Nebr.) citizens' petition asking for canning sugar in order to avoid waste of fresh fruit (p. 5777).
12. FLOOD CONTROL. Received a War Department report of preliminary examination and survey of Big Sandy River, and Tug and Levisa Forks, Ky., W. Va., and Va., for flood control (H. Doc. 264) (p. 5776).
13. APPROPRIATIONS. Received from the President (May 19) a supplemental appropriation estimate of \$1,000,000 for GAO for carrying out provisions of Public Law 601 (79th Cong.) authorizing analyses of agency expenditures (H.Doc.260).

#### SENATE

14. ACCOUNTING. The Expenditures in the Executive Departments Committee submitted a report and recommendations on the GAO audit of FCIC (S.Rept.196) (p. 5704).
15. VETERANS' BENEFITS. Received a Calif. Legislature resolution urging legislation to extend the benefits of the Servicemen's Readjustment Act (p. 5704).
16. TAXATION. Continued debate on H.R. 1, the individual income tax-reduction bill (pp. 5707-44, 5746-60).
17. MINERALS. Received a Calif. Legislature resolution urging development of U.S. mineral-ore deposits (p. 5704).

#### BILLS INTRODUCED

18. CROP INSURANCE. S. 1326, by Sen. Aiken, Vt. (for himself and Sen. McClellan, Ark.), "to amend the Federal Crop Insurance Act." To Agriculture and Forestry Committee. (p. 5705.)



## ON-THE-JOB TRAINING

Mrs. ROGERS of Massachusetts. Mr. Speaker, I know that the Members who do not already know it will be very glad to hear that on tomorrow the Committee on Rules will hear H. R. 246, a bill introduced by the gentleman from New York [Mr. KEARNEY] to raise the ceilings of on-the-job training. This bill was reported unanimously by the Committee on Veterans' Affairs. We hope that a rule will be brought in, because many of the veterans already have had to give up their training because they could not get along on the \$175 ceiling a month for single men and \$200 ceiling for married men. Many of the employers have given up their training program. It is vital that the rule be granted promptly and the bill pass. I hope the Members of the House will join with us in asking the Committee on Rules to grant the rule. I have no doubt but what the rule will be granted, but support and interest will help secure a rule promptly when the bill comes to the House, I believe there will not be a vote against it.

## EXTENSION OF REMARKS

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the RECORD and include the approval of the Voice of America program by the Veterans of Foreign Wars.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD concerning Operation Naval Reserve.

Mr. HARNESS of Indiana asked and was given permission to extend his remarks in the RECORD and include a statement by one of his constituents on the 1947 position of agriculture.

## PERMISSION TO ADDRESS THE HOUSE

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

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

There was no objection.

## ZIONIST ATTACKS ON GREAT BRITAIN

Mr. RANKIN. Mr. Speaker, Great Britain is protesting against the attacks now being made on her by the alleged Zionists in this country. It is about time that somebody in the American Congress let the British people know that this outfit does not represent the American people.

Last week they published a full-page advertisement in the New York Times, and yesterday the New York Times carried on its front page an excerpt from that advertisement. I want to read you just a short portion of that excerpt. Listen to this. It says, now, speaking to these Zionists:

Every time you blow up a British arsenal, or wreck a British jail, or send a British railroad train sky high, or rob a British bank or let go with your guns and bombs at the British betrayers and invaders of your homeland, the Jews of America make a little holiday in their hearts.

Mr. Speaker, that vicious statement does not represent the views of the de-

cent high-class law-abiding Jews of America, as you will find in reading the memoirs of Henry Morgenthau, Sr., concerning this outfit. It does not represent decent Americans of any kind.

It is time we put a stop to these vicious inflammable attacks on Great Britain, a friendly nation.

Hon. Henry A. Morgenthau, Sr., one of the great Jews of America, is quoted as saying in his autobiography:

Zionism is the most stupendous fallacy in Jewish history. I assert that it is wrong in principle and impossible of realization; that it is unsound in its economics, fantastical in its politics, and sterile in its spiritual ideals. Where it is not pathetically visionary, it is a cruel playing with the hopes of a people blindly seeking their way out of age-long miseries. These are bold and sweeping assertions, but in this chapter I shall undertake to make them good.

The very fervor of my feeling for the oppressed of every race and every land, especially for the Jews, those of my own blood and faith, to whom I am bound by every tender tie, impels me to fight with all the greater force against this scheme, which my intelligence tells me can only lead them deeper into the mire of the past, while it professes to be leading them to the heights.

Zionism is a surrender, not a solution. It is retrogression into the blackest error, and not progress toward the light. I will go further, and say that it is a betrayal; it is an eastern European proposal, fathered in this country by American Jews, which, if it were to succeed, would cost the Jews of America most that they have gained of liberty, equality, and fraternity.

Therefore, as I said, this group of radical Zionists do not represent the better element of American Jews. Nor do they represent the sentiments of a vast majority of the American people.

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

## SUPPORT FOR WOOL

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 214, Rept. No. 409), which was referred to the House Calendar and ordered to be printed.

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill S. 814, to provide support for wool, 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 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, 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 amendments recommended by the Committee on Agriculture now printed in the bill; and it shall also be in order to consider without the intervention of any point of order as a substitute for the committee amendment beginning in line 14, page 3, and ending on page 6, line 11, the language appearing in the CONGRESSIONAL RECORD on May 20, 1947, page A2516. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

## CALL OF THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. ARENDS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 59]

Bender	Elsaesser	Mitchell
Bennett, Mich.	Flannagan	Morrison
Bland	Fuller	Norrell
Bonner	Gathings	Norton
Bradley, Mich.	Gearhart	Patman
Brown, Ohio	Gifford	Pfelfer
Buckley	Gregory	Poage
Bulwinkle	Gross	Powell
Busbey	Hagen	Price, Fla.
Byrne, N. Y.	Hartley	Sasser
Celler	Heffernan	Scott, Hardie
Chapman	Hoeven	Scott,
Clark	Jarman	Hugh D., Jr.
Clements	Keefe	Shafer
Cole, Kans.	Kilburn	Simpson, Ill.
Courtney	Klein	Smathers
Cox	Kunkel	Somers
Crow	Lea	Teague
Dawson, Ill.	McGarvey	Thomas, N. J.
D'Ewart	Mansfield, Tex.	Towe
Domengeaux	Meade, Md.	Wood
Doughton	Miller, Nebr.	

The SPEAKER. On this roll call 367 Members have answered to their names, a quorum.

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

## FILING OF REPORT

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file a report on the bill H. R. 3342.

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

There was no objection.

## EXTENSION OF REMARKS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a statement by our distinguished Secretary of State on World Trade Week, and further to extend my remarks and include a similar statement by our equally distinguished Secretary of Commerce on World Trade Week.

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

There was no objection.

[The matter referred to appears in the Appendix.]

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

Mr. BREHM asked and was given permission to extend his remarks in the RECORD on the subject of Will the conferees nullify labor legislation?

Mr. BATES of Massachusetts asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Lowell Sun of Thursday, May 15, on the question of unification of the armed forces.

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

Mr. BATTLE asked and was given permission to extend his remarks in the RECORD and include a speech he made before the House Committee on Education and Labor on Federal aid to education.

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

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

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper articles.

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

#### REFERENCE OF A BILL

Mr. BURKE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from the further consideration of the bill H. R. 2472 and that the bill be referred to the Committee on Merchant Marine and Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

#### RELIEF ASSISTANCE TO THE PEOPLE OF COUNTRIES DEVASTATED BY WAR

Mr. EATON. Mr. Speaker, I call up the conference report on the joint resolution (H. J. Res. 153) providing for relief assistance to the people of countries devastated by war, 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 joint resolution.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 20, 1947.)

The SPEAKER. The gentleman from New Jersey [Mr. EATON] is recognized for 1 hour.

Mr. EATON. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. JONKMAN].

(Mr. JONKMAN asked and was granted permission to revise and extend his remarks.)

Mr. JONKMAN. Mr. Speaker, when this bill was up for debate in the House, I called attention to the fact that its provisions were intended only for residual relief after termination of UNRRA. UNRRA has now been in existence for nearly 3 years, in which time, of course, Europe has had two crop periods, and is approaching another one. When we passed the first UNRRA authorization, we were told that the purpose of UNRRA and its scope was to bring the war-devastated countries through one crop period. Now, I repeat, we have had two full crop periods, and nearly 3 years of UNRRA, and this bill was intended only

as a cleaning up, or mopping up process, in other words, to finish what was nearly done.

For this reason the 1947 budget included \$100,000,000 for this purpose. In the debate on the bill under question, your attention was further called to the fact that resident Truman, in his message, said that help would be needed only through 1947; that the United Nations Organization recommended help until this year's crops were harvested; that ex-President Herbert Hoover recommended help through this year's crop period; that every representative of the State Department, Under Secretaries Acheson and Clayton, Deputy Under Secretary Tyler Wood, all agreed that no help would be needed in 1948, with the possible exception of some limited help in Austria. In fact, all the authoritative sources were agreed that help was needed only from March 31, 1947, through the crop period of 1947.

Your attention was called to the fact that there was a sense of proportion in the job to be done before the next crop harvest and the \$100,000,000 in the budget with which that job was to be done.

Your attention was further called to the fact that in upping the amount to \$350,000,000, the administration had admitted that this amount was partly based on judgment and partly grabbed out of the air. The evidence, of course, is overwhelming that the extension of the term of relief for 6 months, to June 30, 1948, was also grabbed out of the air. These two changes have all the earmarks of changing residual relief into continuous and permanent relief by bureaucratic boondogglers.

I now want to give you some facts which I think would justify cutting this amount to \$100,000,000, and to prove to you that when we authorize \$200,000,000, it is a very liberal authorization.

I hold in my hand the President's tenth quarterly report to Congress on the operations of UNRRA. This came to our desks last Saturday, May 17. This tenth quarterly report is not for the first quarter of 1947, although it was received 47 days after the ending of that quarter. Had it been for that quarter, we might have had some useful information to help our judgment on the pending bill. It is in fact a report for the last quarter of 1946, and it was kept confidential and secret, and not to be released until May 15, 1947.

It contains some rather interesting information, but is more intriguing for its lack of information. On page 34 of that report, we find that total contributions to UNRRA, paid or available, were \$3,688,395,736. On pages 24 and 25 we find a double-check statement that total shipments to December 31, 1946, were \$2,311,225,000. According to these figures, there was available on January 1, 1947, \$1,377,170,736.

Now, I do not mean to say that that amount was available the 1st of January, but the accounting does not preclude such an assumption. It does not show what happened to it, or how much of it is available at the present time.

To get any idea of what was available, we can turn to the President's letter

of transmittal on page 1, the third paragraph, where he says:

The approximate value of supplies remaining to be shipped on January 1, 1947, was a world total of \$660,000,000.

Where the President gets this figure, I do not know. Perhaps they keep two sets of books. I was unable to find this statement, or any basis for it, in the report itself.

Then on page 38 the report states that the balance available for commitment amounts to \$165,379,746. Now these two items put together, supplies remaining to be shipped and balance available for commitment, amount to \$825,379,746. That was the amount available, apparently, on January 1, 1947, and leaves \$551,790,990 unaccounted for. Perhaps, by a long process of deduction and elimination, one could ascertain that this went for shipping charges and administrative expenses, but the report does not show this. It could just as well represent contributions not yet "paid" but "available."

When we made the second appropriation for UNRRA last year, a balance of \$180,000,000 of the contribution of the United Kingdom was so listed as available. Upon investigation, it was found that it was not really available; that the United Kingdom was unable to furnish supplies for that amount, and had made \$180,000,000 in sterling available until such time as supplies could be bought within the United Kingdom. We know that the United Kingdom has not been in any better position to furnish supplies than it was at that time, and unless they were able to pay it out of the \$3,750,000,000 loan, this might account for the difference of \$550,000,000 unaccounted for.

This is not said in disparagement or criticism of the United Kingdom, for it is a matter of common knowledge that she needs relief, and is probably using the \$3,750,000,000 to support her own people.

However, we do know, if the President's figures are correct, that the amount of \$825,379,746 was available on January 1, 1947. Now, if we spent \$2,311,225,000 in the first 30 months of UNRRA, that will average about \$77,000,000 per month. So that if they spent at the same rate in 1947 that they did in the preceding 2½ years, they would have sufficient supplies and funds at \$77,000,000 a month to run them for 10¾ months, or into the latter part of November 1947; without \$1 of the \$350,000,000 we are considering at the present time. And remember, this is residual relief in a few countries. We are not pouring it into Byelorussia, the Ukraine, Yugoslavia, Czechoslovakia, and other countries, as we did in those 30 months.

We can double check this from another angle. Page 3 of the report, paragraph 3, states:

During the quarter September 30 to December 31, 1946, UNRRA shipped supplies worth \$253,795,000 to the receiving countries.

Now, if we divide \$253,000,000 by three, that will amount to about eighty-four or eighty-five million a month. To be sure, in the next paragraph they immediately

CONSIDERATION OF S. 814

\_\_\_\_\_

MAY 21, 1947.—Referred to the House Calendar and ordered to be printed

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Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 214]

The Committee on Rules, having had under consideration House Resolution 214, reports the same to the House with the recommendation that the resolution do pass.

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## House Calendar No. 85

80TH CONGRESS  
1ST SESSION

# H. RES. 214

[Report No. 409]

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### IN THE HOUSE OF REPRESENTATIVES

MAY 21, 1947

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1     *Resolved*, That upon the adoption of this resolution it  
2 shall be in order to move that the House resolve itself into  
3 the Committee of the Whole House on the State of the  
4 Union for consideration of the bill (S. 814) to provide sup-  
5 port for wool, and for other purposes, and all points of order  
6 against said bill are hereby waived. That after general  
7 debate, which shall be confined to the bill and continue not  
8 to exceed three hours, to be equally divided and controlled  
9 by the chairman and ranking minority member of the Com-  
10 mitte on Agriculture, the bill shall be read for amendment  
11 under the five-minute rule. It shall be in order to consider  
12 without the intervention of any point of order the amend-

1 ments recommended by the Committee on Agriculture now  
2 printed in the bill; and it shall also be in order to consider  
3 without the intervention of any point of order as a substitute  
4 for the committee amendment beginning in line 14, page 3,  
5 and ending on page 6, line 11, the language appearing in  
6 the Congressional Record of May 20, 1947, page A2516.  
7 At the conclusion of the reading of the bill for amendment,  
8 the Committee shall rise and report the same to the House  
9 with such amendments as may have been adopted, and the  
10 previous question shall be considered as ordered on the bill  
11 and amendments thereto to final passage without intervening  
12 motion except one motion to recommit.



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# RESOLUTION

Providing for the consideration of the bill  
(S. 814) to provide support for wool, and  
for other purposes.

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By Mr. Allen of Illinois

MAY 21, 1947

Referred to the House Calendar and ordered to be  
printed







DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued May 23, 1947  
For actions of May 22, 1947  
80th-1st, No. 97

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**HIGHLIGHTS:** House debated wool bill. 2nd deficiency bill sent to President. Senate passed bill extending SCS, ACP, FHA to Virgin Islands. Senate passed forest insects-disease bill. Rep. Murray and Sen. Johnson introduced bills prohibiting Government destruction of food.

Agricultural appropriation bill will probably be reported today. B&F will immediately advise agency budget offices of its provisions. They, in turn, will provide this information within the agencies. Copies will not be available for general distribution until probably Mon., when the distribution will be made through agency budget offices pursuant to a previously prepared list.

HOUSE

1. WOOL-PRICE SUPPORTS. Began debate on S. 814, the wool bill (pp. 5812-47).
2. SECOND DEFICIENCY APPROPRIATION BILL. Both Houses agreed to the conference report on this bill, H. R. 3245 (pp. 5810-12, 5789-90). Both Houses agreed to an amendment to the farm-labor item which not only reduced the total amount to \$5,000,000, exclusive of funds already available, but reduced the portion of this sum which must be apportioned among the States to \$2,000,000, the amount which may be used for administrative expenses to \$250,000, and the sum for liquidation to \$253,500. The House concurred in the Senate amendment regarding CCC notes. This bill will now be sent to the President.
3. PERSONNEL. The Ways and Means Committee reported without amendment H. R. 3101, to extend until June 30, 1949, the period during which persons may serve in certain executive departments and agencies without being prohibited from acting as counsel, agent, or attorney for prosecuting claims against the U. S. by reason of having so served (H. Rept. 424)(p. 5848).
4. DAIRY INDUSTRY. Rep. Gillie, Ind., recommended shipment of non-fat milk powder for foreign relief, stating that this would be a simple way to stabilize dairy prices (p. 5808).

SENATE

5. SOIL CONSERVATION. Passed as reported S. 512, to extend the SCS, ACP, and FHA programs to the Virgin Islands (p. 5799).
6. RECLAMATION. Passed over, at the request of Sen. Ellender, La., S. 299, to extend the reclamation laws to Ark. (p. 5801).

7. FOREST INSECTS & DISEASES. Passed as reported S. 597, to provide for the protection of forests from diseases and insects (pp. 5799, 5803-6).
8. PERSONNEL. Passed without amendment S. 1073, to extend until June 30, 1949, the time during which persons may serve in certain executive agencies without being prohibited from acting as counsel, etc., for prosecuting claims against the U.S. (p. 5799).
9. MINERALS. Passed over S. 1081, to promote the mining of coal, phosphate, sodium, potassium, oil, oil shale, gas, and sulfur on U.S. lands (p. 5799).
10. GRANT LANDS. Passed without amendment H.R. 603, to allow credit for certain homestead entries for military or naval service rendered during World War II (p. 5802). This bill will now be sent to the President.
11. TAXATION. Continued debate on H.R. 1, the individual income tax-reduction bill (pp. 5781-9, 5797-8). During the debate Sen. Byrd, Va., urged completion of appropriation bills before consideration of H.R. 1 and discussed with other members appropriation bills yet to be considered (pp. 5781-6).
12. HEALTH. Sen. Chavez, N.Mex., urged favorable consideration of the national health bills (p. 5780).
13. EDUCATION. Sen. Aiken, Vt., discussed the school situation and favored Federal aid to education (pp. 5792-4).
14. NATIONAL SCIENCE FOUNDATION. Sen. Smith, N.J., withdrew motion to reconsider the vote on S. 526, to create a National Science Foundation (p. 5799).

#### BILLS INTRODUCED

15. FOOD DESTRUCTION. S. 1329, by Sen. Johnson, Colo., to prohibit the destruction of food by Government agencies. To Judiciary Committee. (p. 5780.) In the discussion of this bill Sen. Johnson advocated that surplus potatoes be shipped to tax-supported institutions; Sen. Maybank, S.C., pointed out the difficulties of shipping them, since there are not enough cars available; and Sen. Hatch, N.Mex., defended Secretary Anderson's position, stating that "the potato problem has been a source of constant headache to the Department of Agriculture for a long time" (pp. 5790-2).  
H.R. 3585, by Rep. Murray, Wis., to prohibit the Department of Agriculture and its officers, employees, and agents from destroying food which is fit for human consumption. To Agriculture Committee. (p. 5849.)
16. NATIONAL FORESTS. S. J. Res. 118, by Sen. Butler, Nebr. (by request), to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest. To Public Lands Committee. (p. 5780.)
17. HEALTH. H.R. 3579, by Rep. Celler, N.Y., to provide a national health insurance and public health program. To Ways and Means Committee. (p. 5849.)
18. WILDLIFE. H.R. 3578, by Rep. Bates, Mass. (by request), to reduce in area the Parker River National Wildlife Refuge, Essex County, Mass. To Merchant Marine and Fisheries Committee. (p. 5849.)
19. PERSONNEL. H.R. 3588, by Rep. Rees, Kans., providing for a Federal Employees' Loyalty Act. To Post Office and Civil Service Committee. (p. 5849.)

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

Mr. TABER. Mr. Speaker, the trouble with this thing is that it does not and will not provide any substantial facilities for the colleges. These people have wasted money in a very ridiculous way. They spent as high as \$9 a foot to rebuild these buildings. But worst of all at the time of the hearings they only spent \$5,000,000 out of the \$80,000,000 that was given them for this purpose and they had contracted for about half of the total. They had lots of money and the only reason for allowing them anything in this was to provide school facilities for the veterans and to get settlement of the item with the Senate.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 6, line 4, insert "Federal Works Agency."

Mr. TABER. Mr. Speaker, I offer a motion, which is at the Clerk's desk.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 7 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment insert the following:

"Such sums as may be determined by the Bureau of the Budget to be necessary are hereby appropriated for making for the first quarter of the fiscal year 1948 (1) grants to States for assistance to aged needy individuals, needy dependent children, and needy individuals who are blind, as authorized in titles I, IV, and X, respectively, of the Social Security Act approved August 14, 1935, as amended, and (2) grants to States for unemployment compensation administration: *Provided*, That the obligations incurred and expenditures made for each of such purposes under the authority of this appropriation shall be charged to the appropriations therefor in the Labor-Federal Security Appropriation Act, 1948."

The SPEAKER. The question is on the motion offered by the gentleman from New York [Mr. TABER].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12: Page 7, line 21, insert the following:

"COMMODITY CREDIT CORPORATION

"On the date of enactment of this act the Secretary of the Treasury is hereby authorized and directed to discharge \$641,832,080.64 of the indebtedness of the Commodity Credit Corporation to the Secretary of the Treasury by canceling notes in such amount issued by the Corporation to the Secretary of the Treasury pursuant to section 4 of the act of March 8, 1938, as amended (15 U. S. C. 713a-4)."

Mr. TABER. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

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

Mr. TABER. I yield to the gentleman from Missouri.

Mr. CANNON. I wonder if the gentleman would give us a brief explanation of this provision.

Mr. TABER. This is an item of \$641,000,000 to clean up the liabilities of the Commodity Credit Corporation to the Treasury on account of funds that have previously been expended for subsidy payments during the Price Control Act operations to meet the deficits that the Corporation had at the time they made their report to the Congress.

Mr. CANNON. The intention then is to continue the Commodity Credit Corporation in all of its powers and functions, and this provision proposes to bring the capital structure up to par.

Mr. TABER. Of course, we have no authority in our committee to bring in any legislation which would continue the Corporation, but this is intended to bring the books of the Corporation in balance and to restore their capital as of June 30, last. That is the usual practice, and the one that has been followed ever since the Corporation was organized whenever they reported that its capital was impaired.

Mr. CANNON. With this replenishment of capital, the Corporation is then in a position to continue to function in the future as heretofore?

Mr. TABER. Yes. Of course, I do not know what its condition presently is. We do not now have a report, but we will get one as of June 30, next. But it is in a position to continue until we have a further opportunity to act upon future operations.

The SPEAKER. The question is on the motion offered by the gentleman from New York that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 13: Page 8, line 5, insert the following:

"FARM LABOR SUPPLY PROGRAM

"Supply and distribution of farm labor: The funds provided by the Farm Labor Supply Appropriation Act, 1944, as amended and supplemented, are hereby continued available through January 30, 1948, for carrying out the purposes of said act, as amended, and the act of April 28, 1947 (Public Law 40, 80th Cong.), an act providing for a 6 months' extension and final liquidation of the farm labor supply program; and, in addition to the amount continued available, there is hereby appropriated for such purposes the sum of \$6,000,000 to be merged with the funds hereby continued available. Not less than \$2,400,000 of such additional funds shall be apportioned among the several States in the manner and for the purposes specified in section 2 of the Farm Labor Supply Appropriation Act, 1944. In addition to the amounts heretofore made available for administrative expenses pursuant to section 3 of such act, there is hereby made available out of said funds the sum of \$300,000 for such purposes: *Provided*, That not to exceed \$310,000 of the total funds remaining as of January 30, 1948, shall be available until June 30, 1948, for administrative and other expenses, including personal services in the District of Columbia, incident to the settlement of growers' and workers' contracts and accounts, the collection of re-

imbursements due the Government, the payment of transportation and other obligations outstanding, and the handling of other necessary fiscal and administrative work in the final liquidation and disposition of Government assets and liabilities under the program: *Provided further*, That not to exceed \$500,000 of the receipts derived from sales of labor supply centers, labor homes, labor camps, and facilities under the provisions of section 2 (d) of the act of August 14, 1946 (Public Law 731), as amended, shall be available for the payment of costs of the liquidation of such labor supply centers, labor homes, labor camps, and facilities, including personal services in the District of Columbia, and any appropriations or other funds from which such costs have been advanced may be reimbursed therefor from any such receipts, the net proceeds of such sales to be deposited in the Treasury of the United States."

Mr. TABER. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. TABER moves that the House recede from its disagreement to the amendment of the Senate numbered 13 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment insert the following:

"FARM LABOR SUPPLY PROGRAM

"Supply and distribution of farm labor: The funds provided by the Farm Labor Supply Appropriation Act, 1944, as amended and supplemented, are hereby continued available through January 30, 1948, for carrying out the purposes of said act, as amended, and the act of April 28, 1947 (Public, No. 40, 80th Cong.), an act providing for a 6 months' extension and final liquidation of the farm labor supply program; and, in addition to the amount continued available, there is hereby appropriated for such purposes the sum of \$5,000,000 to be merged with the funds hereby continued available. Not less than \$2,000,000 of such additional funds shall be apportioned among the several States in the manner and for the purposes specified in section 2 of the Farm Labor Supply Appropriation Act, 1944. In addition to the amounts heretofore made available for administrative expenses pursuant to section 3 of such act, there is hereby made available out of said funds the sum of \$250,000 for such purposes: *Provided*, That not to exceed \$258,500 of the total funds remaining as of January 30, 1948, shall be available until June 30, 1948, for administrative and other expenses, including personal services in the District of Columbia, incident to the settlement of growers' and workers' contracts and accounts, the collection of reimbursements due the Government, the payment of transportation and other obligations outstanding, and the handling of other necessary fiscal and administrative work in the final liquidation and disposition of Government assets and liabilities under the program: *Provided further*, That not to exceed \$500,000 of the receipts derived from sales of labor supply centers, labor homes, labor camps, and facilities under the provisions of section 2 (d) of the act of August 14, 1946 (Public, No. 731), as amended, shall be available for the payment of costs of the liquidation of such labor supply centers, labor homes, labor camps, and facilities, including personal services in the District of Columbia, and any appropriations or other funds from which such costs have been advanced may be reimbursed therefor from any such receipts, the net proceeds of such sales to be deposited in the Treasury of the United States."

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

#### EXTENSION OF REMARKS

Mr. MACKINNON asked and was given permission to extend his remarks in the RECORD in two instances and include a newspaper article and a letter.

Mr. WOODRUEF asked and was given permission to extend his remarks in the RECORD and include an article by Mr. O'Donnell.

#### SPECIAL ORDER GRANTED

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

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

There was no objection.

#### PROVIDING SUPPORT FOR WOOL

Mr. RIZLEY. Mr. Speaker, I call up House Resolution 214 and ask for its immediate consideration.

The Clerk read the resolution, as follows:.

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (S. 814) to provide support for wool, 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 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, 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 amendments recommended by the Committee on Agriculture now printed in the bill; and it shall also be in order to consider without the intervention of any point of order as a substitute for the committee amendment beginning in line 14, page 3, and ending on page 6, line 11, the language appearing in the CONGRESSIONAL RECORD of May 20, 1947, page A2516. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. RIZLEY. Mr. Speaker, I yield myself 10 minutes at this time and also yield 30 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. Speaker, the adoption of this resolution will make in order the immediate consideration of S. 814, a bill to provide support for wool.

The House Committee on Agriculture has amended all but two sections of the Senate bill and it is the Senate bill which we will consider upon the adoption of the rule. In addition to these amendments already printed in the bill, as reported by the House Committee on Agriculture, a substitute amendment will be offered from the floor to section 4 of the bill.

#### CALL OF THE HOUSE

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

The SPEAKER. The Chair will count. [After counting.] One hundred and thirty-four Members are present, not a quorum.

Mr. ARENDS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 62]

Allen, Ill.	Goff	Morrison
Bender	Grant, Ala.	Norrell
Bennett, Mich.	Gwinn, N. Y.	Patman
Bland	Hartley	Pfeifer
Bloom	Hoeven	Philbin
Boggs, Del.	Jarman	Phillips, Tenn.
Bonner	Jenkins, Pa.	Poage
Boykin	Jennings	Powell
Bradley, Calif.	Johnson, Okla.	Rabin
Bradley, Mich.	Jones, Ohio	Rayfiel
Brown, Ohio	Keefe	Robertson
Buck	Kefauver	Rooney
Buckley	Keogh	Scott,
Bulwinkle	Kilburn	Hugh D., Jr.
Clippinger	Knutson	Shafer
Cole, Kans.	Lands	Simpson, Ill.
Courtney	Lanham	Thomas, N. J.
Dawson, Utah	Lea	Thomason
D'Ewart	Lemke	Tollefson
Dingell	Lynch	West
Domengeaux	McCowen	Wilson, Tex.
Fellows	McGarvey	Wolverton
Flannagan	Macy	Wood
Fuller	Mansfield, Tex.	Worley
Gearhart	Meade, Md.	Youngblood
Gifford	Mitchell	

The SPEAKER. On this roll call 350 Members have answered to their names, a quorum.

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

#### EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include two short newspaper articles.

Mr. RANKIN asked and was given permission to include in his remarks a clipping from yesterday's CONGRESSIONAL RECORD.

#### PROVIDING SUPPORT FOR WOOL

Mr. RIZLEY. Mr. Speaker, the adoption of this resolution will make in order the immediate consideration of the bill S. 814, which has been labeled a bill to provide support for wool.

The House Committee on Agriculture has amended all but two sections of the Senate bill. In addition to these amendments, which are already printed in the bill as reported by the House Committee on Agriculture, a substitute amendment will be offered from the floor to section 4 of the bill. This substitute amendment, which has been proposed and agreed to by the House Committee on Agriculture, will bring wool within the purview of section 22 of the Agricultural Adjustment Act. This amendment appears at page A-2516 of the CONGRESSIONAL RECORD of Tuesday, May 20, 1947.

In view of the many changes which have been made in the bill there is, of course, an obvious necessity for waiving points of order not only on the remaining sections of the bill but on the amendments made by the House Committee on Agriculture now in the bill and also the

substitute amendment for section 4, which will be offered from the floor by the Committee on Agriculture. The rule provides for 3 hours of general debate, with the usual opportunity for the Members to offer amendments to the bill under the 5-minute rule.

Mr. Speaker, as the Members of the House know, there have been a lot of changes in connection with this proposed legislation. I am bold enough to make the statement here and now, based upon the testimony that came to the Committee on Rules from the members of the Committee on Agriculture, that unless this legislation or some similar legislation is passed you might just as well write off once and for all the sheep industry of this country.

There just is not any question about that. In other words, you are going to determine today whether or not this great sheep industry that we have had in this country since the beginning of time is to be another casualty and that from now on the sheep industry and the wool industry will be relegated to some of our foreign neighbors.

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

Mr. RIZLEY. I yield.

Mr. HALLECK. As a matter of fact, is it not true that wool certainly is one of the strategic materials and is necessary for this country? Hence, to stand by and see the sheep and wool industry destroyed in this country is absolutely unthinkable.

Mr. RIZLEY. Absolutely. The gentleman is correct and has very clearly stated the situation.

It may be that for the present at least we are safe in depending entirely on imports of wool from foreign countries, but there may come a time when wool will be just as strategic a material as any of these other materials that we needed during the war.

As one Member of Congress I just cannot bring myself to the point of saying that we are going to permit this great industry to be liquidated.

Here are some of the basic facts in connection with the sheep and wool industry today. The Department of Agriculture reports show that the stock sheep population of this country has dropped from 49,807,000 in 1942 to 32,542,000 head today. This represents a reduction of 35 percent.

Our sheep population is the lowest today in the United States since 1897. That is 50 years ago. The Department of Agriculture reports that the production of wool has dropped from 459,073,000 pounds in 1942 to 300,000,000 pounds today. That is a reduction of 35 percent.

The main reason for the decline in the sheep population is lack of profit. A report by the United States Tariff Commission after an extended study of the sheep industry shows that the wool growers of this country lost 9½ cents on every pound of wool produced in 1946. That is from the Tariff Commission, which made the study and this report.

To repeat, the wool growers in this country lost 9½ cents on every pound of wool produced in 1946 and a somewhat higher figure in the two preceding years. The report from the Tariff Commission

further shows that the wool growers sustained a loss of \$1.19 per head on sheep in 1946 and a somewhat higher amount in the two preceding years.

Here is what happened. The day after Pearl Harbor the United States froze the price of domestic wool at the OPA ceiling price. That price has remained the same during the war and up to the present time, and there will be no increase under this bill. While the price of domestic wool has remained fixed from Pearl Harbor to date, it is true from September 15, 1941, to Pearl Harbor wool has increased 13.2 percent. Accordingly, since September 15, 1941, to September 15, 1946, wool prices have increased 13.2 percent, but 24 other agricultural commodities have increased an average of 91 percent during the same period. It has been contended that wool is selling at an all-time high, but the facts show that the 1946 Boston price of fine combing wool was 34 percent less than the 1920 price, 18 percent less than the price in 1923 and 1924, and 8 percent less than the average price from 1922 to 1928, inclusive. Most of the western wools are finecombing wool.

Great Britain and her dominions produce most of the world's supply of wool, and at the war's end, faced with a tremendous stock pile of wool, they formed a joint organization in order to protect their wool industry by orderly liquidation of their stock pile of over 2,000,000,000 pounds. This joint organization controls 85 percent of the world's apparel wool supply and it has the power to lower prices at will. During 1946 over 1,000,000,000 pounds of wool was consumed in this country, and more than 80 percent of that was foreign wool. Last year 819,253,000 pounds of the 1,000,000,000 pounds of wool used in this country was imported into this country.

So I say it is a fair statement to say that we are either going to do something in this bill or some other bill to protect the sheep and wool industry of this country or else we write it off once and for all. Some people say we should do that. Some people say we should have a policy of eliminating the sheep and wool industry; that we cannot, under our American system, compete with other countries in labor and the other things that are necessarily included in the cost of producing wool in this country, and that we should consider this industry as a casualty and write it off once and for all. I cannot subscribe to that thinking and that philosophy.

The SPEAKER. The time of the gentleman from Oklahoma [Mr. RIZLEY] has again expired.

Mr. RIZLEY. I yield myself two additional minutes.

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

Mr. RIZLEY. I yield.

Mr. HALLECK. The gentleman has made a statement with reference to the necessity for the enactment of some sort of legislation to protect the sheep and wool industry. I will ask the gentleman if it is not a fact that that necessity was precipitated by action of the Department of Agriculture in terminating the program on April 15 last.

Mr. RIZLEY. I was just about to come to that. The gentleman is correct.

Mr. HALLECK. I would like to inquire further. Assuming the necessity for the protection of the sheep and wool industry of this country, having regard to the competition of imports from foreign countries, does the gentleman know of any way to afford that protection except, first, a subsidy by the Federal Treasury or, second, adequate tariff protection for the domestic wool produced?

Mr. RIZLEY. The gentleman has stated the case correctly. We will either subsidize the industry, as the gentleman mentioned, or else we will try to do as we are doing in this bill, amend section 22 of the Agriculture Adjustment Act, so as to attempt to protect it in that manner and thus get away from subsidies.

Mr. HALLECK. Do I understand correctly that section 22 is in existing law, passed some time ago, applicable to other commodities?

Mr. RIZLEY. The gentleman is correct. Cotton and wheat, two other products in this country, are being protected under section 22 at the present time. In this bill it is proposed to bring wool within the purview of section 22 of the Agricultural Adjustment Act.

Mr. HALLECK. Is it true that the use of section 22, applying it to wool, is in an effort to avoid subsidies out of the Federal Treasury?

Mr. RIZLEY. Yes, sir; to the tune of probably fifty or one hundred million dollars a year.

To summarize, Mr. Speaker, the bill as now proposed by the committee provides:

First. That the Commodity Credit Corporation will continue its purchase program until December 31, 1948, at the 1946 price, which, as I have indicated, has not changed since Pearl Harbor. That price is less than parity.

Second. It authorizes the Commodity Credit Corporation to sell its wool at competitive prices with foreign wool. This will enable the United States to dispose of its stock pile.

Third. Amend existing law by adding wool to other commodities under section 22 of the AAA Act and thus provide that, if imports of foreign wool tend to materially interfere with the wool program, the President may require the Tariff Commission to make a study, and after a hearing, if the President finds such to be the fact, he is required to impose such fees on imports as may be necessary to correct the situation.

I am convinced that the provisions of the wool bill are sound and necessary to provide for the sale of the Government stock pile and in order to protect the American sheep industry from further liquidation.

The SPEAKER. The time of the gentleman from Oklahoma has again expired.

Mr. SABATH. Mr. Speaker, the gentleman from Oklahoma has explained the rule. I therefore will not take up the time of the House discussing it. He has also tried to explain the underlying reason for this legislation on the theory that

if not enacted the sheep growers and wool growers will be driven out of business. I shall devote my remarks for a few minutes to this aspect of the legislation.

I do not want to be guilty of driving any industry out of business. My aim at all times is to aid industry. I am afraid however that the figures cited by the gentleman from Oklahoma a few minutes ago do not correspond with the actual figures on profits made by sheep and wool growers—but I do not blame him for the discrepancy.

FIGURES SHOW PRICES DOUBLED

I have some figures here myself, Mr. Speaker, which show how prices on sheep have more than doubled since 1940, prices on lamb chops have exactly doubled, and prices on wool and yarn have greatly increased in the same period.

First, I give you figures on sheep:

All sheep, including stock and feeder sheep

Year:	FARM VALUE	
		Per head
1940	-----	\$6.30
1941	-----	6.73
1942	-----	8.60
1943	-----	9.68
1944	-----	8.72
1945	-----	8.58
1946	-----	9.69
1947	-----	12.63

Next I insert the prices per 100 pounds received by farmers for lambs in those years:

Lamb prices	
Average annual price per 100 pounds received by farmers:	
1940	----- \$8.10
1941	----- 9.58
1942	----- 11.74
1943	----- 12.96
1944	----- 12.50
1945	----- 13.00
1946	----- <sup>1</sup> 15.40
1947	----- <sup>2</sup> 19.47
Average price, Chicago:	
1940	----- 10.36
1941	----- 12.24
1942	----- 16.42
1943	----- 15.35
1944	----- 15.55
1945	----- 14.71
1946	----- <sup>1</sup> 19.70
1947	----- <sup>2</sup> 22.87

<sup>1</sup> May to November 1946.

<sup>2</sup> December to April 1947.

Now I give you the retail price of lamb loin chops; these are the average prices you, as consumers, have paid and are now paying:

Retail price, lamb loin chops	
	Per pound
1940	----- \$0.405
1941	----- .43
1942	----- .555
1943	----- .565
1944	----- .585
1945	----- .60
1946	----- .735
1947 (April)	----- .81

And now, finally, Mr. Speaker, as to wool prices, in 1940 the wholesale price of wool on the Boston market was around 95 cents. At the present time it is \$1.15 and above parity. Wool yarn that in 1940 brought \$1.34 wholesale now brings \$1.95 a pound, as shown in the following table:

## Wool prices

Average price per pound received by farmers:	Cents
1940	28.3
1941	35.5
1942	40.1
1943	41.6
1944	42.4
1945	41.9
1946	42.3
1947 <sup>1</sup>	40.5

  

Wholesale wool prices per pound, Boston:	
1940	\$0.963
1941	1.08
1942	1.19
1943	1.178
1944	1.19
1945	1.17
1946	1.26
1947 <sup>1</sup>	1.15

  

Wholesale wool yarn price per pound, Boston:	
1940	1.34
1941	1.64
1942	1.80
1943	1.80
1944	1.85
1945	1.90
1946	1.90
1947 <sup>1</sup>	1.95

<sup>1</sup>First 3 months 1947.

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

Mr. SABATH. Briefly.

Mr. BARRETT. I contacted the Department of Agriculture on this subject and they told me that wool is now below parity. Parity is 42.3, and the purchase program is 41.5.

## MANUFACTURERS' PROFITS UP IN CLOUDS

Mr. SABATH. They ask us to consider the poor manufacturers, the unfortunate, hard-pressed manufacturers. The American Woolen Co. in 1940 made \$3,000,000. In 1946 their profit was \$20,000,000.

The Pacific Mills Co. lost \$348,000 in 1940, but in 1946 they had a profit of \$9,502,000.

The Botany Worsted Mills, at Passaic, N. J., had a profit of \$527,000 in 1940, but last year had a profit of \$3,802,000.

The Cleveland Worsted Mills, which had a profit of \$585,000 in 1940, now has a profit of \$3,457,000.

## FIGURES PROVE RISE IN PROFITS

Here are some actual figures showing how the profits of the manufacturers have grown from year to year since 1940:

## Profits, woolen manufacturers

American Woolen Co., New York City:	
1940	\$3,154,464
1941	6,943,886
1942	4,823,831
1943	5,475,421
1944	5,294,909
1945	8,301,140
1946	20,098,178

  

Botany Worsted Mills Co., Passaic, N. J.:	
1940	527,481
1941	1,446,580
1942	506,835
1943	785,380
1944	756,513
1945	817,891
1946	8,802,548

Wyandotte Worsted Co., Waterville, Maine (New York City):	
1940	\$1,670,328
1941	514,353
1942	683,160
1943	753,805
1944	629,575
1945	658,223
1946	1,578,338

Pacific Mills Co., Boston, Mass.:	
1940	348,310
1941	2,696,750
1942	2,200,995
1943	2,318,267
1944	1,871,609
1945	1,996,070
1946	9,502,891

Cleveland Worsted Mills Co., Cleveland, Ohio:	
1940	585,985
1941	1,079,717
1942	758,512
1943	858,879
1944	749,291
1945	590,193
1946	3,457,592

## SHEEP AND WOOL INDUSTRY NOT DESTROYED

The same ratios would apply to other manufacturers. In the face of these figures on the increased prices of sheep and lambs, of wool, and of wool products, and of the constantly rising profits of processors, I do not see how it can be said that either the sheep industry or the woolen industry is being driven out of the market or out of business.

I understand, of course, the underlying reason of this bill, and I do not blame some of the "woolen" people for trying to come in under the act that has been so kind to wheat, corn, cotton, and other commodities; they want to come in under price support and be guaranteed, safeguarded, and protected. The trouble is—and I have pointed this out before—that because of the tremendously high prices in this country we are losing foreign markets.

## BRITISH UNDERSSELL AMERICANS

The gentleman from Oklahoma said, and it is true, that from 75 to 80 percent of the consumption of wool comes from wool imported from the British combine because they have been underselling us by two or three dollars.

If we do not continue to support the price and it is way above the price of foreign wool, how will we get rid of our surplus? We have on hand all of 460,000,000 pounds of wool. Why? Because the manufacturers—these patriotic gentlemen who have increased their profits by millions—would not buy American wool. They would buy foreign wool because they could buy it much cheaper but outside of that I think the legislation is unfortunate due to the fact it will affect our international position that has stood us so well. I believe we should do nothing that might destroy our reciprocal trade-agreement set-up or that will hamper our efforts to safeguard our exports. Of course, at this time our exports are 10 times as great as imports. But how long will that continue?

Let us look to the future. Let us be wise and take into consideration what may develop.

In that connection, Mr. Speaker, I fully appreciate there are some gentlemen who are extremely sincere and honest, like my colleague from Utah [Mr. GRANGER], who feels it is necessary that this legislation pass. Well, he represents certain interests in his district. He has always done it and with his ability, determination and courage, he has of course succeeded in serving his people well. I think, however, there is such a thing as asking for more than our country can well stand.

## CONSUMERS SHOULD BE CONSIDERED

I feel that we should take into consideration not only the sheep growers who have made a lot of money, the wool growers, the wool manufacturers and these people who deal in wool, but we should consider the consumers of our own country. We should determine what it costs and what it will cost us in the future if we do the same thing that we have done for wheat and these other commodities. The poor consumer who is obliged to foot these bills is entitled to some consideration because today, in my opinion, the prices charged consumers for woolen articles are so high most people cannot afford to buy and this will restrict their buying further.

Consideration should be given, before the vote is taken, on the amendment and the substitute that have been agreed upon by the steering committee of the Republican Party, the amendments which the chairman of the Rules Committee came in and stated have been agreed on. There was no meeting of the committee; nevertheless, I presume he is acting for the committee and the committee, of course, will not question his action. Nor have I any proof it was the steering committee. It might have been the advisory committee or some other committee that prepared the substitute for the amendment that he finally suggested will be offered on the floor of the House.

## AMENDMENT PUTS POWER IN PRESIDENT'S HANDS

Now, that amendment eliminates the arbitrary power given in the original bill to the Secretary of Agriculture, and it provides that the matter should be submitted to the Tariff Commission for investigation, and when the Tariff Commission reports, that the President has jurisdiction then to act in accordance with the recommendations of the Tariff Commission.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield for a question, please.

Mr. MURRAY of Wisconsin. What part of the bill does the gentleman object to? Does he object to giving the President power to control the situation so far as wool is concerned that he already has on these other commodities?

Mr. SABATH. No; I do not object to that provision at all.

Mr. MURRAY of Wisconsin. Then, what provision does the gentleman object to?



Mr. SABATH. There are several other provisions in there that will be explained later on more fully than I can by those gentlemen who have the facts. They have heard the evidence. I have not. All I have heard was the evidence of the chairman of the Committee on Agriculture and perhaps one or two other Members, and they did not have the chance to get all the information that I felt I was entitled to. But, I believe the House will get that information from those who favor the bill as well as from those who are opposed to it.

Mr. MURRAY of Wisconsin. Mr. Speaker, if the gentleman will yield further, the gentleman would not like to leave the impression with the Members of this House that he would be in favor of putting embargoes on tobacco-seed exports, an embargo on cotton imports, and an embargo on wheat imports, and then stand up here and tell us that it is sinful to provide some machinery to protect the wool growers of this country, does he?

Mr. SABATH. I want the wool growers to get the same treatment as every other person, but not at the expense of the country and at the expense of the future of our country.

In that connection, Mr. Speaker, I ask unanimous consent that I may proceed out of order now for 5 minutes.

#### STOCK EXCHANGE MANIPULATION

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

There was no objection.

Mr. SABATH. Mr. Speaker, it is conceded by all that the country is prosperous; that manufacturers and the people are making more money; that business is better and more people are employed than ever before. It is also known to all that profits are greater than ever before. Within the last few days it has been said by certain gentlemen that retail business is sloughing off. I have competent figures showing that retail business was from 4 up to 14 percent higher throughout the country in the first quarter of this year than it was in the palmy days of 1945 and 1946. So, every indication points to a prosperous year and years to come.

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

Mr. SABATH. I cannot yield now. If the gentleman will listen to me he will agree with me that something must be done that I will call attention to.

Mr. BARRETT. I think the gentleman would agree with me if he would yield.

#### GAMBLERS HAMMERING SECURITIES

Mr. SABATH. Notwithstanding these prosperous conditions and good business, and increased profits and dividends being paid, a certain few professional gamblers have started out to hammer the price of stocks and bonds down until today the prices of some outstanding issues of corporations have been driven down more than 50 percent, far below the actual value—not that I am encouraging any one to buy, but I want to call your attention to that fact because it is a matter that I have studied for a good many years.

In 1929 I called attention to the fact that if we did not stop the manipulators, the short sellers, and the gamblers on the New York Stock Exchange and other exchanges we were likely to have a crash in this country.

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

Mr. SABATH. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think the gentleman's statement that there has been a 50-percent reduction in the value of stocks is very tolerant. I think the gentleman will find that between election day of last year and now the decrease of market values of many stocks has been nearer 75 percent, when everybody expected that after the election the stock market would go up. We now have a most unusual situation, in which many stocks have gone off nearly 75 percent. It must certainly bring an awful lot of disappointment to hundreds of thousands of owners of stocks in various companies in the country to have seen the value of their stocks wiped out anywhere from 60 to 75 percent.

Mr. SABATH. I thank the gentleman, who is always so well-informed, for his observation.

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

Mr. SABATH. I yield to the gentleman from Illinois.

Mr. BUSBEY. With reference to the increase of 14 percent in the value of the retail business of this country—

Mr. SABATH. From 5 to 14 percent.

Mr. BUSBEY. Is that in volume of merchandise or based on the inflated Roosevelt dollar?

Mr. SABATH. Again the gentleman is trying to bring in a little politics. It is not an inflated dollar.

Mr. BUSBEY. I take it that the gentleman from Massachusetts did not bring in any politics.

#### FEARS REPETITION OF 1929

Mr. SABATH. When he does he brings out facts and figures. He corrected my statement. I was too low, and I deliberately was low because I did not wish to magnify the losses.

Mr. BUSBEY. I was just trying to bring out the fact—

Mr. SABATH. I cannot yield further.

Mr. Speaker, I am fearful that the same thing that took place in 1929, '30, '31, and '32 will occur again unless we put a stop to the activities of these few outrageous men, these few who gamble with the prosperity and the future of our Nation.

The SPEAKER. The period for which the gentleman was given permission to proceed out of order has expired.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to proceed out of order for five additional minutes.

Mr. RICH. Reserving the right to object, Mr. Speaker, we have legislation to consider here this afternoon, but if the gentleman is going to make a political speech we ought to give him a lot of time to do that.

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

There was no objection.

Mr. SABATH. If I did not honestly and sincerely believe that it is of great importance, I would not have asked to speak out of order.

#### BROUGHT UP QUESTION LAST SEPTEMBER

Mr. Speaker, last September, a month after adjournment when the market was strongly attacked by bear interests and stocks fell off sharply without any good reason, I asked the Securities and Exchange Commission to look into the situation, and I ask unanimous consent at this time to insert letters exchanged with officials of the Securities and Exchange Commission then and also in the last week.

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

There was no objection.

Mr. Speaker, I first sent the following telegram, just as I was leaving Washington:

SEPTEMBER 4, 1946.

HON. JAMES J. CAFFREY,  
Chairman, Securities and Exchange  
Commission, Philadelphia, Pa.:

In the light of current developments I feel you should ascertain immediately, so that the country may be informed, the names of all those who are selling stocks short and if officers of corporations are thus disposing of their stock in those firms.

A. J. SABATH,  
Member of Congress.

Mr. Caffrey replied at once as follows:

SECURITIES AND EXCHANGE COMMISSION,  
Philadelphia, Pa., September 4, 1946.

HON. A. J. SABATH,  
House of Representatives,  
Washington, D. C.

MY DEAR CONGRESSMAN SABATH: This is to acknowledge receipt of your telegram of September 4 relating to current developments in the stock market. You suggest that the Commission ascertain the names of all those who are selling stocks short and whether officers of corporations are thus disposing of the securities of the firms by which they are employed.

Please be advised that as a matter of routine the Commission gathers a great deal of information about the stock market. Of necessity there is a short time lag between actual occurrences in the market and the time when the Commission has possession of an adequate amount of information in order to perform its duties under the statutes which it administers. Although in the course of gathering this information we will not obtain the names of all of the persons who have sold stocks short during the recent decline, we will in certain selected key stocks obtain the names of significant short sellers. Whether publicity will be given to such information will depend upon its nature. If we discover that violations of law have occurred, the Commission will take appropriate action, which may include the institution of criminal proceedings. In this event, of course, publicity would be given to the names of the persons involved.

As you are undoubtedly aware, the Securities Exchange Act of 1934 provides that all officers, directors, and 10-percent stockholders of registered companies must report to the Commission all purchases and sales made by them of the equity securities of such companies. These reports are made public and their contents are widely disseminated through the daily press. Moreover, section 16 (c) of that statute provides that it is unlawful for any such persons to sell short the stocks of the corporations which they so serve. On the basis of experience with past declines in the stock market, it is extremely unlikely that there has been any short selling by persons in the categories enumerated above. Certainly if such short

sales have taken place, they will be few in number and not in sufficient volume to account for the sharp break in yesterday's market.

Please be assured that the Commission is at all times cognizant of its responsibilities to American investors, and for that reason it continually informs itself concerning the character of trading in securities. Such activity has enabled the Commission in the past not only to prosecute persons who have been guilty of manipulating the market for individual stocks, but has also led to the adoption of rules regulating the conduct of persons generally. Thus, on the basis of information obtained, the Commission in the past has promulgated rules covering such matters as short selling; and has influenced the stock exchanges to adopt rules of their own limiting the activities of specialists, floor traders and others.

Permit me to recall to you that the Commission's short-selling rule prohibits anyone from selling a registered security short except at a price which is above the last different sale price for the particular security. The effect of this rule is to impose numerous restrictions upon short sellers when our markets are rising, but to restrict severely their short sales during periods of decline. I feel sure that this rule in operation has greatly tempered market declines such as that which occurred yesterday and that short selling played no significant part therein.

Sincerely yours,

JAMES J. CAFFREY,  
*Chairman.*

Then on September 12, 1946, Mr. Speaker, I addressed the following lengthy letter to Mr. Caffrey, which I most respectfully ask all gentlemen here to read:

MY DEAR MR. CAFFREY: Thank you for your prompt answer on September 4 to my telegram of the same date.

I appreciate the points you make.

Nevertheless, I remain unconvinced on several major possibilities in the sustained break in the securities markets of recent weeks: I suspect that political motivations and implications are a factor; but I believe that short selling pressure is a major factor. I do not believe that any simple and superficial theory can explain the continued hammering of leading industrials largely exempt from the easy reasoning of many apologists for Wall Street.

Speculative trading in securities is a sterile economic process. No wealth is produced. No substantial contribution is made to the general economic welfare. Under the wise legislation adopted by Democratic administrations which created the Federal Reserve System and the Securities and Exchange Commission, supervision and controls of trading, banking, and credit facilities have, I believe, provided a cushion against the shock of wild market fluctuations against the national economy. Even so, the shock remains and can be felt.

The repeated assaults on the securities of sound, flourishing, well-managed companies, at a time when every economic barometer suggests a long and sustained period of high production, high earnings, high employment, and high return on legitimate investments, cannot be rationalized away in simple terms of emotion.

Since my telegram to you, and your answer, I have been deluged with letters, telegrams, and telephone calls, most of them sustaining my position.

I trust that the routine studies of the Securities and Exchange Commission will take full cognizance of all the pertinent factors; in the absence of some assurance from you of comprehensive studies of stock movements in the last two months I shall feel impelled to urge the necessity of a com-

plete investigation by the House Banking and Currency Committee as soon as the Congress convenes.

Without pretending to offer a comprehensive list of all those factors, I should like to draw to your attention certain fields which would seem to justify special study:

1. The extent to which a deliberate desire to effect the outcome of the November elections by artificially disturbing the national economy played a part in the heavy selling climaxed by the present slump; and, as a corollary, whether this was part of a campaign to remove margin limitations.

2. Careful examination to determine if any violation of law or of regulation occurred through short selling in prohibited categories.

3. Careful examination to determine if any violations of Federal Reserve margin rules through prohibited bank loans for speculative stock purchases on margin occurred, with consequent unsettling of the market by forced liquidation of margin accounts.

4. The extent, if any, to which operations from foreign accounts, particularly from areas where gold differentials favor speculative activity in the American market, adversely affected the market here, and whether it is wise or feasible to devise legislative or regulatory safeguards in this field.

5. The extent to which odd-lot trading, not reportable as short selling under present rules, adversely affected the market, with a detailed study of practices in this field, and whether or not it is wise or feasible to devise legislation, or regulations under existing law, for additional safeguards.

I should like to amplify this last paragraph. The borrowing of stock by odd-lot dealers to fulfill commitments, the substantial profits accruing from such practices both to odd-lot and round-lot houses (but not to the customer, who gains nothing and may lose substantially), and the constant danger to a stabilized market from the speculative nature of odd-lot transactions, make these practices a matter of practical concern to the American public and clothe them with public interest. A completely stable market is, of course, no market, where profits depend principally on speculative buying and selling, and as long as stock exchanges exist I am not proposing that they be so regulated and regimented that no business can be done.

I am suggesting that existing regulations and the organic law under which they are promulgated constitute a fairly effective hedge against the wild speculative fluctuations characteristic of the boom-and-bust philosophy of the Republican Party insofar as round-lot sales are concerned; but those very regulations have encouraged the growth of volume of odd-lot transactions because in that field there is wider freedom and less publicity.

In the nature of their operations, odd-lot traders must be long or short of the market. Their profits depend, not on commissions alone, but on actual trading with other peoples' shares. I am not overlooking the large capital required for odd-lot operations; the capital required is so large, in fact, that there is a virtual monopoly in the field which might well be examined by the Antitrust Division of the Department of Justice.

It would seem that the practice of borrowing shares of stock and the payment of premiums for its use, without the personal knowledge of the bona fide owner of the stock, would justify the most careful scrutiny of the SEC with a view to possible regulation or prohibition; at the same time, a very heavy volume of odd-lot trading, in proportion to total transaction—sometimes amounting to 40 percent or more in an active day—and the relatively invisible nature of such trading, which is inherently short of the market, make it imperative that the whole system of odd-lot brokerage should be carefully examined.

It seems to me a virtual certainty that urgent selling by odd-lot traders in order to cover short-sale commitments was a major factor in the sharp decline of exchange prices, and the timing makes it equally probable that the whole system of odd-lot brokerage should be carefully examined.

Because I believe that the American people deserve to be fully informed, I am making this letter public. I shall look forward with anticipation to your reply.

Sincerely yours,

A. J. SABATH.

In the meantime I had received scores of letters, most of them applauding my position, although a few were very abusive. Then under date of September 18, 1946, I received the following letter from Mr. Caffrey:

SECURITIES AND EXCHANGE COMMISSION,  
*Philadelphia, Pa., September 18, 1946.*  
The Honorable A. J. SABATH,  
*House of Representatives,*  
*Washington, D. C.*

MY DEAR MR. SABATH: This is to acknowledge receipt of your letters dated September 12, 1946.

As you are aware, the general averages in securities prices have been going lower since the end of last May. Pursuant to our statutory duty and our established practice, since that time the Commission has continued to make comprehensive studies or market movements and has been assembling the pertinent facts relating to the market, and has made detailed examinations into the trading in numerous individual securities.

At all times we keep informed concerning the various factors which may influence our securities markets. Our staff constantly studies general business and economic conditions and regularly gathers information relating to the activity of various groups in the markets and the identity of the persons who by their trading may have an important influence on prices. The detail with which this information is gathered and assembled varies with the current activity of the markets.

As soon as the recent sharp declines occurred following Labor Day, we extend our studies and surveys. Since then we have received communications from many persons throughout the country, including yourself, making suggestions concerning various matters into which we should inquire. Please be assured that we will give all the suggestions received our most careful consideration.

I appreciate your interest in sending me your own suggestions and those made to you in the enclosures accompanying your letter, which I herewith return to you as requested.

Sincerely yours,

JAMES J. CAFFREY,  
*Chairman.*

RENEWED REQUEST TO SEC LAST WEEK

It has been my hope, Mr. Speaker, that this House, even with the present majority, would feel moved to direct a study by an appropriate committee, and I have been prepared to turn over to any such committee any or all of my files if requested. That hope has not, of course, been realized, and meanwhile the stock market has continued in a steady downward trend at a time when there appears to be no sound reason.

I had already become concerned, and telephoned the Securities and Exchange Commission in Philadelphia last Friday asking for information on the volume and effect of short sales on the stock market at the present time. The reply, which I insert at this point, was extremely

interesting and to some extent reassuring:

UNITED STATES SECURITIES AND EXCHANGE COMMISSION, Philadelphia, Pa., May 19, 1947.

HON. ADOLPH J. SABATH, House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN SABATH: Concerning your inquiry in regard to short selling, I enclose a tabulation showing the total New York Stock Exchange short position, monthly, since January 1944, excluding short positions of odd-lot dealers. I have included the number of issues involved. You will also find enclosed a tabulation of round-lot stock transactions on the New York Stock Exchange for each week of 1947 through the week ended May 3, which is the last week for which we have received a report. This tabulation gives short sales as well as total sales in several member categories and also for nonmembers.

As you are aware, section 10 (a) of the Securities Exchange Act of 1934 makes it unlawful for any person to effect short sales using the facilities of a national securities exchange in contravention of rules and regulations of this Commission. I am sending you a copy of our general rules and regulations, and refer you specifically to rule X-10A-1. In general, this rule requires that short sales take place only at a price above the next preceding different price. The Commission's rule does not specifically cover short sales of odd lots and it has been our experience that the volume of short selling by such means is so nominal that it has not appeared to us that a rule dealing with odd

lots has been necessary. Moreover, by the rules of the New York Stock Exchange, all members of the exchange are forbidden to sell short in odd lots except at a price higher than the next preceding different price, so that the same prohibitions governing short sales in round lots are in effect as to members whenever they deal in odd lots.

I am very much interested in your belief that there is a sizeable quantity of short selling over the counter in odd lots in listed stocks. It would be greatly appreciated if you would give me copies of any reports you may have in this matter. This Commission's inspections of over-the-counter dealers indicate that such dealers at times have temporary short positions. However, I have no reason to believe that the aggregate of such short sales over the counter is very large.

Please call upon me promptly if I can supply any further facts or figures.

Very truly yours,

JAMES A. TREANOR, Jr., Director.

New York Stock Exchange

	Number of issues (excluding odd lot dealers)	Number of shares (excluding odd lot dealers)
1944:		
Jan. 31	606	847,335
Feb. 28	624	960,617
Mar. 31	664	1,028,489
Apr. 30	624	1,090,581
May 31	662	1,181,293
June 30	715	1,287,970

New York Stock Exchange—Continued

	Number of issues (excluding odd lot dealers)	Number of shares (excluding odd lot dealers)
1944—Continued		
July 31	683	1,327,641
Aug. 31	680	1,283,555
Sept. 30	681	1,275,709
Oct. 31	664	1,373,540
Nov. 30	733	1,436,271
Dec. 30	692	1,390,713
1945:		
Jan. 31	737	1,475,441
Feb. 15	733	1,582,647
Mar. 15	726	1,520,384
Apr. 13	698	1,361,495
May 15	741	1,486,804
June 15	728	1,554,069
July 13	689	1,420,574
Aug. 14	670	1,305,780
Sept. 14	688	1,327,109
Oct. 15	731	1,404,483
Nov. 15	748	1,566,015
Dec. 14	725	1,465,798
1946:		
Jan. 15	719	1,270,098
Feb. 15	714	1,181,222
Mar. 15	691	1,015,772
Apr. 15	663	994,375
May 15	677	1,022,393
June 14	658	867,891
July 15	658	849,698
Aug. 15	649	732,649
Sept. 13	643	627,964
Oct. 15	646	757,215
Nov. 15	666	927,002
Dec. 13	700	893,178
1947:		
Jan. 15	681	798,081
Feb. 14	696	1,046,797
Mar. 14	713	1,015,331
Apr. 15	725	1,018,631

Round-lot stock transactions on the New York Stock Exchange for accounts of members and nonmembers

Week ended—	All round-lot sales		Transactions of specialists (except for odd-lot accounts) in stocks in which they are registered				Transactions for odd-lot accounts of odd-lot dealers and specialists			
	Total	Short	Purchases	Sales		Purchases	Sales			
				Total	Short		Total	Short		
1947	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	0
Jan. 4	5,402,210	137,320	565,560	576,750	83,010	225,710	184,170			0
Jan. 11	5,406,170	213,950	559,680	684,110	99,140	320,760	151,120			0
Jan. 18	6,233,210	323,940	679,010	767,470	152,780	349,200	157,440			0
Jan. 25	4,703,850	235,990	588,990	553,110	119,480	284,970	131,430			0
Feb. 1	7,402,850	332,700	831,590	836,000	158,610	323,040	221,920			0
Feb. 8	8,383,500	406,700	894,250	851,700	183,630	349,170	241,140			0
Feb. 15	5,721,930	236,580	634,230	642,050	115,540	261,930	189,620			0
Feb. 21	4,875,070	175,520	527,370	519,550	91,840	251,550	174,870			0
Mar. 1	5,668,220	216,420	648,850	690,770	108,160	278,040	202,490			0
Mar. 8	5,563,010	231,650	680,000	648,330	112,610	268,080	192,650			0
Mar. 15	5,105,070	168,980	571,260	555,640	68,400	290,580	147,320			0
Mar. 22	3,904,600	164,470	432,410	410,060	67,140	237,430	127,430			0
Mar. 29	4,684,600	230,580	480,300	522,210	101,910	256,150	161,050			0
Apr. 5	3,377,450	132,710	362,260	335,610	54,910	172,420	123,650			0
Apr. 12	5,145,310	184,870	462,360	524,210	71,150	258,390	168,970			0
Apr. 19	7,542,070	357,500	792,610	809,120	96,890	399,650	203,600			0
Apr. 26	4,673,730	332,900	537,430	558,560	126,420	292,610	135,120			0
May 3	4,560,060	292,270	534,190	517,670	95,820	230,920	160,850			0

Week ended—	Other member transactions initiated on the floor			Other member transactions initiated off the floor			Transactions for accounts of nonmembers		
	Purchases	Sales		Purchases	Sales		Purchases	Sales	
		Total	Short		Total	Short		Total	Short
1947	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares	Shares
Jan. 4	108,870	124,570	7,000	189,030	169,640	15,940	4,313,040	4,347,080	31,370
Jan. 11	99,780	156,870	21,000	202,130	284,420	42,360	4,213,820	4,129,650	51,450
Jan. 18	106,650	152,570	21,370	233,488	291,490	43,130	4,864,862	4,864,240	106,660
Jan. 25	95,750	115,600	17,300	230,257	219,850	32,580	3,503,883	3,683,860	66,630
Feb. 1	135,660	156,100	15,700	349,127	383,761	56,260	5,763,433	5,805,069	102,190
Feb. 8	180,100	268,730	51,900	319,687	417,760	56,375	6,640,293	6,604,170	114,795
Feb. 15	151,370	220,800	20,200	177,063	304,370	36,940	4,497,337	4,365,090	63,900
Feb. 21	119,200	135,190	11,900	173,765	201,235	19,610	3,803,185	3,844,225	52,170
Mar. 1	152,100	203,500	20,600	187,793	202,930	20,300	4,401,437	4,368,530	67,360
Mar. 8	156,090	156,090	23,700	173,250	206,047	22,480	4,267,590	4,359,893	72,860
Mar. 15	151,770	151,430	15,600	169,970	168,850	14,410	3,921,490	4,081,830	70,570
Mar. 22	108,110	101,700	11,600	135,650	139,880	20,890	2,991,000	3,125,530	64,840
Mar. 29	144,990	144,420	19,050	175,810	231,300	33,330	3,627,350	3,625,620	76,290
Apr. 5	101,590	129,000	12,250	111,125	151,406	16,110	2,630,055	2,637,784	49,440
Apr. 12	103,150	187,600	14,150	142,555	239,945	17,000	4,168,855	4,024,585	82,570
Apr. 19	174,820	318,570	21,450	206,370	264,210	28,790	5,968,620	5,946,570	210,370
Apr. 26	138,550	170,470	24,900	129,910	186,822	25,590	3,575,230	3,622,758	155,990
May 3	151,530	162,800	28,700	176,520	193,278	23,410	3,406,900	3,523,462	144,340

## ASKS STOP TO SHORT SALES

Meanwhile, Mr. Speaker, before having received this reply from Mr. Treanor to my telephone request, I had become more and more concerned by the declines, and I addressed the following communications to Mr. James J. Caffrey, chairman of SEC, and Mr. Emil Schram, president of the New York Stock Exchange:

MAY 19, 1947.

Hon. JAMES J. CAFFREY,  
Chairman, Securities and  
Exchange Commission,  
Philadelphia, Pa.

DEAR MR. CAFFREY: Why has the stock exchange been permitted to repeat the vicious practices that brought about the crash and ruin of the Nation in 1929, when the income of the country last year was the greatest in history, reaching \$165,000,000,000 and when the country is generally prosperous and production, employment, crops, and profits are at their highest peak?

The stock exchange in 1929 failed to act upon my plea to stop short selling and brought about the stock market collapse and enactment of the Securities and Exchange Act to restrict dishonest and destructive manipulations in stock transactions. Today it appears that a small group of operators is again permitted to sell stocks short that they do not own to force prices down and to repurchase the stocks later at greatly reduced prices to the detriment and loss to millions of investors and endangerment of the country's prosperity. That this is done by a few professional short sellers, brokers and inside men is beyond question, because, on the other hand, the professionals in the grain market, despite the greatest crop in history, have boosted the price of grains to nearly \$1 a bushel and on wheat, corn, barley, and rye from \$1.50 to \$2 a bushel. Quite frequently, in one week, more grain is sold than is grown in an entire year.

I respectfully ask that the Commission check the transactions of all big short sellers for the past 60 days, the stocks they sold short, and the number of shares they are now short on all issues; also the transactions of floor traders, specialists, over-the-counter and odd-lot traders. I also desire to be informed as to the number of foreign short sellers, and the number of shares bought and sold for them during the past 60 days. I will also appreciate your advice as to whether any steps have been taken by the Commission to stop these manipulative activities.

For your information I enclose a copy of a telegram which I addressed today to Mr. Emil Schram, president of the New York Stock Exchange. If it is not known to you, you should ascertain how your regulations are being evaded by the methods of private loan sharks on loans on listed stocks.

Sincerely yours,

A. J. SABATH,  
Member of Congress.

MAY 19, 1947.

Mr. EMIL SCHRAM,  
President, New York Stock Exchange,  
New York City:

Nearly all corporations show increase in their business and profits above the banner years of 1945 and 1946 and country's income last year was one hundred and sixty-five billion and estimated one hundred and seventy-five billion for 1947, which will be four and one-half times greater than in 1932. Country is generally prosperous and production, employment, crops, and profits are at highest peak and, notwithstanding publicity given out by professional and short-selling groups and a few publicists that business is sluffing off, the record shows that retail sales for the first quarter of 1947 have increased from 5 percent to 14 percent through-

out the country. Consequently, in view of all these favorable indications, the public cannot understand why the prices of many stocks have been hammered down almost one-half since November while nearly all companies are showing greater profits and paying higher dividends than ever before. I feel that the board should immediately stop all wash transactions, broker stock loans, and short selling, and if that cannot be done then the immediate raising of margins to 100 percent should be effectuated.

A. J. SABATH,  
Member of Congress.

## EVEN SMALL VOLUME OF SHORT SALES ADVERSELY AFFECTS MARKET

However, in spite of assurances that the total volume of short sales is relatively small and cannot materially affect the market, I remain unconvinced.

The contention by defenders of short sales that the short sale of a few thousand shares of stock cannot have much influence on the market when there are over a billion shares outstanding simply does not stand up to analysis or experience, because it is obvious that the repeated sales of a few thousands of shares in even a limited number of firms has a cumulative effect much greater than the transactions of a single day.

A careful reading of my communications of September 12, 1946, to the SEC and of May 19 to SEC and the stock exchange must convince any fair-minded person that short selling by speculators, insiders, and professional traders, whether in round lots or odd lots, is detrimental and destructive, and that we should for all time put an end to letting people sell something they do not own.

This matter is of such importance and of so great moment, I repeat, that it should be stopped, or at least most severely restricted; otherwise we may experience the same tragic experience into which we were pushed by speculators in 1929—an experience of which I do not wish to remind you, and from which it took 4 years for the country to become strong enough even to begin the slow climb back to prosperity.

## GAMBLERS PRODUCE NOTHING

Were it not for the fact that the President is absent from Washington due to the illness of his wonderful mother, I should have taken this matter up with him, for I feel that the safety and security of our country is now at stake. I have, meanwhile, communicated with the Attorney General, and have called his attention to the dangerous condition which is developing, in which a small coterie of avaricious and irresponsible manipulators, who can sell thousands and thousands of shares of stocks they do not own, might easily precipitate another disastrous decline. These are ice-blooded stock gamblers who produce nothing, but are experts at destruction. Please remember that the panics of 1893, 1907, 1921, and 1929 were brought about by the same influences now operating again.

## SHORT SALES INCREASING

I have risen now to warn Members of this danger because in yesterday's Wall Street Journal there is an article indicating that the short interest in the market is rising steadily, rapidly, and dangerously. Short sales increased by almost 300,-

000 shares in the last 30 days. Please understand that I claim no credit for the publicity given this increased short selling, nor to the fact that short sales have been to some extent checked and that stocks rose up to 3 points following my appeal to the exchange and the Securities and Exchange Commission. That all may read I insert here the article from the Wall Street Journal of Wednesday, May 21, to which I have referred:

## SHORT INTEREST RISES ON STOCK EXCHANGE IN MONTH TO MAY 15—POSITION AT 1,314,391 SHARES, AN INCREASE OF 295,760 OVER APRIL 15

The short interest on the New York Stock Exchange at the close of business on the May 15, 1947, settlement date was 1,314,391 shares. This was an increase of 295,760 shares over the 1,018,631 shares on April 15, 1947. The totals exclude short positions carried in the odd-lot accounts of all odd-lot dealers. As of the May 15, 1947, settlement date, the total short interest in all odd-lot dealers' accounts was 64,007 shares, compared with 53,866 shares on April 15, 1947.

Of the 1,351 individual stock issues listed on the exchange on May 15, 1947, there were 79 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month. These totals, which exclude all odd-lot dealers' short positions, were:

	Short interest, May 15, 1947	Short interest, Apr. 15, 1947
Allied Stores Corp.....	10,280	8,615
American Airlines, Inc.....	6,260	6,620
American & Foreign Power Co., Inc.....	10,330	7,600
American Power & Light Co.....	10,280	10,260
American Rolling Mill Co.....	5,626	2,855
American Telephone & Telegraph Co.....	19,983	33,053
American Woolen Co.....	22,619	13,553
Armour & Co.....	7,525	9,135
Associated Dry Goods Corp.....	5,265	2,450
Avco Manufacturing Corp.....	4,350	9,550
Baltimore & Ohio R. R. Co.....	28,780	32,840
Best Foods, Inc.....	3,170	1,000
Bethlehem Steel Corp.....	8,277	4,587
Burlington Mills Corp.....	2,640	570
Celanese Corp. of America.....	5,131	911
Chesapeake & Ohio Ry. Co.....	7,332	2,900
Chrysler Corp.....	31,229	17,011
Colgate-Palmolive-Peet Co.....	3,930	1,655
Columbia Gas & Electric Corp.....	2,770	7,250
Consolidated Natural Gas Co.....	4,032	1,671
Continental Motors Corp.....	7,700	2,765
Crown-Zellerbach Corp.....	6,290	4,470
Delaware & Hudson Co.....	5,325	4,685
Electric Power & Light Corp.....	8,920	7,410
Eversharp, Inc.....	5,775	2,575
General Motors Corp.....	34,853	26,638
Gillette Safety Razor Co.....	7,760	4,904
Gimbel Bros., Inc.....	11,523	8,678
Goodrich (B. F.) Co.....	4,842	2,750
Goodyear Tire & Rubber Co.....	3,960	1,938
Graham-Paige Motors Corp.....	10,015	10,265
Gulf, Mobile & Ohio R. R. Co.....	31,795	32,730
Houston Lighting & Power Co.....	3,975	1,060
Houston Oil Co. of Texas, voting trust certificates.....	7,320	5,805
Hudson Motor Car Co.....	8,560	5,120
Illinois Central R. R. Co.....	26,002	19,738
International Paper Co.....	22,218	17,870
International Telephone & Telegraph Corp., domestic shares.....	21,905	11,532
Jacobs (F. L.) Co.....	5,400	4,000
Jones & Laughlin Steel Corp.....	5,003	1,962
Kansas City Southern Ry. Co.....	5,025	4,705
Martin (Glenn L.) Co.....	10,135	3,290
Missouri-Kansas-Texas R. R. Co., preferred.....	9,390	7,820
Monsanto Chemical Co.....	5,755	5,755
Montgomery Ward & Co., Inc.....	9,176	5,740
Nash-Kelvinator Corp.....	8,395	6,010
National Container Corp.....	5,023	3,012
National Distillers Products Corp.....	8,072	12,285
New York Central R. R. Co.....	19,580	17,670
Pacific Gas & Electric Co.....	18,361	5,611
Pacific Western Oil Corp.....	2,937	400
Paramount Pictures Inc.....	14,005	13,205
Pennsylvania-Central Airlines Corp.....	3,995	6,585
Pennsylvania R. R. Co.....	10,495	6,661
Pepsi-Cola Co.....	20,142	15,844

	Short Interest, May 15, 1947	Short Interest, Apr. 15, 1947
Radio Corp. of America.....	12,070	6,755
Remington Rand, Inc.....	2,531	526
Republic Steel Corp.....	13,704	8,130
Schenley Distillers Corp.....	24,570	13,687
Sears, Roebuck & Co.....	18,645	15,552
Southern Pacific Co.....	24,421	15,920
Southern Ry. Co.....	9,590	7,830
Spiegel, Inc.....	8,025	7,865
Standard Gas & Electric Co., \$4 preferred.....	20,664	11,873
Standard Oil Co. (New Jersey).....	4,954	1,687
Studebaker Corp.....	8,865	4,635
Sunray Oil Corp.....	4,910	909
Transcontinental & Western Air, Inc.....	5,954	8,850
Twentieth Century-Fox Film Corp.....	5,925	4,802
United Air Lines, Inc.....	7,035	7,075
United Corp.....	5,300	4,600
United Merchants & Manufac- turers, Inc.....	9,330	8,190
U. S. & Foreign Securities Corp.....	5,640	4,380
U. S. Rubber Co.....	9,162	4,999
U. S. Steel Corp.....	24,108	14,771
Warner Bros. Pictures, Inc.....	24,720	14,930
Westinghouse Electric Corp.....	6,755	3,485
Western Union Telegraph Co., class A.....	6,815	8,100
Willys-Overland Motors, Inc.....	17,360	11,145

The number of issues in which a short interest was reported as of May 15, 1947, exclusive of odd-lot dealers' short positions, was 752 compared with 725 on April 15, 1947.

#### SAME GAMBLING IN GRAINS

I may say that the same type of gambling activities are carried on in the commodity exchanges where a small combine of traders, none of whom ever raised a bushel of grain or a bale of cotton, and in spite of restrictive rules designed to keep artificial fluctuations to a minimum, may sell in the course of a day or a few days more wheat, corn, rye and cotton than is grown in a whole year. Last year they took advantage of the legislative situation and of the vast needs for export grains to feed the starving to boost grain prices far above parity. They pushed the price of rye 50 cents or 75 cents higher than that of corn and wheat, which are inherently more valuable. In past years they sold short, but now instead of being bears they have turned bulls, and they are bulling the market and the American people. It is the American people who pay for this gambling, not only in higher prices but also in taxes for international relief.

#### AN OUTRAGE

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

Mr. SABATH. I yield for a question.

Mr. RICH. Is not Mr. Schram president of the stock exchange?

Mr. SABATH. Yes; he is. I also took this up with Mr. Simons, the president of the exchange in 1929, and with Mr. Whitney, who was at that time the vice president. In my last communication to Mr. Whitney I asked him if not for the country's sake then for your own sake stop this outrageous crooked gambling that is going on. He did not heed my advice. As you all know, he was finally sent to the penitentiary. I do not care whether it is Schram or whether it might be my own brother or son or anyone else. I say it is an outrage; it is a shame; it is a conspiracy on the part of a few who never produce anything to try and destroy the values of property in the United States. They may now bring about the

same result as in 1929. I ask the gentleman from Pennsylvania if that should be permitted, and no attention paid to the approaching reenactment of the tragic manipulations of 1929?

#### APPEALED TO PRESIDENT HOOVER IN 1929

At that time I not only spoke on this very floor, warning of what we were heading for, and contacted Mr. Simons and Mr. Whitney, but I also appealed to President Hoover, to Secretary of the Treasury Mellon, the Attorney General, the Federal Reserve Board, and other officials who, I thought, should be made aware of the impending dangers.

At a later date, Mr. Speaker, I shall include in the RECORD the speech I made on December 9, 1929, in which I urged the prohibition of short selling at that time; perhaps, had there been those with ears to listen to my warning instead of to the jangling of the tickers, the crash might have been averted, or at least softened.

I believe that now we still have time, if we have the will, and the courage, and the intelligence, to stop this unfair, dishonest manipulation of the markets by a handful of selfish men. If we do not stop it, we shall be making a great mistake.

It is for that reason that I have taken the floor today and have deviated from the regular order of business, which is, of course, consideration of the rule on the wool bill. I believe I am warning the country of a danger more important than any legislation pending before the House today.

#### WILL OFFER BILLS TO STOP SHORT SELLING

In conclusion, Mr. Speaker, may I say that I have prepared two bills designed to aid in stabilizing the Nation's stock exchanges, which I propose to introduce tomorrow. One of these will impose a tax of 5 percent on all short sales. The other will prohibit the transmission of false information regarding securities. I hope they will have the approval of the House and thus put an end to this crooked manipulation on Wall Street.

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

Mr. SABATH. I yield.

Mr. RICH. Where is your Securities and Exchange Commission that has been established to see that these things do not happen?

Mr. SABATH. I have gone after them, too—do not be a bit alarmed. I ask the gentleman earnestly to read the letters I am inserting.

Mr. Speaker, I ask unanimous consent that in addition to the letters which I have been given unanimous consent to insert in the RECORD I may also include a few other articles.

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

Mr. RICH. Mr. Speaker, reserving the right to object, you should put in the RECORD about Mr. Schram being one of the New Dealers and how he is supposed to regulate all this.

Mr. SABATH. In my opinion, he is not a New Dealer. New Dealers have the interest of the people at heart. He seems to have at heart only the interest of the

stockbrokers and the members of the stock exchanges.

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

There was no objection.

Mr. RIZLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, I hope very much that the rule on this bill will be adopted. In this very controversial wool situation, there are one or two things I think everyone can agree on.

In the first place, everyone will agree that the Commodity Credit Corporation today holds over 400,000,000 pounds of domestic wool which it is unable to dispose of because the existing law does not permit it to dispose of the wool below parity price. Everyone who has studied this legislation has agreed that the Commodity Credit Corporation should be allowed to sell the wool which it now holds even though it must take a loss in doing so at a price competitive with the world price which is controlling the American market today. That is provided for in the bill which is made in order by this rule.

In the second place, I think every fair-minded person feels that the wool growers of this country are entitled, in face of the necessity for liquidating this stock pile, and in face of the great influx of foreign wools, to some support during this interim period, a support similar to that which was given to other agricultural commodities. Unless we pass some such legislation as is before us, neither of these two objectives can be achieved.

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

Mr. HERTER. I yield.

Mr. DONDERO. What do you mean by "support"? Do you mean subsidy?

Mr. HERTER. Either a subsidy or tariff support. At the present time the wool growers have a tariff of 34 cents. In a moment I shall come back to that, because there is great confusion in the discussion of figures relating to wool because of the fact that one set of figures is always quoted as wool in the grease, and the other set of figures as cleaned or scoured wool. The tariff is based on the cleaned or scoured wool.

I personally take issue with this bill on one matter. That is the price at which support is to be given to the wool grower. I take issue with that price for this reason: The wool trade for over 115 years has centered in the city of Boston. For that period of time, until this war, the wool trade performed an extraordinarily useful function in going to the grower all over the country, in sampling his type of wool—and there are hundreds and hundreds of different types of wool; in fact, the Australians at one time had 1,500 different classifications—and he had to be an expert to determine what type of wool was grown by a particular grower on a particular ranch. He purchased that wool, brought it east, scoured it, cleaned it, combed it, and sold it to the trade. He was not allowed to continue to perform the function of purchasing and selling when the war came on. This came about because of a pecul-

lar situation whereby, in order to protect the very necessary wool supply in this country required for the war, a tremendous amount of Australian wool was brought in and held in bond. A great deal was brought in for our current use. During that period of time, in order to protect the American wool grower, the Commodity Credit Corporation purchased the entire clip of the American wool grower. It put the American wool dealer out of business entirely, insofar as the handling of wool was concerned. It put the clip completely in the hands of the Government.

As a result of the operations of the Government, which I could criticize at considerable length if I wanted to, but which is not pertinent to the issue at this time, we have this large stock pile on hand which the Government cannot get rid of.

The price provided for in this bill as a support price to the grower will mean that the Government continues in business for a period of 2 years more, buying the entire domestic clip and selling it at a loss. It will not have to sell it at a loss if the tariffs are raised. But that brings up another question. In any case the Government will buy at a price so far above the world price that the American dealer, who was put out of the domestic market during the World War, will be kept out of the domestic market and we will have the Government continuing in the business.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. HERTER] has expired.

Mr. RIZLEY. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. HERTER. In order to be perfectly clear as to what we are doing and what we are talking about, may I give you some figures? There is a great deal of controversy about these figures, but these have been checked within the last half hour with the Department of Agriculture. While there are no figures stated in the bill for a support price of wool, that figure is the 1946 support price, and that is 42.3 cents, as just given me. Parity for wool, as computed by the Department of Agriculture, Bureau of Agricultural Economics, as of April 15, is 42.1 cents. In other words, the support price asked for in this bill is a little over 100 percent of the parity price.

I filed a bill which went before the Committee on Agriculture asking for a support price of 90 percent. I did that because 90 percent was similar to the support price of other basic agricultural commodities except that the law there reads "Not less than 90 percent." Ninety percent would put the support price of wool today just under the world price. That means that the entire domestic clip could be purchased and sold without having the Government enter into the picture in any way whatsoever and would avoid all the expenses of subsidies and otherwise. Not all wool would be handled at the world price, but there would be a guarantee to the wool grower that in any event he would have that support.

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

Mr. HERTER. I yield.

Mr. HOPE. The gentleman is assuming, of course, that the world price does not go lower in the meantime.

Mr. HERTER. Yes, that it does not go lower. If the gentleman has any reason to believe or if he thinks we are going into a recession and that there is going to be a general falling off of prices he should support my amendment.

I object to having a fixed price of 42.6 cents which has no relation to parity or any variable price relating to other commodities. I think it is unfair to maintain one commodity at a fixed price where others receive their support on a flexible price dependent on the price of other goods.

Mr. HARNESS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mr. HARNESS of Indiana. Under that plan would it not naturally follow that these foreign wool growers would reduce the price in order to have the Government take up the domestic supply and keep it out of circulation?

Mr. HERTER. There is no way in which we can keep them from lowering the price except for the one thing; namely, that the foreign grower is very anxious to maintain a high price. Obviously, he wants to get the best price he can.

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

Mr. RIZLEY. Mr. Speaker, I yield the gentleman from Massachusetts 1 additional minute.

Mr. HERTER. I am very glad to have this additional minute in order to answer that one question with regard to foreign imports of wool.

Unless one has a complete prohibition against the importation of wool the foreign producers are going to continue to send wool into this country. As a matter of fact, this country will have to import wool, for we cannot possibly produce what is required in this country. At the present time the domestic clip this year is estimated at around 300,000,000 pounds. It is estimated that our domestic consumption will be around seven hundred and fifty to eight hundred million pounds. In other words, even if we liquidated everything the Commodity Credit Corporation now holds in a period of 1 year, and added the domestic clip, we could probably not meet our domestic requirements.

We have to import wool. Obviously, the fellow who has got to sell it to us is going to try to get as high a price as he can. Naturally the hope is that we can produce with the protection of a 34-cent tariff a good quality of wool which will bring a price that makes it economical for our manufacturers to buy the domestic clip first.

The amendment which I shall offer reads as follows: "On page 2, line 3, strike out the words 'the price it supported wool in 1946,' and insert in place thereof the following: 'at 90 percent of the parity price as determined by the Bureau of Agricultural Economics.'"

This amendment would put the support price at 37.9 cents, a price about 12 cents higher than the market price for wool during the 20 years from 1921 to

1940. However, as the present world price plus our tariff is now approximately 39 cents or more, the support price I am now proposing would allow our domestic clip to be sold at a higher level than the support price and hence would cost us nothing, unless a severe falling off in the market occurred. Should this occur, support to our growers would certainly be justified.

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

Mr. SABATH. Mr. Speaker, I yield the remainder of my time to the gentleman from Massachusetts [Mr. McCORMACK].

The SPEAKER. The gentleman from Massachusetts is recognized for 7 minutes.

Mr. McCORMACK. Mr. Speaker, this bill has a rather interesting history. It passed the Senate very rapidly. When it came up for consideration in the House Committee on Agriculture apparently some of the proponents of the bill felt that it went through the Senate so easily that instead of a support price at the 1946 level as provided in the Senate bill they went further and put in the 50-percent import fee. That is where the bill really first encountered its difficulty.

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

Mr. McCORMACK. I yield.

Mr. HOPE. The bill we have before us calls for exactly the same price-support level that was contained in the Senate bill. We have not changed that one iota.

Mr. McCORMACK. I understand that.

Mr. HOPE. There is no difference in the two bills in that respect.

Mr. McCORMACK. But I did say this amendment was put in for a 50-percent import fee.

Mr. HOPE. Not to exceed 50 percent.

Mr. McCORMACK. Yes; not to exceed 50 percent. I will not haggle over that.

After the bill was reported it commenced to encounter difficulties. We now have a rule with points of order waived because the committee amendment, in my opinion, and I think in the opinion of other parliamentarians, would be subject to a point of order, which would mean that the Senate bill or substantially the Senate bill would be before the House. A new proposal was conceived because there was recognition that serious opposition was developing to what is called section 4 of the bill providing for the import fee. We now have a new proposition that, while not so drastic, I concede, is just as objectionable.

If the proponents of this legislation were to forget section 4, which apparently they have, and also forget trying to bring it under section 22 of the Agricultural Adjustment Act, the opposition to this bill probably would be negligible. While I would vote for the Herter amendment, if it were not adopted I could see that there would not be much difficulty to the House passing this bill along the lines it passed the Senate.

There is, however, serious opposition to the proposed amendment. The origi-

nal amendment of the committee is out, but there is another proposal to bring wool under section 22 of the Agricultural Adjustment Act and then to please certain elements of the industry to remove import restrictions being placed upon it in the future so far as wool is concerned. Of course, we know that section 22 means that if the President in his judgment finds that certain conditions are interfering with the carrying out of this program he shall call it to the attention of the Tariff Commission and while some think the President has a discretion, it is my frank opinion that the President does not have any discretion. If I were President and there was a law that stated if certain conditions existed I shall do so-and-so, even if I personally did not want to take the action, I would feel constrained to take it, carrying out the intent of the Congress and living up to the law. So for all practical purposes the adoption of the amendment is mandatory, only it takes a little longer for the import fee or the import duty, whatever you want to call it, to be imposed.

In connection with that, may I say that I hold in my hand copy of a letter from Will Clayton, Under Secretary of State. The letter will be read in full, I presume, during general debate. I am not opposing the adoption of the rule, although I am opposed to the amendment that will be offered and I shall support the Herter amendment. This letter is dated May 22 and, as I stated, is from Will Clayton, Under Secretary of State, who is charged with serious responsibilities. He states in part:

The bill in the form in which it was reported was not under consideration by the Committee on Agriculture when representatives of the Department testified before that body. We have not had a formal opportunity to present our views on the legislation, as it has been reported.

Further on he says:

I understand from the CONGRESSIONAL RECORD that it is proposed to modify this import fee amendment by directing the President rather than the Secretary of Agriculture, to impose the fees after investigation by the Tariff Commission. This does not remove the fundamental objections to the provision.

A little further he says:

If at this time when we are actually negotiating with other countries at Geneva for the lowering of trade barriers we raise new barriers as this bill proposes, we stand convicted of insincerity.

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

Mr. McCORMACK. Pardon me if I proceed. I have only a few questions.

Mr. RICH. I would like to ask one question.

Mr. McCORMACK. Go ahead.

Mr. RICH. If we are going to concede to the State Department and eliminate practically all tariffs, then we have got to subsidize every commodity that we make from this wool which contributes to the high standard of living for that we have in this country for both the manufacturer and labor.

Mr. McCORMACK. The gentleman overlooks the fact that we are considering an important piece of legislation. The gentleman and I disagree in some respects.

Mr. RICH. You bet we do.

Mr. McCORMACK. Yes, we do, and I am glad I disagree with the gentleman.

Mr. RICH. So am I.

Mr. McCORMACK. I am very glad I disagree with the gentleman on the great social reforms that mean so much to a great people. I think of the under fellow. I think of the underdog. I am thinking of the average person. I am not legislating for the big fellow at all.

Mr. RICH. How are you going to maintain the standard of living in this country and then have no tariff?

Mr. McCORMACK. The gentleman's wise remarks will get a rejoinder from me.

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

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

Mr. HALLECK. The gentleman has spoken of section 22 of the so-called Triple-A Act.

Mr. McCORMACK. The one point I wanted to drive home I have not come to yet.

Mr. HALLECK. What I wanted to inquire about was whether it is true that section 22 was written by the Democratic Congress some years back, applicable to certain agricultural commodities, and the suggestion is to make that very provision applicable to wool.

Mr. McCORMACK. It was written by a Democratic administration, and the basic commodities, if you will note, relate to those with an exportable surplus. But none of them have this "except wool," and this further limitation that no import restrictions can be imposed on all the other basic commodities of exportable surpluses produced here.

One thought I want to leave with the proponents of the legislation. If you really want to help the wool growers—and I have no objection to that; I have said I will vote for the Herter amendment if it is offered or take the bill along the line offered by the Senate—if you want to help the wool growers and the proponents are sincere—and I cannot see and I make no prediction, because I have no knowledge—but in view of the contents of that letter written by the Under Secretary of State, that the bill with the proposed amendment will constitute insincerity, it is difficult for me to see how, with section 22 in, that the bill can do other than face a veto. If someone wants to engage in double talk, that is all right, if they can get away with it; but if there is sincerity of purpose—and I assume there is—behind this bill, then the best way of insuring the wool growers being helped is to pass this bill either in the form as proposed by the gentleman from Massachusetts or in the form as it was when it passed the Senate.

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

Mr. RIZLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. CHENOWETH].

(Mr. CHENOWETH asked and was given permission to revise and extend his remarks.)

Mr. CHENOWETH. Mr. Speaker, after listening to the speech just made by the Democratic whip, the distinguished gentleman from Massachusetts, I am not sure just where he does stand on this wool legislation. He did not tell

us whether he was for or against the pending bill, but I inferred from his argument that he is opposed to the bill because Mr. Clayton, Under Secretary of State, has written a letter expressing opposition to certain provisions. He proposes that you and I, as Members of Congress, should accept the judgment of Mr. Clayton instead of the recommendations of the House Committee on Agriculture. In other words, we should follow the State Department, instead of our own committee. I disagree with the gentleman and believe this is a decision that should be made by Congress, and not the State Department.

Mr. Speaker, I am sure everyone recognizes the importance of this bill and the necessity for wool legislation. It is a question of whether or not we are going to continue the sheep and wool industry in the United States. It is true, as my distinguished colleague from Massachusetts [Mr. HERTER] stated, that we do not produce all of the wool that we consume in this country. The proponents of this bill do not pretend that that is the case. However, I submit it is highly important to maintain the wool industry of this country so that we can continue to produce large amounts of wool for our requirements. Otherwise we will be at the mercy of the foreign producers of wool and will have to pay whatever price they ask.

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

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

Mr. AUGUST H. ANDRESEN. Since the British cartel controls about 80 percent of the world's wool, would the gentleman like to venture a guess as to what would happen to prices in the event the wool industry in the United States were liquidated?

Mr. CHENOWETH. I think the gentleman is absolutely right. No one could predict what the price of wool would be. We would be at the absolute mercy of the foreign producers of wool. Of course, they would get all the tariff would bear.

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

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

Mr. REED of New York. The only reason Mr. Clayton is here, having just come over from Geneva, is that he has run up against the opposition of Great Britain in regard to the wool situation. She wants to unload the wool from New Zealand and Australia on this country, regardless of the fact that we have a surplus here now, and simply drive the price down and put all of our sheep men out of business.

Mr. CHENOWETH. I think that is correct. I thank the gentleman for his observation.

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

Mr. CHENOWETH. I yield to the gentleman from Kansas.

Mr. HOPE. If that is the position of the British Government, does not the gentleman think it is a little inconsistent, considering the fact they increased the tariff on American tobacco 50 percent just this last month?

Mr. CHENOWETH. Of course, the gentleman is right. The British Gov-

ernment intends to protect its people and at the same time expand its world trade.

Mr. Speaker, surely the time has come when the Congress of the United States ought to have more consideration for our own domestic producers of essential and critical materials and supplies, instead of devoting most of our time and attention to assisting some foreign country to produce these articles in competition with our own industries. I do not object to helping other nations of the world who are in distress and need assistance, but I do protest against building up the industries of other nations in competition with our own. Let us, protect and promote our own industries. The sheep and wool industry must have our support. Therefore, I urge the adoption of the rule and the passage of the bill, with the amendment to be offered by the distinguished chairman of the House Committee on Agriculture, the gentleman from Kansas [Mr. HOPE].

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

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

Mr. HALLECK. We have just heard again the suggestion about the possibility of a veto. It might not be amiss to recall here that when the Constitution was drafted and provision was made for the veto it certainly was never intended that the veto power should be an implement for the usurpation of legislative authority and responsibility. To my mind, for the Congress on any occasion to say to the Executive, be he of any party, "We will write just what you want and nothing else," would represent an abdication of legislative responsibility and authority to which I will never subscribe. Our job is to write good, decent, fair, defensible, and equitable legislation. If we do that, it is the responsibility of the Executive to sign that legislation.

Mr. CHENOWETH. I appreciate the contribution of our distinguished majority leader. I want to commend the gentleman for his fine leadership, and for his insistence that we maintain our status as an independent legislative body. I think we have come to a sad spectacle in this House if we are going to be guided by the possibility or the threat of a veto in determining what legislation we will pass.

Mr. Speaker, the question before us today is very simple. It is whether or not we are going to permit the wool industry of this country to continue. We realized during the war that the time is here when we must produce more of the raw materials we consume. Sugar is a good example of what I mean. Had it not been for our domestic sugar beet industry we would have had very little sugar during certain periods. The same picture applies to wool. We must maintain our domestic wool industry. We must provide an incentive for the wool growers to remain in business. The legislation before us today is absolutely essential if those engaged in the wool industry are to survive. I therefore urge the adoption of the rule and the passage of the bill. This legislation has been delayed too long and should have been on the floor several weeks ago. It is essential that we act now.

Mr. RIZLEY. Mr. Speaker, I yield the balance of the time to the gentleman from Pennsylvania [Mr. RICH].

(Mr. RICH asked and was given permission to revise and extend his remarks.)

Mr. RICH. Mr. Speaker, the adoption of this rule will permit you to discuss this question of trying to help the wool farmers in this country. Certainly we cannot get along without the wool farmers. We must have wool if we want woolen clothing, wool blankets, and so forth.

I want to call your attention now to the fact that if we pass this legislation we would compel the President to put a tariff of 8 or 10 cents a pound on wool and thus save this country from going down and subsidizing all the things we are trying to produce. That is as it should be.

Remember that it is going to cost eight to one hundred and fifty million dollars for these subsidies, where if we put a tariff of 10 cents a pound in addition to what we now have on wool, we can save the Government all these subsidies.

That is the kind of legislation we should have. I want to tell you I am for the tariff to protect the American farmer, American labor, and the American businessman. This business of talking about Assistant Secretary Clayton going over to Europe and then when he gets over there he says he wants to reduce the tariff and the minority leader now saying that he is for the little man makes me ask: How is he going to help the little man if American labor is going to be competing with all the foreign labor all over the world who are getting 10, 15, and 20 percent of the amount that American labor is getting for this work? If you want to help American labor and if the minority leader wants to help America, let us have a tariff and let us bring Clayton back and thus take care of America and let the foreign countries look after themselves in their own industry in the way they want to run their affairs. But do not wreck America for any country in the world.

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

Mr. RICH. I yield to the gentleman from Wyoming.

Mr. BARRETT. Do you contend that if a fee is imposed by the President so as to bring the price of foreign wool up to the price of domestic wool that there will be any loss to the Treasury?

Mr. RICH. No. I think we ought to have a fee. I do not care whether you call it a fee or tariff. I am of the old school that believes in calling a thing exactly what it is. It is a tariff. It is protection for America and if you call it anything else you are only putting a little sugar-coating on it.

But let us have this fee or tariff. That is what we stand for. The Republican Party has always stood for a tariff. I am for it today and I want to get back to the good old days such as made America strong. The tariff helped build up America giving us the greatest country on the face of the earth. Let us make America strong, and if we let America be torn down that would not be right, and if we permitted it we are not fit to

be here legislating for our people. The foreign countries should be on their own responsibility and we have enough to do to attend to our own business, and I am going to look after America and our people.

Mr. BARRETT. I agree with the gentleman 100 percent.

Mr. RICH. Let us go out and do the thing that ought to be done in order to keep our country safe, keep our standard of living high, and protect all of our people, especially the laboring man.

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

Mr. RICH. I yield to my colleague from Pennsylvania.

Mr. GAVIN. The distinguished gentleman from Massachusetts states that Under Secretary Clayton takes exception to the fact that he had not had an opportunity to review this legislation. I would like to ask him how he thinks we feel as representatives of the Congress when we do not have an opportunity to review the reciprocal trade treaties that they are now entering into which affect the economic life of our communities. Why does he not give us a chance to review those agreements before taking any definite action to determine what effect it will have on our industries and welfare of our people.

Mr. RICH. That is what I say also. I believe what we ought to do is to bring Assistant Secretary Clayton back here, keep him at home, and let him go to farming, and let him try to raise some of these commodities. He will get a different viewpoint and will not want to give everything away at the expense of the American people. We do not want to have a lot of potatoes and hold the price of potatoes up and then put kerosene on them, thus wasting the kerosene and burning the potatoes. I want the American people to get wool. I want the American people to have potatoes, and I want the American people to have all those commodities at a fair price that they can afford to pay. I want the people of America to be fed. I want America to be a land of plenty. Why kill the pigs, burn the wheat, plow down the cotton. Kick the New Deal out the window before it is too late, before we have bankruptcy.

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

Mr. RICH. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The gentleman talks about bringing Mr. Clayton back here and putting him to raising potatoes and producing lamb chops and wool.

Mr. RICH. In that case he would have to work the same as anybody else, and he would not raise enough to be worth the trouble.

Mr. JENNINGS. I just wanted to say that if we had to depend on him to produce wool and lamb chops and grow potatoes, we would freeze and starve to death.

Mr. RICH. We certainly would. I do not believe he knows how to keep the American standard of living high. I think he would wreck America for foreign countries.

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



Mr. RICH. I yield to the gentleman for a question.

Mr. McCORMACK. The gentleman from Pennsylvania said he would like to get back to the good old days. Does he mean the good old days of the Smoot-Hawley Tariff Act?

Mr. RICH. Yes; if you want to call it that. Let us get right back here so that we can help America, by protection that keeps our standard of living high, that gets the American wage earner a good salary, that helps create jobs for the American wage earner. Let us help the common man. I believe in America for Americans. You New Dealers have put us in debt \$259,000,000,000 and you have got us almost wrecked. Now it is about time for us to pull out. We cannot pull you out by subsidizing everything that everybody raises. We have got to save the Treasury of the United States and try to protect this country from bankruptcy. I am against the Government in business, I am against subsidies, I believe in American policies, a good tariff for American protection for labor, agriculture, and industry. Save America by saving our tariff against the State Department that was set up under the New Deal to hand us over to foreign countries, lock, stock, and barrel. Let us get rid of the New Deal in its entirety.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. RICH] has expired.

All time has expired.

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

The previous question was ordered.

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

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. HOPE. 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 (S. 814) to provide support for wool, 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. 814, with Mr. HARNES of Indiana in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Kansas [Mr. HOPE] is recognized for one hour and a half. The gentleman from North Carolina [Mr. COOLEY] will be recognized for one hour and a half.

The gentleman from Kansas [Mr. HOPE].

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

Mr. Chairman, this bill (S. 814) to provide for extending the present stabilization program on wool until December 31, 1948, has been exhaustively considered by the House Committee on Agriculture.

The problem is one of the most difficult which the committee has had before it for many years. Many conflicting interests are involved. The committee feels that this bill, if amended by an

amendment which I will offer later in the day on behalf of the committee, is the best legislative solution of the matter which can be worked out.

Wool is a war casualty and the difficult situation in which domestic wool producers find themselves at the present time is a direct result of the war and the world-wide dislocation of wool production and marketing which took place during the war and since.

Since 1943 the Department of Agriculture, through the Commodity Credit Corporation, has carried on a support price program for wool. Since the beginning of that program, practically the entire domestic wool clip has been handled by the Commodity Credit Corporation. The evidence at the hearings disclosed that the Commodity Credit Corporation has on hand 460,000,000 pounds of wool. It is unable to dispose of that wool because of the statute which prevents the sale of wool and other commodities at less than parity because, due to heavy imports, the going market price has been and still is below parity.

During the early years of the war the United States Government purchased and stock-piled over 300,000,000 pounds of Australian wool in order to assure an adequate supply for military needs. Later, under a cooperative arrangement worked out with the United Kingdom, large quantities of British Empire wool were stock piled in this country. During the war all the normal channels of world trade in wool were dislocated and large stocks of wool accumulated in all the wool-producing countries.

Although mill consumption of wool in this country has been at the highest level in peacetime history, the total United States stocks of domestic and foreign wool as of December 28, 1946, were 895,000,000 pounds, grease basis. These stocks are more than three times as large as the 1935-39 average of 275,000,000 pounds for the corresponding date.

Foreign stocks of wool are even larger. The British Empire wool is held in a pool known as the JO—joint organization—which operates as the sole buyer and seller of Empire wool. Even after large shipments into this country during the war that organization has a present stock pile of approximately 2,000,000,000 pounds of wool. Argentina and Uruguay also have large stocks of wool, although not all South American wool is competitive with our domestic production.

The importation of foreign wool has been constantly increasing and in 1946 was the greatest in peacetime history totaling 819,253,000 pounds. This was over 80 percent of our extremely large consumption in 1946 and is approximately six times greater than average annual importations during the period from 1936 to 1940, inclusive. This great increase in importations is due to the fact that the price at which foreign wools are being offered, including a duty of 34 cents per pound, clean basis, is below the price of domestic wool.

The price support program inaugurated by the Secretary of Agriculture in 1943 is based upon the ceiling price of wool in December 1941. Early this year, the Secretary of Agriculture announced

that this price support program would be discontinued on April 15 unless action was taken by Congress to continue. Wool is not a Steagall commodity, although production was encouraged during the war, and hence it is necessary for Congress to act if support prices are going to be continued until the end of 1948, as is being done in the case of most of the other important commodities.

The present bill provides for a continuation of price support at the level of 1946 which, as already stated, is the OPA ceiling price as of December 9, 1941. The price paid to farmers varies according to the grades of wool and the amount of shrink, but the first 3 months of 1947, the price averaged 40.4 cents. This is approximately 95 percent of present parity.

Wool growers have not been satisfied with the existing support prices and legislation introduced on their behalf early in this session, as well as in the last Congress, asked a support price at 90 percent of the comparable price. This price, according to the latest figures, is about 52 cents per pound, so that a support price of 90 percent of comparable would be approximately 47 cents.

There was also before the committee a bill supported by the wool trade calling for price supports at 90 percent of parity. This would be a little less than 38 cents per pound on the basis of present parity.

Much evidence was submitted to the committee to the effect that the present support price is not adequate and that even a support price of 90 percent of comparable was not sufficient to enable wool growers to break even. Figures were submitted covering an investigation conducted by the Tariff Commission showing that for the year 1946, wool producers during the last 4 years have been producing at a loss ranging from 2.9 cents per pound in 1943 to 12 cents per pound in 1945. The loss per pound for 1946 was 9.5 cents.

Along with these losses, there has occurred a tremendous shrink in the number of stock sheep. From a high of 49,346,000 head of January 1, 1942, stock sheep numbers declined to 32,542,000 on January 1, 1947, a decline of 34 percent and the smallest number of sheep in the United States since 1867.

The Committee on Agriculture, after hearing all of the evidence by growers, producers, dealers, cooperatives, and farm organizations, reported House Joint Resolution 158 which provided that the Secretary of Agriculture, through the Commodity Credit Corporation, should support the price of wool at the 1946 level until December 31, 1948, and authorized the Secretary to sell existing stocks owned by the Commodity Credit Corporation without regard to the existing law prohibiting sales below parity. Shortly thereafter the Senate passed S. 814, which included the provisions in the House bill and some others.

In the meantime considerable opposition had developed to the House bill on the ground that it would require large appropriations to make up for the losses sustained under the program. The House committee had previously given some consideration to the matter of im-

port quotas and fees, and when S. 814 was referred to the House committee it was amended by the insertion of a provision authorizing the Secretary of Agriculture to impose import fees if he found that the importation of wool was interfering with the price support program.

There was considerable opposition to this amendment, particularly on the ground that it granted extreme and unusual powers to a Cabinet officer and that the authority given was to be exercised without the necessity of following any established procedure.

To meet these objections, the Committee on Agriculture has authorized the chairman to offer an amendment at the proper time in the consideration of this bill which will strike out section 4, which is the provision which I have just been discussing and inserting a new section 4. The new section would simply add wool as one of the commodities in section 22 of the Agricultural Adjustment Act with the further proviso that if the President should find that wool imports were interfering with the price-support program set up under this bill, he would not be authorized to impose quantitative limitations upon imports, thus limiting any action taken under section 22 to the imposition of import fees on wool or any other articles which interfered with the wool support price program. Under the provisions of section 22, the authority to impose import fees would, of course, include not only wool in any stage of manufacture, but products made therefrom, including top, yarn, and fabric.

Section 22 has been on the statute books ever since 1935, and its purpose is to prevent domestic price-support programs on agricultural commodities from being materially interfered with or rendered ineffective by reason of imports.

The provisions of the act have been used by the President on wheat and cotton, on both of which commodities import quotas have been imposed. The original proclamations establishing these quotas have been reconsidered and modified on several occasions. The latest such occasion was in February 1947, when the cotton proclamation was modified by the imposition of a new quota limit on harsh cotton. Thus, section 22 has been recognized for the last 12 years as a necessary provision in connection with price support programs and its provisions have been invoked on every occasion when imports threatened to render those programs ineffective.

Certainly the wool producers of this country are just as much entitled to the protection of section 22 as are the producers of wheat or cotton and all other agricultural commodities which are eligible for consideration under section 22 provisions.

Such a program has been the policy of this administration and has been invoked when needed. It is still the policy, as indicated by the fact that on February 1947, there was transmitted to the Speaker of the House a request from the Secretary of Agriculture for legislation extending the provisions of section 22 to the commodities upon which price supports were in effect or on which price supports might go in effect in the future.

The Secretary, with that letter, included a draft of legislation which I introduced as chairman of the Committee on Agriculture and which is now the bill H. R. 1825.

The message accompanying the letter indicated that the legislation had cleared the Bureau of the Budget, which, as I understand it, means that it has the administration approval in every way, including approval by the State Department.

What we are attempting to do in this bill is to amend it so as to include wool, which is clearly within the scope of H. R. 1825. In other words, if the bill were already a law, the President would have authority to issue a proclamation with regard to wool. In view of the fact that the consideration of that legislation might take considerable time, the committee felt that provisions putting wool under section 22 should be included in the present bill.

I know that many Members of Congress have received letters, telegrams, and other communications in opposition to the bill S. 814. I call attention, however, to the fact that in every case, that opposition was expressed to the bill as reported by the House committee, not to the bill as it will be amended by striking out section 4 and inserting a provision putting wool in section 22. I know that groups and individuals which opposed S. 814 as reported by the committee are in agreement with the bill if it is amended in the manner suggested.

Section 22 was enacted originally because it was realized that no price-support program could be maintained domestically in the face of unlimited imports at a price level lower than the support price. The same principle, of course, applies whether the surplus is created by imports or domestic production. In other words, it is impossible to support prices for any period of time above the market level without some control over production or marketing or both. That idea has been recognized in all the price-support programs which were put into effect before the war.

The present situation with regard to wool indicates that if we are to continue to have unlimited imports of foreign wool at a price less than the support price, the cost to the Federal Treasury will be very great. Therefore, all we are asking to do in the case of wool is to invoke the same principle that has been set up in our price-support programs in the past as to the control of domestic production and marketing, and as to control of imports in the case of section 22. There is nothing new about the principle and nothing new about its applications as provided in this bill.

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

Mr. HOPE. Mr. Chairman, I yield myself five additional minutes.

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

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

Mr. HILL. In 1932 there were 13,231,361 pounds, in round numbers, of apparel wool imported into this country; in 1938, 18,442,673; and in 1946, 819,253,-

000 pounds of wool imported into this country. Now, I will ask this question: How under the sun can the Federal Treasury support a subsidy price on corn products of any kind under section 22 or any other section and at the same time permit increases such as that of foreign products to come into this country and be absorbed by our domestic market?

Mr. HOPE. The gentleman is exactly correct, of course, in saying that that cannot be done without bankrupting the Treasury. We have recognized that principle, of course, in all of our price-support programs previous to the Steagall amendment, because we provided in the price-support programs on the basic commodities that there should be acreage allotments and marketing quotas, because everyone knows that you cannot support prices at anything like parity or near the parity level unless you have some control over production and marketing, or both. That, of course, is just as true whether the surplus of the commodity is produced in this country or produced in some foreign country and comes in here in the way of imports. That, of course, is what we are trying to do in this legislation. That is what the Democratic administration was trying to do in 1935 when this legislation was first proposed, and that is what it was trying to do on the 4th day of February when the Secretary of Agriculture sent the letter to the Speaker of the House suggesting the introduction of a bill which would make it possible to put into effect import fees and quotas upon those commodities of which we were likely to import increased quantities.

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

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

Mr. CLEVINGER. A minute ago the minority whip spoke of the return to the old Smoot-Hawley days. May I ask the chairman if the Smoot-Hawley tariff bill has ever been repealed?

Mr. HOPE. No; and no one in Congress has ever suggested repealing it, as I recall.

Mr. CLEVINGER. A former Speaker, Mr. Rainey, once said, "The Republicans will not repeal it and we do not dare to," speaking of the majority of those days. May I ask the chairman if it is not possible under the present tariff, if they cared to do it, to raise the duty on grease wool by as much as 16 percent, 34 percent on a clean basis, or about 16 percent on the grease?

Mr. HOPE. It could be increased 50 percent under the flexible tariff provisions of the Smoot-Hawley bill.

Mr. CLEVINGER. It could be increased more than twice, probably as much as three times as much as is necessary to save this industry.

Mr. HOPE. That is correct.

Mr. CLEVINGER. Having this tool in the President's hands, and the Tariff Commission having already made the necessary finding of fact as it relates to the industry—and if it is dying, it is probably down 35 percent—if we give him a second tool in this, and if he does nothing about it, at least the guilt, the responsibility for wrecking this industry,

will not rest on the head of the majority party.

Mr. HOPE. That is true.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. In support of the statement the gentleman made justifying the present price, I call your attention to the official report of the Bureau of Agricultural Economics, which shows that in 1935-39 the average farm wage per month in the State of Washington was \$34.36 and in Wyoming \$34.08. At the time they froze their wool prices, labor in Washington had gone to \$112 and in Wyoming to \$79.60. In 1946, in the State of Washington the wage had gone up to \$142, and \$109 per month in Wyoming.

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

Mr. HOPE. Mr. Chairman, I yield myself five additional minutes.

Mr. MURRAY of Wisconsin. This shows that there is three times the labor charge there was in the years before the war, and it is over a third more than it was at the time the price of wool was frozen in 1943.

Mr. HOPE. I thank the gentleman for his contribution.

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

Mr. HOPE. I yield to the gentleman from Illinois.

Mr. BUSBEY. During the debate on the rule the gentleman from Pennsylvania [Mr. RICH] made a plea for an 8- or 10-cent-a-pound tariff on imported wool. Will the gentleman explain why the amendment that has been brought in here to this bill is better than the suggestion of the gentleman from Pennsylvania [Mr. RICH]?

Mr. HOPE. Of course we have no opportunity at the present time to adopt the suggestion of the gentleman from Pennsylvania. That would take an amendment to the Tariff Act. We have nothing before us on that point, and as far as I know there is no possibility that we will have any opportunity to vote for an increase in the tariff. But we do have this legislation before us which authorizes the President, if the Tariff Commission makes the necessary findings, to impose an import fee in an amount necessary to bring the price of foreign wool to the support price proposed in this bill. That is all the wool producers of this country are asking for to save them from utter ruin.

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

Mr. HOPE. I yield.

Mr. BARRETT. Is it not a fact that to bring the price of foreign wool up to the price of domestic wool would amount to 5 cents a pound on a clean basis at the present time?

Mr. HOPE. Those are the last figures I have seen, and I am sure they are approximately correct.

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

Mr. HOPE. I yield.

Mr. REED of New York. There is one phase of this situation of competition

abroad that a great many people seem to overlook. Many people seem to think that we should buy in the market where we can buy the cheapest. That is the most fallacious doctrine in the world, because the minute they drive us out of the business of raising sheep in this country they can put the wool up at any price they want to.

Mr. HOPE. Yes; that is one of the things to which we naturally look forward with apprehension.

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

Mr. HOPE. I yield.

Mr. HILL. May I ask my chairman this question? After listening to all of the testimony given before our committee, is he in a position to hazard a guess as to how much the price of wool would increase and how much difference it would make in the value of wool that goes into a suit of clothes if this bill is passed.

Mr. HOPE. The figures that I would have to give the gentleman would be approximate, of course. I do not know how many pounds of wool there are in a suit of clothes. But there can not be more than 5 or 6 pounds. As the gentleman from Wyoming said, this bill if put into effect on the basis of present prices would result in an increase of about 5 cents per pound of wool on a clean basis. You can figure it out yourself. It would be 5 cents a pound times the number of pounds of wool that go into a suit, whether it is 4, 5, or 6 pounds, or whatever it may be.

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

Mr. HOPE. I am glad to yield to the gentleman.

Mr. JENNINGS. This proposal to save the wool-growing industry in this country from destruction not only involves our ability to produce the wool to make our clothes, but also affects the food supply of the country. If you lose the sheep for the production of wool, you are going to lose them for the production of food.

Mr. HOPE. That is certainly true. I have already called the attention of the committee to the fact that the number of sheep in this country has declined from forty-nine million and some odd in 1942 to 32,000,000 in 1946. There are in this country today a smaller number of sheep than we have ever had since 1867 80 years ago. It is, of course, not remarkable when wool producers are losing from 9 to 10 cents a pound on the wool they produce. Of course, they are going out of business.

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

Mr. HOPE. I yield.

Mr. HAND. Would you not agree that we could eliminate this proposed support program if we had a tariff on the importation of wool?

Mr. HOPE. A higher tariff would have the same effect. The gentleman is absolutely correct.

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

Mr. HOPE. I yield.

Mr. JENKINS of Ohio. The last two clips of wool produced in the United

States in the last 2 years are still in the United States in Government warehouses and they are the property of the Government. It has not been used. Practically all of the wool that we have used in the United States comes from other places. I think that is an appalling situation that the number of sheep in this country today does not exceed the number of sheep that we had here 40 or 50 or 60 years ago. If we do not do something we are going to lose the finest agricultural industry we have got, that is the raising of sheep.

Mr. HOPE. I thank the gentleman.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MARTIN of Iowa. From reports I have heard, Mr. Nichols of the State Department appeared before your committee and expressed the opinion that we probably should liquidate those home industries that could not compete with foreign producers. That leads me to make this inquiry: Did the Committee on Agriculture give considerable consideration or emphasis to the importance of wool raising to our national defense as one of our own items of strategic and critical national defense materials?

Mr. HOPE. Yes. The committee certainly took that into consideration, being well aware of the fact that the War Department has declared wool to be a strategic and critical material.

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

Mr. HOPE. I yield.

Mr. CLEVINGER. Is it not true that sheep is the only animal, or perhaps sheep and goats, that can produce any return on millions of acres of unclaimed land, by reclaiming that land by eating the roughage?

Mr. HOPE. Yes; that is very true.

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

Mr. HOPE. I yield.

Mr. JENNINGS. Coming to the suggestion just made by my distinguished friend the gentleman from Iowa [Mr. MARTIN] that some people say that where we cannot profitably compete with other countries we ought to liquidate the industry that is affected by their industries to my mind, the liquidation of any such industry as that of growing sheep in this country is idiotic, and the man who expressed it ought to be bored for the simples.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. HOPE] has expired.

Mr. HOPE. Mr. Chairman, I yield myself three additional minutes.

Something has been said this afternoon about the fact that this legislation was causing repercussions at Geneva. I do not know whether that is true or not, but I do know that shortly before Mr. Clayton went to Geneva the Department of Agriculture sent this legislation to the Speaker of the House, suggesting its introduction. It was introduced at that time as H. R. 1825, and I know that the bill had been cleared at the White House and the State Department. With that approval, I assume it represents the policy of this country to put import quotas or import fees upon those commodities

which are interfering with our domestic price support program. Certainly there is nothing in this legislation which could in the remotest degree interfere with negotiations at Geneva unless it is the purpose of this country to lower duties on wool.

As has already been pointed out, with the wool producers of this country losing 9½ cents a pound on their production under existing conditions, how could we hope to retain the industry in this country if we lower the tariff still more? If that is the purpose at Geneva, then it seems to me it is time that this Congress express itself on that subject. It has an opportunity to do that in the legislation that is before us today.

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

Mr. HOPE. I yield.

Mr. COOLEY. The gentleman stated that the effect of the pending legislation was to place wool under section 22. Is it not a fact that section 22 became necessary solely because of the AAA programs which we had in effect in this country; in many of which programs we actually curtailed the production in this country, and placed acreage quotas on the farmers themselves? Are you not now, by putting wool under section 22, putting a commodity in there which never heretofore has been placed in that category?

Mr. HOPE. That is true, but we are doing it entirely in harmony with the request of the Secretary of Agriculture in his letter of February 4, in which he requested an amendment of existing law so that all commodities upon which there were price-support programs could be brought in under section 22.

Mr. COOLEY. In other words, you have not solely support-price program commodities in section 22? Now in addition—

Mr. HOPE. The Secretary of Agriculture in his letter of February 4 has asked us to include other commodities which were in the same category.

The CHAIRMAN. The gentleman from Kansas has consumed 31 minutes.

Mr. COOLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, S. 814 is a bill having for its purpose the support of the domestic sheep and wool industry. Indeed, it may be said that this legislation is necessary to save this industry, which is so essential to clothe the people of our country. It may be said that the wool industry, in and of itself, is not large in comparison with some other enterprises; yet, in my opinion, it is of utmost importance to the well-being and security of our country.

At the outset I want to make it clear that, personally, I have no direct or indirect interest in the sheep business, and I say this for the reason that sometimes Members of Congress are criticized when they sponsor legislation that might further their own special interests. The only interest I have is the interest of a great number of people whom I have the honor to represent, who do have a special interest in it, as well as the general interest of the rank and file of the people of the Nation.

The wool industry at the present time is a sick industry. Contrary to the general belief, the sheep industry has never been a flourishing business. Many operators for many years have been operating in a twilight zone of uncertainty. There are many reasons for this. I think one of the chief reasons is the fact that it has been subjected to too much politics. It has been kicked around through periods of tariff protection, free trade, and Government intervention to the extent that it has never had a long-time period of uninterrupted political tinkering.

This industry is especially important to the so-called range States of the West because of the fact that this semiarid region, the deserts and mountains, produce a forage crop that would be lost to the wealth of the Nation if it were not harvested by sheep. It is a truth and not a fiction that millions of acres of grazing lands are adaptable to the raising of sheep which are not adaptable to the production of any other kind of livestock. This industry has played a tremendous part in the building of the West. Many of the small towns and communities and schools are very much dependent upon this industry. Many communities could not carry on their normal functions, such as schools, if they were denied the taxes that are received from this source.

This legislation proposes to do these specific things:

Section 2: (a) This section directs the Commodity Credit Corporation to continue to support the price of wool to producers in the continental United States and Territories until December 31, 1948. The support price is the price at which the Commodity Credit Corporation supported wool in 1946—approximately 42 cents per pound, grease basis.

(b) This section authorizes adjustments in support prices to take care of various grades and qualities of wool.

Section 3: Under this section, certain provisions of the Agricultural Adjustment Act of 1938 are made applicable to wool-support operations. These sections have no substantial bearing on the support program as such. In substance, they are as follows:

First. Section 385 makes the facts with respect to any loan as determined by the Commodity Credit Corporation final and not reviewable by any other governmental agency.

Second. Section 386 makes inapplicable certain sections of the Criminal Code, making it unlawful for Members of Congress to participate in public payments or contracts.

Third. Section 388 relates to the utilization of State, county, and local committees, extension services and other approved agencies, and to the recognition of cooperative associations in connection with the administration of the act.

Section 4: With respect to section 4 of the present bill, the chairman of the Agricultural Committee the gentleman from Kansas [Mr. HOPE] will offer an amendment that will strike section 4 in its entirety and insert in lieu of this section, section 22, subsections A and B of the Agricultural Adjustment Act as amended, which will become section 4,

with an amendment which includes wool among other commodities specified under the act. This section gives the authority to the President whenever he has reason to believe that any one or more articles are being, or are practically certain to be, imported into the United States under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with any program or operation undertaken, or to reduce substantially the amount of any product processed in the United States for any commodity subject to and with respect to which any program is in operation under this title.

In other words, if the President so finds, after an investigation and recommendation of the Tariff Commission, that the importation of any agricultural commodity would tend to make the support program ineffective, he may, if he so desires, impose import fees in such amounts as he deems advisable. This section is further amended by denying the President authority to impose quotas. There was opposition to this provision because of the difficulties in administration, and so it was thought advisable to make quotas not applicable to wool under this amendment. This provision simply has the effect of adding wool to section 22 with the limitation to which I have just referred.

Section 5: This section authorizes the Commodity Credit Corporation until December 31, 1948, to dispose of wool owned by it without regard to any restriction imposed upon it by law. This provision is designed to free the Commodity Credit Corporation from the prohibition of law which now prevents it from selling its wool below the parity price.

Now why is this legislation necessary? First, for the reason that when the enemy struck at Pearl Harbor and it looked as if he might over-run the whole Pacific, thereby cutting off the supply of wool from Australia, the Government realized the danger and immediately began to purchase and ship into this country great quantities of Australian wool. I do not think any of us doubted the wisdom of that policy. The fact remains that millions of pounds of Australian wool were brought here and stored in our warehouses in amounts far in excess of our immediate requirements. This was the beginning of wool stockpiling. Not only was a stockpile of wool created, but immediately wool became the first commodity to be brought under price control. The price ceiling was so rigidly held that the price of wool never had an opportunity to rise to the extent that other agricultural commodities have risen. The situation became so acute that there was no market whatsoever for our domestic wool, and it became necessary for the Government, through the Commodity Credit Corporation, in 1943, to support the price through purchase of all our domestic wools. Therefore, wool became the first war casualty and is still a war casualty, just as much as a plant built and used for war purposes, and so far as I know, there is no likelihood of rescuing it, unless the pending legislation is passed and passed immediately.

The Secretary of Agriculture advised the producers of wool that the purchase program was to end on April 15, unless he, the Secretary, was given authority to continue the present program. In the main, that is what this legislation proposes to do.

Since the purchase program began in 1943, the Government has purchased more than 1,250,000,000 pounds of wool. Of this amount, considerably more than 400,000,000 pounds are still in the hands of the Commodity Credit Corporation, and remain unsold. This raises the question of why it is not sold. From the beginning of this program in 1943, the domestic wool purchased was resold at ceiling prices for domestic wool. Selling prices were reduced in November 1945, February 1946, and August 1946, to increase the use of domestic wool by the mills. However, since under existing law, Fifty-ninth Statutes, page 50, 1945, the Commodity Credit Corporation could not sell wool at less than parity, it almost brought to a complete stop the sale of the Government's wool. What happened was that the Government continued to purchase wool, making its stock pile higher and higher, because of the fact that it could not sell at below parity or in competition with foreign wool.

This is the situation in which we find ourselves today, and the legislation we are considering provides first to support the price of wool until December 31, 1948, at its present price, which price, in my opinion, is still too low to rehabilitate to a desirable degree the wool-producing industry.

This legislation provides, further, the authorization of the CCC to sell domestic wool in competition with foreign or other wool. It provides for the imposition of import fees on foreign wool, if the President finds that it is necessary, to allow domestic wool to flow into the normal channels of trade. This provision, I think, is sound and equitable in that it only applies to commodities and products that are presently being supported by the Treasury of the United States.

If this bill becomes law, in my judgment, it will in no wise increase the cost of clothing, but on the other hand, may actually be the means of affording to the American textile industry a larger selection of wools at perhaps a cheaper price.

Even without the imposition of a fee, it was astounding to me to know that wool duties for the last 6 years have averaged \$112,700,000, and that this represents 28.7 percent of all duties collected. It was also unbelievable to me that \$33,700,000 annually from wool duties goes into section 32 funds. The disposition of section 32 funds is enlightening indeed. It is not only surprising, but unbelievable, that in the year 1946 \$16,800,000 of section 32 funds were spent on the development of cotton exportation and that \$3,255,000 was spent on diversion of cotton markets or development of additional uses for cotton. Of course, the wool producers fully realize the benefits they have had because of tariff protection.

Four million six hundred ninety-two thousand three hundred and fifty-eight

dollars of section 32 funds was spent in 1946 in developing new uses for Irish potatoes. Three million two hundred thirteen thousand eight hundred and sixty-five dollars was used for development of exports of wheat flour, and \$1,200,000 was used for exports of Irish potatoes, and \$80,000,000 went to the school-lunch program.

Not one cent was spent for wool, wool promotion, wool subsidy, or research. In 1946 a total of \$20,055,000 was spent on cotton from section 32 funds.

I think these figures are very illuminating and I refer to them only to offset some of the propaganda now being disseminated by the wool trade with respect to the terrific drain on the Treasury that would be created by the legislation now pending. Wool tariffs have enriched the United States Treasury by \$121,300,000 annually, and the consuming public has benefited by the lower cost of raw material. It would require only a very small percentage of this \$121,000,000 annually to place the CCC stock pile on a competitive basis with foreign wool. In fact, it would probably require less than 50 percent of the amount of money supplied to section 32 from wool duty funds to have done the job. It seems to me that the whole wool policy has been quite a favorable financial investment so far as the Treasury is concerned.

I desire to call to the attention of the distinguished and able Members of the House from New England the fact that the range country of the West and the great textile industry of New England have a common interest in this problem. Let us see what happens. The sheep that produce the wool graze on our pasture lands year after year, depleting the soil, in some cases causing alarming soil erosion, gradually but surely making it less productive. That is the reason why we must come to Congress occasionally and ask for a pittance in the way of appropriations to be used in reseeding and conserving the soils so that we might continue to shear the wool from the sheep. We load the wool on railroad cars, ship it back to Boston and other great textile centers, where somebody is hired to wash and scour it. Yes, sir, the Boston wool speculators tell us that we cannot even wash it. We must pay the freight on 100 pounds of wool and dirt, which, when the scouring boys get through with, weighs only 40 pounds. This process, I assume, furnishes a good deal of employment to workers in New England.

The wool speculator gets his toll. The wool is finally processed, made into cloth, thence into clothing of all kinds, and sold to the American public. There is not more than 5 pounds of wool in a suit of clothes. The growers of the wool receive somewhere between \$3 and \$6 for their contribution to a suit of clothes that now costs \$100. Are there any here who would say that the producer of this wool is not entitled to a miserly \$5 as his cut out of a \$100 suit of clothes?

Before I close, I want to emphasize again to you Members who represent farming communities—and there are a lot of you—that the money received from tariff on wool has gone into so-called

section 32 funds where it has been used in every conceivable way to find more uses, and new markets for other farm products, yet, at the same time, wool has never benefited a single dime, so far as these funds are concerned, in the field of research.

I think it is high time that something be done for this great industry and I trust that the Members here will recognize the justice of the present emergency legislation, as well as recognizing that immediate permanent legislation is needed and should be enacted to make possible a profitable industry and stimulate the further economic production of a farm product that is so essential to the lives and well-being of the American people.

This bill, as it now stands, will in no wise, so far as I can see, interfere with or abrogate any of our reciprocal trade agreements. Section 22, if adopted, will simply put into effect legislation to cover wool as has already been in effect, and the President, under the authority given him, has imposed quotas on other farm commodities.

This legislation is not what the wool people want. It is not what I would like to see them get. It is a compromise, and perhaps the best we can get at this time.

Mr. Chairman, I wish the minority leader and the minority whip were in the Chamber; I would feel better about it, because there are people out in the halls who are getting some misinformation on this legislation.

It seems to me this legislation that we are discussing is very simple, and it is a very practical problem. It is this simple, the Government of the United States, or the Commodity Credit Corporation, has in its possession nearly 500,000,000 pounds of wool which it cannot sell. That is the reason we are discussing this legislation; that is the only reason this bill is here. The question of tariff and other matters are beside the point.

I have been studying this question along with the Committee on Agriculture for the last 2 years endeavoring to find ways and means whereby we could dispose of this wool. I think it would be a fair question to ask how the Government got the wool and why it cannot sell it. I think those questions have been discussed.

We started to get this large stock pile of wool when the Japs struck at Pearl Harbor. Our Government, and I think properly so, imported all the wool they could purchase from Australia and brought it into the United States for military reasons. That was the thing that started the great stock pile of wool. That, of course, immediately closed the market to the local producers of wool. There was no place they could sell it, so it was the Government which went to their rescue and bought their wool at a price that was fixed by the Office of Price Administration, and that price has been held under strict control until price control went out of existence. The price of wool has never risen as the price of other commodities has; it has been held. That is how we got the wool in the first place.

Why can we not sell it? We did sell some of this wool, or the Commodity Credit Corporation sold some of it as long as it could be sold at the world price. Then 2 years ago when the parity price on domestic wool rose until it got above the world market price, the Government was prohibited from selling it. That is the situation we are in today and the only reason this legislation is here. There are two or three other things I wish to say about the wool situation.

What should the Congress do? We all concede the stock pile should be sold at some price to somebody. What should be the policy of the Congress in the disposition of this wool? Should it be sold at some price below parity and have the Federal Government assume the whole burden of the sale which might run, I am told by the Department of Agriculture, in the neighborhood of \$50,000,000? Or should some restraint be placed upon the importation of wool until this stock pile is disposed of? That is not a difficult question to understand. What should be done about it? Should we allow wool to keep piling up in our country and try to sell this wool we have in competition with foreign wool or would it be good business to simply impose a fee to raise the price of the imported wool to a point where our wool can be sold? I am constrained to believe that the imposition of a fee is the sound, practical thing to do in this emergency, because this is emergency legislation. It will only run until the commodities under the Steagall amendment go out of existence on December 31, 1948.

Mr. Chairman, I want to say a word about an amendment that will be offered by the gentleman from Massachusetts, [Mr. HERTER]. The Herter amendment, of course, is the crux of this whole business. The so-called Herter amendment would simply mean, if the House should adopt it, that the price of wool in the grease would drop anywhere from 5 to 6 cents a pound. This House does not want to do that I am sure. You would not think of doing that to any other farm commodity and I do not think you are going to do it in connection with this wool program. I challenge any one on the floor to question the statement that if the Herter amendment is adopted the price of wool would drop at least 4 or 5 cents per pound immediately. As a matter of fact, since the Secretary of Agriculture has ceased to buy wool there are buyers all over the country buying this wool for around 28 and 26 cents a pound because there is not a support program. If the House wants to follow that reasoning and do this great injustice to the wool industry it will have that opportunity today.

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

Mr. GRANGER. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The distinguished gentleman has made a very fine statement of fact in respect to the development of what brought about this present condition with respect to wool. It seems to me he has developed with great emphasis and force and fact we cannot afford to let the loss that might be entailed by the adoption of such an amend-

ment as he just discussed by the distinguished gentleman from Massachusetts come about because that loss would fall upon the owners of the lambs and sheep, many of whom depend upon the growth of those animals for a living, selling the wool on the wool market and the lamb crop for food that our people all over this country use.

Mr. GRANGER. The gentleman is absolutely right.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GRANGER. I yield to the gentleman from Iowa.

Mr. MARTIN of Iowa. I am particularly interested in the protection or the preservation of American production of strategic and critical materials of which wool is one. I would like the gentleman's opinion as to what the effect would be upon American production if that reduction in price were permitted or forced upon the wool growers of America?

Mr. GRANGER. Well, if I understand the gentleman's question correctly, it would break the wool growers and, further than that, it would do violence to the program the gentleman is trying to and has advocated with respect to the stock piling of minerals and other materials. It would destroy the whole program, in my judgment.

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

Mr. GRANGER. I yield to the gentleman from Wyoming.

Mr. BARRETT. Under the present price which has prevailed ever since Pearl Harbor the Tariff Commission has reported that the wool growers lost 9½ cents a pound, during 1946, and more for the two preceding years, and that if the amendment to be offered by the gentleman from Massachusetts [Mr. HERTER] is adopted, it will result in an additional loss of 4 or 4½ cents a pound, which will most certainly accelerate the reduction in the sheep herds of this country.

Mr. GRANGER. The gentleman is absolutely right.

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

(Mr. GRANGER asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, during the past couple of weeks this Congress has gone on record, after a lot of skirmishes and, at times, bitter denunciations of other countries, as being in favor of this country's cooperation with other nations of the world in the promotion of a permanent peace.

Whether we like it or not, we are committed to a policy of international cooperation.

This bill flies directly in the face of that declared policy of cooperation. It harks back to the days of high tariff walls and is formal notice to other nations to keep out of here with their products, and it will serve no good purpose.

For several years we have had the reciprocal trade agreements aimed at fostering cooperation among nations and intended to break down artificial trade barriers.

These trade agreements have been praised, and they have been damned. I don't think this is the place to attack or defend that program, but I do want to say that if this bill is enacted, then every other industry will be asleep on its feet if it does not come in here and demand more and more tariff protection.

This is a back-handed slap at the reciprocal-trade-agreements policy, and, if enacted, it will be tantamount to encouraging other Nations to erect similar trade barriers of their own.

This bill, if it becomes law, will be a positive declaration that we are insincere when we talk about our desire to cooperate in the development of international trade. It will be added ammunition for those who claim we are imperialists—that we are interested in world affairs only for what we can get out of it.

It is particularly unfortunate that this issue should arise in the case of wool. Domestic wool accounts for less than one-tenth of one percent of our national income. But, it makes up more than 95 percent of the dutiable imports into the United States from Australia. Forty percent of our imports from New Zealand and 37 percent from South Africa are wool. These Commonwealths have been interested in the British trade preferences. We have been trying to break down that system and we have made progress. If we repudiate our noble declarations in this manner, then we might as well kiss good-bye to our hopes of breaking up these Empire preferences.

There is another, and highly important, consideration. In my district woolen mills are closed. Many talk about the possibilities of a depression. It is already squeezing the woolen industry. Prices are too high and people cannot afford to purchase the products of the woolen mills. The president pleads for price reductions and all of us know we face mighty serious times unless prices do come down.

Yet, here is a plan to guarantee the present high prices—and if possible, to force woolen prices still higher. What prospects are there for the woolen manufacturer? He is above the market now. Why should he risk everything in the face of these possibilities?

Men and women—employees of woolen mills—are walking the streets. And this bill proposes a proclamation of death for the woolen industry in the United States.

At the same time it will effectively prevent the consumer—already sorely tried by high prices—from purchasing badly needed woolen articles.

This legislation is bad business. I can find no justification for it. For many reasons—but particularly the importance of domestic well-being and international honesty—it should be soundly defeated.

(Mr. FOGARTY asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, there are so many reasons for my opposition to this bill, S. 814, that I find it very difficult in the limited time at my disposal to bring out all its defects. Seldom has legislation been considered by this House

with greater possibilities of far-reaching repercussions, both domestically and internationally. Let us consider the latter for a moment.

Last April 10 Under Secretary of State Clayton went to Geneva to try to work out with 17 other nations a sound economic foundation for peace. As a part of this program the other nations were asked to join us in reducing barriers to trade. As the President advised the American public in his speech on March 6, 1947, at Baylor University:

At this particular time, the whole world is concentrating much of its thought and energy on attaining the objectives of peace and freedom. These objectives are bound up completely with a third objective—reestablishment of world trade. In fact the three—peace, freedom and world trade—are inseparable. The grave lessons of the past have proved it.

Mr. Chairman, among these 17 nations at Geneva are Australia, New Zealand, and the Union of South Africa. These nations and the others among the 17 nations had the assurance that Mr. Clayton and his representatives were free to negotiate reciprocal trade agreements dealing with wool. I understand that less than one-half of 1 percent of our farm income comes from wool, but wool is extremely important in the world trade of Australia, New Zealand, and South Africa, and provides by far the most important source of dollar exchange with which to buy American exports. Consequently, if we impose new barriers—barriers above the existing tariff of 34 cents a pound—we cannot escape the condemnation of economic isolationism that is sure to be cast upon this country.

Even without these overwhelming international ramifications, Mr. Chairman, this bill is a blow to the American economy as a whole.

Why should the woolen and worsted industries of Rhode Island bear the brunt of a support program for wool nearly double the average price of 22 cents per pound paid in 1939, the year before the war. Prices on other farm commodities are supported at only 90 percent of parity. The wool manufacturers of my State cannot possibly buy wool at 42 cents a pound and sell it to cloth makers in a competitive market with other types of cloth. If the demand for woolen cloth declines the workers in these mills, the mill owners, wool buyers and traders all along the line, and ultimately the growers of wool will suffer. And at the bottom of the heap let us not forget the consumers of woollens who would be required to pay the artificially inflated prices until they find an available substitute.

Mr. Chairman, I insert in the RECORD at this point an article which appeared in the Providence (R. I.) Journal of April 22, 1947, which indicates the disastrous effects enactment of this bill would have upon the Rhode Island wool trade:

FEDERAL MEASURE THREATENS JOBS IN RHODE ISLAND WOOL TRADE—MILL OWNERS, TRADERS, AND BUYERS THINK GOVERNMENT MAY WALK IN ON HEAVY-EMPLOYING INDUSTRY UNDER TERMS OF BILL ADOPTED BY SENATE COMMITTEE

(By Donald I. Rogers)

The Government may walk in on Rhode Island's important, heavy-employing, woolen and worsted industry.

Mill owners, wool buyers, and traders—who collectively provide tens of thousands of jobs in this State and pay some of the top wages in textiles—see this threat in proposed legislation which is scheduled for action in Congress sometime this week.

Men who buy wool and sell it to the textile industry fear they are heading for the ranks of the unemployed. Succeeding them in business, they say, will be the United States Government.

This pending legislation, which is sending chills through the industry and is causing widespread girding for battle, goes under the name of the Robertson bill.

It has already been approved by the Senate Committee on Agriculture and will receive the support of the agriculture bloc when it comes to a vote.

It would:

Place all control over the price of wool, both domestic and foreign, in the hands of one man, the Secretary of Agriculture;

Require the Government to support the price of domestic wool at not less than its support price of 1946, which was about 42 cents a pound—highest in history;

Provide for floor taxes on existing mill inventories of wool up to 50 percent of value;

#### ADDITIONAL IMPORT FEES

Levy additional import fees on foreign wools on top of the present tariff of 34 cents a pound; and

Provide for fines up to \$10,000 or a year in jail to American businessmen who do not comply with these provisions.

Local wool men say it would do more than that, that it would upset the wool trading business as it has never been upset before. If this is true, it would be an economic catastrophe which would hit hard at Rhode Island and all New England.

Government monopoly of the wool market was a wartime expedient which wool men say has outworn its usefulness. But that section of the Federal Government which has its ear attuned to the strong voice of the agricultural interests from the West and Southwest want continued Federal control of wool.

Four years ago the Government, in the middle of the war, started buying all domestically produced wool. It has continued this practice ever since.

#### "SOMEONE MOVED IN"

Private merchants who buy and sell wool turned to the huge imports of foreign wool which have been flooding the country since 1940.

Now the boom is past. The imports are tapering off. Merchants some time ago started looking back toward their homes to resume their war-neglected domestic business. But someone moved in during their absence, someone who acts as though he's going to stay—Uncle Sam.

The Robertson bill gives Uncle Sam the lease to this property. Government support of the wool at the 1946 price (wool men call it a "super-price") of 42 cents a pound will mean simply that the Government will take over United States production, declare the worried wool merchants.

The woolen branch of the textile industry has been hard hit by over-production. The worsted section now geared to full-tilt capacity to meet extremely high demands, must eventually face drastic cutbacks.

The wool merchants lament that they cannot possibly buy wool at 42 cents a pound and sell it to cloth makers who must produce for a competitive market, without being inundated with red ink.

Prices on other United States commodities are supported at 90 percent of parity. Wool was one of these favored commodities until the war came along.

New England wool men who must after all do business with the sheep ranchers, sympathize with the growers' demands for protection from cheap, foreign wool.

But they think 90 percent of parity would

be ample. They revolt at the proposed guaranty of 42 cents for 2 years.

Parity gives growers prices representing 1909-14 buying power.

#### PREWAR PRICES

In 1939, the year before the war, the average price paid for wool was a little over 22 cents a pound.

Between the two World Wars the average price was 26 cents.

Parity prices change from month to month; they fall when the prices of manufactured items fall, rise when they rise.

It's a whole lot different, say the wool merchants, when you support a price at a fixed level, "come hell or high water."

While other commodities are supported at 90 percent of parity, the present parity price for wool is somewhat under the 42-cent support price guaranteed by the Government. The 42 cents is actually more than 100 percent of parity. A year ago the parity price was 32.9 cents.

If the prices of manufactured items should drop to last year's level (and in a declining market, this is held likely) the 42-cent wool would be 127 percent of parity.

This would prevail while other commodities were pegged at 90 percent of parity on the declining market.

Why, ask the dealers, must wool be so favored when other commodities are not?

Parity is a bottom guaranteed by the Government. It is not a pegged top price.

#### PRICES COMPARED

Without the questionable benefit of Government monopoly the wool merchants paid fair prices for their wool, they contend. They have figures which show that the sheep ranchers, between the two wars, got on an average more than 96 percent of parity for their wool. For 7 years the price was over 115 percent of parity.

What happened meantime to the other basic commodities?

The average price from 1921 to 1940 was only 77 percent of parity for the six basic commodities—cotton, corn, wheat, tobacco, rice, and peanuts.

In view of this, demand the angry wool merchants, why must wool be singled out for financial boondoggling.

Here in Rhode Island, a wool dealer must either make his way in a competitive market or go out of business. If a textile mill doesn't operate successfully, it must close down.

Now the Government, charge local dealers, proposes to insure the incomes of wool growers at unwarranted high levels at the expense of the wool merchants and the wool and worsted cloth makers.

#### FOREIGN COMPETITION

Yet the Government is on the record as being against protection. The State Department is now meeting with United Nations members at the International Trade Organization in Geneva trying to lower protective tariffs.

Among tariffs to be reduced are those which protect the textile industry from low-priced foreign goods.

Apparently, said one indignant local wool man, the Government is against protection only when it applies to an industry, not when it applies to a commodity.

The need for piling up huge wool surpluses?

During this recent 4-year buying spree, the Government grabbed every ounce of wool it could lay its hands on. At the beginning of this year the mountain of fleece totaled 480,000,000 pounds—nearly a full year's needs at the prewar consumption rate.

While the Government held onto this mountain of fleece and sought more, textile mills did business as usual through the wool merchants of Massachusetts and Rhode Island, who were buying from abroad.

As a result, they used 3 pounds of foreign wool to every pound of domestic wool.

In prewar years, before the Government took over this middleman's job of buying wool, the opposite was true. Consumption was at the rate of 3 pounds of domestic to 1 pound of foreign wool.

#### WORLD WOOL SURPLUS

Prices on other commodities are high—well above the farm bloc's former ideal parity level. That's because there is a world shortage of most commodities.

Not so with wool. There's a huge world surplus.

The Robertson bill attempts to increase prices while surpluses pile up.

Inserted in the measure is a supplementary provision allowing the Commodity Credit Corporation to sell wool from the 480,000,000-pound stock pile at prices competitive with the foreign wool.

When the average citizen goes to buy a suit or other wool or worsted item, this should please him.

But he'll feel it on March 15—Income-tax day.

For the CCC would continue to buy domestic clip at the 42-cent level and sell it at the prevailing world price.

The loss is to be passed along to the United States Treasury; from the Treasury it'll be passed along to every United States citizen.

In conclusion, it is my opinion that not only the practicable idealism of expanding world trade on a reciprocal basis is an essential framework for peace, but also that hard-headed business consideration within our own country, and particularly my own State of Rhode Island, require the defeat of this bill.

(Mr. FORAND asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, I yield 7 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, I believe that everyone concedes that the provision in this bill for the imposition of an import fee or duty on wool would actually wreck the Conference that has been carried on and is now temporarily suspended at Geneva. The passage of this bill would certainly justify criticism by delegates of other countries to that Conference, and they would have every right to question the good faith of the United States Government.

If you want further proof of that, think of the fact that Under Secretary of State Clayton returned home from Geneva solely because this bill was introduced and the committee had reported it favorably. The head of the Australian delegation to the Conference at Geneva went back to Australia to get special instruction from that country with regard to his conduct and his suggestions and his trading powers at Geneva because this bill was introduced and reported favorably by the committee.

The question before the House today, Mr. Chairman, is whether we should pass this bill after only 3 hours of general debate without any study by the Committee on Ways and Means of this House, the committee that really has jurisdiction over import duties, import fees and tariffs, and the reciprocal-trade agreements program. We have been holding hearings on this and related subjects for 2 months, and here the Committee on Agriculture, which is not expected to know too much about import duties

and tariffs, generally, does not even have a hearing on this subject of the import duty provided in this bill. The amendments to the bill, as I understand, were not known to the State Department.

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

Mr. EBERHARTER. I decline to yield at this time. When I have finished my statement I shall be glad to yield.

The passage of this sort of legislation after 3 hours of general debate is quite a contrast with the time spent on the bills with respect to aid to Greece and Turkey and other countries in Europe. A few days ago the Secretary of State and the Secretary of Commerce issued statements with respect to the week of May 18 to 24, which is known as World Trade Week. Is it not ironical that this House might this very week pass this legislation which will wreck any possibility of increasing world trade and good will? Everybody knows that the United States cannot be prosperous if we are shut out of world markets, and this is one of the types of legislation which will cause reaction from practically every country in the world, because they will have no faith in the international trade policy of the United States. They will rightly be fearful that any time some industry in this country is suffering from perhaps some temporary maladjustment it will come to the Congress of the United States and get relief through tariff barriers or some other form of special restriction on imports.

One of the gentlemen on the Republican side mentioned that he would like to go back to the good old Smoot-Hawley tariff days. That system never worked. The people of the country do not want to go back to that system. As I said before, Mr. Chairman, we must have international trade and we must have international good will in order for America to be prosperous.

This is a more serious matter than many of the Members of the House realize. I know some Members are seriously concerned about it, but they somehow just feel that they are not able to take an active part in defeating it. I think we ought here to consider the seriousness of this proposal. I think we Members ought all to join in bipartisan support of the policy of this administration for expanded international trade, the same as we have bipartisan support of the foreign political policy of the Government. One is joined to the other. You cannot separate them. If this measure passes and becomes law it will have a tremendous effect in enclosing the United States in a fence so that our products cannot be exported profitably to other countries of the world. It will cause business recession, it will cause unemployment, because we know that for the United States of America to be prosperous we have to export at least 10 percent of our production. If we start throwing up barriers of this sort other countries will do exactly what they did after we passed the Smoot-Hawley tariff bill. That is something I am sure the country does not want again.

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

Mr. GRANGER. Mr. Chairman, I yield two additional minutes to the gentleman from Pennsylvania.

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

Mr. EBERHARTER. I yield to the gentleman from Kansas.

Mr. HOPE. I simply wanted to call the gentleman's attention to the fact that the Committee on Agriculture did hold hearings on this question and we had before us for almost 2 days of the hearings a representative from the State Department, because we had before us two bills, one by the gentleman from Wyoming [Mr. BARRETT] and one by the gentleman from Colorado [Mr. HILL], which imposed import quotas. The committee did go into that question during the hearings.

Mr. EBERHARTER. I do not want to make a misstatement, but I understand, although I may be wrong, that the Under Secretary of State said that the amendments proposed to the bill as now reported out were not considered by the State Department and that they thought the situation was therefore different from what it was at the time that the representative of the State Department testified.

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

Mr. EBERHARTER. I yield.

Mr. HOPE. This particular amendment was not included in the bill that we considered, but exactly the same principle of an import quota was in the bill and is dealt with in the amendment to section 22. Therefore, that question was considered directly.

Mr. EBERHARTER. There evidently is a difference of opinion between the Under Secretary of State and the gentleman from Kansas on that particular point as to the principle involved.

Mr. Chairman, I yield to the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, many of the Members of Congress appreciate what the gentleman has said on this matter of wool which we are now discussing. It is a fact, is it not, that there was almost an embargo placed upon our own domestic wool and that Great Britain had free access to our market while our boys were out fighting to help win the war and Great Britain took over the whole market of the United States. That is a fact.

Mr. EBERHARTER. So far as the particular facts on the wool situation are concerned, I have sympathy with the wool growers of this country, but I say this is not the way to take care of it. I am certain that at Geneva some arrangement can be made so that the wool growers of this country would be protected. The fact that the Government has all of this wool on hand, I think, should be charged to the cost of the war. The United States should bear the loss because we brought wool in as a military necessity. The farmers should not lose by it. But I say the principle of expanding international trade should not be wrecked to save the wool growers of this country. It could be handled in some other way.



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

Mr. EBERHARTER. I yield.

Mr. HILL. I would like to bring to the gentleman's attention the testimony of the gentleman from the State Department before our committee on this very thing. Listen to what he says:

The point of view of the administration with respect to wool is contained in a letter from the President to a Special Committee To Investigate the Production, Transportation, and Marketing of Wool, dated March 11, 1946. This letter, and the accompanying memorandum, point out that a program which would best serve the long-run welfare of the wool producers, protect the interests of merchants and the general public, and encourage beneficial trade relationships with foreign countries would contain the following features: (1) Support for wool equivalent to that granted other important agricultural commodities; (2) sale of domestic wool at prices competitive with the duty paid import price of foreign wools.

That is the statement of the representative of the State Department before our committee not 6 weeks ago.

Mr. EBERHARTER. Why, certainly. The matter could be worked out. But the indisputable fact is that the State Department is opposed to this bill in its present form, and for the very good reason that the bill now is in such shape that it will wreck the international trade conference going on in Geneva at the present time.

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

Mr. EBERHARTER. I yield.

Mr. COOLEY. May I ask the gentleman if it is not a fact that the Senate version of this bill takes care of the producers?

Mr. EBERHARTER. I understand the Senate version of the bill is not nearly so disastrous to international trade and that it would take care of the farmers and wool growers.

Mr. COOLEY. The Senate version of the bill is acceptable to the State Department. The gentleman from Colorado, I am quite sure, is leaving an erroneous impression with the membership of the House when he states that the testimony which he read contemplated import fees such as we are now considering.

Mr. EBERHARTER. I thank the gentleman for helping me out on that particular phase of the problem because I am not a member of that committee and have not had access to all the information.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. EBERHARTER] has expired.

Mr. HOPE. Mr. Chairman, I yield 15 minutes to the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was granted permission to revise and extend his remarks.)

Mr. JOHNSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Illinois.

Mr. JOHNSON of Illinois. The gentleman from Pennsylvania [Mr. EBERHARTER] offered a criticism a few moments ago that we were only devoting 3 hours today to this bill, while we gave

plenty of time, a few days, to the bill providing for the Turkish-Greek loan. I want to say there is a reason for it, because that bill was for foreign countries, and 3 hours is plenty of time to consider America.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. MURRAY of Wisconsin. I asked the gentleman from Pennsylvania [Mr. EBERHARTER] to yield in order to call his attention to the fact that he underestimates Mr. Clayton. If Mr. Clayton can go to Geneva and can make those delegates from 18 countries believe that our present administration has put an embargo on tobacco seed going out of this country, and can pay an export subsidy on cotton and can erect two embargoes on cotton coming into this country, and can put an embargo on wheat coming into this country, I should think he would be in a position to convince the delegates of those 18 countries that what little we do with wool will not have much effect. They have been able to sell the American people and make them believe they are carrying on a reciprocal-trade program when as a matter of fact the Kindred Women's Club and the Woman Voters' League have been deceived into believing that. I think Mr. Clayton ought to be able to pull the wool over their eyes over there a little.

Mr. HILL. I thank the gentleman for his contribution.

Now, Mr. Chairman, to close out the statement from the State Department, the State Department sent a young man up there who knew just as much about wool as some of the folks our good friend from Wisconsin was talking about. What I read was the statement he made to our committee. I do not know what he meant by it, because I cannot interpret what is in some other man's mind. I have trouble enough with my own. So the State Department did support the provisions of this bill. Of course, they want to approach it now from another angle.

I agree with our distinguished chairman [Mr. HOPE], first, that this is emergency and critical legislation. I, for one, cannot see how this Congress can escape its responsibility in the passage of such legislation as is offered to you this afternoon by our Committee on Agriculture. I would like to say first, How did we get into this position? Was it overnight? Is it suddenly—something that has caved in upon us? It is not. This is a serious situation our country faces concerning wool. This stock pile of wool began even before the date of Pearl Harbor. As the gentleman from Utah [Mr. GRANGER] said, he and I served on a subcommittee of our Committee on Agriculture and we checked into the beginning of this wool stock pile in 1943. If I had time to take these records that we have, I could very definitely show this committee that the distinguished gentleman [Mr. GRANGER] and I, with other members of the Committee on Agriculture, knew at that time exactly what we were headed for, and we knew that we would meet this situation when the war closed and again we were faced with a postwar era

in regard to surpluses in agricultural products. We knew when those great ships, loaded with wool from Australia, were headed for Britain and they could not go to Britain because of the sinking of so many hundreds of ships of supplies by the German submarines, where did those ships go? They were rerouted and came to America. The stock pile, the entire clip of Australia, was the beginning of our stock pile of wool. Now we face a situation where we have four hundred and fifty or four hundred and sixty million pounds of wool in stock pile, and the Commodity Credit Corporation is prevented from selling a single pound to anyone.

Now, I wish to read how we got into this particular situation regarding the price of wool. Listen to what this young man said who was at that time president of the National Wool Growers' Association back in 1944. I will read quickly:

The causes leading up to the present situation are briefly as follows: At the outbreak of the present war the British Government arranged to purchase all wools grown in its Dominions, comprising approximately two-thirds of the total world production, for the duration of the war and for 1 year thereafter. This agreement is now in effect and it is my understanding that negotiations are well under way to continue it for a period of 3 years after the war.

Immediately after Pearl Harbor the British Government established an issue price for wools sold in the American market which today is approximately \$1.05 per pound on a scoured or clean-content basis. This comparatively low price was established primarily to insure Australasian wools the widest possible market in this country. For the first time, these wools were sold and continue to be sold in the United States below the price of domestic wools. Hitherto, because of greater uniformity in quality and more careful grading, Australasian wools have always sold in the United States at a price from 10 to 15 percent in excess of prices for comparable grades of domestic wool.

In other words, just the minute our market completely passes into the hands of foreign producers of wool the price of wool to the American consumers and manufacturers will immediately rise; and no one can stand on this floor and refute that statement. I have never heard one single sentence of testimony in our committee in the long period of time we have considered this subject where anyone could show that if we passed this legislation there would be any runaway price on wool or woolen clothing. Frankly, I do not believe there will be. The passage of this legislation will give the wool producers of this country not a guaranty but a feeling of security that they can go ahead now and take care of their farms and ranches and have some assurance that they can keep their business in a liquid form. I am sure not a Member of this House objects to that.

Mr. Chairman, I should like to read an article on the decline of the number of sheep. This was well taken care of by our chairman, but listen to this:

This constant and continuing liquidation of the domestic industry has many causes. One of the factors among those causes for liquidation is the uncertainty of the future. This uncertainty is caused by: (1) Lack of

a long-term Government wool policy, (2) little increase in the price for domestic wool, (3) increased costs of production and lack of efficient labor.

I might add that I think the lack of efficient labor is just as much the cause of the increase of the cost of producing lambs on the range as any other factor. Inefficient help at the wrong time of the year means a great loss in the production of lambs. The right kind of help in the early season means many more lambs to go to market in the fall.

(4) Dumping of foreign wool on the American market. The only market for domestic wool in 1941, 1942, and 1943 was for defense purposes. Domestic wool was given preference over the use of foreign wool by the armed forces, particularly the Army. When the Army requirements decreased in 1944, 1945, and 1946 much less domestic wool was used.

And I might say here, and I will not repeat, that in 1946 when we were only producing—and I wish you would listen to these figures—only producing 30 percent of all the wool that was necessary in the domestic markets—that is all we could produce—we were only using 25 percent of the 30 percent that we did produce. All the rest was coming from foreign countries. Twenty-five percent of the total 30 percent of wool is all we used. It is important to keep those figures in mind and I hope you will remember them. In 1946 we probably had the greatest total consumption of wool that we ever had in any one year since we have been a nation—over 1,000,000,000 pounds. Eighty percent of it was imported foreign wool. In 1946 the Commodity Credit Corporation bought an amount of 450,000,000 pounds of wool, and, as I have stated already, they cannot sell a single pound of it because the law prohibits them from selling this wool below parity, a parity price so low that they cannot sell the wool and they will not be able to sell any of it unless you pass this legislation. What the stock pile might be at the end of 1947 is anybody's guess. Someone testified before our committee that it might be as high as a billion and a quarter pounds. Keep that figure in mind also.

Mr. Chairman, sheep raising in this Nation is one of the great industries of the West. We have over 800,000,000 acres of pasture land with 90 percent of it fit only for the grazing of livestock. That is important to those people out there and it is important to these people in the East, it is important to these gentlemen who are interested in the manufacture of wool on the east coast of these United States.

In the last 5 years you will find, according to the census taken on farms, that the sheep population has been reduced 35 percent. How long can we have a wool industry, I ask you, if you average a 35 percent reduction in 5 years? No one can dispute those figures because they are taken from reports of the Department of Agriculture.

I might call your attention also to the fact that should we get into another war as some are worried we might, wool is a critical material and is absolutely necessary when it comes to providing our men with warm clothing and since we are fly-

ing airplanes through the air in temperatures of from 40 to 100 degrees or more below zero it is more necessary than ever before that the men in our Army, Navy and Air Corps be properly clad with the proper type of wool clothing. It is important, therefore, that we have wool. If we are going to reduce our domestic wool production 35 percent in the number of sheep in 5 years, what would happen in 10 years? What will happen in 20 years? I dare not contemplate what the future of the sheep industry might be unless some type of protection is given this industry.

Are we going to permit ourselves to be left to the mercy of the foreign producers of wool should we have a war? Let us keep in mind that if we should but put at the mercy of attack, the first thing they will do after they have bombed our cities would be to take off our ships, take off the sea the production of foreign countries that might be coming into the great industrial production centers of the United States.

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

Mr. HILL. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman regards the sheep producer as one of the casualties of the war, does he not?

Mr. HILL. Yes; I do.

Mr. COOLEY. If the sheep industry is a casualty of the war, what is the gentleman's objection to compensating the sheep producers in the manner provided in the Senate bill?

Mr. HILL. The gentleman knows as well as I do what the Senate bill contains. Of course, we considered the Senate bill, but after careful consideration of it we decided if we put wool in section 22, and I hope to come to that in a moment, there is no reason why the wool producer should not have the same benefit that the cotton producers have. Is there any reason why the wool producers should not have the protection that you give the tobacco growers? There is no reason under the sun why all farm products should not have the same protection. I am in favor, and I am sure the gentleman is, of putting wool under section 22.

If I had time I would like to read some of the information on how funds raised by tariff have been used, and how the money obtained from the importation of wool has been used.

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

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

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

Mr. HILL. I yield to the gentleman from North Carolina.

Mr. COOLEY. I do not think the gentleman has answered my question. If, during the war, we built up a tremendous stock pile of wool, and it is down to the extent of 400,000,000 pounds or more, hanging over the wool market, and if it is a casualty as a result of the war, why should we not provide the necessary money with which to save harmless the wool producers of America and protect them in that way rather than to

go into the field of tariffs and trade barriers?

Mr. HILL. There is just an honest difference of opinion, I will say to my good friend.

Mr. COOLEY. Is not the result about the same?

Mr. HILL. If I thought you could get the same protection under the Senate bill, you would have no argument from me, but you must confess that wool has as much right—and I say "right" now because we are talking about production, the wool itself, not the wool producer—to be under section 22 as any other commodity.

Mr. COOLEY. I would like to interrupt the gentleman to just make this statement, that section 22 only became necessary because we had certain adjustment programs in regard to certain commodities. Many of them were exportable crops and we curtailed production.

Mr. HILL. If the gentleman will yield me some more time I will be glad to continue this dialog indefinitely. I feel I have the answer, and the answer is this, that the wool, in itself, has the same right that cotton has, that peanuts have, and that tobacco has. They should all be treated alike, and I am certain that the Senate bill did not do that.

Mr. COOLEY. Following the gentleman's argument, we might as well say that section 22 should be applicable to all agricultural commodities.

Mr. HILL. And I will support such an amendment.

Mr. COOLEY. I would not.

Mr. HILL. Because the gentleman has been receiving special treatment, and therefore he would not support it.

Mr. COOLEY. No; I am not.

Mr. HILL. Well, I am not one to argue with the gentleman.

To continue my talk, I would like to say one further thing. Notice the importation of wool. I wish I could read all the figures. I gave them to the chairman awhile ago but let me give you these figures of the amount of wool imported into this country in recent years.

In 1946, 819,253,000; 1945, 704,034,000; 1944, 582,168,000; 1943, 642,887,000; 1942, 782,647,000; 1941, 613,566,000; 1940, 197,783,768; 1939, 74,611,135; 1938, 18,442,673.

I have the importations of wool and apparel wool since 1941. That ought to go back far enough for any gentleman on my right hand, and I will include them in my remarks. Now who supports this legislation? That is interesting. I think every one of us should keep in mind just who the folks are that asked for this legislation. I know that we are going to be accused by saying this is special legislation for the wool growers. It is nothing of the sort. There never was a piece of legislation more necessary for the boys and the girls that need wool clothing and the men and women that need wool clothing. It is all bosh and folderol to stand up here and say we do not need this legislation. We need this legislation if you are going to protect this industry.

Let us see who supports it, and you will be surprised when I tell you. Here are some of the people that support this legislation, and I have a list of them in my

hand. Let us see who they are. The first is the American Farm Bureau Federation, and I have a wire from them that I will file with the committee.

Then we have the National Grange, and I want to read what they say about this:

During the war farmers expanded total production by more than one-third at the urgent request of the Government to feed this Nation and our Allies. That expansion was made at considerable sacrifice in soil and human resources.

There is no reason why they should not support this program. That is the National Grange. In addition to the National Grange, I have the National Council of Farm Cooperatives, and all the wool growers associations, of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, and the Texas Sheep and Goat Raisers' Association—we even got the goats in the territory of the gentleman from Texas [Mr. FISHER]—the Utah Wool Growers, the Washington Wool Growers, and the Western South Dakota and the Wyoming Wool Growers. We are not in strange company and we are not alone in this great effort to try to save the sheep and the wool industry. Not only that, but I say to you with all the earnestness in my soul that this might be the example, this might be the diagram, this might be the way to solve the difficulties that are going to rise as we pass out of this war era into the postwar period in the production of agricultural products.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Chairman, this bill should be enacted and section 22 of the AAA Act should, as recommended by the House Committee on Agriculture, be included. That will enable the President, if he finds that conditions warrant, to have the Tariff Commission to hold hearings and determine at any time whether the dumping of foreign wool on our markets is materially interfering with the Government's wool-support program. Then, upon that finding, the President may impose import fees on such imported wool in such amounts and for such period as in his judgment may be necessary.

What is wrong with including wool under that section, Mr. Chairman? It is claimed by some that to do so will interfere with international trade. It is claimed that Mr. Clayton who has been attending the Geneva Conference on trade agreements feels that to include wool under section 22 will hamper his negotiations. It is intimated that Great Britain and her Dominions object to wool being included in section 22. Has it come to pass that we must seek permission from a foreign country before we dare enact legislation dealing with a domestic issue? Surely that cannot be the views of the British. Only last month the British increased the tariff by 50 percent on American tobacco imported into that country. We were not consulted about whether we should like that or not. This is a domestic issue.

This bill should not be clouded by all this talk about a tariff issue being involved. That is not the case at all. It is proposed here to include wool under sec-

tion 22 just as cotton is already included and just as wheat is already included, and just as many other farm products are already included. If placing wool under section 22 will interfere with international trade negotiations, then why is it that cotton and wheat and all the others do not have the same effect? If it is good business to apply section 22 to cotton and the others, as I am convinced it is, then why isn't it good business to apply it to wool, of which we have a considerable surplus at this time? The President invoked section 22 in protection of cotton from excessive imports only a few months ago and properly so.

I am sure the gentleman from North Carolina does not care to change that arrangement.

Mr. COOLEY. I certainly believe in section 22 and I realize and appreciate its importance. But certainly section 22 does not deal with any commodity other than a surplus commodity. We are taking wool, of which we have a deficit, and are putting it in with surplus commodities such as cotton, wheat, tobacco, and other crops, and further, the commodities that section 22 deals with are commodities on which we have an adjustment program.

Mr. FISHER. The gentleman might unwittingly mislead somebody by that statement because we are not doing any such thing. We are simply authorizing the President of the United States, if he sees that the conditions require it in order to protect a support program, to have a hearing by the United States Tariff Commission, following which then some such sort of protection may be devised and the provisions of that section invoked.

Mr. COOLEY. I still maintain that my statement is accurate, and I think the chairman of the committee will agree that this is the only commodity which is not a surplus commodity that will be under section 22 if this bill passes as is proposed.

Mr. FISHER. Does the gentleman understand that the letter of the Secretary of Agriculture of February 4 requested that wool be included in section 22?

Mr. COOLEY. The gentleman read a letter a moment ago with reference to the placing of other commodities in section 22.

Mr. FISHER. That included wool, did it not?

Mr. COOLEY. That includes wool. That is because there is a support price on wool and not because there is an adjustment program on wool.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

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

Mr. BROWN of Georgia. It is my understanding that the object of this bill is to give the same treatment to the wool growers as is given to the growers of wheat, tobacco, and cotton.

Mr. FISHER. The gentleman is exactly correct.

Mr. BROWN of Georgia. I am for it.

Mr. FISHER. I repeat for emphasis that on the 4th day of last February the Secretary of Agriculture, over his signature, the letter having cleared the Bu-

reau of the Budget, there evidently having been no objection from the State Department or the White House, wrote to the chairman of the Committee on Agriculture suggesting that wool be put under section 22. That is what is proposed in this bill. So what is wrong about it? Are you contesting the policy of the Secretary of Agriculture and the White House and the Bureau of the Budget?

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

Mr. FISHER. I yield to the gentleman from Utah.

Mr. GRANGER. I hope the gentleman from North Carolina is not laboring under the assumption that there is not a surplus of wool. I thought we had a year's supply on hand that we could not sell.

Mr. FISHER. Yes; not only is there a stock pile of 450,000,000 pounds of wool at this time, but in the pipe lines and factories they have an equal amount, making a total of about 1,000,000,000 pounds in this country today.

Mr. GRANGER. In addition to that, there is a world surplus of wool.

Mr. FISHER. In addition to that, there is a total of 4,000,000,000 pounds of wool in the world, which is the highest at any time in the history of the world. The United States of America is the principal dumping ground today. They are looking for places where they can sell that wool. This old question of the tariff issue has no place in this debate, because the President of the United States determines whether the act should be invoked and not until it is necessary will that be done.

Mr. COOLEY. The gentleman must be in error on that. The Tariff Commission must make findings before that is done and based on those findings the President in good faith shall proceed to impose a fee.

Mr. FISHER. The gentleman, of course, knows that the Tariff Commission cannot do anything until the President makes a finding that it is necessary for the Tariff Commission to make an investigation and only at the request of the President of the United States can the Tariff Commission invoke its jurisdiction over this subject matter.

Mr. COOLEY. I think the President is going to exercise his judgment honestly and fairly and only if the necessity exists as found after a hearing conducted by the Tariff Commission.

Mr. FISHER. That is right, and then it is applied only when a condition of necessity actually exists.

#### WARTIME STOCK PILES DISRUPTED MARKETS

Now, Mr. Chairman, it is contended by some that this legislation is not necessary and that it is too favorable from the standpoint of the domestic wool grower. I deny that. Before the war there was no demand for relief. The consumption in this country by our mills was about 600,000,000 pounds per year. Our wool then moved at prices competitive with foreign wools, regardless of whether the domestic grower made money or not. The fact is that the home-grown wool was consumed and the market was kept uncluttered by stock

piles. But today the picture has reversed itself. Eighty percent of apparel wool consumed by our mills last year came from abroad and only 20 percent was grown in this country. In 1945, the percentage of domestic wool consumed was only 26.3 percent. For several years immediately before the war our mills used American grown wool to the extent of 70 to 90 percent of total consumption.

This condition has come about, Mr. Chairman, as a result of conditions growing out of the war. The British wool monopoly came out of the war with three times the normal carry-over of wool on hand and with greatly reduced markets. The war reduced the markets in Europe and Japan. In this country a year before Pearl Harbor, arrangements were being made for stock piling of imported wools for security reasons. We held as high as 518,000,000 pounds of British wools on storage. We bought outright a total of 302,500,000 pounds of Australian wool and 34,700,000 pounds of Uruguayan wools. In addition the British in 1942 warehoused in this country for consumption in an emergency 122,000,000 pounds of South African Cape wool.

Practically all of this wool has been liquidated, but its disposal has burdened the domestic market and added to the accumulation of the present stock pile of about 450,000,000 pounds by the CCC, with a new spring clip now being shorn.

From this background, it is easy to see that the wool marketing situation is far from normal. And aside from the domestic supply there is the world stock pile. It comprises a total of around 4,000,000,000 pounds. It is estimated that it will take at least a decade to absorb it in an orderly way. An estimated two-thirds of the world accumulation is under the cartel control of a joint organization known as the British Wool Disposals, Ltd., a corporation jointly owned by the four Governments of the United Kingdom, Australia, New Zealand, and the Union of South Africa. Those countries normally produce some 85 percent of the world's supply. Throughout the war they have maintained stable prices for their growers. On at least two occasions the compensation to the producer has been increased. This has helped to prevent a decline in the number of sheep raised and amount of wool produced. To keep wool production as a thriving business, the British naturally look to the United States as their principal market, one of the very few financially stable markets in the world today. Foreign wool imports last year amounted to 819,253,000 grease pounds, or six times the average importation of that period from 1936 to 1940, inclusive. And yet we hear people talk of the wool tariff interfering with world trade.

#### DOMESTIC SHEEP INDUSTRY ON DECLINE

And our sheep industry was a war casualty from still another standpoint. Because of lack of stability of the domestic market, the uncertainty of the future, the increased cost of production, and the dumping of foreign wool on our domestic markets while our own stock pile has increased, the sheep population in the United States has dwindled ap-

preciably during the past few years. This decline in numbers has been both constant and alarming. The drop has come from 49,807,000 in 1942 to 37,517,000 in 1946, according to figures compiled by the Department of Agriculture. The unofficial estimate for 1947 is that the decline will bring the number to around 32,542,000. The corresponding production of wool has declined from 459,478,000 pounds in 1942 to an estimated 300,000,000 in 1947. There you have an industry, Mr. Chairman, one that the Army and Navy Munitions Board declared to be a strategic and critical one from the standpoint of national security, declining by a third in only 5 years. And yet there are those who say the Government should keep its hands off and take no interest in the plight of the sheep grower in this country and the maintenance of a domestic wool industry.

#### REASONABLE PRICE IS ESSENTIAL

Mr. Chairman, I realize full well that that there are those who would like to see the domestic wool industry thrown to the wolves. There are those who say it is an uneconomic industry. Such shortsighted people would do well to consult with Army and Navy officials who are thinking in terms of the future security of this country. They would do well to talk with Maj. Gen. E. L. Corbin, Director of Procurement, Office of the Quartermaster General, who at one time during the war stated:

There is no doubt that Old Man Winter and the lack of wool in Germany is causing as many casualties in the German Army as is powder and ammunition.

They would do well to think of that day when this country will be entirely dependent for its wool upon a foreign cartel. And when they do they will be thinking of that day when wool will probably sell for \$1 a pound.

Now, it has been contended that the 1946 price of wool is too high. The facts simply do not support that conclusion. The price is not too high. When compared with general increases of other agricultural commodities in recent years, the price would appear to be too low. Let us look at just a few of them. Take rye, for example. It brought 57 cents a bushel in 1941, and in 1946 it sold for \$1.91, an increase of 233.3 percent. Corn sold for 71 cents in 1941, and jumped to \$1.73 last year, an increase of 144.4 percent. Flaxseed, which is highly subsidized by the Government and which is a competing fiber with wool and free of a depressed market caused by a Government stock pile, brought \$1.85 per bushel in 1941 and the recent price was \$3.77, an increase of 103.8 percent. Wheat increased by 86.8 percent. Cotton, whose price has been far too low for years, increased by 101 percent, and the price of peanuts jumped exactly 100 percent, a very proper increase. Lambs went up 60 percent and sheep prices were hiked by 43.6 percent. These are official Government figures.

#### NO INCREASE IN WOOL PRICES SINCE 1941

But what about wool? What has been the increase in the price of wool since 1941? Those of you who are not familiar with the facts will doubtless be sur-

prised to know that there has been no increase whatever in the price of wool to the growers since the Japs struck at Pearl Harbor. There had been an increase from September 15 to December 9, 1941, of 13.2 percent. With the cost of feed and labor increasing from 100 to 200 percent during the war and with all other cost factors increasing, how can it be said that the 1946 price of wool is unreasonable?

The fact is, a very strong case can be made in favor of an increase. But we are not here asking for that. We are willing to go along through next year at the price that was frozen at the time of Pearl Harbor. President Truman has himself recognized the plight of the wool grower and has suggested that a more equitable price formula be devised. He has said the present price is too low. A year ago the President addressed a letter to the chairman of the Special Wool Committee of the Senate in which he stated:

There is general agreement that this Government must protect the incomes of wool growers on a level comparable with that afforded producers of other agricultural products.

The President went on to say:

Specifically, in view of the large-scale decline of sheep numbers in the United States during recent years, the large wool surpluses now hanging over foreign and domestic markets, and the present and prospective marketing problems confronting wool growers, it would seem desirable for Congress to enact special wool legislation. Such legislation should provide that—

1. The parity price of wool be revised or established at the so-called comparable level so that wool parity prices will be on a level equivalent to parity prices for other farm products.

Mr. Chairman, the President there took note of that which is generally recognized with respect to the parity formula for pricing wool. The parity base being the 1909-14 period, it is a well-known historical fact that as compared with other agricultural commodities, wool is placed at a disadvantage. That was an unfavorable period for wool because wool prices were depressed at that time, and also because of the fact that in 1913, there was an elimination of import duties on wool. That explains President Truman's recommendation that the parity on wool be revised "on a level equivalent to parity prices for other farm products."

Other farm products have been revised on a comparable basis. I refer to the revised or comparable prices established for dry field peas, peanuts for oil, and soybeans, all of which are subjects of Government support under the so-called Steagall amendment at this time.

If the comparable price formula were adopted and then if even 90 percent of comparable price were paid for wool, the average to the grower would amount to 3 cents per pound more than the 1946 wool price. But as I have said, the comparable price proposition is not before us. No fight, howsoever justified, is being made for it. The committee of the House, and the Senate itself, have already decreed that the price shall be the same as was paid in 1946, and we accede to that determination. Then, too, there is the matter

of competitive prices on synthetics to be considered.

**GROWER ENTITLED TO PROTECTION WHILE STOCK PILE IS BEING DISPOSED OF**

Now, in conclusion, the simple facts are, as the Washington Post recently pointed out in an editorial favoring the imposition of import fees on wool, that the domestic wool industry is in a dilemma. This came about by no act of the grower. It came about as a result of the war. Vast Government stock piles for reasons of security and unprecedented imports served to disrupt the once stable domestic wool market. The grower is entitled to protection during the time that condition, brought about by no act of his, is being relieved. It is well known that cost of production of wool in some foreign countries is so low that they can produce it, ship it across the seas and pay the tariff and still sell at or below the cost of production in this country with its high standard of living. That is especially true when the world supply and its disposal is being manipulated by a State-controlled monopoly over some 85 percent of the world's wool supply.

This is a temporary measure. The cost will not be much. It must be remembered that customs receipts on imported wools to this country in 1946 amounted to about \$156,000,000 for the United States Treasury. Only a comparatively small portion of that amount will offset any losses to the government by supporting the domestic wool prices as provided in this bill. This bill will help to stabilize the market and add encouragement to the survival of the domestic wool industry.

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

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Wyoming [Mr. BARRETT].

Mr. BARRETT. Mr. Chairman, I ask unanimous consent that my colleague from Montana [Mr. D'EWART] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. D'EWART. Mr. Chairman, I can do little more than reiterate what my colleagues have said concerning this important measure. The gravity of the situation so far as the sheepmen of the West are concerned cannot be exaggerated. The fate of the wool industry in Montana, one of our most important agricultural pursuits in my State, will be decided by our action on this bill.

The uncertain future of the wool industry is reflected in the gradual reduction of numbers of stock sheep in Montana. During the past 50 years the total annual income from wool grown in Montana has varied from \$13,500,000 to \$3,000,000, while our production of wool has varied from a high of 38,500,000 pounds to the present low of less than 20,000,000 pounds. Our numbers of stock sheep have declined in recent years from a high of 5,500,000 to the present all-time low of an estimated 2,000,000. The gradual liquidation of this highly important segment of our economic picture is very serious in a State where

50,000,000 acres, or 53 percent of the total land area, is classified as range land and is useful only for grazing.

Operating under a price ceiling established at the time of the Pearl Harbor attack, our wool growers have received no benefit from the wartime increases in prices which increased the incomes of all other farmers. Instead, they have been placed in grave jeopardy by a Government import program which flooded this country with wool from competitor nations.

I need not remind you that wool is an essential strategic material, and that without a healthy wool industry our Nation in the event of attack would be at the mercy of anyone who could cut our supply lines to a source of wool.

This measure is the minimum essential program to preserve an important industry. We have worked long and diligently to prepare it. It is of vital importance to the Nation as a whole that it be enacted into law without further delay.

(Mr. BARRETT asked and was granted permission to revise and extend his remarks.)

Mr. BARRETT. Mr. Chairman, the sheep industry of this country is in a mighty bad way. Everyone knows that in order to conduct a business in a reasonably prosperous manner a minimum volume must be maintained. As has been pointed out in the debate this afternoon, the sheep population of this country has dropped more than 35 percent since 1942. Most of the wool growers of the country has reduced their herds to the point where they cannot operate on a profitable basis. The gentleman from Pennsylvania [Mr. EBERHARTER] makes the statement that if we pass any legislation that will protect the sheep industry that it will interfere with the negotiations which were started at Geneva a month ago. Now, the plain implication of that statement is that Britain and its dominions have demanded reductions in the existing wool tariffs. We have already reduced our production of wool by one-third, and I am sure that it is as evident to you as it is to me that a reduction in the tariff can result only in a further liquidation of the sheep industry, and I think it is fair to state that we have now reached the point where another blow to that great industry would mean its complete liquidation.

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

Mr. BARRETT. I yield.

Mr. RICH. We not only want to protect the sheep industry in this country, but we want to protect every industry and every job in this country. The gentleman from Pennsylvania [Mr. EBERHARTER], who wanted to aid and assist Mr. Clayton, is trying to hand everything over to some foreign country.

Mr. BARRETT. It seems to me, Mr. Chairman, that we should do whatever may be necessary to protect the interests of our own great country. After all, every nation is impelled to act in its own self-interest. The Army and Navy Munitions Board stated less than a month ago that wool is a strategic and critical

material, necessary for the security of this country. How in the name of common sense are you going to protect the interests of this country unless you produce and have available a source of supply of that strategic material. You certainly will have no such supply available if you liquidate the sheep industry of the United States.

The day before yesterday I read an editorial to the effect that if the sheepmen of this country could not compete with the world price of wool, the best thing for this country to do was to get out of the sheep business. What is that going to do to the economy of the West? We have 800,000,000 acres in 11 Western States. The main crop from that great area is grass. We harvest that crop by running sheep and cattle on the range. If we go out of the sheep business there is no other way to utilize that grass. We already have 10,000,000 excess cattle. So if we destroy our sheep industry as some suggest about half of our range would be wasted.

There are 220 counties in the West that depend on livestock operations for the maintenance of their economy. Anything that impairs or interferes with the livestock industry will make it difficult if not impossible for those 220 counties in the 11 Western States to maintain themselves.

Now, how did we get into this difficulty? When war was declared the United States said, "We are liable to be cut off from our supply of wool from Australia." England said, "We do not know that we will be able to get our wool from Australia to London." So the United States embarked on a program of importing terrific quantities of wool into this country. They brought in, at one time, 300,000,000 pounds of wool.

They gave assurances to the wool growers that it would not be sold in competition with our domestic wool. Later on the wool was sold in this country. Then Great Britain brought in an additional 500,000,000 pounds of wool. In order to encourage the growers of this country to expand their production of wool notwithstanding these great imports of wool, the Commodity Credit Corporation instituted its purchase program. The wool growers of this country were assured by officials of the Government that the program would be continued for the duration of the war and for 2 years thereafter.

Some people have intimated that we propose to increase the price of wool. The fact of the matter is that no increase is provided in this bill for domestic wool. It merely continues the same program until December 31, 1948, that has been in existence since Pearl Harbor and at the same price.

At the present time the difference between the price of imported wool coming into this country and the support price of the Commodity Credit Corporation is 5 cents a clean pound. To make a suit of clothes takes about 3 or 4 pounds of clean wool. That means that if you raise the price of the imported wool to the domestic price, the

wool necessary to make a suit of clothes would cost less than 20 cents more.

If it is important, as I think it is, that we maintain the sheep industry in this country, then it seems to me it would be sound for the Congress to give the President of the United States authority to bring the cost of foreign wool up to the price paid to the domestic producers.

Mr. Chairman, I do not believe that any country on earth would object, if we took such action. The fact of the matter is that the Government has a stock pile of wool in this country amounting to 460,000,000 pounds. We are going to produce 300,000,000 pounds of wool this year and 300,000,000 pounds of wool next year, so that the total amount of wool on hand and to be produced will amount to about a billion pounds. It is just common sense for us to provide some method whereby that wool will be sold without loss to the Treasury and on such basis that the wool growers of this country can operate and continue in business.

I know the gentleman from Massachusetts has many wool dealers in his district. The effect of his amendment is to increase the loss the wool growers are taking of 9½ cents on every pound of wool they produce to 14 cents a pound. If you want to destroy the sheep industry then support the gentleman's amendment.

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

Mr. COOLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, day before yesterday I had an opportunity to confer with Mr. Clayton who had just recently returned from Geneva. During our conversation we discussed the effect of this pending legislation and at my request he has written me a letter which expresses his views concerning this very important bill now being considered.

Mr. Chairman, I ask unanimous consent that the clerk may read this letter to the Committee.

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

There was no objection.

The Clerk read as follows:

DEPARTMENT OF STATE,  
Washington, May 22, 1947.

The Honorable HAROLD D. COOLEY,  
House of Representatives.

MY DEAR MR. COOLEY: I take pleasure in this opportunity to answer your inquiry of May 19 concerning the views of the Department of State with respect to proposed wool legislation. I refer to S. 814, a bill to provide support for wool and for other purposes, as passed by the Senate and reported favorably with amendments by the Committee on Agriculture of the House of Representatives.

The bill in the form in which it was reported was not under consideration by the Committee on Agriculture when representatives of the Department testified before that body. We have not had a formal opportunity to present our views on the legislation, as it has been reported.

S. 814, as reported with amendments, is intended to achieve three main objectives. First, it directs the Commodity Credit Corporation to support a price to wool producers at the 1946 level until December 31, 1948. This provision is consistent with the proposed long-run program for wool submitted by the President in his memorandum to Senator O'MAHONEY, March 11, 1946. The

Department of State believes this section of the bill accomplishes the essentials of the Administration's plan which recognizes that wool should receive support comparable to that granted to other agricultural commodities.

Secondly, S. 814 authorizes the Commodity Credit Corporation to sell its stocks of wool without regard to restrictions imposed upon it by law. This is necessary because Commodity Credit Corporation must be able to sell wool at the market if it is to dispose of its stocks. This is also consistent with the President's program in the opinion of the Department of State.

Thirdly, an amendment to section 22 of the Agricultural Adjustment Act has been added to provide for the imposition of fees on any imported article by the Secretary of Agriculture if he finds that imports of said article interfere materially with the wool-support program. The accompanying report shows that the purpose of the fee is to increase the price of imported wool to equal the support level for domestic wool. The Department of State advises against the adoption of this amendment. I understand from the CONGRESSIONAL RECORD that it is proposed to modify this import-fee amendment by directing the President, rather than the Secretary of Agriculture, to impose the fees after investigation by the Tariff Commission. This does not remove the fundamental objections to the provision.

If import fees, which are actually increases in the tariff, are levied, they would be harmful to the interests of the United States in the following ways:

First, the cost to the public in increased prices for woolen manufactures would far exceed the increased returns to the wool growers. The President's memorandum, previously referred to, pointed out that "it will be more desirable from a national point of view and more dependable for growers to have the Government absorb losses on sales of domestic wool rather than to raise additional trade barriers against imports." The cost of supporting returns to wool growers must be borne by the public of the United States regardless of the form that support takes. The tariff itself is a subsidy which is collected, like a sales tax, from consumers through raised prices and conveyed to producers by the same means. To talk about avoiding cost to the Treasury is to evade the issue, for the public, and not the Treasury, pays the bill.

A fee will raise the cost of the raw material. This in turn cumulatively increases the cost of doing business at every stage of the production process. Therefore, the final cost to the public as a consumer is far greater under the fee than it would be if raw material prices were not increased by fees and the public, as a taxpayer, paid the subsidy.

In the second place, new import fees on wool would injure the interests of the United States through their effect on our foreign relations. We all recognize the responsibility of this country for leadership, both political and economic, in the postwar world. The United States has taken the initiative in promoting the adoption of principles of economic conduct among nations which would require each country to consider the impact of the economic measures it undertakes on world economic progress. If the proposed amendment providing new import barriers is adopted, the moral leadership of the United States in world affairs will suffer a serious blow.

If at this time, when we are actually negotiating with other countries at Geneva for the lowering of the trade barriers, we raise new barriers as this bill proposes, we stand convicted of insincerity.

Wool is a critical item in our current negotiations for an International Trade Organization for the expansion of world trade and employment. Although wool raising accounts for less than one-half of 1 percent of our agricultural income, it is very impor-

tant in world trade. It is the most important import into the United States from Australia, New Zealand, and South Africa. It is by far their most important source of the dollars they need so badly to buy our exports. If we impose new barriers to this trade we cannot expect them to cooperate wholeheartedly in creating the type of postwar world we want to have. Without such cooperation the other British commonwealth nations would have difficulty joining with us in a mutually advantageous program. Other nations would question the sincerity of our protestations that we do not intend to retreat to economic isolationism.

Let me summarize by saying the Department approves support to wool growers and authority for Commodity Credit Corporation to sell its wool below parity. The Department therefore hopes that the Congress will adopt the proposed bill as passed by the Senate without amendment.

Sincerely yours,

WILL CLAYTON.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, we have listened to the reading of the letter of the distinguished gentleman, Mr. Clayton. I do not know what position anyone else wants to take, but so far as I am concerned, he is just one more American, no more and no less. I have not heard of anyone electing him to ruin their business. Now, I do not care whether or not Clayton-Anderson Co. made \$4,000,000 in 1945 or \$8,000,000 in 1946, but I do know that my concept of representative government is that Mr. Clayton has no more right than any other individual to be sent to Geneva and to be giving away an item produced by hundreds of thousands of American people.

I do not know why we continue to appropriate money to control domestic monopolies and then send Mr. Clayton or anyone else to Geneva to connive with a foreign wool monopoly. Do you wish to vote to cooperate with a foreign monopoly? If you do vote against this bill you will be giving your approval to such a program in order to ruin thousands of wool growers in America. So much for that.

I want to say to you here today that this wool bill has reached the high point of high pressure. Never in the heyday of the CIO did they ever put on as good a propaganda campaign as have these woolen people during the last 3 or 4 weeks. To show you how far they have gone, I call your attention to a telegram. I did not think that a big manufacturer of an automobile had time to send telegrams to Members of Congress about a little thing like wool, but here is one from the vice president of the Ford Motor Co. over at Detroit. The following is the telegram:

DEARBORN, MICH., May 15, 1947.

HON. REID F. MURRAY,

Washington, D. C.:

We are informed that Senate bill 814, including amendment 4, which would permit the Secretary of Agriculture to add 50 percent ad valorem tax to present duties on foreign wools is now before the Rules Committee of this House. This bill, if enacted, would result in a material increase in the cost of automobile upholstery. In view of the persistent requests for decreases in the prices of automobiles, in which Ford Motor Co. has

assumed leadership, we strongly oppose passage of the proposed legislation and urge you to vote against it. The Herter bill would be more consistent with the normal functions of Commodity Credit Corporation and with the current demands for decreases in prices of manufactured products.

A. J. BROWNING,  
Vice President, Ford Motor Co.

For what few years I have been a Member of this House so far I have not jumped through the hoop for the Ford Motor Co. or any other corporation in this country, and any time that I cannot vote and support measures for the interests of the general welfare of the people of this country I surely do not want to be a Member of this House. Pressure is getting farfetched when a big company sends out telegrams about 6 pounds of wool used in a \$1,200 to \$1,500 car.

I wired him back, as I should, and I asked him, in the following telegram:

WASHINGTON, D. C., May 19, 1947.

Mr. A. J. BROWNING,  
Vice President, Ford Motor Co.,  
Dearborn, Mich.:

Retel regarding wool bill. Advise amount wool used on each car.

REID F. MURRAY,  
Member of Congress.

I received the following letter:

FORD MOTOR Co.,  
Dearborn, Mich., May 21, 1947.

Hon. REID F. MURRAY,  
House of Representatives,  
Washington, D. C.

MY DEAR MR. MURRAY: In accordance with your recent wire, you will find below the amount of wool required per passenger car:

Model	Broad-cloth trim	Mo-hair trim	Cord trim	Cord and leather trim combination
	Lbs.	Lbs.	Lbs.	Lbs.
De luxe 2-door sedan	4.18	2.28		
De luxe 5-window coupe	2.27	1.18		
Super de luxe 2-door sedan	10.32	7.39		
Super de luxe sedan coupe	8.83	5.73		
Super de luxe 4-door sedan	11.18	7.34		
Super de luxe cabriolet				4.31
Super de luxe sportsman				2.43
Super de luxe station wagon				1.60
Mercury sedan coupe	10.88		10.50	
Mercury 4-door sedan	12.30		11.92	
Mercury cabriolet				4.31
Mercury station wagon				1.60

Sincerely yours,

A. J. BROWNING,  
Vice President.

Well, lo and behold, what do you suppose the amount of wool is they use in making cars? It runs from 4 to 11 pounds per car, and I understand from other sources it averages six and a fraction cents per pound. I answered as follows:

MAY 22, 1947.

Mr. A. J. BROWNING,  
Vice President, Ford Motor Co.,  
Dearborn, Mich.

DEAR MR. BROWNING: Thank you for your letter of May 21 giving me the information as to the amount of wool required per passenger car. I was surprised to note the small amount of wool used in connection with the making of a car.

Possibly you are not familiar with the subsidy that is being paid for cotton that is being used in the manufacture of a car. The Agriculture Department here advises me that

there is about 30 pounds of cotton used for a car and the subsidy is 4 cents per pound. This would make a total of \$1.20 per car subsidy.

In regard to the wool bill, there is nothing that the proposed wool legislation would do to make wool any higher than it is at the present time as prices are to be continued at the 1946 prices.

I will not be able to support your position in regard to the wool bill. The labor that has gone into the producing of the wool has increased over one-third since the program was put into operation and it is difficult for me to see why labor that is going into producing wool should not have a forty to fifty cent hourly return at a time when the labor that goes into the car has a much more favorable consideration. There is most assuredly a comparable relationship for all labor.

Factory pay rolls and the gross national agricultural income go hand in hand and our national income is 3½ times the total of the factory pay rolls and the agricultural gross income. In other words, the national income is seven times more than the factory pay rolls or the national gross farm income. Since I believe that all labor should have comparable consideration, I would not care to be in the position of reducing the hourly income of one labor group when they are already receiving a comparably smaller labor income due to 1946 wool prices.

Sincerely yours,

REID F. MURRAY,  
Member of Congress.

I do not want to raise the price of cars, because they are high enough now. They are evidently sending the largest number they can out of this country to prevent Americans from getting them. I should have forcibly called attention to the fact that section 32 funds are derived by taking 30 percent of the custom receipt. They have provided Mr. Ford with \$1.20 subsidy in the form of the cotton battings that go into his car. So I thought possibly under the circumstances, as long as the public was subsidizing Mr. Ford \$1.20 on the cotton for each car, he ought at least pay somewhere near that amount to the wool growers for the wool used in his cars. At the least the wool grower should have 40 to 50 cents per hour for his labor. I hope that Mr. Ford sees it that way.

I hope the next time he comes to Washington he gives a banquet for the boys and girls of America, the 4-H boys, that he has this thing in mind, because there is nothing that the farm people need as much as they do a little money on the barrelhead for their work. They do not need all this blah-blah-blah stuff. You give them 40 to 50 cents an hour for producing the wool, and I am sure the wool producers of this country will be in a position to attend to their children.

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

Mr. MURRAY of Wisconsin. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I wonder if the gentleman has any information on the current situation wherein automobile dealers are advertising that they will pay from \$100 to \$1,000 premium on new 1947 cars so that those cars can be shipped out of the United States and sold to foreign purchasers, to whom we furnish dollar credits through these grants, gifts, and loans, thereby using another tool to deprive the good people of this country of the opportunity to buy 1947 automobiles.

Mr. MURRAY of Wisconsin. I will answer my colleague by saying that I do know about this situation but am willing to accept his opinion as correct. I am interested in seeing that the wool grower at least gets 40 to 50 cents an hour for producing wool, and any time that the Ford Motor Co. cannot do that they had better put sawdust in their seats.

Mr. CRAWFORD. The gentleman wants him to get that 42 to 44 cents an hour so he can buy an American-made automobile?

Mr. MURRAY of Wisconsin. Yes; the gentleman is absolutely correct.

Mr. CRAWFORD. At the same time we should be concerned about how we are going to supply the dollars to other people to take that car away from him at a large premium before he gets a chance.

Mr. MURRAY of Wisconsin. I will say to the gentleman that so far as I am concerned I have been rather careful in that regard.

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

Mr. MURRAY of Wisconsin. I yield.

Mr. GRANGER. Going back to Mr. Clayton's letter again, I think there is a very interesting paragraph here, next to the last paragraph, where he says:

Wool is an agricultural item in our current negotiations for international trade organization for the expansion of world trade and employment—

What does that mean?

Mr. MURRAY of Wisconsin. I presume he means that wool is one of the principal items on the Geneva agenda.

Mr. GRANGER. Then he goes on to say:

Although wool raising makes up less than one-half of 1 percent of our agricultural economy, it is very important in world trade—

Which means to me that Mr. Clayton has been over at Geneva negotiating to reduce the tariff on wool, and because it is just a little item he is going to negotiate it out of existence. That is what that paragraph means.

Mr. MURRAY of Wisconsin. I think the gentleman is right. I think he is amply justified in his conclusion.

Mr. Chairman, I want to say a word to my good friend, the distinguished minority leader. I have been here for nearly 9 years with him, and I certainly have a high regard for him. It will not be very many days before the President is going to ask for further controls over exports. There is much pressure being brought right now to get rid of all export controls. Many people wish to discontinue export controls. Personally, after analyzing it, I have committed myself. Surely, I think certain of these controls should be extended. The reason is that if we do not do it, then this money that our colleague, the gentleman from Michigan, tells us about which is scattered all over the world and which they may or may not intend to pay back, will be used to purchase American food products without regard to the consumers of America. They may pay \$4 to \$5 a bushel for wheat, and the people of the United States will be allowed to starve to death. I say to the minority leader that I hope any time I vote to give the

President power to control exports out of this country I am consistent when I am willing to give the President the power under this bill to have him control the imports into this country. If that is an unfair position, I will yield to anyone to correct me.

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

Mr. MURRAY of Wisconsin. I yield.

Mr. HILL. I would like to go back to the proposition you mentioned a while ago regarding the cost of producing wool. Let me read about six lines from the Bureau of Agricultural Economics of the Department of Agriculture report which shows "that the index number of prices, interest and taxes paid by farmers as a group increased from 138 as of September 1941, to 207 on September 1946, an increase of 45 percent. The index number of farm wages for the same period rose from 165 to 389, or an increase of 136 percent. For example, in 1940 the average monthly wage for sheepherders was approximately \$60 per month and board. In 1946 the average monthly sheepherder wage was \$160, or more than twice as much as in 1940."

Then they expect us to take away this protection on the price of wool to the farmer and let them go absolutely to the very bottom of the pit so far as the price of wool is concerned.

Mr. MURRAY of Wisconsin. The wool people are not asking anything unfair when they ask for 41 cents plus per pound for wool. The lambs were subsidized during the war. The whole animal should have been classed as a Steagall commodity in the beginning. Wool is entitled to the same protection that is afforded any other Steagall commodity.

I do hope that this bill passes. The American farmer will then have assurance the Eightieth Congress is going to fulfill the commitments made under the support program. To do less would be unfortunate.

Mr. PACE. Mr. Chairman, I have some misgivings as to whether the membership regards the vote on this bill as important as it may prove to be. In my judgment, the vote on this bill will, in large measure, determine the future farm program of this Nation. I think there are some fundamental questions involved and I think now, as well as any other time, we might as well face them and decide them.

If the farmers of this country must depend upon a program carrying support prices and which, at the same time, permits the import, practically without limit, of competitive agricultural commodities, then the farmers, as well as you, have sense enough to know that such a program would not continue over 12 or 24 months. The Treasury of the United States, strong as it is, is not able to support prices of agricultural commodities at one figure, and certainly it should not be at less than 90 percent of parity, and then permit the producers in foreign countries to send their commodities to this country without limit. You know as well as I know that the Congress of the United States will not, from year to year, appropriate two, three,

four, five, or perhaps six billion dollars to make up the loss. I repeat that what you do today on this question, of whether or not you shall support wool at parity and then order the Commodity Credit Corporation to sell not only the 500,000,000 pounds of surplus it now has, but in addition to sell probably 700,000,000 pounds more which it will acquire from the 1947 and 1948 clip, is a fundamental question which you must decide. You are ordering them to support it at one level and then ordering the Commodity Credit Corporation to sell it at a much lower level. I say to those of you who have expressed approval of the Senate bill, that is exactly what the Senate bill does, and nothing more. It orders an agency of your Government, the Commodity Credit Corporation, to continue to support wool at the parity price—which is no more than a fair price—and, in the same breath, orders that agency to dump about 500,000,000 pounds it now has on hand and such other million pounds as it may acquire at the world price.

Now, let us look at this bill a minute. It does three things. First, in very simple language and in very few words, it says the Commodity Credit Corporation shall continue to support American wool at the same price it was supported during the war.

May I say here: You will have extreme difficulty in the Department of Agriculture in trying to find out exactly what that support is. First, they attempt to give you the cleaned support price. Then when they try to reduce it to the grease price they tell you simply that it is the same as the OPA ceiling, basis Boston. On the 15th day of April this year the parity price of wool was 42.1, and the support price was 42.1 or 2 or 3. So I think, to make this easy, because the difference is insignificant, we can say that the parity price of wool is 42 cents and the support price proposed in this bill is 42 cents. I think that makes it much easier in your thinking. The distinguished gentleman from Massachusetts [Mr. HERTER] gives 42.3 cents, and that is about as good a guess, I think, as he could get out of the Department—as the support price up to April 15. So the bill would continue to support wool at parity, and for that principle I am in most enthusiastic support. Those who believe in the parity principle know that it is no more than a fair price to the producer, and that the producer should realize parity.

Secondly, in about two lines the bill orders the Commodity Credit Corporation to sell the wool that it now has and may hereafter acquire at the competitive price. I think I should read those words that all of you may have them clearly in your mind:

The Commodity Credit Corporation may, until December 31, 1948, dispose of wool owned by it without regard to any restrictions imposed upon it by law.

The Commodity Credit Corporation, therefore, is just as free as any person could be as to the price and how it shall handle the disposition or the dumping of this approximately 500,000,000 pounds

it now has on hand and all wool it may hereafter acquire.

Thirdly, the Senate bill as originally reported out carried section 4 which gave the Secretary of Agriculture the right, when the conditions described arose, to order the imposition of an import fee on wool not in excess of 50 percent ad valorem, and also ordered the imposition of a floor tax comparable with the import fee, the idea being to prevent the American importers who may have millions of pounds of wool in their warehouses from making a quick windfall profit. So a comparable tax was to be levied on floor stocks. But it developed that there were many concerns in this country who had contracts out for 3, 6, 9, and possibly 12 months on goods to be manufactured out of wool, and they were bound by contract on the basis of the present price of wool. They took the position that if we imposed this floor tax on them it would mean absolute bankruptcy. The chairman of the committee and other members saw the merit in this contention, and the result is that the committee reconsidered section 4 and now by amendment seeks to treat wool just the same as we have treated all the other basic commodities, and many other commodities produced in this country; that is, to give the President of the United States when he sees fit—and I repeat those words—when he sees fit, authority to call upon the Tariff Commission to make an investigation and find out whether or not the importations of wool are so great as to interfere with programs maintained in this country; and then when the Tariff Commission has made its report the President may issue a proclamation imposing an import fee on wool if he is satisfied with the report of the Commission. And listen to these words in section 22 on this question of import fees, and I read subsection (d):

Any decision of the President of the United States as to the facts under this section shall be final.

It lies entirely within the discretion of the President of the United States to act in the first instance and to review the report of the Tariff Commission.

Mr. ZIMMERMAN. Mr. Chairman, if the gentleman will yield, I thought that was stricken out by the Rules Committee.

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

Mr. GRANGER. Mr. Chairman, I yield five additional minutes to the gentleman from Georgia.

Mr. PACE. I beg the gentleman's pardon. I was reading from the original bill. Let me check with the gentleman from Kansas to be sure.

Mr. HOPE. I may say that the provisions to which reference is made are contained in a later subsection of section 22. It is not necessarily included in this amendment.

Mr. PACE. But it is still the law?

Mr. HOPE. It is still the law.

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

Mr. PACE. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. In the event section 32 funds are not continued, as has been reported as the action taken



by the Committee on Agricultural Appropriations of the Appropriations Committee and are not available as heretofore, I will ask the gentleman whether wool under the terms of this bill, if passed by the House, has any status preferred over and above cotton, say?

Mr. PACE. It will not.

Mr. WHITTINGTON. Will the passage of this bill guarantee the fixing of the fee where a quota is now provided by other law, with respect to cotton or other agricultural commodities?

Mr. PACE. It will not affect the right under the present law of import fees on cotton.

Mr. WHITTINGTON. In other words, cotton, for instance, will still have the right to an import quota even though the section 32 funds are not made available? If this bill passes cotton is in the same category as wool?

Mr. PACE. Yes.

Mr. WHITTINGTON. Under the terms of this bill?

Mr. PACE. In exactly the same fix except cotton will be in a better position because the amendment prohibits the right to put quotas on wool, which is now authorized for cotton.

Mr. WHITTINGTON. It is not necessary to insert the words "or other support program" as now carried on under the Agricultural Adjustment Act?

Mr. PACE. It would not.

Mr. Chairman, so far as I know, there is not a sheep living in the Third Congressional District of Georgia. I have utterly no concern directly in the personal welfare of any constituent who is a producer of wool. But there is one thing of which I am deeply convinced and that is, I do not feel I have any right to ask the Congress to do any more for the cotton producer, for the tobacco producer, for the peanut producer, for the producers of those other commodities which are peculiar to my section, than the wool producers have to ask the Congress to do for the producers of wool and the other commodities of the great West. In my opinion, agriculture in this Nation can survive only if there is no selfishness among the different commodity producers. The principles of this bill are right. I am not going to vote to put the producers of my State under quotas and other control unless there is some reasonable limitation of control placed upon the producers in foreign lands. You cannot pay three, four and five dollars a day for cotton-picking and compete with cotton produced in other countries at 30 and 40 cents a day. I know you bring to me—I hear it all around—the great benefits of international trade, but I bring to you the answer that the greatest market in the world today is the American farmer. If you give to the American farmer a fair price for his crops he can consume for many years all the products of American industry.

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

Mr. PACE. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. I want to be sure I understand the gentleman. Did the gentleman mean to say he would vote to repeal the triple-A program which provides for a bonus on cotton in his

State, without limiting the production of cotton?

Mr. PACE. Under this very section 22 they stopped cotton imports from coming into this country. You can import only 90,000 bales into this country, and the reason you cannot bring in more is section 22, and we are now trying to bring wool under this section.

I repeat that I am not going to vote to put the farmers of my State under controls and open the ports of this Nation for unlimited imports of competitive commodities. Does the gentleman intend to do that? No. I can answer for him.

You may agree here today to support commodities, like the Senate did, at one price and then dump them at another price. I do not know what the price would be if you dumped this 500,000,000 pounds on the market. But, if you vote here today to do that I make you this prediction: You might as well send word to the farmers of this Nation to get ready for 1949, because unless we are able to continue the support program, unless we are able to give the farmers who produce the food and fiber to feed and clothe the people of this Nation protection, and who I think are entitled to that same degree of security and protection as the people who eat that food, unless you can give them that assurance, then in my judgment you will have a condition in 1949 or 1950 exactly comparable with that which you had in 1920, and you might as well get ready for it.

I give this bill and I give the amendment to be offered by the distinguished chairman of my committee my most cordial and enthusiastic support. Section 22—get it straight—was written into the law on the recommendation of the late President Roosevelt; it was contained in the triple-A Act of 1933. When the Supreme Court in 1936 declared a part of that act unconstitutional, this Congress expressly reenacted section 22. It was again repeated by special enactment in the Marketing Agreements Act. So on three separate and distinct occasions, a Democratic Congress of the United States has said that when we have an agricultural program in this country, when we attempt to protect the producers, and this flood of foreign agricultural commodities comes in here that would destroy those programs, the President of the United States in his discretion, upon the recommendation of the Tariff Commission, may, through the imposition of import fees or through the imposition of quotas, stop this inflow of foreign commodities and give the protection to which they are entitled to those, may I say again, who produce the food and fiber for the rest of the millions of this Nation to eat and be clothed with.

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

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

Mr. Chairman, in legal jurisprudence there is a plea known as "confession and avoidance." I am sure that it is an appropriate plea for me to enter at this time.

Frankly, I must confess that I did not appreciate fully the importance of the subject with which my committee was dealing when the committee had under consideration the very controversial matter which is now before the House. Maybe I was somewhat "wool gathering." I frankly confess that I know very little about the problems of wool producers, and since my knowledge of the subject was very limited, I was rather inclined to follow my good friends, WALTER GRANGER and BILL HILL, and others on the committee in whom I have always had great confidence. Very little importance seemed to be attached to the measure when its provisions were discussed in the committee, so I went along with the committee in reporting the bill. We amended the Senate bill, and when it was finally reported by the committee I learned for the first time that it was of tremendous importance. I doubt very much if other members of the committee fully realized the far-reaching implications of the measure. While I have no right to speak for other Members, I frankly confess that I did not understand or appreciate the great and devastating effect which the measure might have upon our foreign economic policy and upon the rebuilding of world trade.

After the bill had been reported, and while it was pending before the Rules Committee, I made inquiries and the information I obtained led me to conclude that the bill was in many respects objectionable. A few days ago our committee was called together in executive session to consider a new proposal. The new proposal was submitted by the distinguished chairman of our committee, and, frankly, it appeared to be much better than the bill which the committee had reported. In the first bill reported we gave broad powers to the Secretary of Agriculture, a Cabinet officer. In the amendment which was adopted a few days ago by the committee, we gave these same great powers to the President, to be used by him upon information or findings of the Tariff Commission. No hearings were held by the Committee on the new proposal and everyone seemed to approve the same. Much to my surprise, I was later informed that the new proposal was not drafted by a nonpartisan subcommittee of the House Committee on Agriculture, nor was it drafted by any subcommittee of the House Committee on Agriculture, appointed by the chairman of the committee. We Democrats might as well face the truth. Actually the truth has appeared in public print. This proposed substitute or amendment was actually written by a subcommittee of the steering committee of the Republican Party. The gentleman from Indiana [Mr. HALLECK], the majority leader, appointed that subcommittee, and no Democrats served on it. That in itself does not make the bill objectionable, but, certainly, it does not make it more acceptable.

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

Mr. COOLEY. Of course.

Mr. HOPE. The gentleman was present at a meeting of the Committee on Agriculture last Saturday, was he not,

when that committee unanimously recommended the amendment which will be offered tomorrow?

Mr. COOLEY. I made that confession at the beginning of my remarks.

Mr. HOPE. The amendment was submitted and the committee unanimously agreed to it.

Mr. COOLEY. The gentleman is entirely correct, but I doubt very much that any member of the committee appreciated fully the importance of what we were doing. Not even when the matter was being considered in executive session the second time.

Here, gentlemen, we are dealing with a matter of international importance, of world-wide importance, without even a printed page of hearings before us. The hearings before the House committee have never been transcribed and made available to Members of Congress.

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

Mr. COOLEY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. At the meeting last Saturday was the gentleman aware of the fact that a subcommittee of the steering committee of the Republican Party had drafted this bill?

Mr. COOLEY. I certainly was not. I was actually under the impression that it had been worked out by members of both parties on our committee and had been agreed to. I assumed, since the bill was presented by my distinguished and beloved chairman, that it had received the careful thought and consideration of both Democrats and Republicans on the committee.

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

Mr. COOLEY. I yield to the gentleman from Tennessee.

Mr. JENNINGS. It would seem, then, from the facts that have just been developed, that if this subcommittee of the steering committee of the Republican Party drafted this amendment it put the gentleman's feet upon the rock, and put a new garment upon him and a new song in his mouth.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman thought last Saturday that a good job was done, whoever wrote the amendment, did he not?

Mr. COOLEY. I probably did last Saturday, but certainly not now. I am not changing my views merely because of the discovery of the true author of the bill. I have confessed frankly that I did not fully understand the important effects of the measure at the time it was reported by the committee. It was not until I had a conference with Secretary Clayton day before yesterday that I understood fully the great importance of the matter now before us. Certainly, Secretary Clayton should have been accorded an opportunity to appear before the committee. In fact he should have been invited to appear and present his views fully, but the fact is that he returned from Geneva, where he was attending the International Trade Organization sessions because of the fact that he had been greatly em-

barrassed by the action taken by our committee, and certainly he should have been given an opportunity to appear before the committee and to enlighten the members of the committee with regard to the full force and effect which the activities of the committee might have upon international trade and commerce.

I was amazed to find that our Under Secretary of State had been so greatly embarrassed at the important conference at Geneva. I have never seen in all of my experience a statesman who appeared to be more greatly embarrassed than was Secretary Clayton. After my talk with him I could understand fully his situation. While he was sitting at Geneva, talking about reciprocal trade treaties and the urgent necessity for reviving world commerce; while he was advocating a policy of reciprocal action, looking to the elimination of trade barriers and to a free flow of world commerce, over the ticker came a message to him and to his colleagues to the effect that a great committee of the Congress had reported a bill, the effect of which would be to lift new and even higher trade barriers. The representatives of other nations gathered at the conference received the distracting news that a committee of Congress was providing the President with a sword with which he could carve to pieces everything which might be accomplished at Geneva. This bill is incompatible with our policy of reciprocal trade agreements, and, certainly, Mr. Clayton was embarrassed by the news that it had been reported. Certainly, there was nothing for him to do except to come back home.

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

Mr. COOLEY. I yield.

Mr. GRANGER. It is just a little bit embarrassing to all of us if the Republican steering committee wrote this amendment because they did exactly what the Secretary of Agriculture had advised the Committee on Agriculture to do—that is, that we should enact section 22.

Mr. COOLEY. You mean to put wool under section 22?

Mr. GRANGER. That is right.

Mr. COOLEY. I am not aware that the Secretary of Agriculture, Mr. Anderson, made such a recommendation. I do know, however, that neither Under Secretary Clayton nor Secretary Marshall were consulted about this very important international matter, and I am likewise quite certain that neither of them approve this measure.

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

Mr. COOLEY. I yield to my good friend from Oklahoma, late a member of the great Committee on Agriculture.

Mr. RIZLEY. The statement made by the gentleman amazes and astounds me. I served for 5 years with the distinguished gentleman from North Carolina, and I know that there is not a man on the Committee of Agriculture who knows more of the implications of all legislation that comes from that committee. That my friend should stand in the well of the House and say that he was in the committee last Saturday and considered this amendment when it was brought be-

fore the committee by the chairman and that he approved of it then, and to hear him say here today that because he later learned that somebody in the Republican Party had something to do with the drafting of the amendment, and that that makes it bad, is something that surprises me and is something that I cannot understand.

Mr. COOLEY. I did not say that I changed my views because of my discovery of the author of the bill, but I changed my views because of my very interesting talk with the Under Secretary of State, Mr. Clayton.

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

Mr. COOLEY. I yield.

Mr. HILL. The question in my mind is this. I appreciate your ability and your ideas on agriculture, being the ranking member of our committee, or at least one of the ranking members, but the only change that has been made in this bill since the beginning was to take out section 4 and put in these few words in section 22. Do you favor such legislation as section 22 for cotton? As the gentleman from Georgia so well stated, are you in favor of that type of legislation for cotton? Answer yes or no.

Mr. COOLEY. I certainly am; yes. Definitely yes; for cotton and every other surplus commodity for which we have an adjustment program. If you will read the language of section 22 as it was originally written you will see in clear, unambiguous English that it deals only with commodities on which there is an adjustment program in operation.

Mr. HILL. But the question arises immediately: What do you mean by surplus? Wool could be a surplus commodity or wheat could be a surplus commodity, and next year it would not be surplus at all. Do you mean to tell me that section 22 makes any distinction in that regard? It does not, so your argument falls absolutely flat and is ridiculous on the face of it because any crop can be surplus at any time of the year and not be surplus at any other time.

Mr. COOLEY. Section 22 deals with commodities on which there is an adjustment program in operation, and there is not such a program on wool.

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

Mr. COOLEY. I yield.

Mr. BARRETT. Is it not true that there has been a support program on wool for the past 4 years?

Mr. COOLEY. You are correct, but there is no adjustment program on it.

Mr. BARRETT. Is it not true also that for the 3 years preceding the war we imported more wheat into this country than we exported? Wheat is one of those commodities that is supported.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. COOLEY. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, we know that wool is normally a short crop in this country. We import most of our wool. We do not import most of our wheat, cotton, or tobacco and other crops.

Mr. BARRETT. Now, that is not true. We do not normally import most of our

wool. We produce normally better than two-thirds of our wool.

Mr. COOLEY. My information is to the contrary.

Mr. BARRETT. Well, I have the facts and figures and they show that normally we consume about 650,000,000 pounds of wool and that normally we produce 450,000,000 pounds of wool, which is consumed in this country.

Mr. COOLEY. But certainly we are not self-sufficient in wool.

Mr. BARRETT. No. I did not say that.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. CASE of South Dakota. The gentleman said he was inclined to reverse his position because he had talked with Mr. Clayton. I was wondering whether Mr. Clayton told the gentleman whether he was embarrassed by the use of section 22 with respect to cotton and tobacco.

Mr. COOLEY. No; because they are in a different category altogether.

Now, coming back to the remarks of the gentleman from Georgia [Mr. PACE], his slogan through the years has always been—and it is a high-sounding sort of thing—"The American market for the American farmer." Well, I do not agree with that. I do not want my farmers restricted to the American market. If I were going to adopt a slogan, I would say, "World markets for American farmers." Now, if that is not our program, if we are going to follow the gentleman from Georgia [Mr. PACE] and his philosophy, then we might as well go ahead and lift all trade barriers to the sky and protect all of agriculture from the vicious world about us, which is the greatest potential market we have ever had. If we are going to that sort of program, we need to reflect for a moment and know what happened after World War I. We did exactly that. We restricted our commerce. We sent our merchant fleet to the bottom of the sea. We abandoned the commerce of the world. We were going to live in great peace and prosperity by ourselves, a rich and powerful nation. We all know the tragic story of bankruptcy which followed. Now we are faced with this proposition: Are we going to accept the challenge which comes to us from all over the universe, a challenge for America to lead a distracted and destroyed world, or are we going back to isolation, economic isolation, and try to live among ourselves and with ourselves, secluded from all the rest of the starving and distressed people of the world?

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

Mr. COOLEY. I yield.

Mr. MORRIS. I do not ask this question to be critical at all. I am trying to learn about this. Does this bill do anything at all—anything—for wool that is not done for cotton, wheat, and other staple products?

Mr. COOLEY. Oh, yes.

Mr. MORRIS. What is it?

Mr. COOLEY. It puts it in a category where it has no business being. In the first place, if you will read the letter that Mr. Clayton sent up here, wool is one of the most important factors that he has to deal with in international

trade. He says that in the letter. Now, if we are going to pass a law that embarrasses our diplomat as he goes away from here in an effort to revive world trade, and if we are going to attempt to embarrass our President, then we can do it in no more definite way than to pass this bill. We know as we read Mr. Clayton's letter that it will meet with disfavor at the White House. Now, why is it important? I do not know all of the ramifications of international trade and reciprocal-trade treaties, and I am not an expert, but I do know this, that we must trade with the world, and that international trade is a two-way highway. If we are going to support out of the Treasury any producers of agriculture, we certainly can well afford to subsidize, if necessary, the producers of wool, because, after all, it is a very small matter in dollars and cents, comparatively speaking.

Mr. MORRIS. I get the gentleman's point.

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

Mr. COOLEY. Mr. Chairman, I yield myself five additional minutes.

Mr. MORRIS. At least I did not mean to ask that question; the question was outside of that particular point which the gentleman makes and I am not saying whether I agree with him or not. I am trying to learn at this time outside of that whether it does anything in the way of giving wool any more support in dollars and cents, let us say, than it does for cotton or wheat.

Mr. COOLEY. No; and it does not give it any more support than it is given in the Senate bill.

Mr. MORRIS. That is the question.

Mr. COOLEY. Here is my position on it: I want to protect the wool growers; I am just as anxious to do it as my friend GRANGER, my friend HILL, or anyone else. I agree with them that the wool growers of the country were a war casualty. If so we ought to stand up to the rack and pay off. That is what Secretary Clayton says do, that is what Mr. Truman says do; but you Republicans are so economy-minded that you are not willing to pay off because the more you pay off the less you can keep your promises of economy.

I will vote for the Senate bill. I am anxious to protect the gentleman's producers just as much as the gentleman is.

Mr. HILL. Mr. Chairman, will the gentleman answer a question?

Mr. COOLEY. I shall be delighted to if I can.

Mr. HILL. In all sincerity, let us leave wool out of the subject for a moment and pull no wool over anyone's eyes. How can you work out a program to protect American producers of farm products in any form whatsoever by way of subsidy or in any other way—there may be some others—and at the same time permit the markets in America to be flooded by any type or any kind of foreign agricultural products?

Mr. COOLEY. I will answer that—

Mr. HILL. Leave wool out, leave the wool market out.

Mr. COOLEY. We cannot leave wool out because the terms of the Senate bill protect wool producers regardless of what

happens in world trading in wool, the gentleman's producer's are protected by a support price.

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

Mr. COOLEY. I yield.

Mr. McCORMACK. Does the gentleman know of any other basic commodity covered by section 22 against which a limitation of imports cannot be applied?

Mr. COOLEY. I am not sure that I understand the gentleman's question.

Mr. McCORMACK. In this particular proposed amendment proposed by the gentleman from Kansas [Mr. HOPE] we find this proviso:

*Provided, That no limitation shall be imposed on the total quantity of any article which may be imported from any country which reduces such permissible total quantity to less than 50 percent of the average annual quantity of such article which was imported from such country during the period from January 1, 1929, to December 31, 1933, both dates inclusive.*

Mr. COOLEY. Under section 22 you could impose quotas or fees.

Mr. McCORMACK. Yes.

Mr. COOLEY. They are asking for the privilege of imposing only fees not to exceed 50 percent.

Mr. McCORMACK. And this applies only to wool.

Mr. COOLEY. That is right.

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

Mr. COOLEY. I yield.

Mr. GRANGER. I can say to the gentleman from Massachusetts that the limitation on quotas was put in there specifically by the gentlemen from Boston, Mass., Mr. HERTER and Mr. McCORMACK.

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

Mr. COOLEY. I yield.

Mr. McCORMACK. My friend is mistaken. I have no knowledge about this.

Mr. GRANGER. But the people the gentleman represents have knowledge about it.

Mr. McCORMACK. I am not representing people, I am trying to represent all the people. I will oppose this bill with section 4 in there, I am opposing it with section 22 in there. I say it is a discrimination and an inequity. Either you are going to pay a subsidy out of the Treasury or you are going to use this import fee to make the public pay a subsidy which in that case will be many times the former.

Mr. GRANGER. That provision was put in there to satisfy the firms the gentleman represents and who are opposed to the fees.

Mr. McCORMACK. But I had nothing to do with drafting it.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. CASE of South Dakota. I was very much impressed by the gentleman's statement that he wanted the world market; but that apparently applies to cotton.

Mr. COOLEY. Oh, no; cotton and tobacco and other surplus crops.

Mr. CASE of South Dakota. He wants the world market to apply to American-

grown wool. I ask the gentleman if he wants to extend that to tobacco? Will he agree to reduce the tariff on tobacco so that the world market, including the United States, will be open to foreign tobacco growers?

Mr. COOLEY. The gentleman is just stating a hypothetical case that could not actually happen. Every time anybody wants to back me into a corner they say something about tobacco.

Mr. Chairman, I yield myself three additional minutes.

Mr. Chairman, I want to commend the House on the way it has received tobacco legislation and the way it has approved the tobacco program. I want to emphasize one thought, however, and that is not a single one of our programs has ever cost the American taxpayers a single dollar.

Mr. CASE of South Dakota. That is exactly what we want to do with the wool program.

Mr. COOLEY. In tobacco we produce a surplus. We are now operating under strict quotas. We would even reduce our crop 10 percent, 15 percent, or 20 percent, if necessary, to protect ourselves. At the same time it is not costing the taxpayers or the consumers any money at all.

Mr. CASE of South Dakota. It is not?

Mr. COOLEY. No.

Mr. CASE of South Dakota. Why not abolish the tariff?

Mr. COOLEY. What does the gentleman mean?

Mr. CASE of South Dakota. Then why not abolish the tariff on tobacco?

Mr. COOLEY. You were paying 15 cents for Chesterfield cigarettes when we were getting 6 and 7 cents per pound for tobacco, and you are paying the same price when we are getting 48 or 50 cents a pound for tobacco. Your consumer does not contribute anything to the tobacco farmers, neither does the taxpayer. It comes about because of the machinery which the Congress provided that enabled us to protect ourselves by these quotas which we now have in operation.

Mr. CASE of South Dakota. The only thing I understand about it then is that what is right for tobacco is not right for wool?

Mr. COOLEY. Oh, no. If you have a surplus of wool, if you want to control the production of wool, I would vote for that. We have the same thing for peanuts, cotton, and wheat. We once had it for potatoes and we found out it was a hot potato and we replaced it right quick.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Along the same lines, if you have a surplus of shoes and leather, is the gentleman in favor of the same principle?

Mr. COOLEY. When you have a surplus of shoes all the manufacturer has to do is to pull a little switch and slow down production. In that way they protect themselves. But those who toil out in the broiling sun cannot cut off the sunlight and cannot retard the processes of nature and control production so easily.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. MARTIN of Iowa. I am interested in the gentleman's remarks about the importance of a quota to the tobacco industry. Is the gentleman familiar with Mr. Clayton's views on the matter of quotas?

Mr. COOLEY. Import quotas?

Mr. MARTIN of Iowa. Yes; all quotas in the import field.

Mr. COOLEY. I cannot say that I am generally familiar with them.

Mr. MARTIN of Iowa. I suggest that the gentleman read the proceedings before the Ways and Means Committee wherein Mr. Clayton expressed himself as very definitely opposed to quotas and dedicating himself to an effort toward eliminating all quotas.

Mr. COOLEY. I can see his viewpoint and I think I would be inclined to agree with him.

Mr. MARTIN of Iowa. Would you agree we should eliminate all quotas on tobacco?

Mr. COOLEY. I do not know that we have any quotas on tobacco. The quotas I am talking about are the quotas we put on the farmers back home, not on the importer or exporter.

Mr. Chairman, I do not see how our economy can function if we are going to close the channels of commerce and trade throughout the world. If we are actuated by motives of selfishness in trying to establish our foreign economic policy, we know it will definitely bring us to grief. How can we support the national debt hanging over this Nation unless we maintain an income comparable to the national income we have today? How can we maintain a national income comparable with that of today unless we trade with the world? How can we trade with the world if we are going to be selfish with every proposition that comes up and say we are going to lift our tariffs here and yonder and everywhere? The gentleman from Georgia [Mr. PACE] is exactly right. This is a starting point. We are going to be isolationists; we are going in for high tariffs and trade barriers, or we are going into a liberalized foreign trade and unless we can trade with the world Mr. PACE's farmers will come to grief along with my farmers in North Carolina, because we had that experience before, and we know exactly what will happen. We have the greatest opportunity now that America has ever had in all history to become the leader of the world. We will pass up that opportunity if we become selfish, if we become greedy. Only by going into world commerce with an anxious desire to be liberal and fair and to stimulate world trade will we ever be able to support our own economy here at home.

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

Mr. COOLEY. Mr. Chairman, I yield myself the balance of my time.

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

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

Mr. BREHM. The gentleman would not say that we have been greedy and selfish with the amount of money we have been giving and lending to foreign nations, would he?

Mr. COOLEY. No; I do not say we have been, but I say we should not become greedy and selfish. We are living in a world that has been destroyed, and we helped in the destruction, not because we wanted to, but because of the necessities of the situation. Now, are we going to abandon the program that the brave men and women of America fought for? They fought to liberate these people in the distressed areas of the world; in the devastated and war-torn areas of the world.

Mr. BREHM. But not at the expense of enslaving our own people or a segment of our own people.

Mr. COOLEY. We are not in danger of being enslaved by anybody. We are endeavoring to give people the freedom that we possess and fought for.

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

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

Mr. PACE. The gentleman, apparently, addressed some of his remarks to me. Does the gentleman really feel, as representing a great segment of the tobacco producers of this country, and being familiar with the legislation that has been enacted in their behalf and for their protection, that he is free to give us this exposé on free world trade?

Mr. COOLEY. Certainly. I have never been any greater advocate of self-control than the gentleman from Georgia. I never will forget how the gentleman from Georgia came before our committee when we were talking about making peanuts a basic commodity and permitting the peanut growers to control acreage and production, and he came in and objected. Oh, he was very strong in opposing it. He went back to Georgia, and he got all the peanut growers together and he said, "Boys, go out and plant the world in peanuts." And they planted all of Georgia in peanuts and built up a big acreage in the next 2 years, and then he came back and said, "Now, we are ready for the quotas." He has been an aggressive advocate of quotas ever since. If cotton wants to control itself, all right. I am willing for the cotton farmer to have quotas. I think my distinguished friend held extensive hearings through the cotton belt in an effort to determine whether the cotton producers wanted quotas for 1948; is that true? Did not the gentleman attempt to ascertain from the cotton producers whether they wanted quotas in 1948?

Mr. PACE. We were directed to ascertain the views of the producers regarding a modification of the Agricultural Adjustment Act.

Mr. COOLEY. The gentleman remembers referring to the quota section.

Mr. PACE. It involved the question of quotas, so far as I recall.

Mr. COOLEY. If the cotton farmers in America want quotas, I am sure the gentleman would favor it.

Mr. PACE. Quite so, but I again repeat I would not encourage them to have quotas if unlimited imports could come into this country where the producers

in those foreign lands were not under quota limitations themselves.

Mr. COOLEY. Do we not have quotas on cotton now?

Mr. PACE. Yes.

Mr. COOLEY. And we are shutting out Egyptian long staple cotton now, and there is a shortage in this country.

Mr. PACE. Cotton is highly benefited by legislation, and that is the reason I think wool should have equal benefits.

Mr. COOLEY. I hope that the wool growers of the cotton district of Georgia will be protected in some way by the House. I did not know that the gentleman had so many wool growers down there. I know I do not have a great many in my district, but I am just as intensely interested as I believe it is possible for me to be in trying to protect the wool farmer, and I believe the Senate bill does it.

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

Mr. COOLEY. I yield to the gentleman from Utah.

Mr. GRANGER. Tobacco farmers are protected by quotas on tobacco. In addition, they are protected by a prohibition on sending tobacco seed out to all the world.

Mr. COOLEY. That is an entirely different thing. That is the thing the gentleman from Wisconsin [Mr. MURRAY] harps on all the time. Judge KERR and the rest of us interested in stopping the exportation of American tobacco seed to foreign countries, where they might go in competition with us did advocate the passage of the bill the gentleman has in mind.

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

Mr. COOLEY. I yield.

Mr. PACE. The gentleman tells us that he secured the enactment of a law—

Mr. COOLEY. No; the gentleman did not say he secured the enactment of a law.

Mr. PACE. He favored it—that would prohibit the exportation of any American tobacco seed, to keep anybody in any other country from producing the commodity in competition with your tobacco.

Mr. COOLEY. That is right. I would vote for it again today, and the gentleman would, too.

Mr. PACE. Yet the gentleman says that is not in violation of any good will or international relations throughout the world?

Mr. COOLEY. No. The world has accepted it. The fact of the business is that many nations of the world have a prohibition against growing tobacco. They are willing for us to grow tobacco over here.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Wisconsin.

Mr. KERSTEN of Wisconsin. Apart from the broad implications of international trade, and so forth, what effect does this have on the price of a suit?

Mr. COOLEY. I do not know, but I assume if you put the price of wool up it will be reflected in the manufactured gar-

ment. I believe the best way for us to take care of the situation is just as President Truman suggested, that is, by paying the loss, absorbing the loss, and thereby holding down the cost of manufactured articles.

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

Mr. COOLEY. I yield to the gentleman from Wyoming.

Mr. BARRETT. To make an ordinary suit of clothes it takes about 4 pounds—

Mr. COOLEY. I thought the gentleman said 4½.

Mr. BARRETT. Four pounds of clean wool for the best suit of clothes that can be made. It takes about 10 pounds of grease wool for a suit of clothes. The difference between the foreign wool and the domestic price at the present time is about 2 cents in the grease, so it would take about 20 cents more if you brought the price of the foreign wool up to the price of the domestic wool.

Mr. COOLEY. That I assume has answered the gentleman's question.

Mr. BARRETT. It is 5 cents a pound in the clean, so you can figure that way. The gentleman is in favor of protecting cotton, or protecting tobacco, or protecting every product that is raised out in his district and in the South. During the past 5 years they have imported a billion pounds of wool into this country and taken the market away from us. Our only sale for domestic wool was to the Army and the Navy. The duty paid on foreign wool averaged \$119,000,000 each year. Thirty percent of that money was used to support these commodities the gentleman speaks of, particularly cotton. The gentleman thinks that is right, but he is not in favor of some legitimate program that will protect the wool grower of this country.

Mr. COOLEY. Did the gentleman object to the building up of the stock pile of wool?

Mr. BARRETT. I certainly do.

Mr. COOLEY. I said, Did he while it was being done?

Mr. BARRETT. I want it without any loss to the Treasury of the United States.

Mr. COOLEY. Did the gentleman object to it while it was being done, building up a stock pile to protect the American Army if it had gone to Alaska and the cold sections of the North to fight? The gentleman certainly would not object to the country's having an adequate stock pile of wool.

Mr. BARRETT. I did not object to it at that time, but I do object to having a stock pile of 460,000,000 pounds at the present time, when we are consuming in this country nearly a billion pounds of wool.

Mr. COOLEY. I assume the gentleman has read the Senate bill, has he not?

Mr. BARRETT. I certainly have read the Senate bill.

Mr. COOLEY. Does not the gentleman believe that will protect the wool producer?

Mr. BARRETT. But it will not protect the Treasury of the United States.

Mr. COOLEY. That is right. Now we finally have it. The gentleman agrees now.

Mr. BARRETT. I do not think the people of this country are entitled to take any loss on that wool.

Mr. COOLEY. The gentleman must choose now whether he is going to protect the wool grower or the Treasury. Which does he love best?

Mr. BARRETT. I do not think the people of Great Britain would expect us to take a loss on that.

Mr. COOLEY. Finally, Mr. Chairman, the importance of this measure cannot be too greatly emphasized. Of course we want to protect the wool producers of America. Both President Truman and Under Secretary of State Clayton have pointed the way that this can be accomplished. The Senate has enacted a bill which will accomplish the desired objective. The proposition before us now is whether we shall adopt the Senate bill and provide the necessary protection for the wool producers of America or whether we shall, through the back door, completely reverse the international trade policies which we have followed in recent years. If we are to embark upon a program of high tariffs and trade barriers; if we intend to keep out of this country every single commodity that can be produced cheaper in some other country than in our own; if we are about to embark upon a program of retaliatory tariffs; do you not think that we should at least show the Secretary of State the courtesy of according to him an opportunity to be heard? Actually, is not it a matter for the Ways and Means Committee to consider? And is not it a matter which merits the very careful thought and consideration of every Member of both Houses of Congress? We are about to attach a little tariff bill to a bill which originated in the Senate. This is contrary to the plain provisions of the Constitution, the organic law of our Republic. If we attach this little tariff bill to a bill which originated in the Senate, surely others will follow and this great event will be cited as a precedent. Since we now know the real meaning of this measure, certainly we should not act in haste in the passage of a measure of such great importance. If the House Committee on Agriculture is to take over the responsibility of writing tariffs on agricultural commodities, it will certainly be a great departure from the established precedents of this great legislative body. The only justification for section 22, as originally written, was because of the fact that it was a vital part and parcel of a broad Nation-wide agricultural adjustment program.

If Mr. Clayton was embarrassed at Geneva and came home on account of this ill-advised legislative proposal, I suppose that the Geneva Conference might as well be called off so far as America is concerned, for certainly he could not go back to Geneva with this bill around his neck as a brazen badge of the intentions of Congress to return to the ways of Smoot and Hawley and to the road which once led the world to great distress. I urge you to vote for the Senate bill as it came to us and to vote down the amendment which will be offered by my distinguished chairman tomorrow.

Mr. GRANGER. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. LARCADE.]

Mr. LARCADE. Mr. Chairman, I am deeply interested in the bill which we have under consideration at this time as I represent a district which is a producer of wool. Beauregard Parish, in the northwestern portion of my district, is one of the larger wool-producing parishes in my district, and naturally whatever affects the industry as a whole affects my constituents in that parish, and it is my duty to endeavor to try to protect, as far as possible, not only my constituents but also the industry as a whole.

Mr. Chairman, experience is a teacher, and I well remember after the First World War, and again in 1933, what happened to the price on wool, and if we can judge the future by what has transpired in the past, unless some protection is given to the producers of wool in this country, we can well expect a repetition of what happened in the past. Mr. Chairman, I have listened to the debate today, and I was greatly impressed with the remarks of my good friend and colleague the gentleman from Georgia [Mr. PACE], who spoke just a few minutes ago. I think that my colleague has made a fine presentation of the subject dealing with the protection and the future of agriculture. I think that the arguments and facts presented represent sound and irrefutable arguments, as well as the deep concern of the gentleman from Georgia for the future of agriculture in general.

Mr. Chairman, it is a well-known fact that the gentleman from Georgia [Mr. PACE] is recognized as one of the best informed Members of the House of Representatives on matters pertaining to agriculture, and his statements here today have exhibited his understanding and unselfishness in the protection of agriculture in the whole of the United States, and we are all fortunate to have on the Committee on Agriculture such an able and outstanding and hard-working member who is so fair and valuable to us all.

(Mr. LARCADE asked and was given permission to revise and extend his remarks.)

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

Mr. LANE. Mr. Chairman, I am in agreement with many of the previous speakers with the intent of this bill now before the House for consideration that the wool-growing industry be protected by adequate price support legislation. However, I differ in my statements from many of the other Members in stating that the wool growers are already entitled to the same price support protection as other farm commodities are receiving, but no more. I feel that it would be unfair and unjust and unreasonable to select wool for better treatment than other products produced by the farmers of our country.

We have been informed that the wool trade is not opposing adequate price support for domestic wool growers, but we do want to get the Government out of

business and free enterprise returned now that the war is over. This industry approves a support-floor for wool at the farms equal to, but no more than that given over 160 other agriculture commodities.

Our wool industries' annual wool requirements are now more than twice the domestic clip, therefore we must import wool which means that domestic wool cannot sell at a higher price than imported wool.

Section 2A of this bill guarantees the wool grower a price for his wool based on the top of the market until the end of 1948. There is every reason to believe parity will be lowered materially before December 31, 1948, in which case wool growers would be receiving a much greater purchase price than afforded any other commodity by the Government if a wool purchase is continued at the 1946 level of prices. There is no doubt that the cost of this program will add to the already heavy burden being borne by the taxpayers of this Nation.

By the amendment, section 4, the bill gives the Secretary of Agriculture the power to impose fees on all wool that has been imported and is held in the inventories of all branches of wool industry, not in excess of 50 percent ad valorem. The imposition of these fees would cost the industry millions of dollars and in some cases would mean ruination. The imposition of these import fees will add to the cost of wool clothing to our population and may also affect our foreign relations with the 23 countries from whom we import wool.

Our domestic wool growers were never able to supply more than one-half of the raw material needs of our manufacturers of worsted cloth. Furthermore, they could not supply them with the long fiber raw wool necessary for quality worsteds. Even when given tariff protection, domestic sheep raisers cannot do the job.

Why our extensive worsted industry and their workers which suffered from substandard conditions for many years and only recently arrived at steady production, good wages, and good profits should be asked to bear the burden, is beyond all semblance of economic justice.

We believe that the Government has done more than enough for one segment of our economy, the wool growers. In spite of a 34 cents per pound tariff, foreign wool and better wool imported from 23 different countries, can still be sold at less than the support price which the Government is paying to wool industries in the United States.

Under the provisions of the amendment, section 4, we are now being asked to give the Secretary of Agriculture the power to impose tariff on foreign wool at his discretion. This is altogether too much power to give to any man, and especially at a time when so many other controls, justified only by the emergency of war, have been dropped. It amounts, in effect, to a nationalization of the raw-wool industry.

The imposition of these import fees would curtail wool imports, resulting in a contraction of manufacturing and a drop in employment, bringing sudden

and severe deflation to many of our industrial communities.

In the New England States, textiles provide 4 out of every 10 jobs. In my home city of Lawrence, Mass., the largest producer of worsteds in the world, the industry provides 7 out of every 10 jobs. We are in no mood to stand idly by and permit the basic element in our economy to be destroyed by the wool-raiding lobby. If the wool and worsted industries curtail production, as they certainly will if faced with this tariff, the wool growers of the United States will also lose. This bill as amended by the committee has all the earmarks of a conspiracy to profit a few, at a disastrous cost to many.

I know that this extra preference granted to the wool farmers may appear attractive to them, but I give them sober warning, however, that this bill will prove to be a boomerang. If you paralyze the wool industry you will be cutting off the market for your wool. The domestic woolgrowers can neither provide us with the supply and quality. Shall the manufacturers and the consumers of the Nation be penalized for this? That precisely, will be the net result, if this bill as amended should be approved by this House. In short it says, "Take my limited product at prices held high above real market value or take none at all." In effect, it is monopolistic and dangerous.

The workers in the textile industry like other workers are feeling the high cost of living because their wages have not kept pace with the increasing cost. They are aware that the prices of agriculture commodities as a group have gone higher than any others. Why wool should be seeking a support price still higher than it has enjoyed is beyond common sense understanding.

We from the manufacturing areas recognize that the domestic growers of wool are entitled to some price support. In a spirit of cooperation we ask that they in turn consider our problem. The wool and worsted industries cannot survive the drastic penalties imposed by this bill. Wool growers, manufacturers, textile workers, and consumers are partners in an enterprise. They must not become antagonists, because all of them will suffer.

In place of the extreme provisions embodied in this bill, we suggest that you join with us in supporting the amendment to be offered by the gentleman from Massachusetts [Mr. HERTER], which will give some consideration to some of the factors involved in this problem. Under the provisions of this amendment, Government support at 90 percent parity to wool growers is in line with other agricultural commodities. It will restore private incentive to the industry and protect tens of thousands from losing their positions and their jobs. It will bank and not fan the fires of inflation.

May I mention at this point that 90 percent of the domestic wool supply is processed in the manufacturing plants in the Northeastern States, and about three-fourths of the lamb crop is consumed in this area. It is hardly the best

policy for the wool growers to bite the hand that feeds them.

The only reasonable course for us to follow is to enact legislation embodying the amendment to be offered by the gentleman from Massachusetts [Mr. **HERTER**], which I believe is fair to all parties concerned.

(Mr. **LANE** asked and was given permission to revise and extend his remarks.)

Mr. **COOLEY**. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. **MANSFIELD**].

Mr. **MANSFIELD** of Montana. Mr. Chairman, I rise in support of the present measure because of the precarious position in which the sheep industry finds itself in Montana and throughout the whole Rocky Mountain region as well. As you know, livestock is one of the basic industries of the West.

Due to factors over which the industry has had very little or no control, our sheep population has dropped from 49,807,000 in 1942 to 32,542,000 today. This represents a reduction of 35 percent and furthermore makes our sheep population the lowest in over 50 years.

The production of domestic wool according to the Department of Agriculture has dropped from 459,073,000 pounds in 1942 to 300,000,000 pounds today; that likewise represents a reduction of 35 percent.

Intensive study by the United States Tariff Commission shows that the wool growers of this country at the present time are losing 9½ cents on every pound of wool produced and are also losing \$1.18 on every head of sheep.

Since Pearl Harbor the domestic wool situation has come to occupy an increasingly difficult economic position and while wool prices have generally increased 13.2 percent, 24 other principal agricultural commodities increased on an average of 91 percent. Furthermore, the operating expenses of the sheep industry have increased 66 percent from 1941 to the present time.

The sheep industry is finding it extremely difficult to compete with low-cost producers for the American market and the result has been, due to the war and other factors, that the imports of wool in this country have been extremely heavy. Eighty percent of the 1,000,000,000 pounds of wool consumed in this country last year was of foreign origin. It is highly imperative if we want the American sheep industry to survive to function on a decent profit basis, that this bill reported out by the Committee on Agriculture and given a rule by the Rules Committee, be passed today.

This measure provides:

First. That the Commodity Credit Corporation will continue its purchase program until December 31, 1948, at the 1946 price, which, as I have indicated, has not changed since Pearl Harbor. That price is less than parity.

Second. It authorizes the Commodity Credit Corporation to sell its wool at competitive prices with foreign wool. This will enable the United States to dispose of its stock pile.

Third. Amend existing law by adding wool to other commodities under section 22 of the AAA Act and thus provide that

if imports of foreign wool tend to materially interfere with the wool program, the President may require the Tariff Commission to make a study and after a hearing if the President finds such to be the fact, he is required to impose such fees on imports as may be necessary to correct the situation.

In my opinion, the provisions of this wool bill are sound and necessary to provide for the sale of Government stock pile and to protect the American sheep industry from further liquidation. Like many of you in this Chamber, I realize this bill will have hard sledding because of the factional and economic interests involved but I want to appeal to you in behalf of this great American industry which needs help in order to survive and to ask you to vote for this measure so that the fine people who operate this industry will be given the opportunity to live peacefully and with a reasonable degree of security. I do not urge your support of this measure on political grounds but I do urge your adoption of this bill in behalf of an industry which has contributed much to our economy in both peace and war and which I think is entitled to every consideration at this time.

May I say, in conclusion, that the wool producers of this country owe a great deal to the distinguished gentleman from Utah [Mr. **GRANGER**] who has guided this measure through the Agricultural Committee, the Rules Committee, and onto the floor and who has throughout his many terms in Congress proved himself a fighter in behalf of the best interests of his State and his country. Utah is, I am sure, well aware of his outstanding ability and the fine work he has performed in behalf of his constituents.

(Mr. **MANSFIELD** of Montana asked and was given permission to revise and extend his remarks.)

(Mr. **FISHER** asked and was given permission to revise and extend his remarks.)

(Mr. **COOLEY** asked and was given permission to revise and extend his remarks.)

Mr. **HOPE**. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. **MARTIN**].

Mr. **MARTIN** of Iowa. Mr. Chairman, I have asked for this time today primarily because I read an editorial which was referred to earlier in the day. I will read a part of it. It appeared in a Washington paper a couple of days ago. Here is what part of the editorial concerning the consideration of this bill in Congress says:

The result was to put in a turmoil the international conference on tariffs and commercial policy at present going on in Geneva. Vigorous attacks on our good faith have been launched by the delegates.

In particular Australia has led the agitation. That country has been earning dollars to buy from us in this dollar-poor world mainly out of wool exports to America. It is little short of tragic to see the turn that the Geneva proceedings are taking, for the purpose of the conference is to prepare the way for the establishment of an international trade organization, which would be a cornerstone in the functional cooperation we are seeking to promote among the nations. Evidently Under Secretary Clayton is back

in Washington in order to remind Congress of the way that our reputation as a treaty observer is imperiled. It is unthinkable that his reminders will be disregarded.

More significant at the moment is the evidence that no international economic order can be built when price-support schemes require further support at the customs house. Subsidies are less noxious, and only then if they are so graduated as to enable, say, the wool growers who do not wish to compete with foreign wool to change over to other industries.

I want to know when in the name of common sense the State Department sees fit to jockey us into a position where we have one of three choices: One, to sell our farmers and other producers of our raw and critical commodities down the river and tell them to change over to other occupations, causing us to depend entirely upon foreign producers for our future needs regardless of the jeopardy in which that places the United States. Or, two, to subsidize them out of the Treasury of the United States no matter what the cost may be; or, three, to ask our United States wool growers to incur great losses in competition with cheap foreign wool.

I studied the strategic and critical material field for 8 years during my service on the Committee on Military Affairs. I know something of the struggle we had prior to Pearl Harbor and how jittery we were about our inadequate supply of wool for war purposes. Any future war may be fought largely in the air and we have need for high altitude flying and possibly polar warfare.

How can Mr. Clayton or any other member of the State Department think that they are strengthening our Nation by jockeying us into position where we have to jeopardize the very existence of a great domestic industry and our capacity to produce such an important commodity as wool. I am speaking now primarily because of my interest in national defense. I think it is highly important that Congress serve notice on Mr. Clayton that it is a part of his job to give ear to the Congress and the voice of the people in maintaining an adequate national defense and that America is not strengthening its defense when we put ourselves in the position where we are dependent upon long and dangerous sea lanes for our strategic and critical materials which are necessary for our national economy and our national defense.

I yield to the gentleman from Minnesota [Mr. **AUGUST H. ANDRESEN**.]

Mr. **AUGUST H. ANDRESEN**. I am glad the gentleman brought up the points that are mentioned in that editorial. The facts are that Australia and the British are demanding that we cut the duty on wool. It is not this legislation that is bothering them. They are insisting that the administration go along and cut the duty on wool. This bill may be a deterrent to Mr. Clayton from going ahead and cutting the duty, but as soon as it is disposed of, no doubt, he will go ahead and cut the duty on wool, and that will mean the liquidation of the wool industry in this country.

Mr. **MARTIN** of Iowa. Yes; I am sorry to say that is too apt to be the case. Mr. Clayton faces the situation that he faces today because of the grasping and reach-

ing of these countries at Geneva who are trying to grab the American market away from the American farmer, the American businessman, and the American industrialist. The biggest and best market in the whole world today is the American market. We should not permit other nations to take our own market from us at the expense of our own national defense.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Chairman, earlier in the day I heard the gentleman from Pennsylvania [Mr. EBERHARTER] say that if we passed this wool bill we would wreck the Conference at Geneva. I began to wonder, should I raise my voice in defense of a domestic industry and perhaps wreck an international conference, or should I remain silent and let an international conference wreck a great and promising domestic industry.

In the old days, when we were under unilateral tariffs, before we ushered in the Hull program of so-called reciprocity, we gave to every industry in the United States the protection to which it was felt that that particular industry was entitled. When we took up reciprocal trading, so called, we abandoned that theory and went to another one, one which approved the sacrifice of one industry in order that another industry might gain an advantage. That is precisely the basis upon which reciprocal-trade agreements are negotiated today. Yes, wool is the key commodity upon which the success or failure of the Conference at Geneva will turn. The United States wants to break down the British imperial-preference system, not for the benefit of wool, no; but for the benefit of the great metal-fabricating industries of the United States, an outstanding example, of course, being the automobile industry. Now, who are the great defenders of the British imperial system? Australia, South Africa, and New Zealand are the Dominions which insist upon its maintenance. They will not give up their preferences that they have acquired over the last 30 or 40 years in the building up of this British imperial-preference system unless they are compensated in a big way. They are in a strategic position, and so they say to the American automobile industry, "You cannot send your automobiles into Australia, New Zealand, and South Africa unless you cut the American tariff on wool."

Now, the question is, Are we willing to sacrifice the wool grower, his future, his right to expand his industry, his right to supply his own, the American, market, in order that the automobile industry shall acquire, on the other side of the world, greater opportunities to expand its business? I do not know. I was taught in school and at my mother's knee that it was the duty of our American Government, a duty above all others, to afford equal protection to every man, woman, and child in this country, without discrimination. I was taught to believe in the principle of equal treatment for all; special privilege to none. So the great moral question now arises: Has the

American Government the right, the moral right, if you please, to sacrifice hundreds of thousands of people who are making their living in the domestic wool industry in order to confer great benefits and great opportunities upon hundreds of thousands of other people who derive their livelihood from the manufacture and sale of automobiles.

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

Mr. GEARHART. I yield.

Mr. COOLEY. The gentleman is opposed to reciprocal trade treaties; is he?

Mr. GEARHART. I am strongly in favor of reciprocity, but I am now and have always been very much opposed to the policy which the administration seems to have taken unto its heart of bringing disaster to some American citizens in order to confer benefits on others upon whom it chooses to confer its favors.

Mr. COOLEY. Certainly the gentleman does not accuse the State Department of deliberately embarking upon a program which is calculated to sacrifice any segment or group in America; does he?

Mr. GEARHART. I am sure that if the gentleman from North Carolina had sat in on the hearings I have sat in on down through the last 6 or 7 years, he would never have exposed himself by asking that question. I will tell him a few.

Mr. COOLEY. Has the gentleman ever voted for any reciprocal trade-treaty program?

Mr. GEARHART. I will tell the gentleman an industry. What has become of the American jeweled-watch industry? What has happened to the American pottery industry—

Mr. COOLEY (interrupting). I do not suggest that some industries have not been adversely affected.

Mr. GEARHART. If any have been adversely affected, is it possible that the gentleman will defend the governmental action that is responsible for the result? Does he realize that that is exactly what will happen to the American wool industry if Mr. Clayton is permitted to turn the American wool market over to the Australians, the South Africans, and the New Zealanders in return for the privilege of shipping American automobiles into their markets?

It is a moral question. Which side of the question is the gentleman on?

Mr. COOLEY. I am on the side of the reciprocal trade treaties, if the gentleman is directing the question to me, and I would like to ask him if he has ever voted for any reciprocal-trade-treaty program.

Mr. GEARHART. No; not for the continuation of this program as presently administered. But I do believe sincerely in the principle of reciprocity, the bilateral granting of concessions in our markets for things we need for concessions in other markets for our excess production, a system which will not require the sacrifice of one domestic producer for the benefit of another domestic producer. The Hull program bears no resemblance to that. I will always oppose any American governmental action

which benefits one group of American citizens to the deliberate detriment of another group of American citizens equally entitled to their country's favor. Robbing Peter to pay Paul never had any particular appeal to me. And that is precisely what the Hull so-called reciprocal-trade-agreements program results in—the robbing of one to pay another.

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

Mr. GEARHART. I am very happy to yield to the distinguished gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. When the representative of the State Department appeared before our committee on this bill he said in no uncertain terms that it was the purpose gradually to liquidate the sheep and wool industry of this country because they could produce wool cheaper in other countries in the world.

Mr. GEARHART. Yes; and if it is liquidated they necessarily expose the United States to the greatest dangers in the event that we are again overtaken by war. Wool is a critical material of the first order. Is it possible our negotiators do not know that?

There are a lot of people in the State Department who think only in terms of smokestacks and pay rolls, altogether too few who think in terms of a balanced economy, self-sufficiency in time of war. And there is an influential few behind the silken curtains in charge of the negotiation of these agreements, who believe that agriculture is a lowly pursuit which should be sacrificed—and they have succeeded, oh, too well.

Do you know that under the reciprocal-trade-agreements program the export of nonagricultural products has mounted 57 percent but the export of agricultural products from the United States has fallen off to 30 percent less than we were exporting in 1934, the year that the reciprocal-trade-agreements program, so-called, was enacted?

If there is one in this room or within the hearing of my voice who can point out one way that any agriculture commodity has benefited from this program I will gladly yield to him now. The record will disclose that all we have done is to cut agricultural tariffs, this to the number of 327 items, these to an average of 40 percent of what the tariff was before, the effect of which has been the flooding of this country with competitive agricultural products until war economy started them moving the other way. And I am not talking about bananas, coffee, and tropical fruits. I am talking about the kind of agricultural products every farmer in this country is capable of raising and supplying the American market with. It is also significant that the importation of these agricultural commodities under this program has prevented the utilization of 70,000,000 acres of American farm lands in their domestic production. In other words, if the farmers were allowed to raise these crops they would have to employ 70,000,000 acres more than they are now using. When we consider the further fact that there are only 325,000,000 acres under cultivation in this country, 70,000,000 acres—an average computed for the years



1935 to 1939, inclusive—are not an insignificant few.

Consider also the fact that as a consequence of the administration of this program the agricultural population of the United States has fallen from 33 percent of all the people to less than 25 percent. That difference, representing 10,000,000 people, accounts for the number of the unemployed during the depression years, contributing the greatest number to the bread lines of the country during the unhappy thirties.

It might be well, Mr. Chairman, that those who so fervently protest their love for the American farmer, look well to these figures.

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

Mr. HOPE. Mr. Chairman, I ask unanimous consent that the gentleman from North Dakota [Mr. ROBERTSON] may have permission to extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. ROBERTSON. Mr. Chairman, as a Representative of the people of North Dakota, one of the Nation's outstanding agricultural States, I should like to speak in behalf of the wool bill.

As I understand the bill, first, it will allow the Commodity Credit Corporation to continue its purchase program until December 31, 1948, at the 1946 price; second, it authorizes the Commodity Credit Corporation to sell its wool at competitive prices with foreign wool; and, third, it requires the President to impose fees on imports if the Tariff Commission makes the finding that foreign wool materially interferes with the wool program.

Many pertinent facts have been pointed out by other Members supporting this bill. However, I should like to outline briefly those facts which to me make the passage of this bill imperative.

The United States produces only about one-third of the wool which it consumes. Formerly the United States produced 35 percent more than the 300,000,000 pounds it produces today. The reason for the decline in production is directly attributable to the lack of profit in raising sheep. A report made by the United States Tariff Commission after an extended study of the sheep industry showed that the wool growers of this country lost 9½ cents on every pound of wool produced in 1946, and suffered a somewhat higher loss in the two preceding years.

The facts are particularly significant in light of the finding of the Army and Navy Munitions Board that wool is a strategic and critical material necessary for the security of the Nation. This means one thing: We must encourage rather than discourage the production of wool in the United States. This bill will encourage such production.

As a member of the Appropriations Committee I am concerned with the tremendous expense of government. I feel that every activity of government should be placed on a paying basis wherever possible. This bill can cost the Government some money. I am not too

alarmed over this possibility, however, for two reasons: First, the wool growers are entitled to a support price, because wool prices have increased but 13 percent since 1941 and operating expenses have increase 66 percent—on the other hand, 24 principal agricultural commodities increased an average of 91 percent during that same period. We must encourage production of wool, and without a support price, production will decrease even more rapidly than it has in the past years. Today we only produce about one-third of the wool we consume. We must produce more. The Army and Navy feel that wool is a critical material. We all know of its importance in meeting our daily needs of clothing and protection. So it is not difficult to understand its importance to national security. Second, if the obvious intent of this bill is carried out, if the mandate to the President to act in accordance with the findings of the Tariff Commission is followed, the price of wool will be sufficient so that it will not cost the Government a cent in support-price payment. The Commodity Credit Corporation will be able to dispose of its tremendous stock pile of wool without suffering a further loss. And, most important, the production of wool will increase.

I should like to explain briefly my statement that it is necessary that the President carry out the mandate of this bill. It would provide the President with the authority to require the Tariff Commission to make a study of the wool program—the Tariff Commission has made such a study. It has found, as I stated earlier, that the price of wool is lower than the cost of production in the United States. Under such a finding, there can be only one conclusion, and that is that the imports of foreign wool tend to materially interfere with the wool program. Under such a finding, it is my understanding, the President is required—not given the option, but required—to impose such fees on imports as may be necessary to correct the situation. If the President follows the mandate of this bill, the Commodity Credit Corporation will not continue to be a drag on the Federal Treasury. The wool program can be self-supporting, and the United States will produce a higher percentage of this critical material.

For these reasons, I shall support the wool bill.

(Mr. HOPE asked and was given permission to revise and extend the remarks he made earlier in the afternoon.)

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc., That this act may be cited as the "Wool Act of 1947."*

Mr. HOPE. 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. HARNES of Indiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (S. 814) to provide support for wool, and for other purposes, had come to no resolution thereon.

#### EXTENSION OF REMARKS

Mr. COOLEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include two brief speeches, one on soil conservation and the other on progressive farming.

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

Mr. FORAND asked and was given permission to revise and extend the remarks he made earlier in the day and include a newspaper article.

Mr. TEAGUE asked and was given permission to extend his remarks in the RECORD in three instances and include editorials.

Mr. DONOHUE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a radio speech.

Mr. PATMAN (at the request of Mr. RAYBURN) was given permission to extend his remarks in the RECORD.

Mr. MURRAY of Wisconsin asked and was given permission to revise and extend the remarks he made earlier in the day and include some telegrams and one letter.

#### COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the House Committee on the District of Columbia shall have been considered as having had permission to meet during the session of the House this afternoon.

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

There was no objection.

#### LEAVE OF ABSENCE

Mr. HAND. Mr. Speaker, I ask unanimous consent that on tomorrow the members of the Board of Visitors to the United States Coast Guard Academy may have permission to be absent from the House.

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

There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. MEADE of Maryland. 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 Maryland?

There was no objection.

#### ARCHBISHOP MICHAEL J. CURLEY

Mr. MEADE of Maryland. Mr. Speaker, I would like to direct the attention of the House to the fact that in Baltimore today were held funeral services for one of the outstanding Americans of all time, Archbishop Michael J. Curley. In the death of Archbishop Curley, not only the Catholics of the archdioceses of Baltimore and Washington have lost a great spiritual leader but the people of this Nation have lost a truly great man. Archbishop Curley was keenly interested in education and due to his efforts the Catholic schools in Washington and in Maryland showed tremendous growth during the past generation.

It is a great tribute to him in that he died a poor man, although during his life he had been given more than a million dollars, all of which he gave to charity. His only possessions at the time of his death were a few old clothes and some books.

We have lost a great man and it will be a long time before he can be replaced and he will never be forgotten.

(Mr. MEADE of Maryland asked and was given permission to revise and extend his remarks.)

#### EXTENSION OF REMARKS

Mr. ENGEL of Michigan (at the request of Mr. HOPE) was given permission to extend his remarks in the RECORD.

Mr. LATHAM (at the request of Mr. HOPE) was given permission to extend his remarks in the RECORD.

#### HOUR OF MEETING TOMORROW

Mr. HOPE. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourns to meet at 11 o'clock tomorrow.

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

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HINSHAW, for May 22 and 23, on account of official business in Montreal, Canada—ICAO.

To Mr. KEEFE (at the request of Mr. HALLECK), for 10 days, on account of illness in family.

To Mr. DEANE, for Friday, May 23, and Monday, May 26, on account of official business.

#### ENROLLED JOINT RESOLUTION SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 153. Joint resolution providing for relief assistance to the people of countries devastated by war.

#### BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On May 21, 1947:

H. R. 193. An act to amend section 35 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437; 30 U. S. C., sec. 191), as amended;

H. R. 1584. An act authorizing the erection and operation of a memorial museum and shop on the Fort Hall Reservation, Idaho; and

H. R. 2123. An act to amend the Locomotive Inspection Act of February 17, 1911, as amended.

On May 22, 1947:

H. J. Res. 153. Joint resolution providing for relief assistance to the people of countries devastated by war.

#### ADJOURNMENT

Mr. HOPE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Friday, May 23, 1947, 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:

700. A letter from the Acting Secretary of the Navy, transmitting a list of institutions and organizations which have requested donations from the Navy Department; to the Committee on Armed Services.

701. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to amend section 522 of the Tariff Act of 1930 so as to clarify the procedure in ascertaining the value of foreign currency for customs conversion purposes where there are dual or multiple exchange rates, and for other purposes; to the Committee on Ways and Means.

702. A letter from the Secretary of State, transmitting a draft of a proposed bill to provide for the reincorporation of the Institute of Inter-American Affairs, and for other purposes; to the Committee on Foreign Affairs.

#### 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. TWYMAN: Committee on Post Office and Civil Service. H. R. 2857. A bill to extend second-class mailing privileges to bulletins issued by State conservation and fish and game agencies or departments; without amendment (Rept. No. 417). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARNESSE of Indiana: Committee on Rules. House Resolution 195: Resolution to authorize the Committee on the District of Columbia to investigate and study reorganization and home rule for the District of Columbia; without amendment (Rept. No. 418). Referred to the House Calendar.

Mr. HAGEN: Committee on Post Office and Civil Service. H. R. 1045. A bill to amend the act entitled "An act to provide for a permanent Census Office," approved March 6, 1902, as amended (the collection and publication of statistical information by the Bureau of the Census); without amendment (Rept. No. 421). Referred to the Committee of the Whole House on the State of the Union.

Mr. LYNCH: Committee on Ways and Means. H. R. 959. A bill to amend section 3179 (b) of the Internal Revenue Code; without amendment (Rept. No. 422). Referred to the Committee of the Whole House on the State of the Union.

Mr. KNUTSON: Committee on Ways and Means. H. R. 2872. A bill to amend further section 4 of the Public Debt Act of 1941, as amended, and clarify its application, and for other purposes; without amendment (Rept. No. 423). Referred to the Committee of the Whole House on the State of the Union.

Mr. KNUTSON: Committee on Ways and Means. H. R. 3101. A bill to extend until June 30, 1949, the period of time during which persons may serve in certain executive departments and agencies without being prohibited from acting as counsel, agent, or attorney for prosecuting claims against the United States by reason of having so served; without amendment (Rept. No. 424). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 3060. A bill to extend for 1 year certain provisions of section 100 of the Servicemen's Readjustment Act of 1944, as amended, relating to the authority of the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years; without amendment (Rept. No. 443). Referred to the Committee of the Whole House on the State of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. H. R. 1652. A bill to provide for the naturalization of certain United States Army personnel—Yugoslav fliers; with an amendment (Rept. No. 419). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 617. A bill for the relief of James Harry Martin; without amendment (Rept. No. 425). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 631. A bill for the relief of the Allied Aviation Corp.; with an amendment (Rept. No. 426). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 637. A bill for the relief of Marvin Pettus; with an amendment (Rept. No. 427). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 813. A bill for the relief of J. Don Alexander; without amendment (Rept. No. 428). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 837. A bill for the relief of the estate of Abram Banta Bogert; with an amendment (Rept. No. 429). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 987. A bill for the relief of Lorenzo H. Froman; without amendment (Rept. No. 430). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 993. A bill for the relief of the estate of Norman C. Cobb, Naomi R. Cobb, and Garland L. Cobb; with an amendment (Rept. No. 431). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 1144. A bill for the relief of Samuel W. Davis, Jr.; Mrs. Samuel W. Davis, Jr., and Betty Jane Davis; with an amendment (Rept. No. 432). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 1162. A bill for the relief of Persis M. Nichols; without amendment (Rept. No. 433). Referred to the Committee of the Whole House.

Mr. SPRINGER: Committee on the Judiciary. H. R. 1497. A bill for the relief of the estate of George W. Coombs; without amendment (Rept. No. 434). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 1508. A bill for the relief of Mrs. Lula Wilson Nevers; with an amendment (Rept. No. 435). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 1531. A bill for the relief of William P. Gillingham; without amendment (Rept. No. 436). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 1658. A bill for the relief





estimate, \$2,493,600); (14) appropriates \$144,940 for RESEARCH ON AGRICULTURAL PROBLEMS OF ALASKA (new item), including \$44,940 in lieu of payments to Alaska for experiment stations work under Hatch, Adams, Purnell, and Bankhead-Jones Acts; (15) establishes a working capital fund of \$5,000,000 for MEAT INSPECTION to be reimbursed from fees charged to packers, thus placing meat inspection service on a self-sustaining basis; (16) decrease of \$554,820 below 1948 Budget estimate of \$8,608,000 for BUREAU OF PLANT INDUSTRY, SOILS, AND AGRICULTURAL ENGINEERING, including reductions in funds for forest diseases, soil improvement, irrigation, and fertilizer research; (17) decrease of \$1,708,600 below Budget estimate of \$9,708,400 for BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE, including reductions in funds for eradication and control of Dutch elm disease, pink bollworm, and emergency outbreaks of insect pests and plant diseases; (18) reductions in FOREST SERVICE funds, including disallowance of Budget increase of \$600,000 for timber sales work and reductions of \$945,109 in national forest protection and management funds, \$200,000 for forest and range management investigations, \$555,000 for forest products research, \$500,000 for forest resources investigations, \$500,000 for acquisition of lands for National Forests; (19) reduces to \$15,300,000 funds for FOREST ROADS AND TRAILS (appropriated 1947, \$26,214,222; 1948 Budget estimate, \$23,800,000; \$6,000,000 of reduction below Budget applied to forest highways and \$2,500,000 to forest development roads); (20) reduces SOIL CONSERVATION SERVICE research funds to \$673,000 (1947 available and Budget estimate, \$1,423,000), and soil conservation operations to \$38,000,000 (1947 available, \$43,300,000; 1948 Budget estimate, \$43,437,000); (21) eliminates Budget increases for reconstruction and repair of dams and spillways on LAND-UTILIZATION PROJECTS; and (22) disallows \$500,000 Budget increase for PENALTY MAIL to cover in part increased mailing rate.

The Committee report includes the following statements:

"It is quite clear from the testimony which the committee received from all sources that there is today a new emphasis in agriculture. The accent is on research. It has become almost a household word in the whole domain of agriculture and is a healthy indication that, more and more, farmers and those identified with farm policy are becoming increasingly interested in what is commonly called the know-how of agriculture."

"In appraising the needs of the Department for the next fiscal year and in orienting itself to the needs of agriculture for other years which lie ahead, the committee has given more and more attention and discussion to the question of Federal responsibility for agriculture and to what extent that responsibility should be borne by the Federal Government. It can scarcely be contended that the various States, most of which have comfortable bank balances as distinguished from the Federal Government with a \$268,000,000,000 debt, and which derive profit and taxes from our farm domain and from farmers' incomes, do not have a stake in farmers' achievements and in the progress of agriculture."

"Every Member of Congress should read carefully the very excellent statement made by the Secretary of Agriculture on the general condition of agriculture as a whole. It is a splendid report and evidences a condition never attained by agriculture in any country in any time or generation. In that statement the Secretary points out that our farm domain was at the very pinnacle of production in 1946 with the greatest production in history. Between 1940 and 1946, the value of assets used in agriculture had increased from 53.7 billion to 101.6 billion, which is an increase of 89 percent in that period. The increase in the proprietor's equity in agriculture increased by 49.5 billion dollars or 113 percent. The value of cash and bonds in the hands of farmers jumped from 4.2 billion to 19 billion while on the other hand farmers' debts dropped from 10 billion to 8.3 billion. The value of farmers' livestock, equipment and inventories had increased by 63 percent and the value of farm lands by 68 percent. Here then, is unparalleled testimony to the splendid conditions of American agriculture."

"The members of the committee, as well as Members of the House generally, are constantly coming across publications and releases whose 'usefulness' in connection with agriculture is of questionable degree. Many recipients of such publications or releases have mailed them to the committee or to Members of the House deploring the waste of public funds in their preparation and mailing."

"The committee has endeavored in its consideration of this bill to effectuate 'selective reductions' based upon the present condition of agriculture and the needs of the future."

Rep. Bayburn, Tex., reserved points of order on the bill (p. 5910).

2. WOOL PRICE SUPPORTS. Passed, 151-65, with amendment S. 814, the wool bill (pp. 5884-910). The bill continues the 1946 support price until Dec. 31, 1948, and requires the President to increase the import tariff on foreign wool whenever deemed necessary by the Tariff Commission. Rejected, 56-110, the Herter amendment to provide price support at 90% of parity (p. 5896). Rejected, 27-102, the Cooley amendment providing that no action taken under this bill shall be in contravention of any international treaty to which the U. S. is, or may become, a party (p. 5905).

3. POTATO SURPLUS. The Rules Committee reported without amendment H. Res. 166, to direct the Agriculture Committee "to institute studies and hold hearings immediately to determine the feasibility and advisability of carrying out a program designed to do away with the annual potato surplus and to report its findings and recommendations to the United States Department of Agriculture" (H. Rept. 444)(pp. 5881-2).

Rep. Gathings, Ark., criticized potato destruction, stating, "I do not believe that the officials of the Production and Marketing Administration of the Department of Agriculture have put forth sufficient effort to find a solution to this problem"(pp. 5879-80).

4. PRICES. Reps. Eberharter, Pa., and Holifield, Calif., blamed the Republicans for high prices, etc. (pp. 5911-7).

5. LANDS PATENTS. Received from the Interior Department draft of a proposed bill to revise the method of issuing patents for public lands. To Public Lands Committee. (p. 5918.)

6. FOREIGN RELIEF. Received from the State Department draft of a proposed measure to provide for utilization of UNRRA appropriations for meeting administrative expenses of U.S. Government agencies in connection with UNRRA liquidation. To Foreign Affairs Committee. (p. 5918.)

7. ADJOURNED until Mon., May 26 (p. 5918).

#### SENATE

8. WAR POWERS; EXPORT CONTROL ACT. Both Houses received the President's message recommending continuation of the Export Control Act and extension for 1 year of certain allocation and priority powers of the Second War Powers Act, including authority "to maintain import controls on fats and oils and rice and rice products" and "to issue priorities for export of nitrogenous fertilizer materials" (H.Doc. 266). To Judiciary Committees. (pp. 5857, 5880-1.)

9. POTATO SURPLUS. Sen. Hatch, N. Mex., inserted a statement by this Department discussing the potato-surplus problem and outlining the efforts which have been made to solve it (pp. 5876-7).

10. ECONOMIC REPORT. Sen. Morse, Oreg., discussed the Economic Report of the Presi-

ing off, the record shows that retail sales for the first quarter of 1947 have increased from 5 percent to 14 percent throughout the country. Consequently, in view of all these favorable indications, the public cannot understand why the prices of many stocks have been hammered down almost one-half since November, while nearly all companies are showing greater profits and paying higher dividends than ever before. I feel that the Board should immediately stop all wash transactions, broker stock loans, and short selling, and if that cannot be done, then the immediate raising of margins to 100 percent should be effectuated.

"A. J. SABATH,  
"Member of Congress."

Not receiving a reply to my telegram of May 19, I requested information on short selling from the Security and Exchange Commission. On May 21 I received partial information from the Commission and on the same day observed a report in the press that short interests from April 15 to May 15 increased 295,000 shares, exclusive of odd lot dealers sales and public small lot interest sales which confirms my fears that the shorts are again hammering the market with still greater force. Consequently, not hearing from you, I took the floor on May 22 and called attention to the fact that the same manipulations which were responsible for the crash in 1929 are now being reenacted. You resent the allegations in my telegram and ask that I withdraw them. My reply is that I have nothing to withdraw and will elaborate more fully on the situation in the near future. May I ask to what part of my telegram you object or do you have reference to the remarks which I made on the floor?

I am, I assure you, more or less familiar with many of the regulations of the Securities and Exchange Commission and of the New York Stock Exchange. I note your statement that short selling is rigidly regulated, and that the regulations of SEC are available to me. I have those regulations, and also the rules of the stock exchange. I urged the Commission last September to tighten the regulations so as to make it impossible for a few professional traders to hammer down the prices of the shares of some of the most outstanding corporations of America through shrewd manipulation in spite of the rules. Last fall, and now in the first quarter of 1947, all financial reports show unparalleled industrial and business earnings, high employment levels and consequently high purchasing power, the payment of regular dividends, and that American business is in better position than ever before. There is nothing to justify the deep decline in market values.

You state that I should address my complaints to the Federal Reserve System which you claim, is responsible because of restrictions of loans on securities. I shall, of course, as rapidly as time permits, obtain all the information I can from every agency which has any jurisdiction, including the New York Stock Exchange, the Securities and Exchange Commission, and the Federal Reserve System. Pending advices from the Federal Reserve System, I can only conjecture that the restriction on loans is being taken advantage of by the professional sellers.

I feel satisfied that my charge that short selling is detrimental to the best interest of the country and does depress the price of securities is correct and is proven by what has transpired during the past few months. I am not in the habit of damaging public institutions. I merely maintain what all economists are agreed on—that the Stock Exchange is the most conspicuous barometer of business conditions, and any artificial fluctuations strongly affect the public interest.

In this connection, I call upon the Securities and Exchange Commission and the New York Stock Exchange for the names of all short sellers who have traded 100 or more shares since I first raised the issue last September 4, together with their short commitments.

Sincerely yours,

A. J. SABATH,  
Member of Congress.

I do not know whether or not Mr. Schram is correct in his criticism of the Federal Reserve System, or whether the Federal Reserve is justified in restricting speculative loans. I can see how limiting such loans might aid short sellers.

#### BILLS INTRODUCED

I have today introduced two bills intended to discourage short selling. The first would produce revenue by placing a 5 percent transaction tax on each short sale. The second would prohibit the transmission of false information about securities which would, I hope, stop all the war scares aimed at changing the market. The text of the bills follows:

A bill to provide revenue from the short sales of shares of stock, grains, cotton, or other allied agricultural commodities

*Be it enacted, etc.,* (a) That for the purposes of this act the term "short sale" shall mean sales at, or under the rules and usages of, any stock exchange, board of trade, or similar places, of shares of stock of any corporation, joint-stock company, association, or of grains, cotton, or other allied agricultural commodities of which the seller shall not have ownership or possession, actual or constructive, at the time of such sale.

(b) For the purposes of this act the term "seller" shall mean any individual, association, partnership, or corporation and/or any agent, factor, or broker thereof who sells shares of stock of any corporation, joint-stock company, association, or grains, cotton, or other allied agricultural commodities.

SEC. 2. There shall be levied, assessed, collected, and paid by the seller on each short sale a tax equal to 5 percent of the amount of said sale, which tax shall, without assessment and without notice, be due and payable to the collector of internal revenue within 10 days after the consummation of such sale.

SEC. 3. Any seller hereunder failing to pay such tax on any such short sale shall be guilty of a felony and upon conviction thereof shall, if a corporation, be punished by a fine of not more than \$10,000 for each offense, and all other persons convicted shall be punished by a fine of not more than \$5,000 or by imprisonment of not more than 2 years, or both.

SEC. 4. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make all needful rules and regulations for carrying the provisions of this act into effect.

SEC. 5. This act shall take effect on the 30th day after the date of its approval.

A bill to prohibit communication of false information with respect to securities in certain cases

*Be it enacted, etc.,* That no person shall transmit through the mails or shall communicate in interstate commerce any false information affecting or tending to affect the price of any security listed on any stock exchange if such person knows such information to be false and transmits or communicates it for the purpose of affecting the price of such security.

SEC. 2. Any person violating section 1 of this act shall, on conviction thereof, be fined not more than \$5,000 or imprisoned not more than 3 years, or both.

SEC. 3. For the purposes of this act—

(a) "Person" includes a partnership, association, or corporation, as well as an individual.

(b) "Communicate in interstate commerce" means to transmit by any means of communication (other than through the mails) information from one State or the District of Columbia to another State or the District of Columbia.

(c) "Stock exchange" means a regularly established place under the rules of which securities are bought and sold.

(d) "Security listed on the stock exchange" means the stock, debentures, evidences of indebtedness, interest, or ownership of or in any corporation, association, or partnership authorized, under the rules of a stock exchange, to be sold there.

#### ASKS NAMES OF SHORTS

I have demanded the names and commitments of all short sellers whether they are professional traders or insiders who might be aiding or cooperating with the shorts, or others; and unless I receive the names and can make them public in a reasonable time I shall introduce next week a resolution directing the SEC and the stock exchange to produce the information so that the public may know the names of these manipulators. It is generally recognized that at least 90 percent of such sales are made by professional traders. Many are wash sales.

The fact remains, however, that the stock market is regarded by the people of the country, and especially by business and industry and all financial and commercial interests, as the principal barometer of our economic well-being and when market fluctuations are caused artificially by gamblers it is bound to have a bad effect on our prosperity.

I have started this crusade because of my thorough knowledge of the reasons for the 1929 crash and my bitter memory of what followed—the terrible destruction wrought upon the country in the wake of stock-market gambling and the slow recovery from those depths. I carried on the same crusade in 1929 and in the years following and my efforts were rewarded by the passage of the Securities and Exchange Act.

As I said yesterday on the floor, had President Hoover and those in power in 1929 heeded my urgent appeals the crash and the panic which followed would have been minimized. Not only did my efforts help bring about the SEC, but I also introduced in 1930 the first bill to establish the Reconstruction Finance Corporation, in the hope not only of saving banks, insurance companies, and railroads but to aid and assist all legitimate companies of the country and to help refinance the victims of the havoc brought about by the crash. Unfortunately, its passage was delayed until 1932, a Presidential campaign year.

I am now compiling my correspondence with President Hoover and his Secretary of the Treasury, his Attorney General, the then Governor of the Federal Reserve Board, and the then president, vice president, and governors of the New York Stock Exchange, together with their replies. A reading of even the abstract of that correspondence should persuade all that my position then was justified and that I am equally justified at this time to continue my effort

to put an end to a situation in which a few professionals can every 12 or 15 years destroy the Nation's prosperity and bring on recession and panic. Moreover, that large exchange of correspondence should be of great interest to every American who has the interest of our country at heart, and who resist the efforts of a small coterie to destroy our prosperity for their own selfish profits.

At the same time, I am consulting the Federal Reserve Board to ascertain their position and their reaction, and I am naturally urging the recent amendment changing the so-called 100 percent margin rule to a 75 percent margin rule be rescinded and stock trading again be placed on a cash basis. Brokers have been trying for a long time to persuade the Federal Reserve Board of Governors to reduce the margin requirements to 50 percent, and I for one am sorry they came even halfway.

#### SPECIAL ORDER GRANTED

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes today following the other special orders heretofore entered.

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

There was no objection.

#### EXTENSION OF REMARKS

Mr. HOLIFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and include a radio address.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the Appendix and include an address by Mr. Winston Churchill.

Mr. BUCHANAN asked and was given permission to extend his remarks in two instances and in each to include editorials.

Mr. REED of Illinois asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution adopted by the House of Representatives of the State of Illinois.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the Appendix of the RECORD and include certain newspaper items regarding Lieutenant Colonel Halloran of the WACS.

Mr. KEATING asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Rochester Times-Union.

#### PROVIDING SUPPORT FOR WOOL

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 814) to provide support for wool, 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 further consideration of the bill (S. 814) to provide support for wool, and for other purposes, with Mr. HARNESS of Indiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday the first section of the bill had been read. The Clerk will read.

The Clerk read as follows:

SEC. 2. (a) The Commodity Credit Corporation is directed, through loans, purchases, or other operations to support a price to producers of wool produced (shorn or pulled) in the calendar years 1947 and 1948 in the United States and its Territories at the price not less than that which the Commodity Credit Corporation has undertaken to support wool in 1946.

(b) Notwithstanding any other provisions hereof, the Commodity Credit Corporation may adjust support prices for individual grades and qualities of wool for the purpose of bringing about a fair and equitable relationship in the support prices for the various grades and qualities of wool; and may make discounts from support prices for off-quality, inferior-grade, or poorly prepared wool.

With the following committee amendment:

Page 1, strike out lines 4 to 10, inclusive, and insert the following:

"SEC. 2. (a) The Commodity Credit Corporation shall continue, until December 31, 1948, to support a price to producers of wool in the continental United States and Territories at the price it supported wool in 1946."

Mr. HERTER. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER to the committee amendment: Page 2, line 3, after the word "at", insert "90 percent of the parity price as determined by the Bureau of Agricultural Economics."

Mr. HERTER. Mr. Chairman, I agree fully with the words spoken yesterday by the distinguished gentleman from Georgia [Mr. PACE], that what we do here today with respect to wool is going to set the pattern for our future actions in regard to agricultural products in the first instance and perhaps many other products.

The amendment I have offered is offered in the hope that the pattern we set will be a pattern that this country can sustain. The bill as now drafted provides for wool a support price which is a fixed price, a price determined by the Congress at 42.3 cents. It is a price which will not alter regardless of any changes in our economic picture. That price is approximately 100 percent of parity—a small fraction over—but, as I say, it is a fixed price. In the Steagall amendment, commodities we have throughout determine that a variable price at not less than 90 percent of parity should be the basis on which those commodities which for war purposes were increased in production in large measure should be given support. Wool was never a Steagall commodity, designated by the Secretary of Agriculture, but the support price it received during the war period was a price set by the OPA on a fixed level and the present bill would carry the price at that level.

What is the practical effect of the amendment I am offering? We discussed at great length the tremendous cost of subsidies, the great burden on our Treasury and the difficulties that

arise with respect to tariff protection which is given to these commodities. The amendment that I offer would put the support price at roughly 2 cents under the world market price as of the present time. It would mean that wool, as a commodity, would go into the free channels of trade; it would not become a burden on the Treasury; there would be no requirement on the part of the Commodity Credit Corporation to apply the support unless there should be a very substantial drop in world prices.

The price that is fixed in this bill is a price roughly 2 cents over the world market price which means that the Commodity Credit Corporation must buy the entire clip and must then sell the entire clip at whatever price it can get for it as provided for in another section of the bill.

Mr. Chairman, it seems to me that we have got to determine today whether or not we are going to begin to set fixed prices on commodities here in the Congress and give them support. I think, as I said yesterday when this matter was being debated under the rule, that the producer of wool in this country is entitled to support. I am strongly for that. On the other hand, I feel that the price that is asked for is an excessive price and would inevitably mean a considerable burden to the Treasury unless, under the amendment that is going to be offered by the Committee on Agriculture, the tariff on wool should be increased by the President of the United States.

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

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

Mr. PACE. For the sake of the RECORD, I wonder if the gentleman concurs in my figures, that the support price as given by the gentleman is 42.3.

Mr. HERTER. Correct.

Mr. PACE. Parity being 42.1.

Mr. HERTER. Correct.

Mr. PACE. Ninety percent would be 37.8.

Mr. HERTER. Correct.

Mr. PACE. The effect of the gentleman's amendment will be to reduce the support price 4½ cents.

Mr. HERTER. Correct; roughly 10 percent.

Mr. PACE. Four and one-half cents per pound.

Mr. HERTER. The gentleman is quite correct.

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

Mr. HERTER. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. That would be under the present tariff, but if the circumstances change and the parity changes, why the price would be more or less than that amount.

Mr. HERTER. That would be quite true. It is quite possible if we get a slump in price in commodities during the coming year, that this fixed price might well be 130 percent of parity rather than 90.

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



Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for five additional minutes.

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

There was no objection.

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

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

Mr. JUDD. Under the gentleman's amendment the wool support price would be tied to our whole economy as are other commodities rather than fixed by statute of the Congress for a year and a half; is that right?

Mr. HERTER. The gentleman is correct.

Mr. JUDD. Does not the gentleman feel that those of us who have opposed trying to fix or freeze our economy and price levels by Government order ought to support this amendment so that we give equity to the wool growers, but at the same time do not throw their product out of balance with the rest of the economy, knowing it will probably change either up or down, during the next year and a half?

Mr. HERTER. I agree with the gentleman.

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

Mr. HERTER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Is there any other basic commodity that there is a fixed support price on at the present time?

Mr. HERTER. There are a number of prices that are fixed, but they are fixed by the Secretary of Agriculture and not by the Congress.

Mr. McCORMACK. I meant by the Congress.

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

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

Mr. MONRONEY. Is it a fact that most of these prices on commodities under the Steagall amendment and other Acts range around 90 percent of parity?

Mr. HERTER. That is true of a number of them. There are some where they go considerably above, where they were set by the Secretary of Agriculture, in order to stimulate production, where there was a shortage.

Mr. MONRONEY. For instance, flaxseed and other things that we had to have for world consumption.

Mr. HERTER. Yes.

Mr. MONRONEY. Is it not true that if we support wool, which is a large crop, at 100 percent of parity, as this original bill proposes to do, then we will be called upon to support every other agricultural commodity and give them the same kind of treatment?

Mr. HERTER. The gentleman is giving emphasis to the very thing I am trying to point out, that here we are setting a pattern that every other agricultural producer would have a right to insist on for his own commodity.

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

Mr. HERTER. I yield to the gentleman from Illinois.

Mr. OWENS. When the gentleman says, "Every other agricultural commodity" does he include truck farming also?

Mr. HERTER. It depends on which particular element of truck farming the gentleman is talking about.

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

Mr. HERTER. I yield to the gentleman from Mississippi.

Mr. RANKIN. That parity is based on the prices from 1909 to 1914, is it not?

Mr. HERTER. That is correct.

Mr. RANKIN. That was during the Taft administration, when the tariff was such a burden upon the American farmers that they revolted in every State of the Union except Vermont and Utah.

Mr. HERTER. Mr. Chairman, another phase of the economics in this picture was not brought out in the general debate at all. The income of the grower of wool, the sheep raiser, runs from 60 to 65 percent—I think I am correct in these figures—from the meat that he sells, and 35 to 40 percent from the wool that he sells. He is attempting in this bill to get his full protection on the wool, but no mention whatever has been made of getting protection on the meat prices. The studies that were brought out yesterday with respect to the economics of the wool group showed that the wool grower was losing money on each sheep that he produced. Those figures were arrived at at a time when there was a ceiling price on meat. At the present time the wool grower is getting a very much larger price for the carcass of his animal than he did at the time those figures were prepared. Further, the figures stated by the Tariff Commission were figures taken entirely from questionnaires which were sent to governmental banking and lending institutions to which the grower at the time was in hock, and did not represent a cross sample of the entire industry. I say this not in derogation of the industry itself. The industry certainly during the war period had a very difficult time with the ceiling prices on both the meat and the wool, but now the ceiling price has been lifted off the meat. The price which the wool grower is getting for his meat is an extremely good price at the present time. It seems to me that this small variation I have suggested in the support price on wool is not going to be a major factor in the economy of the wool grower.

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

Mr. HERTER. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is it not a fact that the price of wool today is 140 percent of what the wool grower was receiving previous to 1941, while the price on the lambs is about 250 percent?

Mr. HERTER. That is correct, 250 percent for the fattened lamb. The wool grower, the ranch man, however, is not getting as good a price as that.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. Does the gentleman feel that the sheep farmer is entitled to support for the meat, for the mutton and lamb that he produces?

Mr. HERTER. I see no reason why, if he should get support on one part, and the minority part of his product, he should not get support on the other.

Mr. MURRAY of Wisconsin. The fact that a subsidy was paid on certain classes of lamb during the war is an indication that it is entitled to support after the war.

Mr. HERTER. I am not quarreling with support for the wool grower, I am quarreling with the price at which we are setting that support.

Mr. Chairman, I hope very much my amendment will be adopted.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent that I may be permitted to proceed for five additional minutes.

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

There was no objection.

Mr. HOPE. Mr. Chairman, the gentleman from Massachusetts says he is not opposed to protection for the wool grower, but the amendment he offers, if adopted, would deny the wool grower any protection under this legislation. The figures were put in the RECORD yesterday covering the cost of producing wool in this country. These figures were compiled by the Tariff Commission over a period of years from 1940 to 1946. They are carefully worked out, authentic figures. They show that for the year 1946 the wool producers of this country lost 9½ cents a pound on an average on every pound of wool they sold.

They show that in 1945 they lost 12 cents a pound on every pound of wool that they sold.

Reference has been made to the fact that under the Steagall amendment the rate of support is 90 percent of parity. Of course, that is not correct. Under the Steagall amendment the rate of support is not less than 90 percent of parity. At the present time there are a number of commodities upon which the support price is not only in excess of 90 percent of parity, but far in excess of 90 percent of parity.

Some of the figures I am going to give are for 1946 and some are for 1947, in the cases where I use the 1946 figures the programs for 1947 have not yet been announced.

In the case of dry edible beans the support price equals 95 percent of parity.

Dry edible peas had a support price of 94 percent of parity in 1946.

Flaxseed for 1947, 154 percent of parity.

On hogs the support price for last September 15 was 94 percent of parity. On October 15, it was 91 percent of parity. The figures for this year have not yet been announced.

On soybeans the 1946 figures were 107 percent of parity.

On alfalfa seed for 1946 it is 228 percent of parity for uncertified seed and 276 for certified seed.

On Alsike clover for 1946 it was 148 percent and on red clover 163 percent for certified seed and 135 percent for uncertified seed in 1946. Other types of clover were also supported far above parity.

On sugar beets in 1946 the growers received 125.1 percent of parity. In 1947, assuming the same parity as in 1946, the growers would receive 135.9 percent of parity, and based on the present parity calculations it will be 115 percent of parity. In 1946 Louisiana sugarcane received 105.4 percent of parity and Puerto Rican sugarcane 119.5 percent of parity.

So that there is plenty of precedent, I may say, for a support price higher than 90 percent of parity.

I also want to call attention to the fact that the support price for wool under this legislation is not necessarily 42.3 cents. That was the figure for 1946, but the figures for April 1947 were 40.2, and the figures for the various years from 1943 down to date have varied by the year due to the quality and condition of the wool and the amount of shrink. So that while the support price for 1946 was 42.3, up to date this year it is only a little over 40 cents, which at the present time is 95 percent of parity.

Mr. Chairman, the wool dealers in Boston and the wool manufacturers in this country are perfectly willing for the wool producers of the country to produce wool at a loss of 9½ cents per pound while they themselves are making the greatest profit in their history.

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

Mr. HOPE. Not right at this point. I will yield to the gentleman a little later.

Mr. Chairman, let me cite some actual figures from Moody's Manual for Industrials. The American Woolen Mills net profit for 1940 was \$3,153,500. For 1941, which was a good wool year, it was \$6,944,000; and for 1946 it was \$20,098,000. Pacific Mills had a deficit of \$348,310 in 1940. In 1946 they had a profit of \$9,502,000.

Botany Mills had a profit in 1940 of \$527,481. In 1946 they had a profit of \$3,802,545, at a time when the wool producers of this country were producing wool at a loss of 9½ cents per pound.

I also have some figures indicating the earnings of workers in the woolen and worsted goods industry for the period 1941 to 1947. They show that from December 1941 until February 1947 the percentage increase of average hourly earnings was 66.1 percent. The average weekly earnings showed an increase of 70 percent. The workers in the woolen industry had that increase during the time when the wool producers of this country had their prices frozen at December 1941 levels were producing wool at a loss of 9½ cents or more a pound.

I have already mentioned the great increase in profits of the specific woolen manufacturers.

Let me also call attention to a statement from the National City Bank of New York City, Study of Economic Conditions, which shows the increase in corporation profits of woolen-goods manufacturers generally. I am giving you this in terms of percentages.

In 1941, which was a good year for profits, the percent return on the net worth was 11.8 percent. Not bad. But in 1946 the percentage return on the net worth was 25.2, at a time when the wool producers were suffering a loss of 9½

cents a pound upon their wool and when they were selling at prices frozen in December 1941.

I have not been able to get any detailed figures as to the profits of the woolen merchants in Boston who are opposing this legislation, but in the Senate hearings there was placed in the record, proceeding from the Tax Court of the United States in the case of Draper & Co., one of the big wool firms in Boston, where the Government was trying to collect back taxes, which showed that for the year 1941—I am sorry I do not have later figures, because I am sure that for 1946, judged by the general trend of profits they would have been much larger—but Paul A. Draper, president and treasurer, received a basic salary of \$30,000 and a bonus of \$102,000 and premiums paid on annuity contracts of \$29,350—a total of \$161,350.

Robert W. Dana, vice-president, received \$18,000 basic salary, a bonus of \$72,000, and \$17,000 premiums paid on annuity contracts, or a total of \$107,000.

Malcolm Green, vice president, who is an official in the Association of Boston Wool Merchants, which sent every Member of the House a letter saying that the wool producers should still produce wool at 9½-cents-a-pound loss—Mr. Green had a basic salary of \$18,000, a bonus of \$72,000, and premiums on annuity contracts of \$17,579, or a total of \$107,579 compensation.

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

Mr. HOPE. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

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

There was no objection.

Mr. HOPE. Mr. George W. Brown, assistant treasurer, received total compensation of \$50,000. For those four officers there was paid out total compensation of \$427,268.41.

That is one company in Boston dealing in farmers' wool and vigorously opposing this bill. I have reason to believe that this statement represents no more profitable operation than those generally of the wool dealers in the Boston wool market.

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

Mr. HOPE. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman has been speaking of the income of these manufacturers during the last year. Wool was like any other commodity, the demand was so great that those who produced any kind of product could sell it; and those who wanted to take advantage of the people the way some of these companies did certainly made money. I do not believe it was wise or good business to do it. Today, however, conditions are such that about one-third of the woolen mills of the country are not in operation. Today there is a buyers' market where the people manufacturing woolen goods must go out and find a place to dispose of their products.

Mr. HOPE. As I understand, the mills are in full operation at this time.

Mr. RICH. No; they are not. The worsted mills are in full operation, but that does not apply generally throughout the woolen industry.

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

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I suppose I have not a flock of sheep over a hundred in number in my whole district; nevertheless, I have listened to a lot of testimony on this bill and am convinced it has merit.

I think it is time the sheep growers, or shepherds, or whatever you want to call them, had a chance to be heard. They ought to receive consideration. Nevertheless, since I have served on it, this committee has voted to help everybody, all the groups and sections of agriculture in the entire country except to the best of my recollection the dairymen of the Northeast; and I think Congress ought to get busy to try to help them in the dilemma they now find themselves.

I received a letter the other day from a group of representative dairymen from home who told me that 35 percent of the income of the Northeast milk producers 100,000 of whom are in the New York milkshed and supply the metropolitan districts of New York, Philadelphia, Pittsburgh, Rochester, Albany and as far east as Boston has been cut and all the other cities up-State. Yes; 35 percent of their income has been taken away from them.

More power to the wool growers. They are getting consideration here today. The gentleman from Massachusetts [Mr. McCORMACK] mentioned some of the other groups yesterday which were being favored. Since I have been here this committee has voted to help the tobacco tycoons, the cotton kings, the big butter-and-egg men from the West, and a lot of others. I cannot for the life of me see why we should not be assisting farmers up there in the Northeast. Why does the Department of Agriculture keep cutting to the bone what the milk producer is receiving for his products up-State. This includes not only New York but all the other States that are connected with the New York milkshed, and they are Pennsylvania, New Jersey and some of New England. Speaking as a consumer I want to go on record as saying that the Department of Agriculture, under the leadership of the present Secretary, must do something about the spiraling prices the farmers are having to pay for their dairy feed in the New York milkshed. The millions of consumers, who live in the Northeast, compose more than one third of the population of the United States and they are served by this milk shed. Those millions of consumers are going to have great difficulty in meeting the prices which must be asked for milk and other dairy products as the result of present production costs.

I think it is only fair that we look into the forgotten section of the land, the Northeast, where all those millions of men and women need dairy products as part of the necessities of life—they should have consideration.

A friend of mine came to me the other day. He asked me how I stood on this wool bill. I replied that I am for it. He parried a little and said: "I do not know why you should be for it because it is log-rolling legislation." And he said, "A lot of these other sections will come in for their share of the grab bag if you pass this." My answer was that thinking is not applicable to the point at all. The point is that we want to help all sections of agriculture so that the great majority of the American people can enjoy a higher standard of living. By the same token as the Representative of one of the greatest dairy districts of up-State New York, I expect consideration to be given by the Department of Agriculture, not to cutting producer prices for fluid milk any further than they have been cut so far. The prices of feed are going way beyond any conception, way beyond the ability of the producers to pay. The Department ought to promise that cuts will be made in relative amounts in dairy-feed prices so that the production of dairy products, which reached an all-time peak at the time of World War II will continue on in order to feed the increased city populations. I speak as a consumer, not as a farmer; I speak as one who is interested in the price of milk to the consumer and in prices that the producers receive, because unless one is taken care of certainly the other cannot be.

If the Secretary of Agriculture has the power to lower the prices dairy producers receive for fluid milk, I say he has authority to control the costs of dairy feed so the dairyman of our section can stay in business.

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

Mr. GRANGER. Mr. Chairman, I rise in opposition to the pending amendment.

(Mr. GRANGER asked and was given permission to revise and extend his remarks.)

Mr. GRANGER. Mr. Chairman, as I said yesterday, we are talking now about the very heart and substance of this bill. If the pending amendment is adopted—and I speak with some knowledge of it because I have worked on the matter for 2 years—we might just as well strike the enacting clause of this measure because it certainly will not bring any relief to the wool growers. As a matter of fact, it would turn loose tomorrow all the wool the Government has on the market, and certainly it would break every wool grower in the country. It simply means—this is not a guess, it is a fact—that the adoption of this amendment would immediately drop the price of wool tomorrow by anywhere from 4½ to 6 cents a pound. I do not think the Congress of the United States wants to treat any agricultural commodity in that fashion. I hope therefore that the membership of this committee will vote against the pending amendment because it will destroy everything we are trying to do.

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

Mr. GRANGER. I yield to the gentleman from Alabama.

Mr. HOBBS. There is one important point, it seems to me, I would like to get clearly in the RECORD one way or the other. Is it or not a fact that the base period for the calculation of the so-called parity price was exceptionally low as regards wool?

Mr. GRANGER. I thank the gentleman from Alabama for raising that question. He has stated what is the fact. Ever since the parity formula was adopted, in the years designated as a basic period for wool, a part of the period at least, it was free trade. That was in 1914, when wool was on the free list. That was part of the time when the years for the parity formula were used.

It has always been the contention of wool growers, and cattlemen for that matter, that they had a parity period that was absolutely disadvantageous to them. We have been trying to get it changed. I think the Committee on Agriculture realizes that, too. If it were not for that fact, if it had a comparable period with other prices, the parity price would be much higher.

Mr. HOBBS. So that when the gentleman speaks of the percentage of parity that is now being fixed it is of a very low parity, and, therefore, apparently increases the percentage, although, in fact, it really does not on a fair price basis?

Mr. GRANGER. That is exactly right. It would be the same thing as having foreign commodities away down in price and then putting a percentage on them, and when they are away up, there is a big percentage increase.

I trust that the committee will vote against this amendment, because it certainly would be disastrous. As I said before, and I say it honestly, that if you vote for this amendment you might just as well strike the enacting clause of this bill and not waste any more time on it.

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

Mr. GRANGER. I yield to the gentleman from Michigan.

Mr. MICHENER. Did I understand the gentleman to say that in his opinion if this amendment is adopted it would forthwith reduce the price of wool to the producer 4 or 5 cents a pound?

Mr. GRANGER. Yes; that is exactly right. As a matter of fact, one of our distinguished colleagues in this House, who has a few sheep, told me only this morning that he had sold his wool at 39 cents, because of the situation we are in now. As a matter of fact, under the support program wool did sell at 45 cents, and yet he lost 6 cents a pound.

Mr. MICHENER. Mr. Chairman, will the gentleman yield further?

Mr. GRANGER. Yes.

Mr. MICHENER. In my State we do not have a great many sheep, for we have family-sized farms. Many of those farmers have small flocks. We feed many lambs from the range and produce some sheep, but we sell much wool. Our flocks are clipped in the spring, as is usual. The spring clip of wool is in the farmer's barns, or in the storehouses. The local wool buyer who sells to, or buys for Boston, refuses to give a bid on the

wool to the farmer who needs the money now, until something is done down here about the present uncertain wool market.

Mr. GRANGER. That is exactly right. Let me say this: This is not a western bill entirely. Every State in this Union has a considerable number of sheep. Take Ohio and Indiana. They have hundreds of farms with small flocks of sheep, and they are mighty good sheep, too.

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

Mr. HILL. Mr. Chairman, I move to strike out the last two words.

(Mr. HILL asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. HILL. Mr. Chairman, there is just an idea or two that I would like to give to the House this afternoon in opposition to this amendment that has been proposed by the gentleman from Massachusetts. First of all, I think regardless of whether we live in the West, South, North, or East of this great Nation of ours. We all agree wool is undoubtedly a war casualty. I did not say "wool producers," I said, "wool" and I say that because—and I wish you would listen carefully—on December 9, 1941, 2 days after Pearl Harbor, the price of domestic wool in these United States was frozen by the administration, and it has remained under that program ever since. If you adopt this amendment that has been proposed to this House, you might just as well wipe out the whole program that we have been trying to carry on for the wool producers in this country, and in my opinion it might even go further than drop the price 4 cents per pound, because on my desk this morning is a wire from one of our—let us not call them wool producers, because they are not, they are men who buy lambs in the fall and fatten those lambs out for the market in the spring—which says that the drop in the price of wool, according to his wire, is now 16 cents per pound.

If you want to create chaos in the wool industry, pass this amendment—and that goes for the gentlemen's territory in the East as well as the West—that chaotic condition in any market, whether it is East or West or whether it is wool or whether it is wheat, absolutely affects every part, every segment of our economy, whether it is the producer, whether it is the middleman, whether it is the commission merchant, or whether it is the manufacturer. Long, long ago we passed from that position where you think you can affect one segment of our industrial machine and not affect every other interrelated segment.

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

Mr. HILL. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Will the gentleman make clear to the House this 16.5-cent drop? Is that on wool or the meat?

Mr. HILL. That is on wool and has no relation to the lamb whatsoever. I wish we could distinguish here this afternoon so everyone would understand. There is no particular relation between the lamb chops and the wool when they

go on the market, because the lamb is sold as a fat lamb, and this wool is a different thing altogether. We must keep those two things in mind. Of course, there has been no price ceiling on the lamb, but there has been and is a ceiling on the wool, and every one of us should understand that. Now, let us go a step further and say this: I think behind this whole plan to wreck this bill is this: We must recognize the fact, and I wish we could keep this in mind, that for 40 years we have been importing wool. We have not produced enough wool for domestic consumption. And in my personal opinion there is no possibility that we will for many years to come. In the 40 years we have been shipping wool into this country, 24 times in that 40 years we have failed to import over 100,000,000 pounds of wool. The wool producers are in a chaotic condition, and they will be much worse if you adopt this amendment. Listen to these figures: In 1946 over 819,000,000 pounds of wool were imported; in 1945 over 704,000,000 pounds; and in 1944, 582,000,000 pounds. I will not bother you with more figures, but in 1938 only 18,442,000 pounds of wool were imported. How in the world can anybody reconcile those figures and stand in the well of this House this morning and say to me that I should support a bill that would entirely wipe off the map of this country all the great wool-producing sections of the United States, and that is exactly what you will do if you adopt the amendment offered by the gentleman from Massachusetts.

Mr. BARRETT. Mr. Chairman, I rise in opposition to the pro forma amendment.

(Mr. BARRETT asked and was given permission to revise and extend his remarks.)

Mr. BARRETT. Mr. Chairman, I am opposed to the amendment offered by the gentleman from Massachusetts. This is the situation in a nutshell. The wool growers of this country and all during the war have lost from 9 to 12 cents a pound on every pound of wool that they produced. The effect of the amendment offered by the gentleman from Massachusetts will be to increase that loss from 9½ cents per pound to 14 cents a pound. We have liquidated over one-third of the sheep industry during the past 4 years. If the gentleman wishes to put the wool growers of this country out of business, his amendment will accomplish that purpose.

We ought to be fair about this matter. As the gentleman from Colorado [Mr. HILL] has stated, the price the wool grower received for his wool all during the war and the price that he will receive if this bill is enacted is the ceiling price established by the OPA on December 9, 1941. I call your attention to the fact that while there has been no increase whatsoever in the price of wool from the day after Pearl Harbor until the present time, on the other hand, most every other farm commodity increased in price. Let me quote some increases: Rye, 233 percent; corn, 144 percent; cotton, 101 percent; and peanuts 100 percent. Wool increased 13½ from September 15, 1941, to December 9, 1941, but none since. The commodity that received the next

lowest increase to wool all during the war is veal, 37½ percent.

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

Mr. BARRETT. I yield to the gentleman from North Carolina.

Mr. BONNER. I should like to get this clear in my mind. Which is the by-product, the wool or the lamb?

Mr. BARRETT. I am glad the gentleman asked that question. The information the gentleman from Massachusetts gave the House on that point is just as wrong as it can be.

For many years our growers have found that the income from wool represented about 48 percent of the wool grower's income and the income from lamb about 52 percent. The Tariff Commission has studied that question for 40 years.

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

Mr. BARRETT. I yield.

Mr. BONNER. If the gentleman will permit me to interrupt him, I began to ask a question but did not finish it. You are here discussing the wool grower's plight. I would like you to discuss what the income of the wool grower, that is, the sheep farmer is, taking into consideration his wool and mutton jointly and not separating them. You are discussing what he makes on wool or what he loses on wool, but the picture I have in mind is that the two things go hand in hand. Then, I am told that much of our imported wool comes from an area where they do not pay any attention to the carcass of the animal and the sheep are merely raised for the high quality of wool. So, in answering this question, put both of them together—the meat and the wool—and let us see how the wool farmers stand as compared to the peanut, the sugar, and tobacco farmers, and other farmers. Put the income from both sources together and do not separate the wool.

Mr. BARRETT. I will be glad to answer the gentleman's question. The fact of the matter is that the United States Tariff Commission after a long and extensive study has reported that the wool growers of this country last year lost \$1.18 per head of sheep. They lost more than that in 1945 and more in 1944. The effect of the gentleman's question is very important. We cannot possibly compete with the wool growers of Australia. They run many thousands of head of sheep in a band. They pay very little in taxes and have very little other expenses.

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

Mr. BARRETT. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

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

There was no objection.

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

Mr. BARRETT. I yield.

Mr. HILL. I would like to ask the gentleman from Wyoming a question which would answer the question of the gentleman from North Carolina [Mr. BONNER]. Some few years ago I heard

a gentleman on the right-hand side of this aisle make this statement. I do not know whether he remembers it as I will quite it, but he said:

You could shear a sheep several times, but you could skin a lamb only once.

What I want to say is this. We forget here that these lambs you are talking about that go to market are only sheared once, and most of the wool is pulled while these mother—shall I call them—ewes back home that produce these lambs are sheared year in and year, and that is where the income on wool comes from.

Mr. BARRETT. I thank the gentleman.

I want to call the attention of the Committee to the report made by the Tariff Commission a month ago. They report that for the year 1940, 48 percent of the income of the wool grower is from wool, and 52 percent is from lambs. In 1941, it was 45 percent from wool. In 1942, it was 44 percent. In 1943, it was 49.8 percent, which is nearly 50 percent. In 1944, it was 48.7 percent. In 1945, it was 49.3 percent.

Now, what is the situation with reference to the income from lambs? We grow feeder lambs in the West. The people who produce wool do not fatten the lambs. We sell our lambs as feeders and ship them to Nebraska, Iowa, Illinois, Ohio, and Indiana, and other States for fattening purposes. The fact of the matter is that during the war the Tariff Commission states that lamb increased 60 percent during the entire war period. That is the fat lamb. That is not the feeder lamb. The fact of the matter is the feeders did fairly well, but the producer or grower did not do so well. The gentleman from Massachusetts said there was a 250-percent increase in lamb, but that is sheer nonsense. The fact of the matter is that last year and all during the war we sold our lambs in the West around 15 cents a pound. That is about 30 percent over the price that we received before the war.

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

Mr. BARRETT. I yield.

Mr. BONNER. We have had all types of statistics here with respect to various farmers. What do the statistics show as to the income of the sheep raiser as compared with some other farmer, for a period of years?

Mr. BARRETT. The records show this, that if you take 24 different other commodities—

Mr. BONNER. No. I want to keep it all together. I want to keep his entire income together, the income from his sheep and his wool and everything else, and all the byproducts from raising sheep. How does that compare in income with the other farmers?

Mr. BARRETT. Well, the grower's income from wool and lambs has been low, in fact he has received the smallest increase since September 15, 1941, of any other farm commodity produced in America. I think that ought to answer the gentleman's question.

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

Mr. BARRETT. I yield.

Mr. CRAWFORD. Does not the report show, taking both those into consideration, that he lost \$1.26 per head of sheep?

Mr. BARRETT. That is right.

Mr. CRAWFORD. You are raising an accounting question. When the Tariff Commission goes out it has to take into consideration the wool and the sheep. They came to the conclusion that \$1.26 per head was lost for sheep running on the range.

Mr. BARRETT. That is precisely what the Tariff Commission has reported.

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

Mr. BARRETT. I yield.

Mr. FERNANDEZ. If the wool grower is not allowed to keep his ewe sheep and shear them, then the feeder will have no lambs, and both will be out of business?

Mr. BARRETT. That is right.

Now, the question is simply this: Do we want to protect the sheep industry of this country? Do you think it is important to have a sheep industry in this country? We have 800,000,000 acres of land in the West. The only use we can make of that land is to take the grass off of it, and if you destroy the sheep industry you will destroy the usefulness of that great area. There is no other use for it except to run livestock. We simply cannot increase our cattle population in this country because we have 10,000,000 excess cattle at the present time.

Now, the records show that we have liquidated the sheep industry in this country 35 percent in the last 4 years. The gentleman from Massachusetts [Mr. HERTER] says he wants to help the wool growers, but the effect of his amendment will be to liquidate the entire sheep industry in double time. That is the effect of it.

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

Mr. BARRETT. I ask unanimous consent, Mr. Chairman, to proceed for one additional minute.

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

There was no objection.

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

Mr. BARRETT. I yield.

Mr. GOFF. Is it not true that as a result of the loss of income for the wool growers, we actually have in this country now less sheep than we have had since 1867?

Mr. BARRETT. That is precisely correct.

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

Mr. BARRETT. I yield.

Mr. HILL. For how long a time does this 1946 price in this bill prevail?

Mr. BARRETT. It will run until December 31, 1948. When the Government instituted this support program in 1941, they promised the wool growers of this country that the program would be continued during the war and for 2 years thereafter. Now then the price was frozen and remained frozen on December 9, 1941. We did not get any increase

of any kind on our wool all during the war. I think it is manifestly unfair to say to the wool men of this country, "You did not get any increase during the war while the price of other commodities were increased up to 200 percent. Notwithstanding all that we are going to knock your price down at this time."

It is manifestly unfair. I trust the Herter amendment is defeated.

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

Mr. FERNANDEZ. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I think we all agree that there is no industry over which the Government had such full and absolute control during the war as the wool industry. Even under rent control, which is considered as the most rigid, the landlord was not so completely under control as the wool grower. In one way or another rent adjustments were brought about in individual cases as well as in certain classes to permit some increase. Not so with wool. As has been stated here, the price of wool was frozen at the beginning of the war and kept that way through the purchase by the Government at the peg price throughout the war. We do not complain of this but on the contrary the wool industry with every other item of expense going up, never complained. They felt that our armed forces came first.

In view of those circumstances, the least that the Government can do now is to provide a cushion for the wool men to soften the fall during the reconversion period from war to peace economy. This is all that this bill is designed to do. It is not intended as a permanent policy. It is an emergency measure.

What I have said is borne out by statistics which speak louder than words. Whereas cotton increased 101.4 percent from 1941 to 1946, wool only increased 13.2 percent. In the list of 24 basic commodities, wool increased the least by a large margin. The next lowest increase was that with respect to calves, which increased 37.7 percent.

In the course of the debate it has been pointed out that the support price program covered by section 22 of the Agricultural Adjustment Act deals with and is designed to support the price of commodities with respect to which there is a surplus because of overproduction, whereas it is stated that production of wool has fallen so low that there is no surplus. This argument overlooks the fact that although there is no surplus of domestic wool, nevertheless there is a tremendous potential surplus through the flood of foreign wool which will completely destroy the wool market.

The bill before us is not altogether to my liking. It seems to me that a proper quota on imports would have been more effective. But the fact remains that we are faced with an emergency and that we must act and act promptly. I sincerely hope that this House will rise to the occasion, and that the bill will be passed with or without the House amendment, so that the conference committee of the House and Senate may pre-

sent to us a composite bill acceptable to both the House and Senate at the earliest possible date.

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

Mr. FERNANDEZ. I am glad to yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I assume that the gentleman favors the amendment the committee will offer.

Mr. FERNANDEZ. No; I do not believe I will favor it. I have been trying to make up my mind, but I do not think I can favor that amendment. I followed the arguments presented by the committee on the matter of import fees and I appreciate their force. I am not an expert on that nor am I a member of the Committee on Agriculture which has been studying this problem, but I will say that the Senate did not seem to think that provision was absolutely necessary, and I value the judgment of that body particularly when a matter of foreign policy enters into the question.

Mr. AUGUST H. ANDRESEN. Does the gentleman favor the amendment offered by the gentleman from Massachusetts?

Mr. FERNANDEZ. The gentleman from Massachusetts [Mr. HERTER]?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. FERNANDEZ. I do not favor that amendment for the reasons stated here a while ago to the effect that the parity price of wool is not a true parity price but is below comparable parity prices for other commodities. Otherwise I would.

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

Mr. FERNANDEZ. I yield.

Mr. MURDOCK. The gentleman has made a very splendid statement. He has expressed my thought exactly. In our southwestern country there is a vast area fit only for livestock production. If we kill the sheep industry much of that area will be virtually barren.

Mr. FERNANDEZ. I thank the gentleman; and may I say in reply to a statement made awhile ago that to the wool grower, lamb is a byproduct and wholly a byproduct. It is wool that he produces and wool that keeps him in business. If he has to look to the sale of lambs to keep him going instead of keeping them to build up his wool flock, then he will have to go out of business; and, as a matter of fact, that is exactly what is happening today.

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

Mr. FERNANDEZ. I yield gladly.

Mr. AUGUST H. ANDRESEN. This program goes through 1947 and 1948. What will the gentleman do in 1949 unless there is tariff protection to keep his wool growers busy?

Mr. FERNANDEZ. By 1949 I believe we shall be in a period more normal than we are in now. We will face that when we come to it.

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

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on the Herter amendment close in 35 minutes.

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I have been very much interested in this debate. It is a very splendid debate on a very important subject. There are a few realistic things I want to mention without going into technical details.

We all know that the sheep industry throughout these United States, especially the northern part of the country, is a very important industry to the farmers. All through my district there are farms with small flocks which mean a great deal to the farmer. He needs that income. This land is only adaptable to the raising of sheep; it is hardly usable for anything else.

Let us take a little look at the character of the competition that we have. Australia is ideal for sheep raising. They have made it a scientific industry. They have developed the industry purely for export purposes. They have established a system of taxation in Australia which makes it possible for the sheep raisers in the most remote part of Australia to move their product to the ports for export at just as low a railroad rate as those who live close in to the city or to the ports. That is a great advantage. Not only have they a climate that is ideal for sheep, but the sheep over there can run out-of-doors the year around. Their sheep do not have to be sheltered from the snow or cold.

They have also developed the raising of turnips in Australia. They sowed thousands and thousands of acres of turnips, which grow quickly, and they are luscious. They turn the sheep into these fields of turnips. The sheep will eat the tops, then they will eat the part of the turnip that protrudes above the ground, then later on the sheep will dig them out of the ground until they have eaten the last part of the turnip, root and all.

This turnip feed produces the very finest kind of mutton and also produces a very superior quality of wool. They have their export factories for the mutton, which goes all over the world. As the distinguished gentleman from Wyoming [Mr. BARRETT] said a few minutes ago, they can move their products into this country cheaper than he can move his mutton and wool from Wyoming to New York. That also applies on the movement of mutton products from western New York to New York City. They can move their products over 9,000 miles into the Liverpool and London markets cheaper than we can move our products from the West to the markets of the East.

Mr. Chairman, I mention those things because there is a great deal of foreign competition, and, as has been pointed out, which if unrestrained can wipe out a great big industry of this country, one that we cannot afford to sacrifice.

Now, we know from experience that if any country gets control of the production of a crop, why they can immediately

raise the price, a monopolistic price, and the American people have to pay that price, because the product is essential to the welfare of the people of this country.

I wanted to bring out these few facts here because I want the people of the country to know that we cannot go into this great program, this international program of being a good neighbor, and letting these countries, where they can produce more cheaply than we can, take over our production here. It means creating a monopoly abroad. It means injury to a great segment of our economy, and we just cannot afford to do it.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, I hope I may be helpful in some measure in the consideration of this amendment, which I am not able to support. Of course, the committee gave consideration at what level wool should be supported. I presume you all understand that wool has been supported for the last 5 years, and the present proposal is merely to continue that program at the same level for this year and next year.

I hope that you also understand—and I think this should be very clear to everyone—that the support price for wool in the past and the support price proposed in the pending bill is the OPA ceiling for wool as established in 1941. I believe Mr. Henderson was the head of OPA at that time. This is the ceiling price OPA fixed on wool—basic-Boston, and that is all that is requested now. That is what the support has been in the past and that is what the committee is asking the House to continue. That is one of the things the committee considered in passing on this question.

Secondly, the proposal made by the gentleman from Massachusetts [Mr. HERTER] was considered, to reduce the support to 90 percent of parity. The committee thinks that would be unfair, because every Steagall commodity—and there are about 25 or 26 agricultural commodities under that act—is supported at not less than 90 percent. Not a one of them is restricted to flat 90 percent as proposed by this amendment. Certainly the least the gentleman from Massachusetts could do would be to treat wool as the other 25 or 26 Steagall commodities and support wool at not less than 90 percent of parity.

The committee further considered, in trying to arrive at what the support level should be, the report of the Tariff Commission that has been read to you, that last year the average wool producer in this country was losing money. The figures have been given you.

The committee further considered the fact that in 1943 there were approximately 49,000,000 head of sheep in this country and that on January 1 of this year there were only 32,500,000. Does that mean anything to you, that this industry is rapidly going down and down?

The committee further considered the fact—and here are the official figures—that in the period 1935–39 85 percent of the wool used in this country was domestic wool, and that in the good year, 1946, only 22 percent of the wool used in this country was American wool.

I am not directly interested in the wool producers but I do regard the production of wool in this country as an essential industry. We may have another war when the wool of foreign countries will not be available, and we should maintain and encourage our wool production.

I hope the amendment will be rejected.

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

The Chair recognizes the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Chairman, the gentleman from Georgia [Mr. PACE] has clarified this issue very well. I wish more Members could have been present to hear that and have a full understanding of it, because I am convinced that if the Members have a full understanding of the implications that would be involved in the adoption of the pending amendment it would be overwhelmingly defeated. If the Herter amendment is adopted, as the gentleman from Kansas [Mr. HOPE] very well said, it means that this Congress does not favor a support program for the wool industry. That is exactly what it means. The Herter amendment, which has the support of the Boston wool trade, would reduce the support price of wool to a level that would be below the world price, and therefore would not be any support at all.

Let us see whether the wool price in this bill is too much. That is the issue. The amount proposed in this bill is the 1946 price, which is the same price that was fixed by OPA on the 9th day of December 1941, and it is the same price that was paid during the war. Is that too much? Do you want to lower the level that has been paid during the past 4 years or do you want to keep it that way during the next 18 months, during the liquidation process that will be carried on in connection with this great stock pile?

Let us see if that is too much. It has been pointed out here that from the standpoint of parity, if you are going to put it on a parity basis, wool is at a relative disadvantage compared with other agricultural commodities. That is a historical fact, and it is a fact. It has been recognized universally. I heard O. V. Wells, with whom most of you are acquainted, down in the Bureau of Agricultural Economics, make that statement publicly in a hearing, that wool is at a relative disadvantage with other agricultural commodities covered in the base period of 1909 to 1914. That fact is further evidenced by a communication from President Truman himself to the chairman of the Senate committee investigating wool last year. Let us see what he said, and I hope all of you who are interested in this subject will listen to me. It shows the position of the administration on the issue involved in the Herter amendment. The President said:

Specifically, in view of the large-scale decline of sheep numbers in the United States during recent years, the large wool surpluses now hanging over foreign and domestic markets, and the present and prospective marketing problems confronting wool growers, it would seem desirable for Congress to enact

special wool legislation. Such legislation should provide that—

1. The parity price of wool be revised or established at the so-called comparable level—

Why?—

so that wool parity prices will be on a level equivalent to parity prices for other farm products.

The President recognizes and everybody who is familiar with this subject from the historical standpoint recognizes that the parity price of wool is entirely out of line with the parity price of most other products. There is no question about that.

Mr. Chairman, I earnestly hope that the amendment will be voted down.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, I should like to direct an inquiry to the distinguished gentleman from Texas who just spoke. The gentleman referred to this in his remarks, which is what prompted the question. I presume from the studies of Dr. Wells, of the Bureau of Agricultural Economics, that 42 cents a pound for wool would mean between 40 and 50 cents per hour for the labor that went into producing that wool. May I ask the gentleman if he thinks that is a fair statement, based on his experience, and since Texas has about one-fifth of the sheep in the United States?

Mr. FISHER. I regret to say, in answer to the gentleman, that I am not familiar with the basis of the investigation which resulted in that conclusion. But the study of the comparable prices as compared with other farm products show that wool is at a relative disadvantage, to use his own words.

Mr. MURRAY of Wisconsin. In those studies I know they did not select wool farmers in particular. The study that they made of wool and these other studies that have been made would show that labor engaged in producing sheep and wool get somewhere between 40 and 50 cents an hour.

Mr. FISHER. I think the gentleman is exactly correct. Will the gentleman yield for an observation?

Mr. MURRAY of Wisconsin. I yield.

Mr. FISHER. If the comparable prices which can be justified and which the President of the United States says are proper in lieu of parity prices were in effect, the prices would be about 3 cents above 1946 in 90 percent of the cases.

Mr. MURRAY of Wisconsin. I thank the gentleman.

The point I wish to make is that anyone who wishes to vote for the so-called Herter amendment, and I might say that I am sorry the gentleman offered it, is saying in fact that he does not believe in the wages-and-hours law so far as the labor on the farms is concerned. In other words, Massachusetts is one of the leading States so far as supporting wages-and-hours legislation and the Walsh-Healey Act. It is a rather progressive State, but, of course, it is a little

behind Wisconsin as a rule. But now it comes here and the gentleman from Massachusetts says, "We believe in the Walsh-Healey Act. We believe in a minimum wage. We do not want 40 cents minimum wage. We are going to raise it to 65 cents or 75 cents, but we would like to put the farmers who are producing wool in this country in a different group. We will give your boys and girls banquets when they come down here, and we will contribute some money to your boys' and girls' clubs, but we cannot pay more than 36 cents an hour for the labor that goes into this product known as wool." It does not make any difference if the fellow who makes the cloth gets \$1.20 an hour, but the fellow who put the labor into producing the wool gets only 36 cents an hour.

I yield to my friend the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION. I do not blame the gentleman from Boston offering and urging the adoption of his amendment. As I understand it, they do not raise many sheep in Boston unless they have a few black sheep there just as we have in other parts of the country. But if I understand this matter, and I listened to the debate with a great deal of care, under the present prices the American wool growers in 1946 lost on an average 9½ cents a pound, according to the findings of the United States Tariff Commission, recently. Is that correct?

Mr. MURRAY of Wisconsin. The Tariff Commission has already followed that up. They will lose 3 or 4 cents more per pound.

(Mr. ROBSION asked and was given permission to revise and extend his remarks.)

Mr. ROBSION. Mr. Chairman, I am in favor of the bill as it was reported by the Committee on Agriculture and I am opposed to the amendment of our distinguished colleague and friend [Mr. HERTER], of Massachusetts. I have read the bill, the report, and have heard quite a lot of discussion of this bill and have also listened with interest to the debate on yesterday and today. I think the gentleman from Oklahoma [Mr. RIZLEY], as well as others, have stated the question fairly.

We must pay to the wool producers of this country a substantial subsidy out of the Treasury of the United States, or place a tariff or fee on imported wool sufficient to make up the difference between the cost of producing wool in this country and the cost of the wool being imported into this country from Australia and various other countries of the world, or, sit idly by and see the American wool industry destroyed, and taxpayers suffer millions of loss on 450,000,000 pounds of surplus wool held by the Government.

These observations are based on facts. When World War II came on, our Government froze the price of wool and took over the wool market here and that control has continued until very recently. In buying up all the wool of the American farmers over a period of several years, our Government accumulated a surplus of wool. Today, the Government owns about 450,000,000 pounds of

wool. It cannot sell a pound of this wool to the American manufacturers or anybody else because, under the law, it cannot be sold for less than the support price paid for it by our Government.

Great Britain and her dominions produce the greater part of the world's supply of wool. When the war ended, Britain and her dominions had a great stock-pile of wool. Britain and others formed an organization to take care of about 2,000,000,000 pounds. This organization controls 80 percent or more of the world's supply of wool. They can lower or raise the price of wool while the American Government cannot lower the price on the 450,000,000 pounds of surplus wool it has in stock. This association of Great Britain, her dominions and others has fixed the price on their wool below the price fixed by the American Government with the result that great quantities of this foreign wool are being dumped on the American market to American buyers. They are disposing of their surplus stock pile of wool and new wool. We have been increasing our surplus. There has been and now is very little demand from any source for American wool. The American Government and the American farmers must charge more for their wool than the world price. We will soon be confronted with a new wool clip in this country. This will add to our surplus by reason of the lower-priced foreign wool.

Let us bear in mind that our Government has already paid for this 450,000,000 pounds of wool and we have paid about 10 cents more than the price of foreign wool and we stand to lose more than \$50,000,000 at this time. Some plan must be worked out whereby the Government can dispose of its 450,000,000 pounds of surplus wool and the American farmers must dispose of their wool produced this year. That the American wool growers are in bad shape is clearly shown by the facts. The United States Tariff Commission, after a thorough investigation, found that in 1946 the American farmers lost 9½ cents a pound on their wool. They will still lose that much or more this year under the heavy pressure of foreign competition and they lost even a greater sum than that in 1944 and in 1945. This country must find some way to dispose of our Government's surplus wool and protect the American wool grower this year and next year. If we permit the heavy importation of foreign wool at present prices, or even lower, the Government will lose tens of millions of dollars on this surplus wool and the American wool growers and sheep producers will be driven out of business.

Some have suggested that we dump this 450,000,000 pounds of wool on the market and some have suggested that we, by appropriate legislation, authorize the Commodity Corporation to dispose of this surplus wool and the Government take the loss. I prefer the legislation proposed in the bill before us and that is for the Government to continue its price-support program until December 31, 1948, and fix such a fee or tariff on foreign wools as will prevent the flooding of our country with foreign wools, and this will mean, of course, that this Amer-

ican wool will be sold to American processors, perhaps at the price the Government paid for the wool and, of course, it will save the taxpayers of our country these millions of dollars.

This tariff or fee being fixed at a sum making up the difference of cost of production of wool in this country and in foreign countries will take care of the sheep and wool growers in our own country. If this action is not taken, nothing short of ruin faces our own American farmers producing wool. This fee or tariff will be paid by the foreign producers of wool and this money will go into the Treasury to help take care of any loss on the 450,000,000 pounds of wool that we now have and also to pay the cost and expense of the price support program for American wool producers until December 31, 1948.

#### SHEEP AND WOOL DECLINE

The records of the Department of Agriculture show that the stock sheep population of this country has dropped from 49,807,000 in 1942 to 32,542,000 as of recent date and this is the lowest sheep population in the United States since 1897. Our wool production has dropped from approximately 460,000,000 pounds in 1942 to approximately 300,000,000 pounds now. There has been a tremendous increase in the population of this country and its meat requirements since 1897 but here we find one of our fine meat and wool industries the lowest it has been in 50 years. To me, this situation is alarming. It is high time that the Congress take action to preserve this industry. The sheep and wool industry are not only important to the economic life of this Nation but they are, and especially wool, among the critical materials of this Nation in time of war. More than 800,000,000 acres of land are devoted to wool growing. It provides employment to a great army of American citizens. It pays enormous sums in taxes to sustain district, county, city, State, and the Federal Government. This industry is confronted with a threat to destroy the capital investment, throw hundreds of thousands of people out of employment and dry up this source of revenue to maintain the various units of Government.

Let us not forget that every shipload of wool brought into this country at this time takes away that much of market for the American people and wool growers. Why should we sit idly by and permit the sheep and wool growers in foreign countries, by reason of their low wages, lower standards of living and lower cost of production, to take away the American market and destroy this great industry? If this business is taken away from the American people and American sheep and wool growers and their workers and turned over to the sheep and wool growers and their workers in foreign countries, then this money will be spent in foreign countries and cannot be spent for the products of American workers.

Under section 22 of the Agricultural Adjustment Act as amended and reenacted in 1940, cotton, wheat and other farm commodities have been taken care of but the sheep and wool growers were

omitted from this act. These other farm commodities have increased in price 90 percent or more since 1941. This bill fixes the support price the same as it was in 1946 and the support price of 1946 was substantially what the support price was in 1941. All groups in this country have received an increase in prices, profits, wages, and other commodities since 1941 but the wool prices have remained practically what they were in 1941 and that is why the sheep and wool industry has declined so rapidly and the American wool growers have been and are losing 9½ cents a pound or more on their wool and unless we take action to prevent hundreds of millions pounds of wool being dumped into this country every year, the price of wool will continue to go down and the sheep industry will continue to decline.

Something must be done and done now. This bill, by continuing the support price until December 31, 1948 and to fix the price as of 1946, which in effect was the same as 1941, and fix a fee or tariff on imported wool, will bring some relief not only to the sheep and wool growers but relief to the taxpayers of this country.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, the point was raised in the debate yesterday by the gentleman from California [Mr. GEARHART] that the alternative to the present bill was the elimination of the wool growers of the United States. That statement beclouds the issue. No responsible official has made any such suggestion. The President on March 12, 1946, pointed out in a letter to Senator O'MAHONEY and placed before the Congress a sound and comprehensive wool program. In that statement Mr. Truman spoke of the decline in sheep numbers and cautioned that "care should be exercised not to take action which would place additional handicaps on the industry so long as the decline continues."

The President then set forth six points of a well-rounded wool program and concluded:

The above program will, in my opinion, afford domestic wool growers the protection and assistance to which they are properly entitled under this country's general trade and agricultural policies. The program will tend to encourage wool consumption in the United States, and will be consistent with our general foreign economic policy. In accordance with the views you have so frequently expressed, this country also should cooperate with foreign producing and consuming countries in efforts to encourage wool consumption abroad.

More than a year later the President in his Waco speech set forth the basis of his foreign policy in summary as follows:

1. The Reciprocal Trade Agreements Act has been on the books since 1934. It has been administered with painstaking care and strict impartiality. Some 30 agreements with other countries have been made. And trade has grown, to the great benefit of our economy.

2. This Government does not intend, in the coming negotiations, to eliminate tariffs, or establish free trade. All that is contemplated is the reduction of tariffs, the

removal of discriminations, and the achievement not of free trade but of freer trade.

3. In the process of negotiations, tariffs will not be cut across the board. Action will be selective; some rates may be cut substantially, others moderately, and others not at all.

4. In return for these concessions, we shall seek and obtain concessions from other countries to benefit our export trade.

I challenge anyone to find any basis for the charge that wool growing is to be sacrificed in those statements.

Everyone on either side of the aisle interested in a bipartisan foreign policy ought to reflect on these matters before he votes for a bill which the President will be forced to veto.

Mr. HARLESS of Arizona. Mr. Chairman, I am unalterably opposed to the Herter amendment. This amendment would place the wool growers of America in a worse condition than they are today. It is evident that we must have relief for the wool producers; otherwise we will liquidate an industry which means so much to the welfare of this country. To adopt the Herter amendment would mean an immediate reduction in the price of wool instead of an increase.

If we review the wool industry during the war it is plain to see that we must do something now in order to save the producers of wool in this country. Immediately after Pearl Harbor the price of wool was frozen and that price has not been increased to this day. The costs have mounted, but the prices have remained static. From 1942 to 1946 the population of sheep in this country dropped from 49,000,000 to 32,000,000 which represents a reduction of 35 percent. And the amount of wool produced dropped from 450,000,000 pounds in 1942 to 300,000,000 pounds in 1946 and that is a reduction of 35 percent.

The report of the United States Tariff Commission indicates that the wool growers of this country lost 9½ cents on every pound of wool produced in 1946. This report further indicates that the wool growers lost \$1.18 per head of sheep in 1946.

In view of the fact that wool is considered by the War and Navy Departments as a strategic and critical material we have reason to be alarmed at this tremendous reduction in the production of wool. Unless we pass this legislation in a form which will encourage and protect the wool growers of this country, in effect we will liquidate it within the next few years. We are spending tremendous sums to keep this country prepared for any eventual emergency. The world is in a critical state. It is just as important to maintain a healthy wool industry in this country as it is to maintain a prepared Army and Navy. We must vote down the Herter amendment and then pass this bill as it came to us from the Senate. If we do, we will be creating a thriving and prosperous wool industry.

The price of wool will not be too high, but by stimulating production we can forego the possibility of cartel arrangements and any other emergency which we may face in the future because we



know that our country is capable of producing enough wool to take care of most of our needs if we give our wool growers a chance to prosper.

Mr. MICHENER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

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

There was no objection.

Mr. MICHENER. Mr. Chairman, the quantity of wool produced in the district which I have the honor to represent in Congress is not large in comparison with the great wool-producing sections of the West. We have family-sized farms with a well work-out formula of crop rotation, and on many of these farms small flocks of sheep are maintained. In addition, our farmers purchase many lambs directly from the range in the fall. These lambs are fattened with our home produced grain and alfalfa and sold to the packer in the spring. Meantime the wool is clipped and is an important factor in the farmer's economic operation in the handling of the lambs. Many of my farmers are, therefore, vitally interested in this proposed legislation.

There are comparatively few woolen mills in Michigan; however, I have at least one in my district and its operators are opposed to this legislation, which position is directly contrary to the position taken by my farmer constituents. As has been pointed out in this debate, the use of wool is essential in the everyday-life of everyone of us and occupies an important place in productive America. It is conceded that this country only produces about one-third of the wool we consume; therefore, the importation of foreign wool is essential and brings to the front the old question of cost of production at home and abroad. Under the American way of life, with our standards of living, it costs more to produce a pound of wool than it does in some other countries.

A few years ago when he was Secretary of Agriculture, Mr. Henry Wallace, in referring to sugar, insisted that foreign countries should be permitted to produce the things they could produce most efficiently, and that our own people should confine their production to things which they could produce most efficiently. The question of price of course enters into the all-inclusive word "efficiency."

Now that theory sounds all right, but we have just learned anew that in case of war it is essential that our country be sufficient unto itself so far as strategic materials are concerned. Wool is a strategic material and we cannot live or carry on a war without it. It is just foolish to kill or permit the domestic wool industry to be liquidated on the Wallaceonian theory.

As a matter of fact, the day after Pearl Harbor the price of wool was frozen at OPA ceiling and large quantities of wool were shipped to this country to form a stock pile for a prospective war when lines of ocean-going transportation might be cut off. Then by order of the Congress the Commodity Credit Corporation purchased all the domestic wool, paid for it, and controlled its dis-

tribution. The domestic producer was protected and encouraged to continue to produce by a mandate that the Commodity Credit Corporation could not sell any wool below the parity price. Now it is conceded that the parity period which determined the parity price was unfavorable to wool as compared to other agricultural products; nevertheless, the Commodity Credit law is still in force and, as a result, this Government corporation has a little less than 500,000,000 pounds of wool in storage. Not a pound of this can be sold for less than parity and the world price is less than parity. As a consequence, almost a half billion pounds of wool are hanging over the market which, if it were released to be sold at war prices would ruin the present market, destroy the wool producers, and severely cripple many manufacturers who have stock piles acquired at parity prices.

Mr. Chairman, this bill will simply continue support, until December 31, 1948, of the present guarantee to the wool producer of the parity price. It will not raise the price to the farmer. It will not provide for a new subsidy. If the Commodity Credit Corporation is able to sell the wool it now has and which it will purchase at parity price, then there will be no loss to, or subsidy paid from the Federal Treasury.

We all realize that the reciprocal trade agreement law is in force and that the Secretary of State is continuously negotiating trade agreements with other countries. This bill directs the Secretary to follow the terms of the reciprocal trade law, make an investigation through the Tariff Commission, and whenever he finds officially that the parity price of wool is higher than the import price of wool, then he is directed to require the payment of an import fee or tariff on imported wool, which will equalize the import price and the parity price. To me it is just a form of the protective tariff applied through reciprocal trade machinery. The fee will only be sufficient to protect American labor and American industry in the wool production business against cheap foreign labor and lower standards of living which make that cheapness possible.

Now we must not forget that the wool producer and the farmer naturally want the best price they can get for their product. The processor of foreign wool wants cheap foreign wool so that he will have more foreign wool to process. The manufacturer who uses wool wants his raw material at the lowest price possible, and the importer is not interested so much in the price as he is in the business and, if domestic wool is available at the same price, his business will not be so great. As a result, the producer of domestic wool favors this legislation while the manufacturer, following the human instinct for profit, is often too selfish and forgets the essentiality of the wool industry in a well-balanced economy.

Mr. Chairman, I shall vote against the Herter amendment which is entirely in the interest of the wool processors, importers, and manufacturers. I shall vote for this bill which, in my opinion, is not only in the interest of business but

is essential to the well-being and a continuance of a sound wool production in the United States. We must not forget that the sheep population has steadily decreased during the last few years—35 percent between 1942 and 1947. It is an astounding fact that there are less sheep in our country today than there were in 1867. In other words, the industry is being gradually eliminated because sheep producers will not continue at a loss or will not continue when the production of sheep does not yield a fair return compared with other agricultural products.

It has been feared that the President will veto this bill because it might prevent the Secretary of State entering into an agreement with other countries who market their wool through the British cartel.

Great Britain, with her dominions, produces most of the world's supply of wool. At the war's end, faced with a tremendous stock pile of wool, they formed the Joint Organization—JO—in order to protect their wool industry by an orderly liquidation of their stock pile of over 2,000,000,000 pounds. The Joint Organization controls 85 percent of the world's apparel-wool supply, and it has the power to lower prices at will.

During 1946 over 1,000,000,000 pounds of wool was consumed in this country. More than 80 percent of it was foreign wool. Last year 819,253,000 pounds of foreign wool was imported into this country. During that year, and as of today, the Commodity Credit Corporation has a stock pile of over 450,000,000 pounds of wool. Foreign producers dumped their products on the American market, because domestic producers are wholly unable to compete with low-cost producing countries. The Commodity Credit Corporation is prohibited by law from selling at less than parity. This restriction must be removed, so that the United States can dispose of its stock pile while wool consumption is high.

If we are assured that the President has no intention of doing the things which some fear, then there can be no reason why the Congress, which gives the Secretary of State the authority which he now has to enter into these agreements, should not be given specific direction. There comes a time when patience ceases to be a virtue when the Congress is delegating power to the executive branch. The purpose of this bill is not to provide a subsidy out of the Treasury. Indeed, it is just the opposite. It is intended to protect our industry and our way of life and permit those who enjoy the benefits afforded by this industry to pay out of their own pockets for what they purchase.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. MURDOCK. Mr. Chairman, I am opposed to the Herter amendment. The author of the amendment has virtually admitted that the effect of his amendment would be to decrease the price of wool by as much as 4 or 5 cents a pound.

That would be a very severe blow to the wool industry of the West and I cannot in good conscience approve of such result, even if other effect of the amendment were known to be beneficial. It has been pointed out that American wool growers have lost money on their recent production and the effect of this amendment would mean still greater loss without any compensating advantages that I can see.

As the gentleman from Wyoming pointed out, there are many millions of acres of land in the West fit only for livestock production through grazing. This is true because such land cannot be farmed with cultivated crops, and forage, aside from timber, is its only natural production. Perhaps half of this vast area can be used only for grazing sheep, although some of it may be used for cattle and sheep together. But I will take the word of the gentleman from Wyoming that of such vast acreage suitable only for grazing, about half of it as he says can be used for cattle and the other half, as he thinks, can be used only for sheep, therefore, there are millions of acres in the far West which can be made productive only by grazing it with sheep. This vast region would be adversely affected without support-price for wool and might be economically ruined by wrong provisions in this bill.

I believe there is a greater area which would be rendered useless by destroying the wool industry than he indicated. There is a misconception about the relation between cattle and sheep on the western ranges. It is supposed by some that cattle and sheep cannot exist on the same general area. That notion has gotten abroad and is embedded in our literature because of so many historic and bloody feuds between cattlemen and sheepmen throughout the West. However, I think it is recognized today that cattle and sheep of the same owner can get along fairly well together on the same range if it is diversified.

Perhaps it is fairer to say that cattlemen and sheepmen cannot, or do not, get along together in their economic business. Many cattlemen are also sheepmen in these later years and run both cattle and sheep over their big ranges, the cattle requiring one kind of pasture and the sheep doing quite well on a different kind of forage on the same spotted area. Such being the case, there is even a larger proportion of the western ranges useful for sheep than the gentleman from Wyoming may have had in mind as suitable only for wool and lamb production.

Immediate steps must be taken to safeguard wool producers from the present situation, but the Herter amendment will not do it. Our country's prosperity in the West depends upon full utilization of all ranges up to their proper limits for maximum benefits, and it also depends upon stabilizing the wool grower's market and affording him proper protection.

Mr. RUSSELL. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nevada [Mr. RUSSELL]?

There was no objection.

Mr. RUSSELL. Mr. Chairman, I also am opposed to the amendment offered by the gentleman from Massachusetts [Mr. HERTER].

The adoption of the amendment offered by the gentleman from Massachusetts would defeat the purpose of the bill and the amendment should be defeated.

I support the wool bill and the amendments offered by the committee for without continued aid to the wool growers the industry will face a serious situation. The Department of Agriculture report shows that the sheep population of this country has been reduced 35 percent since 1942, a drop from 49,807,000 to 32,542,000 head today, and there are fewer head of sheep now than there was 50 years ago.

This general situation relative to sheep prevails in Nevada as in other parts of the Nation. We are faced with a fast-dwindling industry unless it is protected. At the rate of decline in the numbers of sheep since 1942, unless the industry can be aided and stabilized, this Nation will be forced then to depend upon foreign sources entirely, not only for wool, but also for lamb and mutton.

A study of the sheep industry shows that the wool growers of this country lost 9½ cents on every pound of wool produced in 1946 and sustained a loss of \$1.18 per head of sheep on the average.

American producers of wool are unable to meet the low-cost production of foreign countries, and last year, 1946, 819-253,000 pounds of foreign wool was imported into this country. Great Britain with her dominions produces most of the world's supply of wool, and at the end of the war to protect their wool industry they formed the joint organization. This organization controls 85 percent of the world's apparel supply and has the power to lower prices at will. If, then, the American production of wool can be virtually wiped out by that organization, through the control of the price of wool and the wool shipped into this Nation at less than it can be produced here, in time our industry will be lost and we will be dependent upon the foreign sources for wool and those sources will control the price, and that is what is being done. The probable result in the end would be much higher prices for foreign wool as soon as the American wool industry is wiped out or forced to be curtailed to where this country would grow but a very small percentage of the proportion of wool needed.

Sheep in one way are a national resource of this Nation. They graze on and utilize the forage on the public ranges and national forests. To destroy that industry would be to destroy one of the greatest industries in the West, to destroy taxable units and to make this Nation dependent upon foreign supply and production.

This bill would continue support for wool until December 31, 1948. It would continue the support at a time when there is a surplus of foreign-produced wool. It is estimated that the joint organization has some 2,000,000,000 pounds of wool stored, and that under normal consumption in this postwar period it will take about 10 years to assimilate that amount in industry, along with present

production. Why then should an American industry be made to suffer? Why should wool growers be forced, in many cases out of business, to protect foreign wool production? That is what will be done unless this bill is passed.

Mr. MARTIN of Iowa. Mr. Chairman, I wish to supplement the remarks I made yesterday on this bill a little more along the line of the question of national defense.

Wool is one of the few agricultural commodities that appears on the list of critical and strategic materials compiled by the Army and Navy Munition Board. It has very peculiar properties that make it impossible to stock pile it in the way we would stock pile minerals and other strategic materials. They had to give it special treatment in their consideration of stockpiling strategic materials. For that reason I think it is entitled to special treatment in such legislation as is now included in the bill under consideration.

I consider the action of the Agriculture Committee of the House on Wool as well justified, in going out of the usual course of treatment of agricultural commodities and support the Committee on Agriculture and oppose the amendment offered by the gentleman from Massachusetts [Mr. HERTER]. I desire also to mention the fact that we are still behind in our work on strategic materials. Back in 1941 we found that too little emphasis was given to the matter of stockpiling strategic materials. That is again the case as we enter the post-World War II period.

In the case of wool, we have an example of a critical material that cannot be stock-piled in large quantity and the stock pile must be rotated at relatively short intervals. The best possible program for wool that can be built up in the name of national defense is a good source of domestic supply, and that is my interest in this bill primarily. We must give wool different consideration than we give minerals. For instance, wool must be rapidly rotated. The domestic source of supply is more vital in wool than in most of the critical materials, and that is the point I desire to emphasize at this point.

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

Mr. MARTIN of Iowa. I yield.

Mr. JENNINGS. Would not the effect of the adoption of the Herter amendment mean that from \$12,000,000 to \$15,000,000 the wool might bring if that is adopted would go from the wool producers pockets into the pockets of the manufacturers of woollen fabrics?

Mr. MARTIN of Iowa. Representing a wool-producing area I know that it will go out of the pockets of the producers, and they need it very seriously. I have letters from home indicating that they are having difficulty in keeping their flocks going; in fact, a slight reduction in the price they have been receiving for their wool will have a very serious effect; many wool producers will not be able to stay in business.

Mr. JENNINGS. And in that connection the fact that flocks have been reduced in the last 3 years to the extent of 17,000,000 head is unanswerable proof

that the ranchers quit raising sheep because they were losing money.

Mr. MARTIN of Iowa. I agree with the gentleman, and it is a dangerous trend, in the name of national defense especially.

Mr. BATES of Massachusetts. Do I understand correctly that at the present time the stock of wool owned by the Government is really in excess of the annual domestic production of wool in this country?

Mr. MARTIN of Iowa. I cannot give the gentleman the exact figures, but I understand the quantity in the hands of the Government is very large.

Mr. BATES of Massachusetts. Does it not necessarily follow that the higher these prices go, later in the form of manufactured products there will be public resistance against the purchase price of these clothes which in turn will be reflected back on the manufacturer and the wool grower if we do not find some way of bringing about an equalization of the price?

Mr. MARTIN of Iowa. I was quite impressed by the remarks of the gentleman from Wyoming [Mr. BARRETT] yesterday when he showed how very few cents difference in the price of a suit of clothes the difference in price of wool involved here would make. I thought that point was well worthy of our consideration, especially when we consider also the great importance of the support in keeping the production of wool here at home in America on a sound basis.

I sincerely hope the committee position prevails and the Herter amendment is defeated, and I hope the bill is adopted as recommended to the House by the Committee on Agriculture.

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

Mr. MUNDT. Mr. Chairman, I am opposed to the Herter amendment. I expect to support the bill in the form reported by the committee. As reported by the committee this legislation is designed to give some degree of justice to the wool growers of America but if you adopt the Herter amendment I am afraid you will make of it largely a wool-dealers' bill.

Mr. Chairman, our sheep population has reached a half-century low mark of 32,542,000 head. During the past 4 years, our wool production has dropped to below 300,000,000 pounds—a reduction of 35 percent from the 1942 production. There has to be a reason for this tremendous and alarming decrease in the production of sheep and wool. That reason is not hard to find, Mr. Chairman. It is due to low prices and long-continued uncertainty in the sheep and wool industry. This legislation, S. 814 as substantially and wisely amended by the House Committee on Agriculture, eliminates the handicaps which have so sharply curtailed our domestic production of sheep and wool. I urge you to support the legislation, as it is now before you, and to reject the Herter amendment as well as an amendment which will be offered later by one of our Democratic colleagues to deny wool the tariff protection now enjoyed by other farm products for which it has been found absolutely

necessary. Let us approve this legislation as it is.

A recent report of the Tariff Commission shows that the wool growers of this country during the past few years have been losing money annually on both sheep and wool. These losses have run as high as nearly 10 cents per pound on wool and over \$1 per head on sheep. Such losses cannot continue unless America is to become completely dependent upon foreign producers for the wool required, not only for clothing and fabrics but for our national defense as well. The legislation now before you will comprise a real step toward the rebuilding of our domestic sheep and wool industry.

Mr. Chairman, what would be the effect of the Herter amendment? It is simply designed to defeat the purposes of this legislation to the extent of perhaps 4 or 5 or 6 cents per pound. It is devised to take away from the sheep producer a generous portion of the assistance and protection this legislation is intended to provide. Let us defeat the Herter amendment so that we can then vote upon the program provided by this legislation, on its own merits, unhindered by crippling amendments.

Mr. Chairman, the United States is taxing its citizens heavily and necessarily to provide funds to extend aid to the starving and diseased people of war-stricken areas; we are reaching far down into our pockets to provide money for aiding other countries to rehabilitate their war-torn economies; we are confronted by a gigantic national debt of our own and with serious domestic economic problems and adjustments. We can ill-afford in times like these to destroy a great basic industry such as the sheep and wool industry through shortsighted policies or through listening to the siren song of those who urge us to let our own industries die so that those of other countries might live. Mr. Chairman, that argument is neither sound nor sensible. If America goes bankrupt or spins itself into a devastating depression, there is no hope for the rest of the world. For our own security, as well as for the hope of all humanity, we must maintain a solvent America and a sound economic base for our fundamental economic activities. By supporting this legislation, we can give a measure of security and stability to the sheep industry of America and to that degree contribute to world stability as a whole.

(Mr. MUNDT asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Michigan [Mr. CRAWFORD] is recognized for 4 minutes.

Mr. CRAWFORD. Mr. Chairman, I wish to direct some questions to the gentleman from Massachusetts [Mr. HERTER], to the gentleman from Kansas [Mr. HOPE], and I believe to one other gentleman.

In the first place, if the gentleman from Massachusetts [Mr. HERTER] is on the floor I wish to ask him in view of the debate on this amendment what is the real purpose of the Herter amendment? What is the machinery back of it? In

other words, what is he driving at? Because many of us are considering as to how we shall vote.

Mr. HERTER. I tried to make that clear at the time I offered the amendment.

Mr. CRAWFORD. Here is the reason I asked the question that way. It has been argued that it will cut the price of wool anywhere from 4, 5, or 6 cents per pound. That is one important item involved from the processors' standpoint. The processor of basic raw materials, of course, is always interested in obtaining his material at the lowest price possible, no matter what it does to the primary producer; but it is difficult for me to believe that the gentleman would offer an amendment for that purpose.

Here is another purpose. If it is true that wool dealers as such have not been permitted to participate in the wool trade since we took over wool control, perhaps 90 percent of the parity price or 80 percent of parity price or 60 percent of parity price would bring the dealers back into the picture. That may be one of the objectives back of the Herter amendment.

Then the third proposition might be that perhaps somebody wants to get rid of the Commodity Credit Corporation control of wool.

I advance those thoughts to give the author of the amendment a chance to explore those three things and I will be glad to yield to him because I cannot believe that the gentleman wants to destroy the wool industry. At the same time if the effect of the amendment will be a 4-, 6-, or 9-cent drop in the price of wool, certainly I cannot support the amendment. I yield to the gentleman from Massachusetts.

Mr. HERTER. I tried to make that clear. The price support called for in this bill is 42.3 cents. The price at 90 percent of parity is about 37.9 cents, a difference of 4.4 cents. That will be the support price. The world price as of the time that the Commodity Credit Corporation ceased buying was 40.1 cents.

The purpose of my amendment is to have for one thing a flexible price, not a fixed price. The second is to put it just under the world price so that wool would not have to be bought by the Government at this price and continue the Government buying the entire clip, but put it in a free market so that it will not cost the Government anything on support unless there is a considerable drop in general commodities.

Mr. CRAWFORD. If there is a considerable drop that is another thing.

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

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

Mr. AUGUST H. ANDRESEN. It is quite obvious that the gentleman who offered the amendment stated it would bring the price down 2 cents under the competitive world price.

Mr. CRAWFORD. Yes.

Mr. AUGUST H. ANDRESEN. Since we set prices throughout the world, in all probability it would mean a 2 cents lower price.

Mr. CRAWFORD. It seems to me I am forced to the conclusion that the amendment will point prices down. Whether they will drop 4 cents or 40 cents I do not know. However, any act on the part of the Congress that starts prices down on basic commodities, in other words a great economic force, and these commodities are a great economic force, it becomes a terrible thing for the people of this country who gather their livelihood from producing that raw material. Therefore, I cannot support the amendment.

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

All time having expired, the question is on the amendment offered by the gentleman from Massachusetts [Mr. HERTER] to the committee amendment.

The question was taken; and on a division (demanded by Mr. HESELTON) there were—ayes 56, noes 110.

Mr. HESELTON. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 3. The Secretary of Agriculture shall establish monthly (commencing with the month of January 1947) a comparable price for wool and the comparable price so established shall be used for the purposes of all laws in which a parity or comparable price is established or used. The comparable price for wool shall be that price which bears the same relation to the average parity prices of the other basic agricultural commodities, cotton, corn, wheat, rice, tobacco, and peanuts, as the actual price for wool bore to the actual average price of such basic commodities during the period August 1934 to July 1939. Such comparable price for wool may be adjusted for grade, quality, season, and location.

Committee amendment:

Page 2, line 11, strikes out lines 11 to 23, inclusive.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 4. The provisions of sections 385, 386, and 388 of the Agricultural Adjustment Act of 1938, as amended, shall be applicable to the support operations carried out pursuant to section 2 of this act.

With the following committee amendment:

Page 2, line 24, strike out "4" and insert "3."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 5. The Commodity Credit Corporation may, without regard to restrictions imposed upon it by any law, dispose of any wool produced prior to January 1, 1949, at prices which will permit such wool to be sold in competition with imported wool. The disposition of any accumulated stock under the provisions of this section, however, shall be made at such rate and in such manner as will avoid disruption of the domestic market.

Committee amendment:

Page 3, line 3, strike out lines 3 to 10, inclusive.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 6. Wool is a basic source of clothing for the people of the United States, and, as such, is deemed a basic agricultural commodity.

Committee amendment:

Page 3, strike out lines 11 to 13, inclusive, and insert:

"Sec. 4. Section 22 of the Agricultural Adjustment Act, as amended and reenacted (U. S. C., 1040 ed., title 7, sec. 624), is hereby amended by adding a new subdivision as follows:

"(f) (1) Whenever the Secretary of Agriculture finds that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with any loan, purchase, or other program or operation undertaken by the Department of Agriculture or any agency operating under its direction with respect to wool or any product thereof or to reduce substantially the amount of any product processed in the United States from wool or any product thereof while any such program or operation is being undertaken, he shall, by order, impose such fees not in excess of 50 percent ad valorem on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to above, or reduce substantially the amount of any product processed in the United States from any wool or any product thereof. In designating any article or articles, the Secretary may describe them by physical qualities, value, use, or upon such other basis as he shall determine.

"(2) The fees imposed by the Secretary by order under subdivision (f) and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930.

"(3) Any order or provision thereof may be suspended or terminated by the Secretary whenever he finds that the circumstances requiring the order or provision thereof no longer exist or may be modified by the Secretary whenever he finds that changed circumstances require such modification to carry out the purposes of subdivision (f).

"(4) Any decision of the Secretary under subdivision (f) shall be final and any finding, order, or rule under subdivision (f) may be made by the Secretary without a hearing, formal or informal.

"(5) Whenever any fee is imposed initially on any grade or quality of imported raw wool pursuant to subdivision (f), there shall be levied, assessed, collected, and paid upon all such imported raw wool which on the date of the imposition of such fee is held in the United States by any person for sale or other disposition, other than wool held in customs-bonded warehouses, a floor-stocks tax at a rate equal to the amount of the fee imposed with respect to imported raw wool of the same grade and quality.

"(6) Under such regulations as the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury shall prescribe, every person required to pay any floor-stocks tax shall make a return within such time as may be prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury and pay such tax within 6 months after the imposition of such fees.

"(7) Any person required to pay a floor-stocks tax or file a return hereunder, who willfully fails to pay such tax, or make such return, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and, upon conviction thereof, be fined not more than \$10,000 or imprisoned for not more than 1 year, or both, together with the costs of prosecution.

"(8) The term "person," as used in subdivision (f), includes an officer or employee of a corporation, or a member or employee of a partnership, who, as such officer, employee, or member, is under a duty to perform the act in respect of which the violation occurs."

Mr. HOPE. Mr. Chairman, I offer an amendment as a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE as a substitute for the committee amendment: On page 3, line 14, strike out all of section 4 and insert in lieu thereof a new section 4 as follows:

"SEC. 4. Subsections (a) and (b) of section 22 of the Agricultural Adjustment Act, as amended and reenacted (U. S. C., 1940 ed., title 7, sec. 624), are hereby amended to read as follows:

"(a) Whenever the President has reason to believe that any one or more articles are being, or are practically certain to be, imported into the United States under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with any program or operation undertaken, or to reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or the Wool Act of 1947, he shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigations shall be made after due notice and opportunity for hearing to interested parties and shall be conducted subject to such regulations as the President shall specify.

"(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees on, or such limitations on the total quantities of, any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary to prescribe in order that the entry of such article or articles will not render or tend to render ineffective or materially interfere with any program or operation undertaken, or will not reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or the Wool Act of 1947: *Provided*, That no limitation shall be imposed on the total quantity of any article which may be imported from any country which reduces such permissible total quantity to less than 50 percent of the average annual quantity of such article which was imported from such country during the period from January 1, 1929, to December 31, 1933, both dates inclusive: *And provided further*, That no limitation shall be imposed on the total quantities of wool or products thereof which may be

entered or withdrawn from warehouse for consumption."

Mr. HOPE. Mr. Chairman, this amendment has been explained in connection with the general discussion on the legislation. It has been approved unanimously by the Committee on Agriculture. It follows the lines of section 22 of the AAA which has been on the statute books since 1935 and which has been a part of the recognized agricultural policy of this administration and the Nation for the past 12 years. What this amendment does, as far as section 22 is concerned, is to include wool as one of the commodities upon which the President may take action if the circumstances justify it. In addition to that, it provides that in the case of wool, if action is taken, that action must be limited to the imposition of import fees rather than giving the President a choice between the quota and an import fee.

The reason for that provision is, as everyone acquainted with the woolen industry knows, that it would be difficult if not impossible to administer a quota upon wool imports. That is because wool is imported from a number of different countries. There are hundreds of different grades. There are many importers, and it would be almost impossible to apportion a quota to those who would wish to import particular types and grades of wool.

For that reason, by agreement of everyone, it was decided that the powers given the President as far as wool is concerned should be limited to the power to impose an import fee.

Not only has this legislation been on the books for many years, but there has been action on it under this administration and the preceding administration on a number of occasions. On May 29, 1941, a wheat quota was imposed limiting imports to 800,000 bushels per year. At the same time a quota was imposed limiting imports of flour to 4,000,000 pounds per year. On April 13, 1942, that order was amended excepting wheat and flour for experimental purposes, registered seed wheat, and distress diversions of wheat and wheat flour from the quota provisions. Again on April 19, 1943, amendment was added excepting wheat purchased by the War Food Administration for livestock-feed purposes. In the case of cotton, there was a basic order imposed on September 20, 1939, on long and short staple cotton. On December 19, 1940, an amendment was made to it excepting certain staple lengths. On March 31, 1942, the order was again amended. On July 29, 1942, the order terminated country allocations for long staple cotton. On February 1, 1947, an amendment was imposed on short, harsh, or rough cotton giving those grades a quota of 70,000,000 pounds.

So that all we are doing today as far as wool is concerned is to bring it within the provisions of this legislation which has long been recognized as part of the agricultural policy of this country.

It also is in harmony with the request which came from the Department of Agriculture in a letter to the Speaker of the House on February 4, 1947, in which was recommended that section 22 be

amended and expanded to include other commodities upon which price-support programs were in effect.

Mr. COOLEY. Mr. Chairman, I offer an amendment to the substitute amendment.

The Clerk read as follows:

Amendment offered to the substitute amendment by Mr. COOLEY: At the end of the substitute amendment offered by Mr. HOPE add the following language:

"No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party."

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

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

There was no objection.

The CHAIRMAN. The gentleman from North Carolina is recognized for 10 minutes.

Mr. COOLEY. Mr. Chairman, the language contained in my amendment was taken bodily from the bill H. R. 1825 introduced on February 10, 1947, by the gentleman from Kansas [Mr. HOPE], chairman of the House committee on Agriculture.

The bill H. R. 1825 had the approval of Secretary Anderson, and I understand it had clearance by the Bureau of the Budget, but it never would have had the approval of Secretary Anderson or the Bureau of the Budget without the language to which I have just referred.

I am certain the distinguished chairman of my committee has no desire whatever to leave erroneous impressions upon the minds of the membership of this House, but unintentionally or otherwise I am afraid his last statement is well calculated to leave the membership of the House under the impression that Secretary Anderson in his letter of February 4, 1947, to the Speaker of this House advocated and approved the thing he is now attempting to do on the floor, that is, to secure the passage of a bill which will have the effect of placing wool under section 22, without language which would protect reciprocal-trade agreements.

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

Mr. COOLEY. Yes; of course I will yield.

Mr. HOPE. Does the gentleman say now that the Secretary of Agriculture is opposed to the amendment that the gentlemen from Kansas offered a short time ago?

Mr. COOLEY. I have no right to quote the Secretary of Agriculture. I have not consulted him about the amendment, but I venture the assertion that he is definitely opposed to it unless it contains the language I am now attempting to add to the gentleman's amendment.

Mr. HOPE. Does the gentleman know that the bill, H. R. 1825, which was drafted in the Department of Agriculture in its original form when it left the Department of Agriculture, did not have

the provision in it to which the gentleman has made reference and which he has offered as an amendment to the substitute?

Mr. COOLEY. I am perfectly willing to accept the gentleman's statement with regard to the matter, but I do know what was stated in the letter of February 4, 1947, in which the Secretary of Agriculture discussed the matter. I would like to read for the benefit of the committee just what he said with respect to this provision.

Mr. HOPE. Mr. Chairman, will the gentleman yield further before he goes to that point?

Mr. COOLEY. I yield.

Mr. HOPE. The gentleman knows also, does he not, that Mr. Dodd, Under Secretary of Agriculture, appeared before the Committee on Agriculture when this bill was under consideration and urged a quota upon wool imports?

Mr. COOLEY. My recollection is that Mr. Dodd made some such statement before the Senate Committee on Agriculture. I am not sure what statement he made before the gentleman's committee, but, regardless of what Mr. Dodd said about it, I want the House to hear what Secretary Clinton Anderson had to say about it. I can read it very hurriedly:

Certain limitations on the scope of action permitted under section 22 are involved in the agreements with foreign countries concluded under the Reciprocal Trade Agreements Act. Thus, all but one of our reciprocal-trade agreements prohibit the levying of new fees, duties, or other charges connected with imports against products included in the agreements;

Most of the agreements require consultation with the other country, except under exceptional circumstances, prior to the imposition of quotas on products given duty concessions in the agreements. The exercise of the authority granted under section 22 has not in the past conflicted with any of our international undertakings, and presumably this will also be the case in the future. It would, however, be of advantage to the United States in the conduct of its foreign policy if this were to be specifically required by section 22. Accordingly, the proposed amendment would prohibit any enforcement of a proclamation under section 22 that would be in contravention of the international obligations of the United States.

The amendment referred to is the amendment which I have just offered.

Commenting further, the Secretary said:

In view of the need for broadening the applicability of section 22 to furnish the protection to programs of the Department of Agriculture which the Congress apparently intended, it is respectfully requested that consideration be given to amending that section as proposed in the enclosed draft. It is believed that the amendment is urgently needed, and that its enactment will be a definite contribution to the welfare of American agriculture.

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

Mr. COOLEY. I yield.

Mr. HOPE. Does the gentleman contend that the passage of this legislation, if amended as proposed by the amendment submitted by the gentleman from Kansas, would be in conflict with any existing reciprocal trade agreements?

Mr. COOLEY. I am not sufficiently familiar with existing trade agreements to know whether it does or not, but I will say this: That I have before me a letter from the Under Secretary of State, Mr. Clayton, to the effect that if we adopt this bill as now proposed to this House we will stand before the world convicted of insincerity. Now, that is Mr. Clayton's statement. Whether or not it is true, I do not know. I also know that Secretary Marshall is in complete accord with Under Secretary Clayton in this respect. It is easy to see just the effect of what we are about to do. First of all, as a member of the House Committee on Agriculture, I never thought I would be called upon to consider writing a tariff bill, and that is exactly what we are doing. No question has been raised with respect to the jurisdiction of our committee. If the Congress wants the great Committee on Agriculture to take over these important functions, I am, for one, perfectly willing to assume the responsibility.

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

Mr. COOLEY. I yield briefly.

Mr. GROSS. If this was cotton would you not feel different about it?

Mr. COOLEY. No, sir. You cannot start running rabbits. I am running a fox. I am talking of something of world-wide importance. I want it understood by the membership of this House, particularly the friends of reciprocal trade agreements, that now there is before this House the proposition whether or not we are going to repudiate reciprocal trade treaties under which we have operated for the past several years, or whether we are going to approve them by defeating the Hope amendment now before the House.

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

Mr. COOLEY. I yield.

Mr. RIZLEY. I want to ask the gentleman frankly this question: It is my understanding that, under the present international agreements or under the present trade agreements that we have, the Hope amendment, of course, does not violate any existing agreement, but the gentleman's language not only covers any existing agreements, but it says "any agreement that shall hereafter be made." Now, if we make any future agreements under the Reciprocal Trade Act, which we might say would lower the duties on wool, then, of course, this bill is out of the window, as the gentleman knows. This amendment, in effect, kills this bill, does it not?

Mr. COOLEY. The amendment, in effect, is compatible with the reciprocal trade treaty policy of this country and the amendment without the language which I am attempting to annex is thoroughly and utterly incompatible with such policy. How is it possible for our State Department to negotiate trade agreements and pledge the good faith of this great country of ours when the contracting parties know at the very moment that they undertake to enter into an agreement there is a sword at the White House with which we have armed the President to carve the heart out of any agreement that is there made?

Mr. RIZLEY. Let us assume for the sake of argument Mr. Clayton goes back over to Geneva and effects some other international agreement in respect to wool and the agreement he effects would prohibit the President from doing the very things this bill provides for. Then this amendment, of course, kills this bill, does it not?

Mr. COOLEY. I am not optimistic enough to believe Mr. Clayton will ever be able to negotiate another agreement and I doubt very much if he will undertake to go back to Geneva with this sort of a bill hanging over his neck to embarrass him when he goes to the conference table.

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

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

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

There was no objection.

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

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. LECOMPTE. I want to ask the gentleman what the parliamentary situation is. Did not this bill come out by a unanimous vote?

Mr. COOLEY. Yes; and I made my full confession yesterday on that.

Mr. LECOMPTE. There is no minority report?

Mr. COOLEY. There is no minority report, and no hearings.

Mr. LECOMPTE. Were not hearings held?

Mr. COOLEY. Hearings were held but not printed.

Mr. AUGUST H. ANDRESEN. They were held.

Mr. COOLEY. They were held but not printed.

Mr. LECOMPTE. The statement from the Secretary of State was there?

Mr. COOLEY. No; the statement of the Secretary of State was not considered by the committee. It was handed to me yesterday. But here is the proposition as I see it: You cannot go out of this House and say you did not understand that you are here cutting straight across the reciprocal trade treaties of the past, those that are now in existence, and giving a weapon to the President of the United States to carve to pieces any that may hereafter be made. If you are going to attack our international economic policy, our reciprocal trade treaties, why not approach the problem boldly and courageously? You are attempting to sabotage every agreement that is now in existence and to hamstring the State Department so that it cannot make new ones.

Mr. AUGUST H. ANDRESEN. Would the gentleman favor placing wool under a quota system?

Mr. COOLEY. I do not know that I would be in favor of placing wool under a quota system. I think that is a subject that could well be considered by our committee and I would be perfectly willing to give it my time and attention.

Mr. AUGUST H. ANDRESEN. We have done it for certain types of cotton?

Mr. COOLEY. Yes; and I am not so sure I am for the quotas we have on Egyptian cotton. It seems to me we ought to be buying a little of it if we expect to trade with Egypt. The point is: Why should we approach this matter by the backdoor method? This is one of the greatest problems confronting this Congress and the country.

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

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

Mr. PACE. Speaking of a back-door approach, the gentleman admits his amendment would in effect destroy section 22. So why not just vote on section 22?

Mr. COOLEY. No; I do not agree with that. I read from Secretary Anderson's letter that section 22 had never embarrassed any department of the Government, that they had operated effectively in the interest of our own economy. He does say that he wants the language that I have in my amendment.

Now, there is the proposition. Are you as Democrats, and I will be a little bit partisan about it, going to follow your own Secretary of Agriculture, your own Secretary of State, and your own President, or are you going to let a subcommittee of the steering committee of the Republican Party write legislation for you?

I want to say that as a Democrat I am unwilling to repudiate Mr. Anderson, Mr. Marshall, Mr. Clayton, and Mr. Truman in this way and make it impossible for them to proceed with their plans to rebuild our world trade and to start the wheels of world commerce turning once again.

On May 9, 1947, Secretary of State Marshall in a communication addressed to Mr. Philip D. Reed, United States Associates, New York City, stated:

Since becoming Secretary of State I have spent most of my time in international political negotiations. This experience has reinforced my conviction that enduring political harmony rests heavily upon economic stability. A lasting peace demands international economic arrangements, whereby natural resources, plant and equipment, and manpower are fully and productively employed. The goods and services produced must flow through domestic and international trade channels. In no other way can we create an economic and social environment free from the unrest in which political instability is bred.

Mr. Clayton, head of a United States delegation, is now working in Geneva with the representatives of 17 other nations to remove excessive barriers to trade and to write into the charter for an International Trade Organization a code of good conduct for international trade relationships. This is a basic part of our general foreign policy. The success of these meetings will have a direct relation to the success of our peace efforts.

The roots of this policy reach far down into the basic interests of all of our people. Its benefits will redound to all. Our immediate job is to assure its effectuation. That is the challenge and the responsibility of all of us who earnestly seek an enduring peace.

May 18, 1947, on the occasion of the observance of World Trade Week, May 18-24, 1947, Secretary of State Marshall made the following statement:

The keynote of World Trade Week in 1947 is "World Trade Unites Nations;" a theme particularly appropriate for a time when the

need for unity among peoples is more vital than ever before in history. National leaders are urgently seeking unity in all the fields of international relations—political, security, and economic. Economic conflict and trade wars invariably set the stage for political disunity.

Representatives of 18 trading nations are meeting now in Geneva in a concerted effort to achieve unity through expansion of world trade and the resulting increases in production, employment, and improvement of living standards in all countries.

Although the United States Government has taken a leading part in bringing about this meeting, a successful conclusion can only be realized through the cooperation of all participating nations. At Geneva these countries are seeking to lower excessive trade barriers and are engaged in drafting a charter for an International Trade Organization, to insure international cooperation in commerce. Agreement on this charter will mark a great step toward economic stability and the common security.

If there is doubt in anyone's mind as to why Mr. Clayton left Geneva, I suggest that you might communicate with him directly in an effort to obtain accurate information concerning his return to this country. I am sure that he would welcome an opportunity to discuss the situation with Members of either House of Congress. I only regret that he was not invited to speak to our committee before this controversy was brought to the floor of the House.

I hope, gentlemen, that I do not exaggerate the importance of the matter now under consideration. I sincerely believe it to be of great importance and worthy of the careful consideration of the elected representatives of the people. I believe that I know that the destiny of America depends upon our ability to solve the problems of world trade. I am convinced that this cannot be done by the method of retaliatory tariffs and trade barriers and by isolating ourselves from the rest of the world.

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

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from North Carolina.

Mr. Chairman, before we get too far into this argument, perhaps we better stop and consider just how far reaching the results would be if the gentleman's amendment were adopted. The gentleman's amendment does not apply just to wool; do not let that confuse anybody. It applies to any action that may be taken by the President under section 22 as it stands on the books now. If we adopt the Cooley amendment, it means that the State Department would have the authority and the power to override and overrule this law, that Congress has enacted to protect the cotton producer, and the wheat producer, and the producers of other commodities in this country which are under price support programs.

If this amendment is adopted, it means that the State Department—not the Congress, and not the President—is going to say whether or not this protection will be afforded. It means that the Secretary of State may have more to say about the price policies

affecting agriculture, than the Secretary of Agriculture. I believe that Members representing districts in this country whose products have the protection of section 22 should think rather carefully before they vote to adopt this amendment which nullifies all of the protection under section 22 if the Secretary of State wishes to take such action.

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

Mr. HOPE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Did not the gentleman introduce H. R. 1825 with exactly the same language in it that is in my amendment?

Mr. HOPE. Yes.

Mr. COOLEY. Why did the gentleman then think that the language was so good and now it all of a sudden is so bad?

Mr. HOPE. Well, the gentleman from Kansas introduced the bill H. R. 1825 as a departmental bill sent up to the Speaker of the House and transmitted to the committee.

Mr. COOLEY. Then it is simply in the nature of a plea of confession and avoidance, as I mentioned yesterday.

Mr. HOPE. If that is what the gentleman wishes to call it. The Chairman, as he frequently does, introduced this bill in order to get the matter before the committee. Of course, the committee has not acted on the matter as yet, and the committee very likely will make amendments to the measure before it is acted upon.

Mr. COOLEY. May I ask the gentleman one other question? Is it correct that the Secretary of Agriculture, or the Bureau of the Budget, the administration, I will say, would not have approved H. R. 1825 with the language out?

Mr. HOPE. Well, that is something that the gentleman from Kansas cannot answer definitely because he does not know. He has been told that the bill, when it left the Department of Agriculture and went to the Bureau of the Budget, did not contain that language, and he has been told also that the State Department insisted that the language go in the bill.

Mr. COOLEY. That was the statement I wanted the gentleman to make.

Mr. HOPE. And that is, as far as I know, the history of the legislation before it came to the Speaker of the House.

As far as governmental policy is concerned, I do not think there is any question but what there is some conflict between the reciprocal trade agreement policy and section 22 policy. It is just another illustration of the fact that during all this period the administration apparently has not been able to make up its mind which way it did want to go on these conflicting matters of domestic and foreign policy. However, I submit that as far as the administration is concerned that this section 22 policy, is just as respectable, has had just as much administration support behind it and is just as important from the standpoint of carrying out administration policy as any other policy that has been in effect during the past 12 years.

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

Mr. GRANGER. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas be permitted to proceed for five additional minutes.

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

There was no objection.

Mr. HOPE. The gentleman from Kansas has no desire to take up an undue amount of time on this question but it seems to him that we might just as well strike out this section 22 provision from the bill; in fact, we had better strike it out if we adopt the Cooley amendment, because when we do that we put in the hands of the Secretary of State the power and the authority to go to Geneva, meet with representatives of other nations and log-roll and trade away the protection the Committee on Agriculture, the Congress, and the President have tried to set up for agricultural products during the last 12 years.

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

Mr. HOPE. I yield to the gentleman from Utah.

Mr. GRANGER. It is not clear in my mind, but as I understand, when the agitation was on in the beginning of this session of Congress to do something about reciprocal trade agreements, the President directed a letter to the Senate Committee on Foreign Affairs or some other committee in the other body stating that he was for an escape clause being put in every one of these treaties that were negotiated where it was shown that the trade would be disadvantageous to American agriculture. Is not that true?

Mr. HOPE. I understand there was an agreement between the President or the Secretary of State, I am not sure which, and certain Members of the body at the other end of the Capitol, that agreements reach at Geneva would contain an escape clause provision which would protect American producers of agricultural products. But if we pass this legislation we are repudiating that, we are saying that as far as Congress is concerned we are overruling that agreement and that understanding.

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

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

Mr. HALLECK. What I should like to understand is this: If the Cooley amendment is adopted and hereafter concessions are granted in respect to the tariffs on wool, then, the support program provided for in this bill being in effect, would not that involve the payment of tremendous amounts in subsidies out of the Federal Treasury?

Mr. HOPE. I am afraid that is what would happen.

Mr. HALLECK. In other words, future concessions given on wool would have to be compensated for out of the Federal Treasury, insofar as the support program is concerned.

Mr. HOPE. That would no doubt be true.

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

Mr. HOPE. I yield to the gentleman from North Carolina.

Mr. COOLEY. The effect of adopting the amendment offered by the gentleman without the language contained in my amendment would be to strike out the reciprocal trade treaties clear across the board, would it not?

Mr. HOPE. Certainly not.

Mr. COOLEY. Does the gentleman think our State Department would be able to negotiate a solemn agreement with some other nation knowing that this power was in the possession of the President of the United States?

Mr. HOPE. We have had section 22 in the law since 1935 and many reciprocal trade agreements have been made during that time. I do not see why the situation would be any different now. As to existing agreements I asked the gentleman a while ago whether he knew of any existing reciprocal trade agreements which would be interfered with by the adoption of the amendment offered by the gentleman from Kansas, and the gentleman said that he did not know of any. I can say this: I do not know of any reciprocal trade agreements covering the importation of raw wool which would be affected. We have reciprocal trade agreements with Uruguay and with Argentina on raw wool, but those agreements cover types of wool that we do not produce in this country, so this legislation would not be in conflict with those trade agreements.

Mr. COOLEY. As I say, I do not know whether or not it would be in conflict with trade agreements, but I do believe that the gentleman will agree that the effect of this language contained in the gentleman's amendment will be to make it difficult for our State Department at this time to negotiate future trade treaties.

Mr. HOPE. It will undoubtedly make it difficult to negotiate a trade treaty lowering the tariff on wool.

Mr. COOLEY. Yes; that is true.

Mr. HOPE. If the gentleman's amendment is adopted, the Under Secretary of State, Mr. Clayton, can go back to Geneva and reduce the tariff on wool 50 percent if he wants to and there is no way on earth of preventing it. Mr. Chairman, the amendment of the gentleman from North Carolina should be voted down.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last three words, and ask unanimous consent to proceed for three additional minutes.

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

There was no objection.

Mr. McCORMACK. Mr. Chairman, no matter what argument might be made by the gentleman from Kansas [Mr. HOPE], the fact remains that the adoption of his amendment, and I am addressing myself to the amendment the gentleman has offered, will be construed, and, in fact, will be a direct attack upon the reciprocal trade legislation that this Congress has passed and which is now on the statute books.

It will have an effect indirectly upon every existing agreement in that every country with which we have an agreement will be sensitive to the adoption of this amendment and will govern their actions in the future accordingly. It will certainly have an effect upon any future negotiations.

As Under Secretary of State Clayton said, or the inference might well be drawn from his letter, it will practically mean the dissolution and the termination of the Geneva Conference that is now going on.

There are people in this country who think all we can do is sell to every other country and not buy anything and that we are going to prosper by that. Anyone who thinks that situation can exist is living in a dream world. We had that in the 1920's and it was a contributing factor to the depression of 1929 to 1933. We have learned by hard experience that in order to have prosperity in America we have to depend upon at least 10 percent of our production and farm products, being sold and exported abroad. In order to have that situation, we must buy from other countries. There must be some kind of a balance of trade.

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

Mr. McCORMACK. I yield.

Mr. BARRETT. Will the gentleman admit that we have purchased 80 percent of the wool that we have consumed each year for the last 5 years from foreign countries?

Mr. McCORMACK. Not 80 percent. I will not argue with the gentleman on that point, but my understanding is that we produced about 30 percent of the domestic consumption. I will not quibble with the gentleman over whether the figure is 70 percent or 80 percent, but the fact is we do not produce enough wool in America to meet the domestic consumption. That is an indisputable fact.

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

Mr. McCORMACK. I yield to my friend from Pennsylvania. I thought you were interested in oil.

Mr. GAVIN. I am interested in oil and wool, too. Very much so. But in view of the fact that we do not produce enough wool, why not get into this stock pile of some 480,000,000 pounds that we have here in the United States and use that up? There is another question I would like to ask the gentleman while I am on my feet.

Mr. McCORMACK. All right. That is question No. 1.

Mr. GAVIN. Are we legislating on the wool industry and for the protection of the wool growers, or is this debate on the reciprocal trade treaties? I think we are getting a little off the beam here.

Mr. McCORMACK. Does the gentleman know how he is going to vote on the bill yet?

Mr. GAVIN. Yes.

Mr. McCORMACK. It is the first time I have heard the gentleman admit before the final vote that he knew how he was going to vote on any bill pending in this body.

Mr. GAVIN. The gentleman usually knows how he is going to vote.

Mr. McCORMACK. At least I make up my mind.

Now, the basic proposition in this bill is a support price for wool. The proponents of this bill started out with that proposition. As I said yesterday, when it went through the Senate so quickly and so easily, then avarice came in, and they conceived of section 4. Now section 4, and the amendment offered by the gentleman from Kansas [Mr. HOPE] is designed for no other purpose than to have the consumers, the American public, pay the subsidy to the wool producers. That is the new policy of the Republican Party. That is what this bill includes.

The proponents of this bill started out with the theory of a support price. The Senate bill shows that. It would necessarily follow, in order to carry out the provisions of the Senate bill, that the subsidy, if any, would have to be paid by the Government. Somewhere along the line they said, "We cannot stand for that, because that conflicts with the \$6,000,000,000 cut in this body and \$4,500,000,000 cut in the other body." They said, "Oh, we cannot do that." Then they conceived section 4 to slip it over onto the public and to have the public pay the price. Then, section 4 was too severe. It encountered too much opposition, and then they conceived of this very artful amendment to bring it under section 22 of the Agricultural Adjustment Act. But they still were in a box. They had Republican wool growers, and they had Republicans in the industry. In the industry they were divided. Those who purchased domestic wool were for anything. They would destroy all kinds of reciprocal trade agreements or anything else to get it through, because they have been threatened by the wool producers that if they did not support the bill they would not sell wool to the Boston market. I know, because they have tried to use that argument on me. I received a letter from a man in Boston, and I am going to answer him, because it is the most selfish letter I ever received, where a man puts his own pocketbook and his own interest above the national interest. I name him. He is in town now. I have not seen him yet. I hope that one day I shall see him so I can tell him what I think of his letter. The Republican Party does not want to displease the wool industry or any part of it, because up in Boston—I will tell my friend the gentleman from Kansas [Mr. HOPE]—I do not have any political or social connections with them, because they are the backbone of the Republican Party. They did not want to offend the wool growers. They did not want to offend any part of the wool industry, because they are the backbone of the Republican Party; and they gave an escape clause. The escape clause in this, applicable to no other commodity, that no import quotas can be applied. They are trying to ride two horses. That is what is happening. And the public is made to pay.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.



Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes in view of the fact that my time was taken up answering questions.

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

There was no objection.

Mr. McCORMACK. I also advise the gentleman from Kansas [Mr. HOPE] in his artful attack on the wool industry in Boston and the profits that they made—

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

Mr. McCORMACK. Yes; I yield.

Mr. HOPE. Does the gentleman deny the statement that the gentleman from Kansas made as to the profits of the wool dealers in Boston and the wool manufacturers generally?

Mr. McCORMACK. I have no knowledge and therefore I cannot deny, but I will say this much, that in 1946 all corporations made much more than they did in 1945 or 1944. You must remember that the excess-profits tax did not apply to 1946 profits. All corporations, in fact, and all industries showed greater net profit in 1946, where they had a net return, than they did in 1945. That is my recollection. Then, there is the carry-over provision. I might also say that that tax bill was conceived by a Democratic-controlled Committee on Ways and Means, and passed by a Democratic-controlled Congress. There is no question but what that entered into the 1946 net corporate profits. All business benefited, and I say that against the artful attack made upon the wool industry of Boston or elsewhere—and politically they are Republicans—it is a little strange that a Democrat must defend them in their political capacity. I think the attack upon the wool industry in Boston was unnecessary because of profits made in 1946.

Now we have the situation where a subsidy of some kind is necessary to carry out the support program. There is no question about it. The majority leader admitted it yesterday; admitted it also today. It is a subsidy, but instead of doing the right thing and paying the support price, which is the main purpose of this bill, and have it come out of the Government where it would cost less, they are passing this on by this amendment to the consuming public. It will pyramid and pyramid until in the end it will have cost the public two or three times the amount of the subsidy that the Government would pay if intellectual honesty were followed in the enactment of this bill, and the subsidy necessary to maintain this support price is paid by the Government.

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

Mr. HOPE. Mr. Chairman, that we may arrive at an understanding as to a limitation of time on this amendment, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 45 minutes.

Mr. WHITTINGTON. Mr. Chairman, reserving the right to object, will not the gentleman modify his request and make

it apply to this amendment? There may be other amendments to be considered.

Mr. HOPE. The gentleman from Kansas intended to limit his request to the Cooley amendment and amendments to the Cooley amendment.

The CHAIRMAN. The gentleman from Kansas [Mr. HOPE] asks unanimous consent that all debate on the Cooley amendment and all amendments thereto close in 45 minutes.

Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. May we learn how the time is to be divided and who is to be recognized?

The CHAIRMAN. The following Members were seeking recognition at the time the request was agreed to: Messrs. MURRAY of Wisconsin, RIZLEY, Mrs. DOUGLAS, Messrs. CASE of South Dakota, JENNINGS, AUGUST H. ANDRESEN, GRANGER, PACE, RANKIN, HOFFMAN, CRAWFORD, and RAYBURN.

Mr. HOFFMAN. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. If I relinquish my time will it be divided amongst the others?

The CHAIRMAN. It will.

Mr. HOFFMAN. Then I will not use my time.

The CHAIRMAN. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is recognized for 4 minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I am sure the distinguished gentleman from Massachusetts would not be making his plea here today if the views of his Republican wool-selling constituents had not coincided with his own views on free trade, for some of the industries in this country. I am just wondering what his attitude will be when Mr. Clayton gets to operating on woolen cloth over at the Geneva Conference, proposing to reduce the duty on woolen cloth. Of course, I know some of the manufacturers up in the Boston area want free wool and a high duty on the products that they produce. That is only natural. I would not even say they were selfish to ask that because they are trying to protect themselves and their industry just as the producers of wool are expected to do here today.

There is not a great deal of wool produced in my district, but, as I see it, wool is one of the vital and essential commodities in this country. It is produced in the interest of the general welfare of the country. If we follow the State Department's argument and policy the wool industry in this country will be gradually liquidated until we will be left at the mercy of the British wool cartel that controls 85 percent of the wool production in the world.

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

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Ohio.

Mr. CLEVINGER. Would not the effect of the adoption of this Cooley

amendment be to make the Agriculture Department a little bobtail on the State Department dog?

Mr. AUGUST H. ANDRESEN. I do not think there would even be any bob left on the tail if they follow the State Department's philosophy.

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

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Colorado.

Mr. CHENOWETH. In connection with this larger question, may I ask whether or not the State Department or the Congress of the United States is going to write the basic legislation in this country?

Mr. AUGUST H. ANDRESEN. I always thought that the Congress should write the policy, but having lived through the experience of 14 years of a New Deal administration I found that most of the policies were dictated and written down in the State Department or some other agency of the Government, and if the Congress did not pass a law according to what they wanted down there, whatever we did pass here would be interpreted any way they wanted to.

Mr. CHENOWETH. Then is it not about time to put an end to that policy and write language that even they can understand?

Mr. AUGUST H. ANDRESEN. That is what we are here for. We are supposed to write the policies and the officials in the State Department and in the other departments are supposed to carry out the intent of the Congress, because we are presumed to represent the people.

We had a Mr. Nichols, an economic adviser to Mr. Clayton, before our Committee on Agriculture. We discussed in particular the attitude of the State Department on the subject of wool and on the subject of other products produced in this country. The only thing we could gain out of Mr. Nichols' argument was that in connection with small industries like the wool industry, the pottery industry or the glassware industry, these should undergo gradual liquidation on the theory that in other countries, where cheap labor and a low living standard exists, production would be cheaper.

Mr. Chairman, the amendment offered by the gentleman from North Carolina should be defeated, and I hope that the Committee will overwhelmingly approve the amendment offered by the gentleman from Kansas [Mr. HOPE].

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. GRANGER].

Mr. GRANGER. Mr. Chairman, this is simply an amendment that gives the committee the opportunity to say how this subsidy, or whatever it is called, is going to be paid. The question is whether it is going to be paid by the consumers or by the taxpayers.

It has always been the argument of my colleagues on this side that they did not want any subsidy. We want the price of the product paid in the market place. We have always—I will say most of us have—opposed a direct subsidy. Now, that is the question that is before us today and it is a very simple one, too, whether or not we want to put some restraint on commodities that are going to

compete directly with wool or whether we are going to permit wool to come in, as it now does for the next 2 years and let the Federal Treasury pay for it.

Now, it seems to me that our country has made a great contribution to the world. I have always voted for things that have been helpful to our neighbors, but inasmuch as we have made the contribution we have in American blood and materials, we certain cannot be accused of taking a selfish attitude when we merely want to get rid of an emergency stock pile of wool, namely, 500,000,000 pounds.

Now, that is simply the question that is before the House, and I think we should support the committee. I want to say here for our distinguished chairman, if there have been any Republican politics in this thing so far as he is concerned, I have not been aware of it, and I have been working with him very closely. The wool industry of the United States will owe the gentleman from Kansas a great debt of gratitude if he is able to get this bill passed for them.

Now about the question that has been raised as to what this might do to the trade agreements. There is no trade agreement that will be abrogated or that is involved in this question. True, it might have some effect in the future. I think we might just as well be frank about this matter and say that the Department of State was actually engaged in lowering the tariff on wool when this legislation was brought to the Committee on Agriculture. There is no question about that.

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

Mr. RIZLEY. Mr. Chairman, I yield the gentleman my 4 minutes.

The CHAIRMAN. The gentleman from Utah is recognized for 4 additional minutes.

Mr. GRANGER. It is true that there are negotiations on reciprocal trade agreements. But, where can you trade? As I told you yesterday, one-third of all the revenues we get from tariffs comes from wool. Sure, it is a question that is vital to Mr. Clayton. I think if there had not been some stop made to these negotiations, the wool industry would have been traded clear out of the picture. I do not think there is any question about that, and I assume that is the reason that Mr. Clayton is so exercised over this problem. Now, we might just as well be fair and frank about it.

But, I want to say that if there is a lowering of the tariff, certainly you are going to destroy this industry. If it is of as little consequence as some people seem to think it is, go ahead and destroy it, because that is all it will take—another lowering of the price of our domestic wool. As has been said here time and time again, it is a very important commodity in our economy. The War Department has said and still says it is a critical material needed for our security. Suppose we kill the industry entirely. Do not be fooled by thinking the world is going to come to our rescue if we need wool in an emergency. When they get control of it we will be at the mercy of importing countries, such as the British Empire. We

have been pretty decent with Britain, it seems to me. For the last 2 years at least we have given them our whole domestic market. They have had it in its entirety. It does not seem to me we are being selfish or doing anything that would disturb anybody in this matter because this is a temporary measure, primarily for the purpose of disposing of 500,000,000 pounds of wool that we have that we cannot sell. These are the issues.

I say to those people who are such great followers of the administration: Through all the dark days of the war and during our preparation, no one followed the administration then more than I. It is easy to be a great follower of the administration when you agree with what they are trying to do, but it is a different thing when you disagree with them just a little. I have not often disagreed with the administration. I do not agree with the gentleman from Minnesota; I am pretty much of a new dealer myself, as everybody knows.

Mr. Chairman, I hope this amendment is rejected, and that every other crippling amendment will be voted down.

[Mr. JENNINGS addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, I am in sympathy with the purposes and objectives of the pending bill. I favor giving wool and all other agricultural commodities comparable consideration. I have high regard for the Committee on Agriculture, and I know of no man who has contributed more to agriculture in the United States than the distinguished chairman of this committee the gentleman from Kansas [Mr. HOPE]. I want to be sure that we are not putting wool in a preferred class insofar as this program is concerned in the pending bill.

The substitute of the gentleman from Kansas amends existing law to include the Wool Act of 1947. That is not as simple as including wool with the basic commodities, in existing law. That substitute includes the terms of this act, and the terms of this act call for a program for 2 years. If section 32 funds are continued, then programs may be continued or be made available for cotton, corn, wheat, and other basic agricultural commodities. But I am alarmed at the reports that the Subcommittee on Agricultural Appropriations intends to provide for the fiscal year 1948 that section 32 funds be paid into the Treasury and not be made available for support programs. If that is true, then, while there is other legislation authorizing import quotas and export subsidies, that legislation cannot be invoked because the basis of the other legislation is the programs that are authorized now only by section 32 funds.

The chairman of the committee said that he had under consideration H. R. 1825 in his committee to provide for agricultural programs. I call attention to the fact that the substitute under consideration, so far as the cotton, corn, and wheat growers and growers of other

agricultural commodities who are interested are concerned, covers, and I read from the substitute:

Under this title, or the Soil Conservation and Domestic Allotment Act as amended, or section 32, Public Law 320, Seventy-fourth Congress, approved August 24, 1935, as amended.

The word "title" does not cover the acts of 1938 or 1942.

There is not a word about the Agricultural Adjustment Act of 1938 or the Stabilization Act of 1942. So I respectfully suggest to the chairman and committee that, while I am in sympathy and am agreeable to their continuing and studying the matter of amending section 22 in fairness to the corn, wheat, cotton, and other basic agricultural commodities, it was an oversight that the Agricultural Adjustment Act of 1938, as amended, and the Stabilization Act of 1942, as amended, are not included. Why include section 32 of the act of 1935 or the Soil Conservation and Domestic Allotment Act, as amended, when the authority for implementing other programs authorized by section 32 are the said acts of 1938 and 1942? I call attention to this significant statement that in the pending bill under section 3, certain sections of the act of 1938 are made available to wool. The failure to include discriminates against other products or commodities.

I submit, therefore, and I urge the chairman of the committee and the members of the committee while I am agreeable to their procedure in committee or conference and while I rely upon them in the reporting of the bill H. R. 1825, with amendments, as to commodities and programs in general, in all fairness in view of the threat as to the repeal of section 32 funds or their being paid into the Treasury, unless you want to place wool on a preferred basis because under the terms of this bill if section 32 funds are not made available wool will still be provided for but not so with corn, cotton, wheat, and other basic agricultural commodities, these two acts should be inserted, which were previously passed by Congress and for which the Congress stands. There should be inserted in the pending substitute these two acts in substantially the following language, to wit: "or the Agricultural Adjustment Act of 1938, as amended, or the Stabilization Act of 1942, as amended," before the words "or the Wool Act of 1947" in paragraphs (a) and (b) of the amendment.

I extend to summarize by saying that, while the distinguished chairman and other members of the committee have stated that the pending bill will not take from corn, wheat, cotton, or other basic agricultural commodities any existing rights or benefits, the pending bill by amending section 22 to include the Wool Act of 1947 would give wool a program if section 32 funds were paid into the Treasury and not made available for programs. The pending bill gives to wool a preferred status for it will not be dependent for the next 2 years on section 32 funds. I suggest to the distinguished chairman and to the members of the committee handling the bill that the substitute should be amended by inserting

before the words "or the Wool Act of 1947" the provisions of H. R. 1825, amending section 22 (a) and (b) substantially as set out in said H. R. 1825. Such an amendment would cover: "the Agricultural Adjustment Act of 1938, as amended, or any loan, purchase-price support, or other program or operation undertaken by the Department of Agriculture or any agency operating under its direction with respect to any agricultural commodity or product thereof." I took the matter up with the chairman during the general debate when his substitute was proposed and suggested that it be amended to provide for other programs than wool. He responded that he did not want to open up purchase-price support or other programs or operations in connection with the pending bill, as wool was entitled to relief, but he stated that he was in sympathy with the definite provisions for other programs and that his committee would either report H. R. 1825, as amended, or a similar bill to provide for other support programs.

The question involves not only giving wool comparable treatment to corn, wheat, and cotton but unless clarified, in the event section 32 funds are not available for such other crops, it involves a preferred status for wool. Neither the committee nor the advocates of the pending bill ask for a preferred status. They want wool, cotton, corn, and other basic agricultural commodities to have similar and comparable programs.

I respectfully suggest to the chairman that he offer, after conferring as I have with a number of members of the committee, an amendment to his substitute, as follows: In paragraphs (a) and (b) of his substitute, before the words "or Wool Act of 1947", insert a comma and the following: "or the Agricultural Adjustment Act of 1938, as amended, or the Stabilization Act of 1942, as amended." This will not provoke any controversy. This will not be going into other programs. It is a matter of clarification. If the Wool Act of 1947 is to be included, surely the Agricultural Adjustment Act of 1938, as amended, and the Stabilization Act of 1942, as amended, should be embraced. If it is necessary to embrace the Wool Act in the substitute, it is necessary to embrace the said two acts in the substitute so that if section 32 funds are not made available, support programs can be inaugurated so that export quotas, or for that matter export subsidies, may be maintained by the Commodity Credit Corporation. If my suggestions are not included by way of amendment to the substitute, I urge the committee, in conference, to give further consideration, as a matter of clarification, to including at least by way of amendment the language that I have suggested which is substantially the language of H. R. 1825, or to include the said two acts of 1938 and 1942. This will be possible under the rules of the House, as the substitute will be involved in conference and any clarification or modification of the substitute could be made under the rules. I am content to rely upon the chairman and his committee and the members of the conference, for wheat, corn, and other basic agricultural commodities are as vitally interested as cotton. I know the

committee, as stated by the gentleman from Georgia [Mr. PACE] in my colloquy with him yesterday, is of the opinion that the purpose of the substitute is to place wool in the same, but in no better, category than cotton. If the Subcommittee on Agricultural Appropriations is successful in requiring section 32 funds to be paid into the Treasury, there will be no support program for any commodity, without a modification of the amendment as I have suggested, except wool, and I make this statement after having given careful consideration to the legal questions involved in amending existing legislation, and in passing the pending bill.

(Mr. WHITTINGTON asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentlewoman from California [Mrs. DOUGLAS] is recognized for 4 minutes.

(Mrs. DOUGLAS asked and was granted permission to revise and extend her remarks.)

Mrs. DOUGLAS. Mr. Chairman, I rise in opposite to the amendment offered by the gentleman from Kansas [Mr. HOPE] and in support of the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

We ought to help the wool growers. I feel that the bill that came from the Senate, S. 814, does just that. In giving help to the wool growers, in meeting the emergency with which we find ourselves confronted at the moment, in that we have a stock pile of wool, we should be very careful that we do not frame our help to the wool growers in such a way that it will jeopardize the efforts which we are now making to establish an international trade organization.

We know that we cannot have a stable and lasting peace in the world that is based only on political cooperation. It also must be based on economic cooperation. The main factor in economic cooperation is trade. In the last session of this Congress we voted to join the world bank and the monetary fund. Neither the world bank nor the monetary fund has yet been able to operate fully. They will not be able to operate fully until world trade is again healthy and moving in an orderly and equitable fashion. Our country has taken leadership in the establishment of orderly and equitable world trade regulations. At this moment in Geneva we are meeting with 17 other nations to establish an International Trade Organization.

Why is wool so important in the negotiation? Because some of our best customers have nothing to sell us but wool. It is important for the healthy trade relations of this country that they do so. As a result of stock piling in the war we have an excess of wool at the moment, but this is a temporary condition. Ordinarily we must import two-thirds of the wool we need. Surely, we will not let this temporary condition blind us and wreck the Geneva Conference.

Although wool amounts to but one-half of 1 percent of the farm income in this country, the imports into this country from Australia, New Zealand, and South Africa are primarily imports of wool.

Wool makes up more than 95 percent of the dutiable imports into the United States from Australia. About 40 percent of our imports from New Zealand and 37 percent from South Africa are wool.

Unless these countries can get dollar balances by selling us wool, they cannot buy from us automobiles, refrigerators, and the products which we wish to export. We know that after the Smoot-Hawley Tariff Act was passed, imports into this country fell off and in direct relation our exports went down, and our national income went down, too.

The United Kingdom and the Dominions are tied together by a system of tariff preferences. It is to the advantage of this country to try to reduce empire preferences. If Australia, New Zealand, and South Africa are unable to carry on trade with us, then Great Britain cannot make the same arrangements with us which she would otherwise make. The United Kingdom cannot reduce or abolish its preferences unless the Dominions agree.

British Empire countries normally buy about 40 percent of total United States exports. And the United Kingdom alone normally buys 33 percent of the United States exports of farm products.

Without American dollars obtained by selling their wool in this country, the British Dominions cannot buy and pay for American agricultural and industrial products.

What we really have here are two bills. One bill to aid the wool growers and an amendment offered by the gentleman from Kansas which is the beginning of the Republican attack upon the trade-agreements program.

There is supposed to be bipartisan support of our foreign policy. Trade agreements are basic to the economic peace of the world. If the Republicans propose again to lead the country back into economic isolation, they should bring a bill to the floor that clearly states this purpose.

We ought to help the wool growers. We ought to help them by a direct subsidy and not by erecting tariff barriers that will again isolate us economically in the world.

The CHAIRMAN. The time of the gentlewoman from California has expired.

The gentleman from Wisconsin [Mr. MURRAY] is recognized for 4 minutes.

(Mr. MURRAY of Wisconsin asked and was granted permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, not being a lawyer, I would just like to address myself to about half of the Members of this House. I wish to ask them two questions: I would like to ask whether this JO world joint organization we have heard about that controls 85 percent of the wool of the world could set up shop in the United States and not be subjected to the provisions of the Sherman Antitrust Act?

Now, if there is a lawyer on either side who feels qualified to answer that question I yield for him to do so. I would like to have any lawyer in the House answer that question. [Pause.]

I have given everyone plenty of time to answer the question but I have heard no answer. In other words I think the Members agree with me that the mere fact they do not answer indicates that any group that controls 85 percent of any commodity makes them automatically a monopoly or cartel and they would not dare operate within the confines of the United States of America without being subject to the provisions of the Sherman Antitrust Act.

My next question then is this: I would like to know how in the name of common sense Mr. Clayton or any other American citizen has any business to be going over to Geneva and conniving with a foreign monopoly that does not dare set up shop in the United States of America. Will you answer that question?

Now for many years we have heard much about this bad Smoot-Hawley tariff bill, so bad it caused the ladies to blush and the children to break out in a heavy rash, but I have noticed that under the New Deal they have implemented the Smoot-Hawley set, if you please, time and time again by putting embargoes in operation. When it pleased the New Deal to erect embargoes they have done so. The New Deal paid export subsidies when it suited them to pay export subsidies. They are paying an export subsidy this very hour. What other administration ever indulged in an export subsidy? The time has arrived when the New Deal and their brand of reciprocal trade treaties have been demonstrated as being, if you please, honeycombed with deceit and dripping with deception. The American people know the facts and they are entitled to know that while the New Dealers talk about good-neighbor policy and reciprocity they have in fact erected more trade barriers than any administration in the history of our country. The New Deal has continually deceived the League of Women Voters and women's clubs with their false and fake propaganda. While they were talking about good neighbors they were erecting embargoes. While they were talking about reciprocity they were erecting sectional trade barriers.

If anyone wish to defend the New Deal brand of reciprocity allow me to ask them to defend and justify the following: How can you defend a law maintaining the 42-cent duty on wheat as provided by the Smoot-Hawley Act and then turn around and implement this duty by an embargo? How can you defend the embargo placed upon the export of tobacco seed? How can you defend the export subsidies indulged in by the New Deal? These trade barriers, I repeat, have never before been erected in the history of our country. Then to think we have to listen to the deceitful talk and propaganda about the New Deal reciprocity program.

How in the name of common sense can the administration shed crocodile tears about a good-neighbor policy when it passes a bill, as I mentioned before, which prohibits the exportation of tobacco seed from this country and have the effrontery, the nerve, to pass such a bill when the Secretary of Agriculture's office states in black and white that it was done so that China and other countries cannot grow tobacco in competition with

American tobacco. Is this your idea of reciprocity?

They are shadow boxing; they are and have been two-timing the American people. But the time has come when this administration, as all administrations, must answer for their sins. The sun is shining through the clouds now and the American people are finding out that they have been deceived. The American people have found out that the administration's propaganda about the New Deal brand of reciprocal trade treaties is not in keeping with the facts.

No living person can defend and justify the New Deal domestic and foreign agricultural program and anyone that knows what has taken place will even try to defend or justify it.

The American farmer has been used as the trading stock so that monopolies and big automobile corporations can amass greater profits.

The American wool grower today should not be sacrificed on the altar of a foreign agricultural policy that will ruin his business. The American farmer wants to electrify the other 50 percent of the farms of our land. He wants the other 90 percent of the farms to have the bathtubs and running water that are now available in the average city home. He wants only comparable equality with other groups, and he can rightly be tired of the do-gooders with their patent leather shoes and striped pants. American youth want a "piece" of America and they want equal opportunities with the other groups of our society. They are rightly deserving of no less.

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

The gentleman from Georgia [Mr. PACE] is recognized for 4 minutes.

Mr. PACE. Mr. Chairman, 14 years and 10 days ago section 22 was enacted into law. It was enacted upon the recommendation of a report submitted by the late President Roosevelt. It has been on the statute books from then until now. It was a part of the original Agricultural Adjustment Act. It is a farm section and was intended to help the farmers.

I hope the amendment submitted by the distinguished gentleman from North Carolina will not be approved, for the simple reason that in my judgment it will in effect repeal section 22. The gentleman's amendment provides that no action, no proclamation can be issued under that section without the prior approval of the Secretary of State or the Department of State. Inasmuch as Mr. Clayton, the Under Secretary of State, is in charge of the foreign economic affairs of our Government, that means, and can only mean, that it would place Mr. Clayton to a considerable extent in charge of the farm program of this Nation. The farm program should be in charge of the Secretary of Agriculture, but when you enact an amendment saying no action can be taken upon section 22 relating to farm programs without the prior approval of Mr. Clayton, in effect we have placed the farm programs in this country, to an extent at least, in charge of Mr. Clayton. If that is not true I do not know the purpose of his amendment. As I read to you yesterday, and I shall

read again, the following line which is a part of section 22. It is subsection (d) of section 22:

Any decision of the President as to facts under this section shall be final.

Therefore unless it is an effort to put the Under Secretary of State in charge of the farm program I can see no reason for the amendment of the gentleman from North Carolina, because as the law is today before any import fee may be put on any agricultural commodity, it must in the first instance have the approval of the President of the United States and I assume that there is sufficient collaboration between the President of the United States and his Under Secretary of State to have a uniform program as to international negotiations.

Mr. Chairman, for these reasons I must earnestly urge that the amendment submitted by the gentleman from North Carolina be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, I wish to supplement what the gentleman from Georgia said and carry the thought just a little bit further. The Hope amendment proposes to amend section 22 principally by the insertion of references to the Wool Act of 1947. Along comes the Cooley amendment which does not propose to limit itself to the Wool Act of 1947, but with respect to everything covered by section 22 says that no proclamation under this section shall be enforced in contravention of any treaty or any international agreement that the United States is or may hereafter become a party to.

All that the Hope amendment does is to say that the protection afforded by section 22 for other agricultural commodities will be extended to wool. The Cooley amendment says that in all its ramifications section 22 shall become subordinate to any treaty or other international agreement. Do you want to establish that principle? Do you want to do that on the brief debate this amendment has had?

I submit to the members of the committee that the Cooley proposal to subject all commodity programs to the terms of unknown treaties and agreements raises a very far-reaching question. I see the gentleman from Mississippi present, who was worried about what might happen in the agricultural appropriation bill with respect to section 22 funds. He should have been much more concerned with what the Cooley amendment will do to all programs that come under section 22 if that section becomes subordinate to any treaty or international agreement. The all-inclusive character of the Cooley amendment is enough to defeat it.

After all, this matter before us is not as complicated as it might sound.

First of all the issue is as to whether or not you want to handle the situation by taking money out of the Federal Treasury. The amendment offered by the gentleman from Kansas seeks to let wool stand on its own bottom. Of course, it was one of the favorite methods of the New Deal to take money out of the Treasury. If you think that wool

should stand on its own bottom and that you should not try to handle the situation with a check drawn on an over-worked Federal Treasury, you ought to be in favor of the amendment offered by the gentleman from Kansas.

The second question is the relationship of the proposal to trade.

The gentlewoman from California and many others talk about the inability of this country to have export trade unless we also have import trade. That is true, of course. Trade is a two-way street. But that is also true here in the United States of America. The wool growers who, by the statement and testimony of the Tariff Commission, lost over \$1 a head per year for the last 2 years on sheep, also will lose their ability to buy automobiles and refrigerators and Boston-made shoes and other things unless they can have a fair return on their product.

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

Mr. CASE of South Dakota. I yield to the gentleman from Colorado.

Mr. HILL. Right along that line, I have one county in my district in which we, a few years ago, checked on the possibilities of selling trucks, and there were more possibilities to sell trucks in Weld County, Colo., than in half a dozen countries in South America that year.

Mr. CASE of South Dakota. The gentleman's observation is very much in point. The best market for the American manufacturer is the home market of the American farmer. Why destroy it?

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

The Chairman recognizes the gentleman from Michigan [Mr. CRAWFORD].

[Mr. CRAWFORD addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY] to the substitute amendment offered by the gentleman from Kansas [Mr. HOPE].

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

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

There was no objection.

The Clerk again reported the Cooley amendment.

The question was taken; and on a division (demanded by Mr. COOLEY) there were—ayes 27, noes 102.

So the amendment to the substitute amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at the risk of repeating, and because of the limitation of time, the chairman of the committee had no opportunity to respond to the statement I made a few minutes ago, I should like to say at this time that it strikes me that inserting in the bill the language "Agricultural Adjustment Act of 1938, as amended, and the Stabilization Act of 1942, as amended," would strengthen the

bill. I want to be perfectly fair and candid. I stated to the chairman during the course of the general debate that I thought the language of the bill H. R. 1825 he introduced at the request of the Secretary embraced other programs, and I suggested that the language amending section 22 (a) and (b) might be included here in connection with the Wool Act of 1947 in his substitute. The gentleman stated that he did not want to open up this bill to other programs because wool was entitled to relief, and I agreed, because he said that matter in H. R. 1825 was going to be considered by the committee later on. But I now make this statement to the gentleman: In view of the threat that section 32 funds may not be made available for the fiscal year 1948, I have made inquiry and I am advised by competent legal authority, happening to be a lawyer myself, and this is my view, that while export subsidies and export quotas are authorized by other acts, in fact they cannot be invoked until first of all there is a program.

I am further advised that if section 32 funds are not available no program can be invoked or inaugurated by the Secretary of Agriculture and, therefore, there would be no export quota or export subsidies for cotton, corn, or wheat, and similar commodities.

I make the statement now that favoring as I do relief for wool inasmuch as there is put forward in this bill the substitute that you have proposed, the Wool Act of 1947, that that language gives wool a preferred status for 2 years, and even if section 32 funds are not available wool will still be entitled to a program whereas cotton, corn, and wheat will not have a program unless section 32 funds are available.

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

Mr. WHITTINGTON. I will be glad to yield to the gentleman.

Mr. HOPE. Of course, as the gentleman has stated, this legislation, so far as wool is concerned, is temporary. We are including wool under the provisions of section 22 during the existence of the Wool Act of 1947, which will expire on December 31, 1948. The bill if it becomes a law does not take anything away from cotton, wheat, or any other commodity but leaves them just the way they are.

I am in agreement with the views the gentleman has expressed as to the necessity for reconsidering the question of including some amendments such as the gentleman has suggested in section 22 legislation. I feel that the need for that consideration is imperative, and I can assure the gentleman that I will bring the matter to the attention of the Committee on Agriculture at a very early date. I hope at that time we can work out something along the lines of the gentleman's amendment.

Mr. WHITTINGTON. I appreciate that, but the fact remains that in the meantime if section 32 funds are withdrawn while nothing has been taken away until that is done, if they are taken away something will be done to cotton, to corn, and to wheat that is not being done to wool because we have put

wool beyond section 32 in the pending bill.

I submit to the gentleman, and I respectfully suggest if the bill passes the House and it goes over to the other body that the gentlemen should very carefully look into the matter in conference as to the acts of 1938 and 1942 for whatever my views may be worth so that cotton, corn, wheat, and other basic agricultural commodities will at least have the same status that wool has under the terms of this bill.

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

Mr. WHITTINGTON. I am glad to yield to the gentleman from Georgia.

Mr. PACE. The point that the gentleman makes is that if section 32 funds are entirely withdrawn, all other commodities will in the future be in the position that wool has been in the past.

Mr. WHITTINGTON. Exactly so. This language gives wool a preferred status for 2 years. In the interest of other agricultural commodities, frankly I cannot see why these two acts cannot be inserted as I have suggested.

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

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes in order to yield to the gentleman from Kansas [Mr. HOPE].

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

There was no objection.

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

Mr. WHITTINGTON. I yield.

Mr. HOPE. So far as I am personally concerned, I think his amendment is sound and one that should be adopted, but I do not think this is the proper place to do it. I do not think we can consider it at this particular time. I would like to give more consideration to it. I give the gentleman all the assurance that I possibly can that it will be brought to the attention of the Committee on Agriculture and will be carefully considered.

Mr. WHITTINGTON. As well as in the conference on this bill if necessary?

Mr. HOPE. Yes; if it is in order in the conference meetings.

Mr. WHITTINGTON. Of course, the gentleman is interested in protecting cotton, wheat, and other agricultural products. An amendment to your substitute to effectuate and clarify your substitute would be in order in conference.

Mr. HOPE. I say to the gentleman, that we are just as much interested in this provision in the wheat country as you are in the cotton country because we are probably going to have trouble with wheat before we are going to have trouble with cotton.

Mr. WHITTINGTON. Exactly so, and for that reason I submit the matter to your judgment as a friend, not only of cotton, but of wheat, corn, and other basic agricultural commodities, and I respectfully suggest that before this legislation is passed the language ought to be clarified so as to at least put other products on a parity with wool.

Mr. HOPE. I give the gentleman from Mississippi every possible assurance that that will be done.

Mr. WHITTINGTON. I shall go along with the gentleman, and I am not going to introduce the suggested language or acts as an amendment at this time. I rely upon him and his committee to protect the growers of other basic agricultural commodities, in the committee and in conference.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Kansas [Mr. HOPE] for the committee amendment.

The substitute was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended by the substitute.

The committee amendment as amended was agreed to.

The Clerk read as follows:

SEC. 5. The Commodity Credit Corporation may, until December 31, 1948, dispose of wool owned by it without regard to any restriction imposed upon it by law.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. EBERHARTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the action taken by the committee this afternoon on the Cooley amendment and the Hope amendment, there was considerable debate. I think every Member who listened to the debate was well aware of the fact that if the Cooley amendment was defeated it would mean practically the defeat of the policy of international cooperation with respect to expanding the foreign trade of the United States. The action taken this afternoon was taken under the leadership and the specific direction of the leaders of the Republican majority in the House.

Mr. Chairman, I say that is absolutely contrary to all pronouncements that have heretofore been made by the Republican leaders in the country, because they said they favored international trade cooperation. They said they wanted only to cut tariffs by reciprocal agreements. That is the policy as announced by the Republicans when they went before the country in their platform of 1944. So I want the country to know, Mr. Chairman, that this action this afternoon was a backhanded action in crippling the policy of this country that will affect for years to come the domestic economy of this country and the economy of the entire world.

Mr. Chairman, the committee that has jurisdiction of the subject of tariffs and reciprocal trade agreements is the Committee on Ways and Means of this House. That committee has held hearings for more than 2 months on this subject, but no member of the committee made any motion or offered any resolution in the committee whereby the reciprocal trade agreement program was to be destroyed. Why did they not offer that? Because they did not want to go before the country and say, "We are going to kill this program." Because their pronouncements have always been that they are in favor of expansion of foreign trade. The committee that has had jurisdiction has

been afraid to tackle it. Then they come around through the back door of the Committee on Agriculture and cut the heart out of that program, and against the advice of the Secretary of State and the Secretary of Commerce, when we are sitting around the table at Geneva trying to expand our trade and make honest bilateral agreements so that this country can go forward not only with economic expansion but also with political cooperation with all the countries of the world. Everybody knows that it helps toward permanent peace to have more trade. I charge the responsible leadership of this House this afternoon with destroying one of the fundamental policies that both parties have agreed upon and have sold the American public on during the last campaign, during the campaign of 1944. It shows that Republicans only gave lip-service to that policy.

Mr. Chairman, I want the leaders of the Republican Party, when they make up their platform for the 1948 campaign to keep in mind what happened this afternoon and not write some weasel-worded lip service to the policy of international trade and the policy of international cooperation. Will they proclaim to the country, as they did in their 1944 campaign, that the only way they want tariffs made or the reciprocal trade agreements program altered is by agreement, bilateral agreements, bilateral reciprocal agreements?

Mr. Chairman, this is going to be an issue of the 1948 campaign if this measure is passed by the House this afternoon and becomes law. It will have a tremendous effect on the economy of the country.

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

Mr. EBERHARTER. I yield. I know the gentleman from Illinois does not favor the reciprocal trade agreements program, and he has been very sincere in his opposition to it.

Mr. MASON. I agree fully with the gentleman. He is right when he says this will be one of the main issues in the 1948 campaign.

#### PROGRAM FOR WEEK OF MAY 26

Mr. HALLECK. Mr. Chairman, I rise in opposition to the pro forma amendment and do so for the purpose of announcing the program for next week. I am announcing it at this time, because a large part of the membership is here, whereas if I waited until after the vote on the bill there might not be so many Members present.

Monday, we will have consideration of matters from the District Committee, and after that we will begin debate on the Agriculture appropriation bill.

Tuesday, consideration of the Agriculture appropriation bill.

Wednesday, continuation of the Agriculture appropriation bill if not disposed of on Tuesday.

Thursday we expect to call up House Resolution 178, providing for investigation by the Committee on Post Office and Civil Service; and House Resolution 166 providing for an investigation by the Committee on Agriculture in the matter of surplus potatoes; and in addition any rules that may be in order next

week upon determination with the minority leader.

Friday, of course, is Memorial Day, and we shall have no session that day, it being expected that we will adjourn from Thursday over until the following Monday.

(Mr. McCORMACK, Mr. COOLEY, Mr. LEMKE, and Mr. GAVIN asked and were given permission to revise and extend the remarks they made in the Committee of the Whole this afternoon.)

Mr. REED of New York. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. REED of New York. Mr. Chairman, I recall vividly the emotional appeals by the proponents of free trade made in urging the adoption of the Trade Agreement Act. Nothing was said by the free-trade advocates in urging the adoption of the act that their real and only objective was eventually to reduce all tariff rates to a minimum. The cry that went out to the country was that only by means of trade agreements could exports be increased and world peace be assured. This appeal to the large exporters and to the anxious fathers and mothers caused many to yield to this bureaucratic deception, and thus support the free-trade and peace proposal. The tragic consequences of this false propaganda presents one of the most ghastly holocausts in our history—Pearl Harbor. The subsequent war in the Pacific can be truthfully charged to the attempt of the State Department to build up exports in an effort to justify their promise that the trade-agreement legislation, if adopted, would increase exports. When the State Department failed to increase exports under the act it turned in desperation to the possibility of building up exports by encouraging the export of war materials to Japan and Germany. This did not make for the promised peace, but it did prepare Japan and Germany to use these exports against our fighting forces. Thus the program of the trade-agreement advocates left a trail of blood and sorrow across this land. The character of the exports speak for themselves, and the consequences that followed are known in almost every home in this great land of ours. I insert a list of some of the exports that were to build up a record for the State Department in an attempted effort to justify the promises made to large groups in return for their support of the trade-agreement program.

During the period from 1937 to 1940 there was exported to Japan from this country 8,000,000 tons of scrap iron, steel, and steel scrap, and also thousands of tons of other essential war materials. These annual shipments of war materials to Japan were so large and of such a variety and character that they could have been intended for no other purpose but conversion into a formidable war machine to be used on land, and sea, and in the air.

The very year—1937—that Japan opened war on China our exports of scrap iron and steel amounted to 2,081,037 tons,

or enough material to build 20 battleships of 45,000 tons each, 200 submarines of 2,400 tons each, 10 aircraft carriers at 30,000 tons each, and 26 cruisers at 15,000 tons each. If Japan is not fully armed for a long war, it is not for lack of steel and other products that go into battleships, submarines, cruisers, and airplanes, because the materials were abundantly supplied by the United States.

We have mentioned the amount exported to Japan in 1937, and what its conversion meant in building up her fighting machine. But let us see what happened in the year 1938. There was exported from this country to Japan in 1938 a tonnage of scrap iron and steel amounting to 1,365,721 tons, and 97,713 tons of steel ingots, blooms, and so forth. It required a larger tonnage of war material in 1939 to appease Japan, for there was exported from the United States to Japan that year 2,035,000 tons of scrap iron and steel, and also 144,000 tons of steel ingots and blooms.

The shipments were less in 1940, but only because our supply of scrap iron was being depleted. Yet, as the result of the extraordinary effort made by American junk dealers, there was shipped to Japan during 1940 scrap iron and steel amounting to 963,000 tons, and in addition to this some 285,000 tons of steel ingots and blooms.

While this export program toward Japan exhausted our supply of material with which to make steel for our own defense, it armed her to strike her dastardly blow at Pearl Harbor. The shortage of scrap iron in the United States became so critical that the State Department came before the Ways and Means Committee with a bill to remove the duty on scrap iron imported into this country. It seems that we have had to send junkmen to Central and South America and to the islands in the Caribbean to buy scrap iron to replace the scrap iron and steel we shipped to Japan, and the removal of the import duty was requested to reduce the cost to the Government of these foreign purchases of scrap iron. The scrap iron and steel that was shipped from the United States to Japan in 1940 would have been sufficient to build 520 United States submarines of 2,400 tons each, a fleet that would have given us control of the Atlantic Ocean.

Thus the policy of appeasement employed by this administration, has proved to be ghastly in its consequences; for it has enabled Japan to prepare herself to strike her treacherous and deadly blow at Pearl Harbor. It has enabled her to butcher our forces in Midway, Bataan, and Corregidor, and to sink our ships.

More than this, the policy did not stop with furnishing Japan with the material to build her navy, her air force, and her tanks. There was also exported to Japan from the United States during the year 1937 aircraft and parts valued at \$2,483,946; and the next year, 1938, we exported to Japan aircraft and parts valued at \$11,062,777; in 1939 aircraft and parts valued at \$3,306,000; and in 1940 aircraft and parts valued at \$933,000.

During these same years we also exported to Japan petroleum valued at \$219,856,062, with which to operate her war machine. It is interesting to note that of this vast shipment of petroleum 555,456 barrels of it was aviation gasoline, which was supplied in 1939. The next year, 1940, we shipped to Japan 776,499 barrels of high-grade aviation gasoline. The extent to which the appeasers went in arming Japan, in violation of public sentiment and of congressional protest, is disclosed by the official figures relating to the shipment of cotton, aviation gasoline, iron and steel scrap, steel ingots, blooms, tin plate, tin scrap, refined copper, scrap copper, motortrucks, aircraft and parts, ammunition, and machine tools.

The time came when our own country was so short of war material, especially steel scrap, that the State Department came before the Ways and Means Committee urging a reduction in tariff rates in order to import scrap iron from the Caribbean islands, Central America, and South America to make up for the 8,000,000 tons of scrap iron shortage caused by exports of this essential war material to Japan.

One contribution, if not the greatest contribution in a material way to our national security, is our protected market. It has been responsible for establishing the most efficient industrial system in the world. Furthermore, our tariff system has lifted our standard of living, created opportunities for the men and women in every walk of life, and provided other manifold blessings which makes this land of America the envy as well as the hope of the downtrodden millions of other countries. There are not enough ships on the globe to convey the persons who would, if they could, come to this country, where under protection they could rise from serfdom to the stature of free men and women.

This is no time to permit a group of bureaucrats from the State Department to enter into secret agreements secretly arrived at to barter away the security of our free-enterprise system. I do not believe in delegating the power of life and death over any segment of our economy to a group of free-trade bureaucrats. To do so is to betray industry, agriculture, and labor. The fact that S. 814, an act to provide support for wool in order to save an agricultural industry essential to our economy and our national security from destruction by threatened imports of foreign wool is fair notice of the danger which the future holds for the farmers, unless they are protected. Why this hysteria on the part of Secretary William Clayton because Congress is taking action to save an industry from ruin? Is he here to protect Great Britain in her effort to ship wool into our market, when our market is already glutted with 400,000,000 pounds of wool? For whom is Secretary Clayton speaking, surely not for this country when he opposes Congress in its endeavor to save our own agricultural economy.

I shall at this point quote a statement made by Mr. Clayton about a month ago in Geneva. It is difficult to reconcile some

of the statements attributed to him on the floor today with these two statements from the newspapers:

## QUOTE I

It is already clear that the Geneva meeting is going to produce, from the standpoint of the American delegates and the American people, several delicate problems. One of these involves the granting of tariff concessions immediately by this country in return for promises on the part of other signatories of future concessions. The United States, as it happens, is the only major industrial nation that is currently exporting more than it imports. Most nations consider themselves too weak to give up their trade restrictions at the present time. American concessions would take the form of early reductions in tariffs on imported agricultural and manufactured goods. Other countries, in return, would be expected to agree to lower their own trade barriers correspondingly as soon as their external trade reached something approximating a state of balance. (Source: New York Times, May 19, 1947, the Geneva Trade Conference.)

## QUOTE II

It is not the fault of our customs barriers if our imports only represent half of our exports. It is because foreign producers are not yet up to increasing their deliveries. (Source: Journal de Geneve, Switzerland, April 18, 1947.)

I do not propose to turn against the farmers, who in cultivating the soil, have struggled against the tide of the unwise free trade policy pursued by the political group fighting for the trade agreement program by which they hope to achieve their low-tariff objective. I believe in supporting by proper legislation, the living standards that have lifted us above the world level.

Mr. DAWSON of Utah. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

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

There was no objection.

Mr. DAWSON of Utah. Mr. Chairman, American wool growers must be protected. American wool cannot compete in a free market against foreign wool. Most important is the disparity in wage levels between the United States and other wool-producing countries. The climatic and range conditions are reasons for a higher cost. Production of food and fiber through sheep is for the benefit and happiness of humanity.

Prior to, during, and immediately following World War II foreign wool under tariff rates provided by the Tariff Act of 1930 has been imported into the United States by tremendous volumes and at approximately 15 to 20 percent lower prices than the protected price which the producer received under the purchase program of the Commodity Credit Corporation. This has resulted in a substantial accumulation of domestic wools.

Imports of apparel wool, less wool reexported, has continued to increase from 13,343,000 pounds in 1932 to a peak of 819,253,000 pounds in 1946. The consumption of foreign wool has likewise increased from a ratio of 5 percent of the total consumption in 1932 to a peak of 80 percent in 1946. It is

apparent from these facts that there is need for a program.

While a foreign product has been encouraged in the volume above indicated, wool production and sheep numbers have continued to decline from a total production of shorn wool in 1932 of in excess of 350,000,000 pounds to an estimated production in 1946 of less than 300,000,000 pounds.

The producing countries of the United Kingdom of Great Britain have formed a joint control for the liquidation of the present surplus of wool. Thus, unless some long-term protective marketing program is established in the United States, the domestic wool producer will be forced to compete with the United Kingdom of Great Britain and her wool-producing countries. Such competition would be extremely embarrassing to the producer of wool in the United States.

The wool growing industry of the State of Utah is the most important division of agriculture and a necessary enterprise in the utilization of the acreage within the borders of the State.

In Utah most of the land is suited for grazing. In fact 87 percent of the area is used for this purpose. Mountain, forest, and desert lands are all used for grazing. The limited cultivated crops are offset by the extensive sheep and livestock industry made possible by the large grazing area throughout the State.

Agriculture has more persons gainfully employed than any other industry. The State of Utah is second in America in the production of Rambouillet sheep, fifth in the production of wool, and seventh in the value of sheep and lambs.

Utah contains about 52,597,760 acres of land. There is less than 3 percent of the area of the State under irrigation and less than 1 percent in dry farms. The total potential acreage subject to cultivation and irrigation is less than 5 percent. In other words, 95 percent of the State of Utah must be and is used primarily for livestock.

The United States Census of Agriculture in the latest figures available, 1935, sheep on farms and ranges, lists, 6,417 farms with 2,452,196 head of sheep. With an average of four persons to the farm a total population of 25,668 derive all or part of their livelihood from wool growing. You can therefore understand its importance to the State.

The prewar wool growing industry of Utah passed through a period during which there was little or no profit. A study of wool growers outfits which survived and are therefor what might be termed the successful operators, doing business in the section where supplemental feed generally is not required, shows that at the beginning of 1932 their average loan basis was \$3.87, and that the average loan basis of these same outfits in 1936 was \$4.38, indicating that 51 cents per head of their capital had been absorbed in losses. This does not include supplemental feed loans. The same outfits had an average cost of operation, not including replacements or any return on their investment, of \$2.88, whereas the average annual gross proceeds was \$2.84, an average annual loss during the 4-year period of 4 cents per head. It is apparent from these studies

that a satisfactory wool market must be had for the product and that no concession can be allowed in the price of wool.

Evidence that the wool manufacturers of the United States could not, neither would they consume the domestic clip if concessions were made in the 1930 tariff on wool articles, is revealed in the importations of manufactured goods containing all or part wool. The United Kingdom is and has been importing into the United States articles manufactured in whole or part of wool under the tariff provisions of 1930, indicating that even the present tariff provisions are not adequate to protect the American manufacturer, and as indicated before with the American manufacturer out of the picture we would have no market to absorb the domestic clip. With a limited market for the domestic wool production, the wool industry would decline rapidly. In case of another war it would be difficult to secure wool in the interest of national defense. This has been the experience of every country that has been deficient in its wool production.

It is therefore very evident that the wool industry, as well as the woolen manufacturing industry, should receive sufficient protection so that they may continue as thriving industries.

Mr. GILLIE. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

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

There was no objection.

Mr. GILLIE. Mr. Chairman, one of the leading authorities in Congress on the wool problem, now under discussion, is the gentleman from Colorado, WILLIAM S. HILL, a member of the House Committee on Agriculture. Mr. HILL comes from a section of the country which is vitally interested in the passage of the wool bill in the form recommended by the committee.

A few days ago I received a letter from Mr. HILL outlining the problem confronting the wool industry and recommending a program of action to cope with the situation. Under leave granted to extend my remarks in the RECORD, I include Mr. HILL's letter in full:

WASHINGTON, D. C., May 21, 1947.

HON. GEORGE W. GILLIE,  
Member of Congress,  
Washington, D. C.

DEAR COLLEAGUE: I will appreciate it deeply if you will take a few moments to review the wool bill. This is the situation in a nutshell.

Livestock is the basic industry of the West. The sheep industry is important in many States, but in Texas and in the 12 Western States it is of vital importance. Grass is the main crop harvested from 90 percent of the West's 800,000,000 acres. Thirty million head of sheep are presently grazing on the western ranges and daily gathering the products of the soil and processing them for utilization. The economy of 200 counties in the West can be maintained only by a stable and prosperous livestock industry.

The Department of Agriculture reports show that the stock sheep population of this country has dropped from 49,807,000 in 1942 to 32,542,000 head today. This represents a reduction of 35 percent. Our sheep population is the lowest in 50 years.

The Department of Agriculture reports that the production of wool has dropped from 459,073,000 pounds in 1942 to 300,000,000 pounds today, and that is a reduction of 35 percent.

The main reason for the decline in sheep population is due to the low price of wool.

In my own State of Indiana, the sheep population was reduced from 701,000 to 452,000. A two and one-half million industry was reduced to a one and one-half million dollar industry.

A report by the United States Tariff Commission after an extended study of the sheep industry shows that the wool growers of this country lost 9½ cents on every pound of wool produced in 1946 and a somewhat higher figure in the two preceding years. The report further shows that the wool growers sustained a loss of \$1.18 per head of sheep in 1946 and a somewhat higher figure for the two preceding years.

These statements are significant in the light of the finding of the Army and Navy Munitions Board that wool is a strategic and critical material necessary for the security of the Nation.

The day after Pearl Harbor, the United States froze the price of domestic wool at the OPA ceiling price. The price has remained the same during the war or to the present time and there will be no increase under the bill.

While the price of domestic wool has remained fixed from Pearl Harbor to date, it is true that from September 15, 1941, to Pearl Harbor, wool prices increased 13.2 percent. Accordingly, since September 15, 1941, to September 15, 1946, wool prices increased 13.2 percent, but 24 principal agricultural commodities increased an average of 91 percent during that same period. It has been contended that wool is selling at an all-time high. But the facts show that the 1946 Boston price of fine-combing wool was 34 percent less than the 1920 price, 18 percent less than the price in 1923 and 1924 and 8 percent less than the average price from 1922 to 1928, inclusive. Most of the western wools are fine-combing wool. This fact is significant in the light of the Tariff Commission's study, which shows that the operating expenses of the sheep industry have increased 66 percent from 1941 to 1946.

Great Britain, with her dominions, produces most of the world's supply of wool. At the war's end, faced with a tremendous stock pile of wool, they formed the joint organization (JO) in order to protect their wool industry by an orderly liquidation of their stock pile of over 2,000,000,000 pounds. The Joint Organization controls 85 percent of the world's apparel wool supply, and it has the power to lower prices at will.

During 1946 over 1,000,000,000 pounds of wool was consumed in this country. More than 80 percent of it was foreign wool. Last year 819,253,000 pounds of foreign wool was imported into this country. During that year and as of today the Commodity Credit Corporation has a stock pile of around 450,000,000 pounds of wool. Foreign producers dumped their products on the American market, because domestic producers are wholly unable to compete with low-cost producing countries. The Commodity Credit Corporation is prohibited by law from selling at less than parity. This restriction must be removed, so that the United States can dispose of its stock pile while wool consumption is high.

After Pearl Harbor, the United States paid transportation, insurance and storage on 500,000,000 pounds of Austrian wool in order to assist Great Britain in having a supply available in this country, in the event the sea lines to Australia were cut off. Later on, the United States purchased 300,000,000 pounds of wool from Great Britain and it was sold on the American market. Because of



this situation, and in order to stabilize the domestic sheep industry the Government instituted the purchase program and assured the growers that the program would be extended for 2 years after the termination of hostilities.

The bill reported out by the Committee on Agriculture of the House provides:

1. That the Commodity Credit Corporation will continue its purchase program until December 31, 1948, at the 1946 price, which, as I have indicated, has not changed since Pearl Harbor. That price is less than parity.

2. It authorizes the Commodity Credit Corporation to sell its wool at competitive prices with foreign wool. This will enable the United States to dispose of its stock pile.

3. Amend existing law by adding wool to other commodities under section 22 of the AAA act and thus provide that if imports of foreign wool tend to materially interfere with the wool program, the President may require the tariff commission to make a study and after a hearing if the President finds such to be the fact, he is required to impose such fees on imports as may be necessary to correct the situation.

I am convinced that the provisions of the wool bill are sound and necessary to provide for the sale of the Government stock pile and in order to protect the American sheep industry from further liquidation. The bill will come up tomorrow and if you can give us a lift it will be appreciated.

Yours very truly,

WILLIAM S. HILL,  
Member of Congress,  
Second District, Colorado.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlemen from Minnesota?

There was no objection.

Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. VURSELL. Mr. Chairman, I ask unanimous consent to extend my own remarks at this point in the RECORD.

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

There was no objection.

Mr. VURSELL addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent that my colleague the gentleman from Wisconsin [Mr. HULL] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. HULL. Mr. Chairman, the issue here seems to be whether or not we shall sacrifice the great sheep-raising industry in order to add to the profits of world-trade manipulators. I am not in favor of such sacrifice. Our farmers did a wonderful job toward winning the war. Three years ago, the slogan "Food will win the war" was plastered far and wide in the press and on the billboards. Our farmers responded and provided both food and fiber, and also furnished millions of men to the armed forces and to industry to make victory certain. Now come the money masters in world trade

making their demands that Congress shall contribute to the downfall of agriculture in return for what our farmers accomplished. Congress should act promptly to thwart such a program.

In 1942, we had over 49,000,000 sheep producing over 459,000,000 pounds of wool. Those flocks also produced billions of pounds of wholesome meats annually for our armed forces and our civilian population. Under ceiling prices and foreign competition, our sheep population has been reduced to 32,000,000 head, and our wool production to less than 300,000,000 pounds. Our meat supply has been reduced in like ratio. And the end is not yet. With wool prices below cost of production every farmer and ranchman is selling his wool at a loss. But for the CCC and its purchases of 460,000,000 pounds, the losses would have been so great that every sheep raiser would have been compelled to sell his flocks at even more demoralizing prices. Wool growers sustained a loss of \$1.18 per head in 1946.

We have had an antimonopoly law in this country since 1890. There has been a lack of enforcement which occasions criticism, but the law stands as the policy of Congress and the country. Were any combination to be formed in our own country to control 85 percent of any commodity and manipulate prices and markets, it would be subject to immediate prosecution. It would be a conspiracy in restraint of trade.

The war had not ended before a world cartel was organized to control 85 percent of the world's supply of wool. It came into being in Britain, which, with its dominions, had a stock pile of 3,000,000,000 pounds of wool. It is known as the joint organization. It has the power to fix wool prices at will. Whence came the money for its enormous capitalization is not stated. Whether the funds came from Britain or from the lavish grants and loans made by Congress to Britain, funds drawn from our own Federal Treasury, is not easily ascertainable.

The joint organization's 3,000,000,000 pounds of wool came principally from Australia, New Zealand, South Africa, all countries in which wool is produced at less than half its cost on our own farms and ranches. They are countries of mild climate and cheaper feed and pasture costs. Australia and New Zealand can and do ship their wools to our own ports and markets at less cost than that of getting our wools from farm to market. So great is the difference in cost of wool production at home and in these foreign lands that Congress fixed a tariff rate of 34 cents per pound on wool from abroad.

When the war came on, our country aided Britain and its dominions in stock piling wool from the countries in the Empire. Now the joint organization dominates the markets abroad and is in such great competition with our own production that in 1946 there were 819,000,000 pounds of wool imported mainly from the surplus in the control of that organization. That wool was bought at such low prices that the joint organization made enormous profits even when underselling our own wool for our own industries. It stands to make hundreds of millions in profits on its stock pile

and to continue such profits indefinitely in the future.

The Commodity Credit Corporation holds 480,000,000 pounds of our domestic wool bought from our sheep farmers at a support price. It is held in warehouses at large expense while our textile mills continue to buy and use the cheaper imported wool. Until Congress acts, our warehouses will continue to house the CCC stock pile, and the joint organization will pile up the wool supplies from the southern hemisphere and dominate our own as well as all other wool markets in the world.

Thus, our farmers and ranchmen are being forced out of business by a foreign monopoly. Whether or not that foreign monopoly is financed directly or indirectly by our own Government is an open question. In any event, a foreign cartel or monopoly which could not be organized nor exist in our own land because of our own antitrust statutes, harbors the selfish interests which are determined to ruin one of our greatest agricultural resources. Home-made monopolies have extorted billions from our farmers and stock raisers in spite of our laws, but Congress should not tolerate the encroachment of a huge foreign monopoly in our field. It should pass this bill, and then draft other legislation to protect our people from a form of aggression as dangerous as war to our own well-being.

The success and huge profits of the joint organization will not stop at the wool markets. Similar gigantic cartels are in process of organization to further control world markets for agricultural products. A large part of the surplus dairy products of Australia and New Zealand are alleged to be under contract to a British cartel, and Denmark and Holland are said to be fearful that their dairy products soon may fall under like controls. How far the decline in prices on butter and cheese in the Middle West may be due to such manipulation remains to be seen. Monopolies are a form of gangsterism which thrives on darkness and secrecy.

A large vote for the pending bill will be notice to the foreign manipulators that our people are waking up to the dangers which threaten us under the guise of world brotherhood and peace.

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

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

There was no objection.

Mr. LEMKE. Mr. Chairman, I shall vote for this bill. I voted against the original reciprocal trade agreement, and I voted against every extension of that act. I did this because I knew that it was not for the best interest of our Nation.

When the reciprocal trade agreement was first passed in 1934 I stated that it was sponsored by the international bankers—those bankers who clip coupons from foreign bonds—and the international manufacturers. These two groups are interested in clipping coupons and selling manufactured products to foreign nations. This at the

expense of the American farmer and the American laborer.

These internationalists—these betrayers of their country and their country's honor—are more interested in getting the "almighty" dollar than they are in the welfare of their own people—their Nation. I came to this conclusion in 1934 because of the lobbying of this international group.

That group has made some converts. It has converted to its cause some of our globetrotters. I can assure you that these converts do not represent the farmers but do represent the State Department. They are used by that Department in its horse trading with foreign nations—in selling America short.

I know that I represent the overwhelming majority of farmers and laborers of this Nation when I state that I am in favor of this bill. Why should we make agriculture and labor the goat? Are not our farmers to be preferred to the land barons of Australia, Latin America, and other nations? Are not our laboring people to be preferred to the peon of Latin America or other nations? Are not our people as a whole to be preferred to a few international bankers and manufacturers?

We have heard a great deal about isolationism and isolationists. The truth is that these words are used by the internationalists and globetrotters to either conceal their own ignorance, or to remove suspicion that they are representing other interests than that of America.

We never were an isolated nation. We always chased the almighty dollar on every ocean and on every sea and in every land. On many occasions we meddled in affairs that were not ours. We were always a nation of the world—always interested in all nations.

Now we are told that we must become the guardian of the world, that we must surrender the substance of our Nation that belongs to unborn generations. This in the name of peace and Christianity. When did it ever become necessary for this Nation to buy or bribe other nations? Such a doctrine is not only lunacy, but an insult to our intelligence and our dignity. We are just beginning to get our wisdom teeth in our dealings with Russia.

I am not impressed with the argument that we must destroy ourselves in order to comply with the reciprocal-trade agreement. I am confident that that agreement is void. A trade agreement is a treaty, and any attempt to deprive the Senate of the power to advise and consent to such an agreement is in violation of the plain, English language of the Constitution. I expect to test the constitutionality of that act when the Supreme Court is unpacked.

In the meantime, let us develop our own trade. Let us buy American. A vote against this amendment is a vote for Australian, Latin-American, and other nations' wool. A vote for the amendment and for this bill is a vote for America—a vote for the American producer. This issue will be drawn more clearly as time goes on.

Let us remember that 94 percent of our trade is with ourselves. Our boundary line to this 94 percent is the Atlantic

on the east, the Pacific on the west, the Canadian boundary on the north, and the Gulf of Mexico and Mexico on the south. Out of the 6 percent of foreign trade, between 2 or 3 percent consists of trading in international money and credit—stock and bonds.

Why should we give part of our domestic agricultural market away so that the international banker can collect on stock and bonds, and the international manufacturer sell his ware at the expense of the American farmer—at the expense of the American taxpayers?

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. HARNESS of Indiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, S. 814, pursuant to House Resolution 214, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

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

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

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

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

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

The question was taken; and on a division (demanded by Mr. FOGARTY) there were—ayes 151, noes 65.

Mr. FOGARTY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the bill was passed, and a motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to include as a part of his remarks certain facts, tables, and figures.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article by Sumner Welles. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost \$159.75, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

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

Mr. BUFFETT asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include editorial material.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. JENNINGS asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include certain statistics.

#### GENERAL LEAVE TO EXTEND REMARKS

Mr. HOPE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed, including those who have spoken on the bill.

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

There was no objection.

#### COMMITTEE ON THE ARMED SERVICES

Mr. HESS. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have permission to sit during the session of the House on Monday next.

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

There was no objection.

#### DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1948

Mr. DIRKSEN, from the Committee on Appropriations, reported the bill (H. R. 3601) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes (Rept. No. 450), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. RAYBURN reserved all points of order on the bill.

#### ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

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

There was no objection.

#### EXTENSION OF REMARKS

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include certain telegrams he received from the president of the stock exchange and his reply thereto, and other letters and correspondence in connection with short selling.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. WORLEY (at the request of Mr. RAYBURN), indefinitely, on account of death in the family.

#### WILLIAM THOMPSON SANSOM

The SPEAKER laid before the House the following request:

MAY 23, 1947.

Mr. KILDAY requests, pursuant to rule XXXVIII, leave to withdraw from the files of the House papers in the case of H. R. 1549, for the relief of William Thompson Sansom, Seventy-ninth Congress, no adverse report having been filed thereon.

The SPEAKER. Without objection, the request is granted.

There was no objection.





DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued May 27, 1947  
For actions of May 26, 1947  
80th-1st, No. 99

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HIGHLIGHTS: House committee reported rule waiving points of order on agricultural appropriation bill. Rep. Gamble introduced bill to end sugar rationing for home consumption. House committee reported bill continuing retirement benefits for separated employees. Senate conferees appointed on wool bill. Senate committee reported bill to regulate marketing of insecticides, rodenticides, weed killers, etc. Senate committee reported Treasury-Post Office appropriation bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL. The House Committee made a general reduction in the Budget estimate for LAND UTILIZATION PROJECTS of \$1,660,000 instead of eliminating increases for reconstruction and repair of dams and spillways as reported in Digest 98. The Rules Committee reported without amendment H. Res. 218, which provides "That during the consideration of the bill (H. R. 3601)making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1948, and for other purposes, all points of order against the bill or any provisions contained therein are hereby waived" (H. Rept. 463) (pp. 5954, 5963). The Daily Digest says this bill will be considered today(p. D295).
2. CIVIL-SERVICE RETIREMENT. The Post Office and Civil Service Committee reported without amendment H. R. 3511, which extends until June 30, 1948, the period during which annuities are provided for separated employees at least 55 years of age and who have served at least 25 years (H. Rept. 461)(p. 5963).
3. HOUSING. Received from the Hawaii Legislature a memorial favoring S. 866, the Taft-Wagner-Ellender housing bill (p. 5964).

SENATE

4. WOOL. Sens. Aiken, Bushfield, Young, Thomas (Okla.), and Ellender were appointed conferees on S. 814, the wool price-support bill (pp. 5928-9). The amendments agreed to in the House are printed in the Congressional Record on the pages noted above. House conferees not yet appointed.
5. MARKETING. The Agriculture and Forestry Committee reported without amendment H.R. 1237, to regulate the marketing of insecticides, rodenticides, weed killers, pest-control devices, etc. (S.Rept. 199)(p. 5926).
6. TREASURY-POST OFFICE APPROPRIATION BILL, 1948. The Appropriations Committee reported with amendments this bill, H.R. 2436 (S.Rept. 201) (p. 5926).
7. GEOGRAPHICAL NAMES. The Public Lands Committee reported without amendment S.1262,

to establish a Board on Geographic Names, on which the Department would be represented, to function conjointly with the Secretary of Interior in standardizing geographic names for the purpose of eliminating duplication in the Federal Government (S.Rept. 205) (p. 5926).

8. HIGHWAYS. The Public Works Committee reported without amendment H.R. 1874; to provide that funds apportioned to States under the Federal Aid Highway Act of 1944 shall remain available for 2 years after they are authorized (S.Rept. 200) (p. 5926).
9. LANDS. The Public Lands Committee reported without amendment S. 1185, to authorize the Secretary of Interior to dispose of sand, stone, gravel, and timber or other forest products on U.S. public lands if the disposal is not otherwise expressly authorized by law, prohibited by law, and would not be detrimental to the public interest. National forest lands would not come under this jurisdiction and where lands have been withdrawn in aid of a function of a Federal department or agency other than the Interior Department or of a State, Territory, etc., disposal would be made only with approval of such Federal department or other agency (S.Rept. 204) (p. 5926).
10. FERTILIZERS. Received from the Kansas Farm Bureau a telegram favoring S. 1251, the national fertilizer-policy bill (p. 5926).
11. TAXATION. Continued debate on H.R. 1, the individual income tax-reduction bill (pp. 5929-52).
12. FARM LOANS. The Agriculture and Forestry Committee is expected to act on May 28 on S. 925, to transfer the Land Bank Commissioner loan service to the Federal Land Bank System (p. D294).
13. HOUSING. Received a Hawaii Legislature resolution favoring S. 866, the Taft-Ellender-Wagner housing bill (p. 5925).

#### BILLS INTRODUCED

14. GRANT LANDS. S. 1348, by Sen. Cordon, Oreg., to provide for the addition of certain revested Oreg. and Calif. railroad grant lands to the Silver Creek recreational demonstration project, Oreg. To Public Lands Committee. (p.5927.)
15. INFORMATION. S.Con.Res. 16, by Sen. Hatch, N.Mex., to establish a joint committee to investigate Government information programs. To Foreign Relations Committee. (p. 5927.) Remarks of author.
16. SUGAR RATIONING. H.R. 3612, by Rep. Gamble, N.Y., to amend the Sugar Control Extension Act so as to terminate the authority to allocate or ration refined sugar among users for home consumption. To Banking and Currency Committee. (p. 5963.)

#### ITEMS IN APPENDIX

17. WOOL. Speech in the House by Rep. Crawford, Mich., opposing reciprocal trade agreements with respect to wool (pp. A2606-7).
18. EDUCATION. Sen. Sparkman, Ala., inserted his recent address on Federal aid to education (pp. A2609-11).
19. RECLAMATION. Sen. Magnuson, Wash., inserted his statement before the Appropriations Committee urging restoration of reclamation funds in the Interior Approp-

mous consent, the second time, and referred as follows:

By Mr. IVES:

S. 1336. A bill for the relief of Abbot Low Moffat; and

S. 1337. A bill for the relief of Hou Chung Chay; to the Committee on the Judiciary.

By Mr. GURNEY (by request):

S. 1338. A bill to amend the Articles for the Government of the Navy to improve the administration of naval justice; and

S. 1339. A bill to amend the Armed Forces Leave Act of 1946, approved August 9, 1946 (Public Law 704, 79th Cong., 2d sess., 60 Stat. 963), and for other purposes; to the Committee on Armed Services.

S. 1340. A bill to amend the act entitled "An act to provide additional protection for owners of patents of the United States, and for other purposes," approved June 25, 1910, as amended, so as to the protect the United States in certain patent suits; to the Committee on the Judiciary.

By Mr. LUCAS:

S. 1341. A bill to provide for the designation of the United States Veterans' Administration Hospital at Chicago, Ill., as the Albert A. Sprague Veteran Memorial Hospital; to the Committee on Labor and Public Welfare.

S. 1342. A bill for the relief of Mr. and Mrs. Edward E. Pauls; to the Committee on the Judiciary.

By Mr. ECTON:

S. 1343. A bill authorizing the Secretary of the Interior to issue a patent in fee to William Elliot Towne; and

S. 1344. A bill authorizing the Secretary of the Interior to issue a patent in fee to Mrs. Ida Towne Barrett; to the Committee on Public Lands.

By Mr. CAIN:

S. 1345. A bill to provide revenue for the District of Columbia, and for other purposes; and

S. 1346. A bill to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. EASTLAND:

S. 1347. A bill for the relief of Burks L. Fielder; to the Committee on the Judiciary.

By Mr. CORDON:

S. 1348. A bill to provide for the addition of certain revested Oregon and California railroad grant lands to the Silver Creek recreational demonstration project, in the State of Oregon, and for other purposes; to the Committee on Public Lands.

By Mr. DWORSHAK:

S. 1349. A bill for the relief of Kaoru (or Richard) Nimori; to the Committee on the Judiciary.

By Mr. AIKEN:

S. 1350. A bill to authorize relief of the Chief Disbursing Officer, Division of Disbursement, Treasury Department, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. McCARRAN:

S. J. Res. 120. Joint resolution authorizing the President of the United States of America to proclaim the month of June, 1947, as "Remember Disabled Veterans Month"; to the Committee on the Judiciary.

By Mr. CAPPER:

S. J. Res. 121. Joint resolution authorizing the President of the United States to proclaim the first day of each year as "Good Neighbor Day," when American citizens will focus their attention upon setting an example of friendly consideration for others, through practice of the Golden Rule; a fitting occasion to establish a high standard of personal conduct for all the days to follow and point the way, year by year, to a century of peace from each "Good Neighbor Day"; to the Committee on the Judiciary.

#### CONTROL OF PISTOLS AND OTHER DANGEROUS WEAPONS IN THE DISTRICT OF COLUMBIA—AMENDMENT

Mr. COOPER submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (H. R. 493) to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 edition), which was ordered to lie on the table and to be printed.

#### EXECUTIVE MESSAGES REFERRED

As in executive session,

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

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

#### JOINT COMMITTEE ON GOVERNMENT INFORMATION PROGRAMS

Mr. HATCH. Mr. President, the other day in commenting upon the program commonly referred to as the Voice of America I made a suggestion that the Congress should have additional information obtained by its own committees. I made the suggestion in the hope that the members of the majority party would submit a resolution. It has not been done to my knowledge. However, I have seen that the House Committee on Appropriations through a subcommittee is planning to conduct such an investigation. I realize the importance of this matter to the Appropriations Committee, but I believe a question of permanent policy is involved which ought to have consideration by the appropriate committee of the Senate. I have therefore drawn such a resolution and am offering it this morning with the request that it be referred to the Committee on Foreign Relations.

I said the other day that there was no pride of authorship and there is none. I ask unanimous consent to submit the concurrent resolution in the hope it will be referred to the Committee on Foreign Relations and that the committee will take such action and make such changes as may be appropriate or proper.

There being no objection, the concurrent resolution (S. Con. Res. 16), was received and referred to the Committee on Foreign Relations, as follows:

*Resolved by the Senate (the House of Representatives concurring), That there is hereby established a joint congressional committee, to be known as the Joint Committee on Government Information Programs (hereinafter referred to as the joint committee), which shall be composed of five members of the Senate (three from the majority party and two from the minority party) appointed by the President pro tempore of the Senate and five members of the House of Representatives (three from the majority party and two from the minority party) appointed by the Speaker of the House of Representatives. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall*

select a chairman and a vice chairman from among its members.

Sec. 2. The joint committee shall—

(1) make a full and complete study and investigation with respect to the nature, manner of performance, and effect of all activities carried out by the State Department or any other agency of the Government for the purpose of acquainting the peoples of foreign countries with the United States, its people and their activities, and the policies and objectives of its Government, including, without limitation:

(a) the policies and methods employed, and their objectives;

(b) the qualifications of all personnel engaged in any such activities;

(c) whether the costs of such activities are justified;

(d) whether such activities are a proper function of government or should be carried out by privately owned organizations, with or without subsidies; and

(2) report to the Senate and the House of Representatives at the earliest practicable date, not later than January 15, 1948, the results of its study and investigation together with such recommendations as to necessary legislation as it may deem desirable.

Sec. 3. (a) The joint committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Eightieth Congress, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

(b) The joint committee is empowered to appoint and fix the compensation of such experts, consultants, and clerical and stenographic assistants as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties.

(c) The expenses of the joint committee shall not exceed \$ . Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of disbursements so made.

#### MEETING OF THE COMMITTEE ON THE JUDICIARY

Mr. WHITE. Mr. President, by request, I ask unanimous consent that the Committee on the Judiciary may sit during today's session of the Senate.

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

#### THE MEANING OF LIBERTY IN INDUSTRY-LABOR RELATIONS—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address entitled "The Meaning of Liberty in Industry-Labor Relations," delivered by him at the inaugural program honoring Dr. Raymond Bernard Allen as president of the University of Washington, at Seattle, on May 22, 1947, which appears in the Appendix.]

#### ONE HUNDREDTH ANNIVERSARY OF RAISING OF AMERICAN FLAG IN NEW MEXICO—ADDRESSES BY SENATOR CHAVEZ AND HON. JOSEPH J. LAWLER

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD addresses delivered by him and Hon. Joseph J. Lawler, Third Assistant Postmaster General, at Santa Fe,

N. Mex., on October 16, 1946, on the occasion of the one hundredth anniversary of the raising of the American flag in the Territory of New Mexico, which appear in the Appendix.]

**INTERIOR DEPARTMENT APPROPRIATIONS—STATEMENT BY SENATOR MAGNUSON**

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD a statement by him regarding reclamation and western projects before the subcommittee of the Senate Committee on Appropriations considering Interior Department appropriations, which appears in the Appendix.]

**ELIMINATION OF DISCRIMINATION IN EMPLOYMENT**

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD questions and answers prepared by him regarding Senate bill 984, having to do with elimination of discrimination in employment, which appears in the Appendix.]

**PROBLEMS OF EDUCATION—ADDRESS BY SENATOR SPARKMAN**

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD an address on the subject of education, delivered by him on March 27, 1947, at the State convention of the Alabama Educational Association, at Birmingham, Ala., which appears in the Appendix.]

**SERMON BY VERY REV. IGNATIUS SMITH DURING TRIBUTE TO THE WAR DEAD**

[Mr. BROOKS asked and obtained leave to have printed in the RECORD the sermon delivered by the Very Reverend Ignatius Smith, of the Catholic University of America, on the occasion of the ninth annual military memorial mass, held in the Amphitheater at Arlington National Cemetery, Sunday, May 25, 1947, which appears in the Appendix.]

**THE PRESIDENT PRO TEMPORE OF THE SENATE—ARTICLE BY GOULD LINCOLN**

[Mr. BYRD asked and obtained leave to have printed in the RECORD an article entitled "The Gavel of the Senate Is in Efficient Hands," written by Gould Lincoln, and published in the Washington Star of May 25, 1947, which appears in the Appendix.]

**SENATOR LODGE'S VIEWS ON FOREIGN POLICY—EDITORIAL FROM THE SPRINGFIELD (MASS.) UNION**

[Mr. LODGE asked and obtained leave to have printed in the RECORD an editorial entitled "Senator Lodge's Foreign Policy," published in the Springfield (Mass.) Union, which appears in the Appendix.]

**THE INTER-AMERICAN MILITARY COOPERATION ACT**

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

*To the Congress of the United States:*

I submit herewith for the consideration of the Congress a bill to be entitled "The Inter-American Military Cooperation Act" authorizing a program of military collaboration with other American states including the training, organization, and equipment of the armed forces of those countries.

I submitted a similar bill to the Seventy-ninth Congress and recommended at that time that the Congress give the bill favorable consideration and enact it. The Committee on Foreign Affairs of the House of Representatives reported the

bill with amendments to the Committee of the Whole House as H. R. 6326. This present draft agrees with H. R. 6326. World developments during the year that has passed give still greater importance to this legislation, and I again ask the Congress to give this bill favorable consideration and enact it.

As stated in my message to the Seventy-ninth Congress, our Army and Navy have maintained cordial relations of collaboration with the armed forces of other American Republics within the framework of the good-neighbor policy. Under authorization of the Congress, military and naval training missions have been sent to various American Republics. During the recent war, even prior to Pearl Harbor, this collaboration was intensively developed on the basis of inter-American undertakings for hemisphere defense. Training activities were expanded, and under the Lend-Lease Act limited amounts of military and naval equipment were made available to the other American Republics as part of the hemisphere defense program. Forces from two of the American republics participated in combat overseas, and others joined in the defense of the shores and seas of the Americas at a time when the danger of invasion of our continents was all too great.

The American Republics have assumed new responsibilities, for their mutual defense and for the maintenance of peace, in the Act of Chapultepec and the Charter of the United Nations. The close collaboration of the American Republics provided for in the Act of Chapultepec, the proposed treaty to be based upon that act, and other basic inter-American documents, make it highly desirable to standardize military organization, training methods, and equipment as has been recommended by the Inter-American Defense Board.

I can find no better way to describe the intent and purpose of this bill than to repeat my message to the Congress of May 6, 1946.

Under the bill transmitted herewith, the Army and Navy, acting in conjunction with the Department of State, would be permitted to continue in the future a general program of collaboration with the armed forces of our sister Republics with a view to facilitating the adoption of similar technical standards. Certain additional training activities, not covered by existing legislation, would be permitted. The President would also be authorized to transfer military and naval equipment to the governments of other American states by sale or other method.

The collaboration authorized by the bill could be extended also to Canada, whose cooperation with the United States in matters affecting their common defense is of particular importance.

A special responsibility for leadership rests upon the United States in this matter because of the preponderant technical, economic, and military resources of this country. There is a reasonable and limited purpose for which arms and military equipment can rightfully be made available to the other American states. This Government will not, I am sure, in any way approve of, nor will it participate in, the indiscrimi-

nate or unrestricted distribution of armaments, which would only contribute to a useless and burdensome armaments race. It does not desire that operations under this bill shall raise unnecessarily the quantitative level of armament in the American Republics. To this end the bill specifies that amounts of nonstandard material shall be sought in exchange for United States equipment.

It is my intention that any operations under this bill, which the Congress may authorize, shall be in every way consistent with the wording and spirit of the United Nations Charter. The bill has been drawn up primarily to enable the American nations to carry out their obligations to cooperate in the maintenance of inter-American peace and security under the Charter and the Act of Chapultepec which is intended to be supplanted by a permanent inter-American treaty.

It is incumbent upon this Government to see that military developments in which we have a part are guided toward the maintenance of peace and security and that military and naval establishments are not encouraged beyond what security considerations require. In this connection the bill provides that operations thereunder are subject to any international agreement for the regulation of armaments to which the United States may become a party. In addition, provision will be made for continuing coordination of the actual operations under the legislation with developing plans and policy in the field of armaments regulation.

In executing this program it will be borne in mind, moreover, that it is the policy of this Government to encourage the establishment of sound economic conditions in the other American Republics which will contribute to the improvement of living standards and the advancement of social and cultural welfare. Such conditions are a prerequisite to international peace and security. Operations under the proposed legislation will be conducted with full and constant awareness that no encouragement should be given to the imposition upon other people of any useless burden of armaments which would handicap the economic improvement which all countries so strongly desire. The execution of the program authorized by the bill will also be guided by a determination to guard against placing weapons of war in the hands of any groups who may use them to oppose the peaceful and democratic principles to which the United States and other American nations have so often subscribed.

In entering into agreements with other American states for the provision of training and equipment as authorized by the bill, the purposes of this program will be made clear to each of the other governments.

HARRY S. TRUMAN.

THE WHITE HOUSE, May 23, 1947.

**SUPPORT FOR WOOL**

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 814) to provide support for wool, and for



other purposes, which were, on page 1, to strike out lines 4 to 10, inclusive, and insert:

SEC. 2. (a) The Commodity Credit Corporation shall continue, until December 31, 1948, to support a price to producers of wool in the continental United States and Territories at the price it supported wool in 1946.

On page 2, to strike out lines 7 to 19, inclusive; on page 2, line 20, to strike out "SEC. 4" and insert "SEC. 3"; on page 2, to strike out lines 24 and 25; and on page 3, to strike out lines 1 to 9, inclusive, and insert:

SEC. 4. Subsections (a) and (b) of section 22 of the Agricultural Adjustment Act, as amended and reenacted (U. S. C., 1940 ed., title 7, sec. 624), are hereby amended to read as follows:

"(a) Whenever the President has reason to believe that any one or more articles are being, or are practically certain to be, imported into the United States under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with any program or operation undertaken, or to reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or the Wool Act of 1947, he shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigations shall be made after due notice and opportunity for hearing to interested parties and shall be conducted subject to such regulations as the President shall specify.

"(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees on, or such limitations on the total quantities of, any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary to prescribe in order that the entry of such article or articles will not render or tend to render ineffective or materially interfere with any program or operation undertaken, or will not reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or the Wool Act of 1947: *Provided*, That no limitation shall be imposed on the total quantity of any article which may be imported from any country which reduces such permissible total quantity to less than 50 percent of the average annual quantity of such article which was imported from such country during the period from January 1, 1929, to December 31, 1933, both dates inclusive: *And provided further*, That no limitation shall be imposed on the total quantities of wool or products thereof which may be entered or withdrawn from warehouse for consumption."

SEC. 5. The Commodity Credit Corporation may, until December 31, 1948, dispose of wool owned by it without regard to any restriction imposed upon it by law.

Mr. AIKEN. Mr. President, I move that the Senate disagree to the amend-

ments of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. AIKEN, Mr. BUSHFIELD, Mr. YOUNG, Mr. THOMAS of Oklahoma, and Mr. ELLENDER conferees on the part of the Senate.

#### REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1) to reduce individual income-tax payments.

#### CALL OF THE ROLL

Mr. WHITE. Will the Senator from Colorado yield to me to make a point of no quorum?

Mr. MILLIKIN. I yield.

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

The PRESIDENT pro tempore. Is the point agreeable to the Senator from Georgia, inasmuch as the time taken by the roll call is chargeable to both sides?

Mr. GEORGE. It is agreeable to us.

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

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

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

Mr. WHERRY. I announce that the Senator from Wisconsin [Mr. McCARTHY] is necessarily absent.

Mr. LUCAS. I announce that the Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The Senator from Tennessee [Mr. McKELLAR] is necessarily absent.

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

#### REDUCTION OF INDIVIDUAL INCOME-TAX PAYMENTS

The Senate resumed the consideration of the bill (H. R. 1) to reduce individual income-tax payments.

Mr. GEORGE. Mr. President, I yield 30 minutes to the senior Senator from Maryland [Mr. TYDINGS].

Mr. TYDINGS. Mr. President, I would like very much in the present session of Congress; if it is prudent to vote

for tax reduction, to vote for a payment on the national debt, and for such financial program as would carry out those two very desirable objectives. Wartime taxes have been an enormous burden. A few of them have been eliminated; some of them have been modified; but, even so, the people of the Nation, both those poorly circumstanced and those well-to-do, are still carrying a tremendous amount of the burdens which war made necessary.

The question before the Senate is: Can we do these things now with that degree of certainty which would impel prudent men to take the necessary steps to carry these objectives into actual being? I am a member of the Appropriations Committee, and I want to say now that while the cuts in appropriations made in the House and those made in the Senate have been considerable, I think that all fair-minded men who will face the facts will agree that they have been very much less than what we hoped and expected could be accomplished when we voted on the separate measures providing for reductions in appropriations of \$6,000,000,000 and \$2,500,000,000, adopted by the House and Senate, respectively, some time ago.

Mr. President, I want to vote for tax reduction and for payment on the national debt with the reasonable knowledge that 14 months from now when the fiscal year 1948 draws to a close, I, as one Member of the Senate, shall not feel that I have overdone it, and will not again be confronted with another deficit.

For 17 years as a Member of this body I have lived under administrations that practiced deficit financing. Some of the Members of the Senate who have served all or a part of that time will remember that at almost every session of the Congress I have done what I could, both by speech on the floor and by vote in the Appropriations Committee, to try to get our budget in balance because, among other things, in my judgment not to do so was dangerous and unwise. The rise of Mussolini in Italy and the rise of Hitler in Germany came about more than anything else by reason of deficit financing in those two countries.

For 44 of the 66 years of the life of the royal Italian Government after the revolution led by Garibaldi, Italy practiced deficit financing. Almost every administration that ran for office in that country promised to balance the budget. Every administration, as soon as it got in power, immediately began to practice deficit financing to satisfy the clamor of the people. Adequate taxes were temporarily postponed from time to time and in the end and then and then only, when the delayed taxes finally came, the Italian people found out that in proportion to the income of its people Italy was the heaviest-taxed nation on the face of the earth.

The same thing was true in Germany, where the tax system was primarily not lodged in the federal or central government, but in the states of Germany. Even the railroads paid separate taxes in each state rather than national taxes.

In the case of this rich and prosperous country I do not see any prospect of

a dictator arising because of deficit financing. We have such great and varied resources, so much know-how, so much potential and intrinsic wealth in our people and in our soil, that I think it would stretch the truth to say that a reasonable continuance of deficit financing would bring on a dictator, and I do not wish to draw that inference. Nevertheless, a debt of \$260,000,000,000 is still a tremendous amount of a burden for the people of this Nation to carry, now that we have good times, and the opportunity has come to taper it off and whittle it down.

Recurring to the happenings of the present session of Congress, I remind the Senate that the able Senator from Colorado [Mr. MILLIKIN], introduced a measure to cut down Federal spending for the next fiscal year by \$4,500,000,000. The House of Representatives passed a similar measure, but fixed the amount at \$6,000,000,000. What are the prospects of reaching either of those goals? Here is what has actually happened up to now, and as I read these figures keep in mind that only one of the regular appropriation bills for the next year has been passed by both branches of the Congress.

The appropriation for the Labor Department and for the Federal Security Agency was reduced \$103,000,000. The appropriation for the Treasury and Post Office Departments was reduced \$56,000,000. The appropriation for the Interior Department was reduced \$134,000,000. The appropriation for the State, Justice, and Commerce Departments was reduced \$160,000,000. The appropriation for the Navy Department was reduced \$377,000,000. The appropriation for the Department of Agriculture, just reported in the House, was reduced \$375,000,000. Thus if we add the actual cuts in appropriations made in bills which have either passed the House or been reported to the House, we find over-all cuts so far in nine of the principal departments of the Government to the extent of only \$1,205,000,000.

I am not counting the \$800,000,000 of tax refund money which was taken out of the Treasury appropriation bill, because that does not represent a reduction in expenditures. Of the \$1,600,000,000 set aside for this purpose, the Congress determined to leave only \$800,000,000 in the bill, upon the theory that if tax reductions exceeded \$800,000,000, the amount provided for by the House—and which will probably be provided for by the Senate—there would be a separate bill to appropriate the money for any additional tax refunds we might have to make. But that is mere book-keeping. The point is that there was no real reduction of expenditures by that transaction.

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

Mr. TYDINGS. I yield.

Mr. CONNALLY. Is not a tax refund almost like interest on the debt? It is an obligation which we must pay, is it not?

Mr. TYDINGS. Of course it is an obligation of the Government. We cannot tell how much the obligation will be. The President wanted the amount

to be ample. The House thought that half the amount recommended would be ample.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. THOMAS of Oklahoma. I invite the attention of the Senator to the fact that the Interior Department bill has not yet been reported to the Senate.

Mr. TYDINGS. I am coming to that.

Mr. THOMAS of Oklahoma. And the Agriculture bill has not passed the House or Senate.

Mr. TYDINGS. I am coming to that.

Mr. THOMAS of Oklahoma. It is obvious from newspaper comments and other reports that appropriations contained in those bills will be substantially increased before they reach the President.

Mr. TYDINGS. The Senator is correct. But even conceding for the moment that there will be no increase in those appropriations in either the House or the Senate, the unassailable truth of the matter is that the extent of the actual proposed cuts in expenditures in all those bills, including the Agriculture appropriation bill, represents a total of \$1,205,000,000. That is a fact which cannot be denied. The total reductions in expenditures up to this good hour, assuming that no additions will be made to the appropriations when they reach the Senate, amount to \$1,205,000,000. Where is the \$4,500,000,000 cut which we, with high ideals and endeavors, set as the goal in this body several months ago? Where is the \$6,000,000,000 cut to which the House dedicated its effort? There remain only the Army appropriation bill and the independent offices appropriation bill, in addition to one or two minor appropriation bills which do not involve large sums of money. So even if we were to make a drastic cut in the Army appropriation bill, we could not reach a cut of \$6,000,000,000, because the Army appropriation bill is only for approximately \$6,000,000,000. We would not have a corporal's guard left if the remaining bills were cut to such an extent that a \$6,000,000,000 reduction would be possible. Indeed, it is doubtful if they could be cut to such an extent as to produce a reduction of \$4,500,000,000.

These appropriation bills deal with the period of time beginning July 1 next and extending to July 1, 1948. It is called the fiscal year 1948. Therefore, nothing has happened in the Senate to date to give a prudent man justification for assuming that appropriations will be reduced to the extent of more than approximately \$2,000,000,000, less than half of what the Senate promised the people in its resolution of several months ago, and about a third of what the House promised the people at the same time.

It is significant that the House and Senate have been unable to agree, even at this late stage, as to how much of a reduction can be made. So far there has been a failure of the conferees of the House and Senate even to agree that four and a half billion, five billion, or six billion can actually be cut from Federal expenditures.

Therefore we shall not be able to effect a saving of three and a half billion dollars by reducing expenditures. Already we have been over 9 of the 12 departments of the Government, and we have reduced their appropriations \$1,205,000,000. We have three departments left. In my judgment we shall not be able to reduce expenditures by \$3,200,000,000.

What do the advocates of "act now" suggest? They say, "This is a great year. Income is soaring. The people are prosperous. There is a great deal of money in the country. Corporations are making enormous profits. This condition will continue for the next 14 months. There will be no substantial dip. There will be no loss in Federal revenue. Profits will continue, and therefore tax revenues will continue." They say that if that situation continues for 14 months longer, we can expect \$4,000,000,000 or \$5,000,000,000 more in revenue in the Federal Treasury than we anticipated we would have, so great are profits and earnings and income-tax payments of both corporations and individuals into the Federal Treasury.

Apparently no one else shares that view. I do not often read the stock-market page, but in the past 3 or 4 months I have noticed that the prices of stocks have declined, many of them as much as 50 percent. Billions of dollars of paper values have disappeared. If the statements of our friends on the other side are accurate, if we are to have continued high profits for another 14 months, why is it that the investors of the country do not realize it? Based upon such a supposition, stocks can be bought on the New York stock exchange today which would yield a return of 8 or 10 percent on investment, assuming that the present high level of profits will continue for another 14 months.

When we boil the situation down, what do we make of it? The proposed tax reduction and debt reduction are predicated upon two things: First, that there is to be an ultimate reduction in taxes of between \$4,500,000,000 and \$5,000,000,000; second, that income coming into the Treasury from large profits will continue for another 14 months.

The latter of those two propositions is in the realm of pure speculation. It may happen. It may be that revenues will be even greater than we estimate. However, 14 months in this war-torn and sick world is a long time. As conditions now exist, looking ahead 14 months is like looking ahead 10 years in the early twenties or in the early 1900's. The whole world is in turmoil. We have not settled down from this terrific war, and therefore we are not in a position to prophesy or predict what will happen in the next 14 months.

My able colleague, the eminent Senator from Georgia [Mr. GEORGE], because of his long service in this body, because of his vast experience in the handling of fiscal matters for the Government—he has had more such experience than has any other man in this Chamber—judicial by temperament, moderately conservative by temperament on financial matters, has asked the Congress one thing only in the form of the motion

dren's children have an interest in the answer which you give to that question.

My prayer is that you will all say that American democracy, American freedom, and American liberty all center in a single concept: individualism with a social conscience and a sense of responsibility; and, when American democracy works and reaches its conclusions, it is understood by all that that which it does it does by common consent.

## One Hundredth Anniversary of Raising of American Flag in New Mexico

### EXTENSION OF REMARKS

OF

### HON. DENNIS CHAVEZ

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Monday, May 26 (legislative day of Monday, April 21), 1947

Mr. CHAVEZ. Mr. President, I ask unanimous consent to have printed in the Appendix an address delivered by me and also an address delivered by Hon. Joseph J. Lawler, Third Assistant Postmaster General, at Santa Fe, N. Mex., on October 16, 1946, on the occasion of the one hundredth anniversary of the raising of the American flag in the Territory of New Mexico.

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

ADDRESS OF HON. DENNIS CHAVEZ AT SANTA FE, N. MEX., ON OCTOBER 16, 1946

One hundred years ago Gen. Stephens Watts Kearney raised the flag of freedom over the Palace of the Governors. Today this distinguished assembly has gathered to commemorate the event and our Nation is honoring him by the issuance of a memorial stamp.

The New Mexico Kearney found was in every way unlike the America which he knew—the people, the language, the customs—everything was different. Yet in 100 years the same people with the same customs, and in most instances the same language, are Americans in every sense of the word. The problem of minorities, which has caused so many of Europe's wars, does not exist in New Mexico. There are differences, it is true, but thanks to the tolerance and decency of most people in New Mexico we have gone far toward their amelioration.

When Gen. Manuel Armijo chose not to fight at Glorieta, New Mexico embraced the American flag with all its heart. Whenever our country has been in danger our sons have been the first to answer the call of duty.

In the Civil War native New Mexicans fought on both sides. In the war with Spain Armijos and Oteros joined Teddy Roosevelt. After the First World War the French Ambassador came to Albuquerque to bestow the Croix de Guerre on Nick Lucero.

When General Kearney invited the New Mexicans to be American citizens he could not have envisioned the glorious role which our gallant Two Hundredth Regiment was to lay in Bataan.

Native New Mexicans appreciate the true meaning of the flag which General Kearney raised 100 years ago. They have fought and died for that flag. We owe a great debt to the heroes of Bataan. We owe a debt to Joe Martinez, who gave his life on Attu. His family received our country's highest award, but we are not worthy of calling ourselves American if we forget what he did and not live up to what Americanism really means.

Early in the war, a marine colonel told me about a young man from New Mexico named Garcia who on Tuiagi singlehandedly charged and captured a Japanese dugout on the top of a hill. The colonel told me he had seen many acts of bravery, but none to equal Garcia's.

New Mexico knows what it means to live under the American flag. We want to make Americanism work. We are making it work. In this gathering today the postmaster, the mayor, the sheriff are native New Mexicans. The next judge of this district will be a native New Mexican. New Mexico realizes that such conditions would not be possible if the swastika flew over this city.

There are a few minor differences, but on the whole, New Mexico has developed real tolerance and understanding. We have set an example for the world to follow. There are a few amongst us who do not like the mayor of Santa Fe because his name is Lujan. Such men are more to be pitied than condemned. Their intolerance is based on ignorance and most of us feel sorry for them because they are not Americans.

General Kearney raised no ordinary flag 100 years ago. General Kearney raised the flag of freedom, of liberty, of opportunity. We love that flag. We respect what it represents, and we will always fight for that flag.

In doing honor to the man who brought it to New Mexico, we also honor the men who have given their lives to protect it. We are mindful of our obligation to make Americanism work. Above all, in this city of holy faith, we should thank God that we live under the Star-Spangled Banner.

ADDRESS OF HON. JOSEPH J. LAWLER, THIRD ASSISTANT POSTMASTER GENERAL, SANTA FE, N. MEX., OCTOBER 16, 1946

It is indeed a genuine pleasure and a great honor for me to be here in New Mexico today participating in these ceremonies commemorating the centennial of the entry of Gen. Stephen Watts Kearney and his gallant army into this beautiful city of Santa Fe in 1846.

On behalf of the Post Office Department, I bring the most cordial greetings of Postmaster General, Hon. Robert E. Hannegan, who has given concrete evidence of the esteem in which he holds the good people of this region by approving the issuance of this special stamp.

The issuance of a commemorative stamp is a rare and unique honor to any State, to any celebrity, to any great cause, or historical event. Requests for such stamps are countless. There are hundreds of deserving categories, and the selection of the occasion or subject to be honored is most exacting and difficult. It requires not only substantial background and great worth, but it takes as well the most skillful and powerful presentation. But despite the fact there is great competition for this rare recognition, you can thank Senator DENNIS CHAVEZ for having pleaded so vigorously and so brilliantly that the case for the Gen. Stephen Watts Kearney stamp was given the hearty approval of the Post Office Department.

The design for the new stamp, which is being first placed on sale here in Santa Fe exclusively today, is in my judgment one of the most beautiful and appropriate that could be issued. It is in the 3-cent denomination, the most useful and popular category. The design was submitted to the Department by Senator CHAVEZ. It is a reproduction of a painting entitled "The Captive of Santa Fe." The artists, the designers, and the engravers have well performed their tasks. If one but studies this minute masterpiece, which measures but 1.44 inches in length and .84 of an inch in width, he will discover an almost unbelievable development of exact detail. The central design reproduces the full painting depicting the

raising of the American flag before the governor's palace here in Santa Fe, in 1846. In the background rises your noble mountains. At attention on his steed is General Kearney accompanied by his trusty aides and faced by his stalwart dragoons atop and before the palace in that thrilling moment when Old Glory fluttered to the breeze for the first time above that historic mansion. This scene represents the culmination of an outstanding military accomplishment in the annexation of this great center of a vast empire without the firing of a single shot or the shedding of a drop of blood. In rugged outline is the pillared governor's palace. Supplementing all this fine pictorial detail are the inscriptions that identify this stamp with this particular commemoration. In the upper left-hand corner is the wording "Stephen Watts Kearney Expedition" in three lines of dark Gothic lettering. Centered below the vignette in the same style of lettering and numerals is "1846 Entry Into Santa Fe 1946." On the extreme right in a shaded vertical panel appears "U. S. Postage" in dark-face Gothic, and below this wording in the same panel is the denomination "3¢" in white-face Gothic. The predominant color is a selected maroon. Truly a masterpiece in engraving and printing by master craftsmen of the United States Bureau of Engraving and Printing.

It would be presumptuous of me to dwell at any great length upon the gallant exploits of General Kearney. He is dear to the hearts of all Americans, but more particularly to people of the great Southwest, to whose people his career is well known. Still while his story is familiar to all of you, I would be remiss if I did not recount briefly upon this occasion the impression his life and career have made upon me.

General Kearney was a striking military man, a true pioneer—a great American as evidenced by his career as a lieutenant in the War of 1812 and down through his explorations and trail blazing through the vast West to 1846 and beyond until his untimely death in 1848.

Yet he was more than a soldier. He was a great statesman, a great humanitarian, a great administrator, and to my mind, one of the greatest marks of his genius was the address he made to the people of Santa Fe at the time he took possession in the name of the United States, at which time he stated among other things: "We have come with peaceable intentions and kind feelings toward you all. We come as friends to better your condition and make you a part of the Republic of the United States. We mean not to murder or to rob you of your property. Your families shall be free from molestation; your women secure from violence. My soldiers shall take nothing from you but that they shall pay for. We do not mean to take away from you your religion \* \* \*. Every man has a right to serve God according to his heart. \* \* \* In our Government, all men are equal. We esteem the most peaceable man the best man. I advise you to attend to your domestic pursuits, cultivate industry, be placable and obedient to the laws. \* \* \* I do hereby proclaim my intention to establish in this department a civil government on a republican basis, similar to those of our own States. It is also my intention to continue in office those by whom you have been governed, except the governor—I am your governor—henceforth look to me for protection."

And on that day there was born a new era for New Mexico, for the Southwest, and for the United States of America, for as much as you have gained by this change in allegation, you have given back through your loyalty and effort, and with other progressive and freedom-loving people of all other sections have made this Nation what it now is, in greater measure, the United States of America.

It is most fitting then that the greatest tie which binds these States—the Post Office Establishment—be the instrument through which the achievement of Stephen Watts Kearny and this new alliance be commemorated by the issuance of this beautiful stamp in this your centennial year. It is fitting, too, that this stamp be issued in Santa Fe exclusively today and that the sheet of its first run be presented to an outstanding citizen of the United States, a leader of the Southwest, Hon. DENNIS CHAVEZ, United States Senator from New Mexico and chairman of the Senate Committee on Post Office and Post Roads.

Senator CHAVEZ, I take great pleasure in presenting to you this album appropriately autographed by your good friend, Hon. Robert E. Hannegan, Postmaster General of the United States.

### Timely Observations

#### EXTENSION OF REMARKS

OF

#### HON. WILLIAM C. COLE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, May 23, 1947

Mr. COLE of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial by Arthur V. Burrowes, editor of the St. Joseph (Mo.) News-Press:

#### TIMELY OBSERVATIONS

When we were in the East last month we got just a little put out at gentle gibes about how many Missourians Harry S. Truman has put on the Federal pay roll. We were with Congressman WILLIAM C. COLE one night, and the conversation veered to that. One of us mentioned that New York did not fare so badly under Franklin Roosevelt. That led our publisher to suggest to Congressman COLE that he have someone dig in and find out just how the two Presidents compare on native State appointments. Congressman COLE's investigations have borne fruit.

The research section of the Library of Congress has prepared for the News-Press a list of all Senate-confirmed appointments of both Franklin Roosevelt and Harry Truman. Even taken into consideration that Mr. Truman has been President slightly over 2 years and Mr. Roosevelt was President more than 12 years, the Truman Missouri-longing is less evident than his predecessor's penchant for finding worthy New Yorkers for Federal positions.

From April 12, 1945, to May 1, 1947, the United States Senate confirmed 14 Missourians whose names Mr. Truman sent in. To this must be added one nomination not yet confirmed, that is of Judge John C. Collet to the United States Court of Appeals. That is seven Missourians a year. Now how about Mr. Roosevelt? From March 4, 1933, to April 12, 1945, the day he died, Mr. Roosevelt had 153 New Yorkers confirmed by the United States Senate. That is an average of better than 12 New Yorkers a year named to a post so high that the Senate must confirm.

The Senate-confirmed names do not tell the whole story. Three men close to the President had been Missourians, for instance, Clark Gifford, special counsel to the President; Maj. Gen. Harry Vaughan, military aide to the President; and Charles G. Ross, secretary to the President. They are not included in that total of 14 mentioned in the paragraph above.

But for every one of these not listed from Missouri in the Library of Congress citation

requested for us by Congressman COLE, there are two or more from New York in that same category. Nowhere in that list of Senate confirmations will you find the name of Thomas Corcoran, of New York State, the witty Tommy the Cork, whose antics so delighted the late chief. You will not find the name of the astute and brilliant Ben Cohen, who with Corcoran was about as close to the throne in those early New Deal days as anyone could get. Cohen was from New York.

Nowhere in that official list will we find the late New Yorker Louie Howe, devoted friend and worshiper of Franklin Roosevelt, Governor of New York. F. D. R. took Howe from Albany to Washington in 1933 as his secretary. Nor do we find the name of Raymond Moley, also of New York. No man carried more prestige, no man had more influence with F. D. R. at a certain period than Mr. Raymond Moley of the State of New York. After the break came Mr. Moley became a special writer for Newsweek and is still on the staff of that magazine.

It is true that some of Truman's Missouri appointments were given great publicity. Leading the list like Abou ben Adhem is Robert E. Hannegan, Postmaster General. We defend that appointment. Good grief, if you cannot reward the fellow who got you your job you are a heel indeed. Other Missouri appointments that attracted much attention were John Snyder as Secretary of the Treasury, Stuart Symington as Assistant Secretary of War, and James K. Vardaman to the Federal Reserve Board. Attracting less attention was Bennett Clark, two-term Missouri Senator, named to the Court of Appeals for the District of Columbia.

But for Truman's Hannegan there was Roosevelt's Jim Farley. We won't go into the respective merits of the two Postmasters General, we are just saying F. D. R. went to New York for his man. Mr. Roosevelt got Rex Tugwell, Harry Hopkins, Frances Perkins, all from New York. But in fairness to the memory of the dead President let it be recorded that on the list of New York eminent called to the service by Roosevelt we find the names of Robert Patterson, Robert Jackson, James V. Forrestal, Nelson Rockefeller, Henry Morgenthau, Henry L. Stimson, Claude Bowers, Ferdinand Pecora, Nathan Straus, and Joseph P. Kennedy.

We could argue this thing from all angles, even to the quality of Roosevelt-picked New Yorkers against Truman-picked Missourians. That is a matter of opinion. Leaving out lesser men, also all the kitchen cabinet members of both Presidents, what do we find as to official advisors? That means the Cabinet of the President. Mr. Truman named two Missourians, a Postmaster General, and a Secretary of the Treasury. Mr. Roosevelt named seven from his own State of New York, a Secretary of Commerce, an Attorney General, a Secretary of the Navy, a Secretary of the Treasury, a Secretary of War, a Postmaster General. About the principal conclusion we draw from these observations is that Presidents go home to ask their friends to come surround them.

### Mothers, Boys, and Universal Military Training

#### EXTENSION OF REMARKS

OF

#### HON. HENRY D. LARCADE, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 26, 1947

Mr. LARCADE. Mr. Speaker, under leave to extend my remarks in the Ap-

pendix of the RECORD, I wish to include the following editorial from the Washington Daily News of May 24, 1947, as follows:

#### MOTHERS, BOYS, AND UNIVERSAL MILITARY TRAINING

Congressmen to whom we've talked about universal military training say much of the opposition comes from mothers. Mothers oppose it, they say, because they didn't raise their boys to be soldiers. They sent their oldest sons off to Germany and Japan, and they want to keep the younger ones at home. That's easy to understand.

But universal military training will not make them soldiers. They will remain civilians, under the control of a civilian commission of which no member can be a soldier. They will not be members of the military establishment; the Army and Navy will be run just as they always have been run.

Universal military training is precisely that—training. It is a long-range program to teach each boy for 1 year, whenever he can best spare the time between his seventeenth and twentieth birthdays, just what will be required of him if his country ever has to go to war again and he is drafted to fight.

While in training, he will not be subject to the Articles of War. Instead, he will live under a special Code of Conduct, drawn up by a committee of civilians. For minor offenses, trainees will try each other.

He will not be sent overseas. He will not be liable for any future military service unless there is war. If war comes, he can be drafted. But he would be drafted anyway.

The War Department's plan is simply to prepare each young American for an emergency it hopes will never come—an emergency which his training—and the training of millions like him—may well prevent.

Mothers would want their boys—if world events force them to become soldiers—to be able to defend themselves. And that is what universal military training means. General Eisenhower says it has been his experience that a trained soldier has a three times better chance to survive than a man who goes into combat without experience, or with only that training permitted by a rapid wartime mobilization.

### Providing Support for Wool

#### SPEECH

OF

#### HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 23, 1947

The House in Committee of the Whole House on the State of the Union had under consideration the bill (S. 814) to provide support for wool, and for other purposes.

Mr. CRAWFORD. Mr. Chairman, I wish to subscribe to the statement made by the distinguished chairman of the committee the gentleman from Kansas [Mr. HOPE], and by the gentleman from Georgia [Mr. PACE], a member of the committee.

Certainly, I am against the Cooley amendment. There served in this body for a number of years a great American, recognized so by the people of the country as well as the people in the other parts of the world. He served in the other body for a number of years with a distinguished career. He served as Secretary of State for a number of years.

and I refer to the gentleman from Tennessee, Mr. Cordell Hull. For years he advocated to the people of this country that his reciprocal trade-agreement program was the big factor operating in the world to prevent wars between the nations. It did not prevent World War II, and so far as I have been able to find out it did not have the least influence whatsoever in preventing that war. The war moved on just as if there had never been a reciprocal trade-agreement program. The reciprocal trade-agreement program of the State Department, sponsored by Mr. Cordell Hull, has never saved the economy of any nation as evidenced by the fact that practically every nation on earth of any consequence at all sits on our doorstep 24 hours a day begging for our substance in the form of raw materials, manufactured goods, dollar exchange, moral support, military and naval defense and every other thing the American people can provide for the nationals of the other countries of the world. So when it comes to the cold-blooded question as to whether or not I shall support a reciprocal trade-agreement program as such, or support the agricultural workers and the manufacturers' pay rolles of this country, I do not have to debate as to whom I shall support. I will take care of our own people first in preference to any reciprocal trade-agreement program that has ever been advocated by the State Department of this great country of ours.

Now we are right up against this proposition. Our heads are right up against the snubbing post. This is the first round, on wool. You are going to face it on sugar. The day may come when you face it on peanuts, for instance; that has about six or seven dollars' duty per 100 pounds. The day may come when you face it on cotton, if you please. The day may come when you face it on livestock on the hoof, on vegetables, and on fruits, and you might just as well make your decision today whether or not you are going to follow Mr. Clayton and the reciprocal trade-agreement program as against the interest of the workers here in the United States, or whether or not you are going to protect these workers and protect America, protect industry so that it can continue to feed and clothe and shelter and defend and finance the balance of the countries of the world as you did under the \$8,000,000,000 you have already poured into their sinkhole since VJ-day; the \$4,500,000,000 which are immediately available to them and the \$12,375,000,000 which will be potentially available just as soon as your international fund for the stabilization of currencies and the international credit bank gets well under operation. If the rest of the world is to receive all this support, you had better protect the economic interest of the people of the United States first so they will be in position to carry on. If this market is to be given to other countries, on what basis do you think American industry can prosper?

## Elimination of Discrimination in Employment

### EXTENSION OF REMARKS

OF

## HON. DENNIS CHAVEZ

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Monday, May 26 (legislative day of Monday, April 21), 1947

Mr. CHAVEZ. Mr. President, I ask unanimous consent to have printed in the RECORD questions and answers prepared by me in connection with Senate bill 984, having to do with the elimination of discrimination in employment.

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

Mr. President, because of increasing inquiries about the provisions of S. 984, a bill introduced by the junior Senator from New York for himself and Senators SALTONSTALL, SMITH, MORSE, DOWNEY, MURRAY, MYERS, and myself, as the time for the beginning of Senate Labor and Public Welfare Subcommittee hearings approaches (June 11, 12, 13, 18, 19, 20), I ask unanimous consent to insert in the Appendix of the RECORD a set of questions and answers dealing with the principal points of interest in S. 984.

1. Question. What does the bill provide?

Answer. It will reduce and eliminate discrimination in employment because of race, religion, color, national origin, or ancestry (sec. 5). It creates a permanent national commission against discrimination in employment to prevent such discrimination (sec. 6).

2. Question. Why should we outlaw discrimination in employment?

Answer. It is un-American. It results in low income for minority groups, thus limiting the market for goods and employment opportunities generally. It leads to interracial conflict. It creates a supply of strikebreakers. It forces minority groups into substandard conditions of living, detrimental to the community. It depresses wage levels. It decreases the Nation's capacities for full production, stable prosperity, and security (sec. 2a). It injures our standing with the United Nations (sec. 2c).

3. Question. What groups are forbidden to discriminate by the bill?

Answer. Agencies of the Federal Government; employers of 50 or more persons whose operations affect interstate or foreign commerce; Federal contractors and subcontractors who employ 50 or more persons; labor unions whose practices affect interstate commerce (sec. 3).

4. Question. What types of discrimination are forbidden by the bill?

Answer. Only discrimination in employment or union membership, i. e., hiring, discharge, wages, seniority, transfers, demotions, upgrading, union auxiliaries, etc. (sec. 5). The bill does not apply to discrimination in education, transportation, recreation, voting, or places of public accommodation.

5. Question. What principal minority groups are protected by the bill?

Answer. Thirteen million Negroes, 5,000,000 Jews, 20,000,000 Catholics, 3,000,000 Americans of Mexican and Hispanic origin, 11,000,000 persons of foreign birth.

6. Question. How will the Commission be constituted?

Answer. It will be a permanent salaried Commission of seven members, appointed by the President with the advice and consent of the Senate, for 7-year terms (sec. 6). The

size of its staff will depend upon the amount of money Congress appropriates for it.

7. Question. How will the Commission determine whether an employer or union has discriminated?

Answer. By careful and thorough investigation of the complainant's charge, the employer's or union's explanation, and the surrounding circumstances. The burden of proof will be on the complainant, not the party accused. If the Commission believes the charge has merit, it will seek to adjust it by informal and voluntary methods. A new feature of this bill provides for the setting up of regional, State, and local conciliation councils to promote fair employment practices by information, education, and conciliation. Where settlement is not possible by conciliation, the Commission will conduct a full and fair hearing in which the party charged has the right by counsel to present his version of the facts and to cross-examine witnesses. After the hearing, the Commission will issue a decision and order (sec. 7). If the order is not complied with, the Commission will appeal to the Federal District Court to enforce it. Defiance of the court will subject the accused party to penalties for contempt of court. The Commission's administrative procedure is like that of ICC, FTC, SEC, FPC, FCC, and other administrative agencies (sec. 8).

8. Question. How can discrimination be proved?

Answer. The acts or statements of a party charged are used to prove discrimination. In many cases discrimination is flagrant and revealed by newspaper advertisements, discriminatory orders to employment agencies, pay-roll records, or contracts between unions and employers. In other cases, an employee's pattern of rejections or statements made by personnel officers often indicate discrimination. Weak complaints will be dismissed by the Commission without even the necessity of a hearing.

9. Question. What penalties are provided for violators?

Answer. No criminal or civil penalties, except (1) a penalty of from \$100 to \$500 for refusal to post notices regarding the act in work places, and (sec. 11) (2) a fine of up to \$500 and imprisonment up to 1 year for forcibly interfering with a member or employee of the Commission in the performance of his duties (sec. 14). The Commission may merely petition a Federal court to compel obedience to its orders. Violation of a court decree is punishable as a contempt of court. The Commission's orders are enforceable only by the courts after full hearing.

10. Question. What is the penalty when a Government official or agency discriminates?

Answer. The Commission may request the President to compel obedience to its orders (sec. 10).

11. Question. Does the bill require an employer to hire Negroes, Jews, Mexicans, or other minorities?

Answer. No. An employer may hire or reject anyone he pleases, on any basis and for any reason, so long as a needed and qualified person is not rejected because of his race, religion, color, national origin, or ancestry (sec. 5).

12. Question. Does the bill require an employer to hire a particular percentage or quota of Negroes or of any other minority group?

Answer. Definitely not. The bill provides only that employees shall be selected on the basis of their qualifications (sec. 5). A quota plan makes hiring dependent upon race and is, therefore, itself discriminatory.

13. Question. Will the courts be able to review the decisions of the Commission?

Answer. An employer or union aggrieved by a Commission order may appeal to the courts. A court will review all questions of

law. On questions of fact, the findings of the Commission will have to be supported by substantial evidence (sec. 8). This is the customary procedure for judicial review of administrative agencies and has been approved by the Supreme Court. Orders against Federal agencies are not subject to review.

14. Question. Does the bill apply to State or municipal employees?

Answer. No; nor does it apply to any State agency.

15. Question. Does the bill apply to small retail stores or domestic servants?

Answer. No. It applies only to those employers who are engaged in interstate commerce or operations affecting such commerce and who employ 50 or more persons (sec. 3).

16. Question. Are religious, charitable, fraternal, social, educational, or sectarian non-profit corporations or associations subject to the bill?

Answer. No (sec. 4). But labor organizations are included (secs. 3 and 5).

17. Question. Will the bill make possible racketeering, blackmail, or groundless suits?

Answer. No; because the Commission will dismiss all groundless charges on its own initiative, without formal proceedings and before there is any contact with the accused employer (sec. 7a). The wartime Fair Employment Practice Commission dismissed two-thirds of all the complaints filed with it. It thus served as a necessary safety valve for people who thought they were discriminated against. The Commission, likewise, would fill this need.

18. Question. What guaranties are there that the Commission will not itself be biased and unfair?

Answer. The members of the Commission will be appointed by the President of the United States and will have to be approved by the United States Senate (sec. 6a). That is the best guaranty of a fair-minded Commission. In addition, the orders of the Commission can be enforced only by the courts (sec. 8). The Administrative Procedures Act of 1946 and the Supreme Court require a fair hearing before an administrative agency.

19. Question. What supervision will Congress exercise over the Commission?

Answer. Congress will pass upon its annual request for an appropriation. Congress also may, by current resolution, amend or cancel any regulation of the Commission (sec. 13). Congress can at any time investigate the conduct of any administrative agency.

20. Question. Is there enough discrimination in employment to justify a Federal bill?

Answer. The wartime FEPC received almost 7,000 complaints since it was created in July 1943, and it had jurisdiction only over war industries or Government agencies. Many of these complaints involved thousands of workers or an entire industry. In its final report, FEPC included a postwar study of employment practices in 11 American cities and found discrimination increasing. The report's final recommendation was for permanent legislation against discrimination in employment. "No device will solve the problem short of the enactment by Congress of Federal fair employment legislation" (p. XVI).

Bills have been introduced in 20 States proposing the elimination of discrimination. This indicates how widespread the problem is. Only one-quarter of the wartime FEPC's cases originated in the South.

21. Question. Is this a new idea in Federal legislation?

Answer. No. The United States Constitution forbids discrimination by the Government; this bill extends the principle to employers and trade-unions. In the last 10 years Congress has enacted 23 laws which forbid discrimination in their enforcement.

22. Question. Is the bill constitutional?

Answer. Certainly. The United States Supreme Court has repeatedly condemned discriminatory employment practices. A New York law forbidding discrimination by trade-unions was recently upheld as constitutional.

23. Question. Does the bill prohibit prejudice?

Answer. No. Prejudice is a state of mind. The bill prevents the act of discrimination which affects pay envelopes. Discrimination can be eliminated or at least greatly reduced by a firm national policy. This law will protect those who do not discriminate.

24. Question. But discrimination is based on prejudice; prejudice is an attitude of mind; is there any more chance of changing this attitude than there was of the prohibition law changing the drinking attitudes of the Nation?

Answer. This law has nothing to do with prejudice itself; it merely seeks to prevent one person's manifestations of prejudice from inflicting themselves upon the economic life of another, within the limits of Federal jurisdiction in employment.

This bill is related to prejudice only as laws forbidding driving while drunk are related to drinking.

25. Question. Can the bill be enforced effectively?

Answer. No law ever receives 100 percent obedience, but the great majority of employers and trade-unions are law abiding. The small minority will have to conform. Even the wartime FEPC without sanctions and with a small staff was able to stop a great deal of discrimination. And today State laws in New York, New Jersey, and Massachusetts are actually working successfully. This bill is identical with them in purpose and method. A similar bill has just been passed in Connecticut.

26. Question. Isn't this bill class legislation? Does the bill confer special privileges on minorities?

Answer. No. No special privilege is granted any group. It merely assures equality of opportunity and equality of treatment. It requires that persons shall be hired on the basis of their qualifications and not rejected because of the immaterial fact of their color or religion or place of birth.

27. Question. Does this bill impair or conflict with existing State laws?

Answer. No. It dovetails with State laws which require or permit discrimination in employment. It does not invade States' rights.

28. Question. Cannot this problem be handled by the States themselves?

Answer. Only three States—New York, New Jersey, and Massachusetts—have comprehensive and effective laws forbidding discrimination in employment. Federal action is needed to protect States having such laws against unfair competition in other States that do not have such laws. Federal action is also needed because most large employers or trade-unions have plants or locals scattered throughout the country in every State. Finally, Federal employees can be protected only by a Federal act and uniform standards and enforcement. The Federal Government can most effectively enforce the Federal Constitution.

29. Question. Does this bill promote social equality?

Answer. The bill has nothing to do with personal or social relationships. It is concerned only with equality of job opportunity.

30. Question. Will such a law cause riots or bloodshed?

Answer. On the contrary, it will lessen the danger of such violence because orderly governmental procedure will be substituted for mob action. After the last war there were 26 major race riots. A repetition must be avoided. If enacted, this bill will do that job.

31. Question. Cannot this problem be handled by education alone?

Answer. No. Education is desirable, but as a supplement, not an alternative, to Federal legislation. There are always a few employers or unions who cannot be relied upon for voluntary cooperation. Legislation itself is a most effective form of education. The problem is so urgent it requires immediate action, without waiting for the slow, uncertain processes of education. Education alone in the last 80 years has not proved effective.

32. Question. Is not the Supreme Court decision in the Negro fireman's case adequate to eliminate discrimination?

Answer. The decision in *Steele v. Louisville Railroad*, decided December 18, 1944, applies only to discrimination arising from a contract between an employer and a labor union. It leaves untouched all the varying forms of discrimination engaged in by employers acting alone. There are no Federal statutes today which forbid racial or religious discrimination in employment.

33. Question. Wouldn't this bill destroy the American system of free enterprise?

Answer. Free enterprise does not mean unlimited license. The basis of Anglo-American jurisprudence is the realization that every man owns and operates his property and business subject to the requirements of the public welfare. In the long run, his survival and prosperity depend upon the public welfare. If there were no impartial governmental referee continually on guard, the free-enterprise system would soon destroy itself. Besides, there is no truly free enterprise as long as work opportunities are arbitrarily denied certain groups regardless of ability, character, aptitude, and training.

34. Question. Doesn't this bill create another regulatory body when business is already burdened with regulations?

Answer. Scores of laws safeguard the property and other rights of business. Human rights are no less important than property rights, and equally deserve the protection of law.

35. Question. Doesn't this bill restrict the rights of an employer in employee selection and take away his right to manage his own business?

Answer. No restriction is placed on the employer's right to employ or to up-grade an employee on the basis of his own judgment of the candidate's training, experience, ability, personality, or whatever standards he may choose to set. Nor does the law force business to hire any person or refrain from firing any specific person. On the contrary, it protects the employer in his right to choose the best candidate without regard to race, religion, color, or national origin.

36. Question. Is it fair to insist that an employer hire members of a minority group if his other employees refuse to work with them? Won't this induce friction between the workers themselves and between workers and management?

Answer. The law applies to unions as well as to management, or it would be discriminatory in itself, and the industries where the law would apply are for the most part unionized. Besides, it has been the experience of the overwhelming majority of employers who have (many of them for the first time during the war) employed minority-group workers that their fears of employee friction were not realized.

37. Question. Wouldn't an employer be forced to hire a complainant, even though the employer has no vacancy and would have to fire an employee to take the complainant?

Answer. The Commission would have no authority to compel an employer to hire when no vacancy exists or to fire an employee to create a vacancy for anyone.

38. Question. Won't enforcement of such a law add to the businessman's cost of running his business?







DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued June 2, 1947  
For actions of May 29, 1947  
80th-1st, No.102

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**HIGHLIGHTS:** House agreed to potato surplus investigation. House sent wool bill to conference. Rep. Gross charged SCS with lobbying for appropriation and inserted ACP State Director's telegram on appropriation situation. Rep. Cannon urged continuation of crop insurance.

HOUSE

1. POTATO SURPLUS. Agreed without amendment to H. Res. 166, directing the Agriculture Committee to study the feasibility and advisability of a program to eliminate potato surpluses (pp. 6248-56).
2. WOOL PRICE SUPPORTS. Reps. Hope, Andresen, Johnson of Ill., Hill, Flannagan, Cooley, and Pace were appointed conferees on S. 814, the wool bill (p. 6248). Senate conferees appointed May 26. Rep. Douglas criticized the bill (p. 6244).
3. TAXATION. Received the conference report on H. R. 1, the tax-reduction bill (pp. 6270-1).
4. APPROPRIATIONS. The Appropriations Committee reported H. R. 3678, the War Department military appropriation bill (H. Rept. 495)(p. 6271).
5. CLAIMS. Rep. Grant, Ala., criticized a prohibition against allowances for punitive damages under the tort-claims provisions of the Legislative Reorganization Act (p. 6245). (See "bills introduced".)
6. SOIL-CONSERVATION APPROPRIATIONS. Rep. Gross, Pa., inserted "a telegram signed by the Soil Conservation Service yesterday, urging the farmers to turn the heat on us to save the jobs of these fellows down in the Department" (pp. 6247-8). The telegram was from an ACP State Director, announcing the provision in the appropriation bill and requesting suspension of purchases, sign-ups, etc. This was quoted in a letter to participating farmers from the county-committee chairman.
7. ADJOURNED until Mon., June 2 (p. 6271). Rep. Hallock announced this week's program as follows: Mon., consent calendar, tax bill. Also this week: War Dept. military appropriations, labor bill, Hawaii statehood, information and

interchange exchange bill. (p. 6246.)

SENATE

8. PERSONNEL. Received from the Joint Committee on Reduction of Nonessential Federal Expenditures an additional report on Federal employment (S. Doc. 57) (p. 6186).  
Sen. Williams, Del., discussed S. 637, the omnibus retirement bill, favored recommitment to the committee for further consideration, and urged protection of the retirement fund which "belongs to the Federal employees" (pp. 6187-91).
9. RENT CONTROLS. Continued debate on S. 1017, the rent-control bill (pp. 6191-208).
10. RECESSED until Mon., June 2 (p. 6208).

BILLS INTRODUCED

11. LANDS. S. 1367, by Sen. Robertson, Wyo., "to amend section 10 of the Taylor Grazing Act." To Public Lands Committee. (p. 6186).  
S. 1368, by Sen. Robertson, Wyo., to increase the size of isolated or disconnected tracts or parcels of the public domain which may be sold. To Public Lands Committee. (p. 6186.)  
S. 1362, by Sen. Thomas, Okla., to facilitate the administration by Interior Department, in cooperation with other Federal agencies, of the recreational use of lands and waters within reclamation, flood control, power, and other Federal reservoir projects. To Public Lands Committee. (p. 6186.)
12. CLAIMS. H.R. 3668, by Rep. Grant, Ala., "to amend the Federal Tort Claims Act. To Judiciary Committee. (p. 6186.) (See also item 5.)

ITEMS IN APPENDIX

13. CROP INSURANCE. Speech in the House by Rep. Cannon, Mo., urging continuation of crop insurance under present law pending the enactment of legislation placing it on an experimental basis (pp. A2710-1).
14. OLEOMARGARINE. Sen. Johnston, S.C., inserted a South Carolina Farmer article, "Margarine and the Consumer" (pp. A2688-9).
15. COOPERATIVES. Rep. Grant, Ind., inserted two newspaper editorials on the competitive advantages of tax-exempt cooperatives (pp. A2697).
16. RICE CONTROLS. Rep. Larcade, La., inserted a Lake Charles American Press article, "Rice Leaders Rap Controls as Unfair - Decline in Production, Increase in Markets Cited at Convention" (p. A2712).
17. SMALL BUSINESS. Extension of remarks of Rep. Patman, Tex., commending service rendered to small business by RFC (p. A2690).
18. RECLAMATION. Sen. Magnuson, Wash., inserted a Walla Walla (Wash.) Bulletin editorial on the affect of appropriation reductions for reclamation projects in the Pacific Northwest (p. A2691).
19. FORESTRY. Rep. Norblad, Oreg., criticized the continued existence of the U.S. Spruce Corporation (pp. A2702-3).
20. RESEARCH. Extension of remarks of Rep. McDonough, Calif., favoring the establishment of a National Science Foundation (p. A2711).

# House of Representatives

THURSDAY, MAY 29, 1947

The House met at 12 o'clock noon. The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, the author of peace and concord, breathe upon our souls the love of truth and beauty and goodness, that there may be no confusion in our lives. Though with faintness of endeavor we have failed Thee, grant that by Thy direction we may be richer in appreciation of our high calling. We pray that the future may hold for our Republic a brighter dawn for all our citizens.

We wait in deep gratitude for the precious heritage bestowed upon us by the sacrifices of our soldier dead and our soldier living. Lord God of Hosts, be with us yet, lest we forget, lest we forget!

"Come, Peace of God, and dwell again on earth;

Come, with the calm that hailed Thy Prince's birth;

Come, with the healing of Thy gentle touch;

Come, Peace of God, that this world needs so much.

"Break every weapon forged in fires of hate,

Turn back the foes that would assail Thy gate;

Where fields of strife lie desolate and bare,

Take Thy sweet flowers of peace and plant them there."

We pray in the name of the Prince of Peace, Jesus Christ our Lord. Amen.

## THE JOURNAL

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

## CORRECTION OF RECORD

Mr. PHILLIPS of California. Mr. Speaker, on page 6123 of the RECORD of yesterday I omitted a name. I ask unanimous consent that I may correct the RECORD by including that name in my remarks.

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

There was no objection.

## EXPORT-IMPORT BANK OF WASHINGTON

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 220, Rept. No. 484), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 993) to provide for the reincorporation of Export-Import Bank of Washington, 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 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

## HOME OWNERS' LOAN ACT OF 1933

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 221, Rept. No. 485), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2798) to amend section 5, Home Owners' Loan Act of 1933, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

## FEDERAL HOME LOAN BANK ACT AND NATIONAL HOUSING ACT

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following privileged resolution (H. Res. 222, Rept. No. 488), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2799) to amend the Federal Home Loan Bank Act, title IV of the National Housing Act, 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 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without in-

tervening motion except one motion to recommit.

## DISPOSITION OF CERTAIN WAR HOUSING

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following privileged resolution (H. Res. 223, Rept. No. 487), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3492) to provide for the expeditious disposition of certain war housing, 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 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

## FOREIGN RELATIONS POLICY

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 224, Rept. No. 488), which was referred to the House Calendar and ordered to be printed:

*Resolved*; That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3342) to enable the Government of the United States more effectively to carry on its foreign relations by means of promotion of the interchange of persons, knowledge, and skills between the people of the United States and other countries, and by means of public dissemination abroad of information about the United States, its people, and its policies, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

## WAR DEPARTMENT APPROPRIATION BILL

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the War Department appropriation bill.

Mr. BULWINKLE. Mr. Speaker, on behalf of the Committee on Appropriations, I reserve all points of order on the bill.

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

There was no objection.

#### INTERNATIONAL REFUGEE ORGANIZATION

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 225, Rept. No. 489), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 207, providing for membership and participation by the United States in the International Refugee Organization and authorizing an appropriation therefor. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

#### EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in three instances in the RECORD and include extraneous matter.

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

#### CORRECTION OF RECORD

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent that I may make certain corrections in my remarks made yesterday in Committee of the Whole.

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

There was no objection.

#### EXTENSION OF REMARKS

Mr. WELCH asked and was given permission to extend his remarks in the RECORD and include an editorial published in the San Francisco Call-Bulletin, entitled "Key to Progress."

#### PERMISSION TO ADDRESS THE HOUSE

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

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

There was no objection.

#### ECONOMY IN GOVERNMENT

Mr. RICH. Mr. Speaker, as of May 23 our national debt was \$257,837,000,000 and more. Yesterday you saw a spectacle here where practically everybody on the

Democratic side of the House voted to spend more money. We had a terrible time here with the Republicans trying to hold them down but we just won out by the skin of our teeth. Republicans proved they vote for economy in government.

Now, we are to the point where we hear on the radio in the mornings that we are going to try to get rid of a lot of Government employees. Well, if you are going to cut down on expenses, you must get rid of Government employees. That is what we are trying to do. These people who are going to have to get jobs away from the Government ought to now find out that they ought to go back home and get a job. It will save the taxpayers millions of dollars. Government employees can resign from the Government now before they receive a quit notice and go back home and get a job nearer where they lived before coming to Washington; jobs can be found there. That is what they have to do, and we hope some of the Government employees will do it. It is wise and sensible. Let us cut down expenses of government.

#### EXTENSION OF REMARKS

Mr. BULWINKLE asked and was given permission to extend his remarks in the RECORD and include a notable address by Hon. Garrison Norton, Assistant Secretary of State and chairman of the United States delegation at the opening plenary meeting of the first assembly of the International Civil Aviation Organization.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an editorial from the Boston Post endorsing the idea of making terminal-leave bonds negotiable.

Mr. FOGARTY asked and was given permission to extend his remarks in the RECORD and include an editorial from the magazine, Columbia.

Mr. LYNCH asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an address by Hon. James Forrestal, Secretary of the Navy, and in the other to include an editorial.

Mr. DORN asked and was granted permission to extend his remarks in the RECORD and include a poem by a young lieutenant killed during the Battle of the Bulge; also an article on Hamm Cemetery by the American Chargé d'Affaires at Luxembourg.

Mr. EBERHARTER asked and was granted permission to extend his remarks in the RECORD by inserting two items; one entitled "How To Identify an American Communist," and the other entitled "How To Recognize an American Pro-Fascist."

Mr. RICHARDS asked and was granted permission to extend his remarks in the RECORD and include an article from the New York Herald Tribune.

Mr. LARCADE asked and was granted permission to extend his remarks in the RECORD in two instances and in each instance to include a newspaper article.

#### PERMISSION TO ADDRESS THE HOUSE

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

remarks and include therein a newspaper editorial.

The SPEAKER. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS. Mr. Speaker, the other day the House passed a so-called wool support price bill. It should now be known as a bill to pull the wool over high tariffs. The bill was in fact not one bill but two: First, a bill calculated to give relief to the wool growers, and second, an amendment attached to the bill, which was in itself a bill by which back-door method it was calculated to place the footsteps to this Nation once more on the road to high tariffs.

The Washington Daily News has this to say about it:

#### VETO THE WOOL GRAB

In 2 days of House debate on the bill to continue Government wool-price supports almost 40 Congressmen made melancholy pleas on behalf of wool growers, woolen manufacturers, dairymen, cotton farmers, and others.

Taxpayers and consumers—though the bill lays heavy burdens on them—were hardly mentioned.

Congress is supposed to represent the whole country. But wool legislation, like too many other kinds of legislation, is pegged to group benefits and passed by log-rolling reminiscent of the larcenous old high-tariff days. That's only one of the reasons why we think President Truman should veto this bill.

It began as a price-support measure. Even then it was unfair in proposing to support wool at 100 percent of the parity price, as against 90 percent for other farm products. Because the support price is above the world market, American taxpayers through the Government already are stuck with more than 400,000,000 pounds of wool—loss to date, \$38,000,000—and American consumers are forced to pay needlessly high prices for woolen goods.

But the House has voted even more protection for wool, adding a 50 percent import fee on foreign wool, which already has to surmount a tariff of 34 cents a pound. This provision runs directly counter to the reciprocal-trade program and makes the United States look foolish in the current Geneva conference where we profess to be trying to break down barriers to world trade.

This wool bill, as it passed the House, represents the old high-tariff Republicanism and economic isolationism which has done untold damage in the past—and, which, incidentally, was a major factor in keeping the GOP out of national power for so many years. Party leaders would do well to remember that.

The SPEAKER. The time of the gentlewoman from California has expired.

#### EXTENSION OF REMARKS

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

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

There was no objection.

Mr. PRICE of Florida. Mr. Speaker, last year this House passed unanimously H. R. 4051, introduced by my colleague the gentleman from Florida, Hon. DWIGHT ROGERS. Thus there is no misunderstanding throughout the United States among the veterans regarding those of us who were Members of the House at that time. I believe today practically every Member of this House be-

day, probably, according to the exigencies, that confront him next week. In connection with the tax bill conference report, is the gentleman in a position where he can assure the House that it will not be brought up Monday?

Mr. HALLECK. I hesitate to give that assurance. The gentleman understands that in connection with that matter we are working against a considerable deadline.

Mr. McCORMACK. I understand.

Mr. HALLECK. And there is reasonable necessity of disposing of it as quickly as we can.

Mr. McCORMACK. I just simply wanted the RECORD to show, so that the Members would be on their guard. If it was not coming up before Tuesday, then they could govern themselves accordingly, and if the gentleman cannot give that assurance, of course, I would not expect him to and I would not ask him, but my inquiry was for the purpose of getting as much information as I could for the Membership of the House so that they could govern themselves accordingly on Monday.

Mr. HALLECK. I thank the gentleman for his attitude and his help.

Mr. McCORMACK. In other words, it might come up Monday?

Mr. HALLECK. It might come up Monday.

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

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

Mr. VORYS. In relation to House Joint Resolution 207, providing for our entry into the International Refugee Organization, on which a rule has been granted, I wonder if there is any possibility of that matter coming up next week, in view of the fact that it has a high priority on General Marshall's suggestions?

Mr. HALLECK. That rule, of course, has just been filed. The other matter from the Committee on Foreign Affairs came out before this particular measure. I have not programed for next week the measure to which the gentleman refers. Of course, if the program so works out that we have time to take it up, and it could be arranged, why I certainly would have no objection to doing that.

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

Mr. HALLECK. I yield to the gentleman from Mississippi.

Mr. RANKIN. Does not the gentleman think that before we plunge any further into international entanglements we ought to consult the American people? It seems to me that we have gone a long way in constructing and financing a Tower of Babel that bids fair to collapse amidst a confusion of tongues, at our expense. I want to say that I am not in favor of plunging any further into this international morass at the expense of the American people.

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

#### EXTENSION OF REMARKS

Mr. SHORT asked and was given permission to extend his remarks in the RECORD and include two newspaper articles.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an article and a telegram.

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

There was no objection.

#### LOBBYING

Mr. GROSS. Mr. Speaker, I want to call the attention of the House to something concerning Federal lobbying that is going on. We have heard a lot about lobbying, and we have accused the manufacturers, the farmers, and everybody, but the lobbying I am referring to comes out of these agencies downtown. I want to insert as a part of my remarks a newspaper clipping from the Philadelphia Record this morning dealing with that matter, and also I want to insert as a part of my remarks a telegram signed by the Soil Conservation Service yesterday, sent all over the United States, urging the farmers to turn the heat on us to save the jobs of these fellows down in the Department. This is one the smelliest things I have ever handled. They sent out telegrams yesterday Nation-wide telling the farmers that all benefits from the Government are going to be taken away from them, and probably they will have to make refunds and telling them to threaten the Congressmen who are putting this across. In other words, these lobbyists are out with the hatchet to get us, those who are for economy in government. It is about time that this lobbying from downtown is stopped.

[From the Philadelphia (Pa.) Record]

TODAY: FEDERAL LOBBY BUSY—CONGRESS ON RUN—SOME TACTICS LAW—SIGNATURES FORGED—HOUSE CUTS RESTORED

(By Herman A. Lowe)

WASHINGTON, May 28.—Congress, which thought it had belled the cat last year when it decreed registration of lobbyists, is now jumping timidly through a hoop in the hands of a great unregistered lobby—the Federal Government.

This Congress started out to create a brave new world in Washington, to whittle the President's whopping \$37,500,000,000 budget down to size. It is now on the run before hundreds of pesky little pressures set up by the slick operators in Government Departments.

The legislators are befuddled. The people turned last November's election into a Republican landslide largely on the issue of excessive Federal spending. Today, the same people have succumbed to the octopus lobby of the Federal agencies and are angrily shouting to their elected Representatives: "Woodman, spare that tree."

Yet it is as certain today as it was on election day that Government expenses are wickedly extravagant. It is just as certain that billions in wasteful expenditures can be carved away without hurting any genuine function of government.

It also is true, although the folks back home do not realize it, that so long as tremendous chunks of Federal coin are poured into padded pay rolls, really deserving projects will never get Government help.

The Government lobby is a honey. Nothing that the NAM, the real-estate boards, the farm bloc, or the labor organizations ever dreamed up compares with it.

There is nothing new about Federal departments and agencies lobbying for funds.

Despite statutes outlawing the practice, it has been done for years with every trick in the book. But never before in history have so many worked so hard to prevent so many from being booted from the public pay rolls.

They are pulling strings to have State and local governments protest on behalf of their projects. They are having the folks back home flood the legislators with letters and telegrams—just the way the utility holding companies used to do.

They furnish the ammunition, the facts, to every supporter of their cause. The skilled propagandists among them—and the Federal Government's press agents run into a couple of thousand—prepare propaganda material proving that the Government is actually undermanned. In case you have any doubt about the size of the propaganda machine which has turned on the heat, a congressional committee has figures showing that Uncle Sam spends \$75,000,000 a year to supply information.

Some of the machine's tactics have been raw. For instance, the Customs Service lobby prepared mimeographed letters to Congressmen urging that its funds be not reduced. These letters were carried to prominent citizens who were asked to sign and mail them.

In some instances where enough signatures could not be obtained, the lobby forged them and mailed out the petitions itself. This has outraged many Congressmen—although it got results in the Senate which has largely restored House cuts.

The service also discharged about 1,000 employees, with all the flourish of a circus parade, in several key port cities such as New York and Philadelphia. The idea was to convince the American public that it was having its throat cut and that smugglers were about to ruin the country.

If the full budget cuts had gone into effect immediately it would not have been necessary to fire nearly so many, the service now admits. But in any event the House-approved cuts would not have taken effect until July 1.

In small towns post offices shut down 1 or 2 days a week. It was explained that this was due to the economy drive and the folks were urged to write to their Congressmen. Again it can be pointed out that the cuts do not go into effect until after July 1 and that no reduction in post office hours is to result. Could it be a coincidence that the Postmaster General is chairman of the Democratic National Committee?

There have been numerous shrewd examples of such tactics. People who should know better are being convinced that Congress—whose aim is to reduce the national debt and the high wartime tax rates—is out to wreck all the Government services.

Much of the pressure comes from new wartime functions which have an ingrained opposition to giving up the ghost and whose personnel like it where they are now and want to stay there.

Actually, Congress is only trying to reduce a \$37,500,000,000 budget, to about \$32,000,000,000 or \$33,000,000,000. Anyone who thinks that will cut the heart out of government should remember that the highest prewar budget was about \$9,000,000,000.

But with the heavy lobbyist squeeze on now, the economy bloc in the House has begun to crumble around the edges; and in the Senate many House-approved reductions are being restored.

The result is going to be that instead of saving \$4,500,000,000 or more, the public will awaken one day to the fact that the reductions have been only half of that, and that they have been played for suckers by the Federal lobby.

It is still not too late to do something about it, if the awakening comes soon.

MAY 27, 1947.

To all participating farmers quoted herein is the portion of an official telegram received

by your county committee on May 26, 1947, from the State director of the agricultural-conservation program, which vitally affects you as a farmer:

"Department of Agriculture appropriation bill reported by House Appropriation Committee shows following reduction from recommended budget:

"Agricultural conservation, from \$301,720,000 to \$165,614,290.

"Drastic reduction in other funds for crop insurance and county association administrative expenses.

"Until further notice issue no purchase orders for conservation materials and services. Cancel purchase orders in hands of farmers and vendors on which delivery has not been made in the case of materials and seeds, and on which work has not started in the case of services. Until further notice, suspend 1947 sign-up, substitution of practices on farm lands, and issue no further notices of minimum assistance on farm allowances."

As you can see from this telegram, our whole program may be lost. If you have already received your materials for the 1947 program here, it is possible that a refund may have to be made. If you have not received the materials requested, your order will have to be canceled pending final congressional appropriation. If you plan to purchase your own materials to use for credit under the program there is no assurance from the House Appropriation Committee that you will be paid the 70 percent of the cost that we had hoped to pay.

There appears to be only one way to keep our program in operation, and that lies in the hands of farmer voters of this and all other counties of the United States. The people responsible for the collection and use of public funds are elected periodically by the voters of we the people. A crisis like the one now faced by our farm program should be worth a message to the people who represent us to let them know whether or not we want the program continued.

We leave the continuation of the agricultural-conservation program in your hands and expect you to do what you see fit to have it in operation after July 1, 1947. There is a limited amount of time between now and the final action on the appropriation in which you can act to assure continued operation.

Very truly yours,

F. G. YANCY,  
Chairman, County Committee.

Mr. Speaker, Yancy operates in Culpeper County, Va.

In the State director's office there are three or four people employed, receiving salaries ranging from \$125 to \$200 a month.

In the counties the committees are usually composed of five members. They hold about four monthly meetings and are paid \$5 a day.

#### EXTENSION OF REMARKS

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the RECORD in three instances and in two to include newspaper articles and in one a resolution.

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

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD in two instances and in each to include extraneous matter.

Mr. KEFAUVER (at the request of Mr. MANSFIELD of Montana) was given permission to extend his remarks in the RECORD and include a letter and an article.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. MAHON. 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 Texas?

There was no objection.

#### AIRPLANE PROCUREMENT

Mr. MAHON. Mr. Speaker, about 5 minutes ago the House Committee on Appropriations reported out the annual War Department appropriation bill. It provides a reduction of about \$475,000,000 below the budget. In committee, today, I offered an amendment to restore only \$40,000,000. I did that because that amount was cut from the airplane procurement program. The President in his budget message requested 932 airplanes. However, planes have now increased in cost to where the budget estimate would provide only 749 planes. The committee cut of \$40,000,000 would further reduce the airplane procurement program to 561 aircraft. The committee action in reducing the aircraft program by 188 is not justified in the light of world conditions. I regret that my amendment was defeated in committee. I proposed to offer the same amendment on the floor of the House next week. I trust Members of the House will get the hearings, inform themselves of the facts, and vote for the amendment when it is presented for consideration next week. We cannot effectively back up our foreign policy by slashing our military aircraft purchase program.

#### PROVIDING SUPPORT FOR WOOL

Mr. HOPE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 814) to provide support for wool, and for other purposes, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kansas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. HOPE, AUGUST H. ANDRESEN, JOHNSON of Illinois, HILL, FLANNAGAN, COOLEY, and PACE.

#### INVESTIGATION OF POTATO SURPLUS

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 166 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas there has been a surplus potato crop each year for the past 5 years and this surplus is increasing each year due to more yield per acre because of new and improved methods of agriculture; and

Whereas the 1946 crop-year potato surplus was more than 100,000,000 bushels, which cost the Government more than \$80,000,000 in subsidies, and these subsidy payments have become perennial and will increase year by year if some solution to the yearly surplus of potatoes is not found; and

Whereas the entire 1946 surplus potato crop of 100,000,000 bushels could have been consumed advantageously in baked goods alone through the use of potato flour, or culture, thereby resulting in the saving of an \$80,000,000 subsidy payment, a direct saving to every State in the Union; and

Whereas scientific tests and bakers' experiences show that potato flour, or culture,

made from commercial-grade potatoes, improves the flavor and keeping qualities as well as adds to the vitamin content of bread, rolls, cakes, doughnuts, sweet-food mixes, and filler for food products and family flour, a factor that will tend to increase the consumption of baked goods per capita in America; and

Whereas the elimination of these commercial grades, a figure estimated by the United States Department of Agriculture at 10 percent or more, will provide the consuming public with a finer grade of potatoes, thereby increasing the potato consumption per capita; and

Whereas potato flour can be processed the year around and can be stored for 3 years or more without spoilage, which factor results in a stabilization of yearly potato crops and potato prices; and

Whereas potato flour, or culture, processed from exceptionally large surplus potato crops, can be used in mixed poultry and cattle feed and for other purposes; and

Whereas there are at present only four small potato-flour-processing plants in the United States, all working to capacity, but whose limited production cannot satisfy even 5 percent of the anticipated national requirements for potato flour; and

Whereas the United States Government has a definite stake in increasing the use of potatoes through the processing and use of potato flour, and whether the Government would find it to be economical, feasible, and advisable to own and operate such plants ought to be determined to help formulate public policy: Therefore be it

Resolved, That the Committee on Agriculture of the House of Representatives is authorized and directed to institute studies and hold hearings immediately to determine the feasibility and advisability of carrying out a program designed to do away with the annual potato surplus and to report its findings and recommendations to the United States Department of Agriculture.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH], and yield myself such time as I may desire.

Mr. Speaker, this resolution is a very simple one. It provides merely for a study by the Agriculture Committee of the 100,000,000-bushel surplus of potatoes which will be grown in the United States this year. The findings of the committee would be made known to the Department of Agriculture, together with recommendations for utilizing these surplus potatoes, which are now wasted or destroyed.

Last year the Government lost \$80,000,000 in support-price payments on potatoes under the Steagall amendment. Many thousands of bushels of these potatoes were sold at a loss to processors of industrial alcohol, and others were dehydrated and shipped for relief of foreign countries. But the greatest part of the surplus was destroyed because no use for the potatoes could be found.

The Department of Agriculture has estimated that the entire surplus of potatoes could be utilized profitably if 40 percent of the bakers in the United States would use a 4-percent mixture of potato flour in making bread. This mixture has been shown to be more nutritious than the present mixture.

The study to be undertaken by the Committee on Agriculture under the provisions of this resolution will be to determine whether it is feasible to establish additional processing plants to make potato flour. If it is decided that this would be feasible, the committee would recommend a program in the Depart-







DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
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HIGHLIGHTS: House received conference report on wool bill; conferees agreed to House bill, except for modified import-control provision making Sec. 22 applicable to wool but preventing this from interfering with existing international agreements. House passed deficiency appropriation bill; reduced sugar item, discussed reasons for ending sugar rationing. House committee reported bill to facilitate authorization for USDA flood-control surveys. Senate committee reported on investigation of payments in lieu of taxes. Sen. Butler urged removal of remaining sugar controls.

HOUSE

1. WOOL-PRICE SUPPORTS. Received the conference report on S. 314, the wool bill (p. 7064). The modified bill is the same as passed by the House except for a change in the import-control provision. As changed, the bill would make Sec. 22 of the AAA Act applicable to wool programs under the bill provided that no action under this provision shall be in contravention of "any treaty or international agreement to which the United States is now a party."
2. SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1947. Passed with amendments this bill, H.R. 3791 (pp. 7042-7). Agreed to an amendment by Rep. Taber, N.Y., to reduce the sugar item from \$415,000 to \$215,000 (pp. 7042-5). During debate on the sugar amendment there was discussion as to why sugar rationing was ended. No other amendments were agreed to affecting this Department. Agreed to an amendment by Rep. Taber to provide \$12,000,000 for emergency flood-control work by the War Department (pp. 7045-7). For provisions of the bill, see Digest 110.
3. FLOOD CONTROL. The Public Works Committee reported without amendment H.R. 3146, to authorize the Agriculture Department to make flood control examinations and surveys of watersheds concerning which the War Department is authorized to make such surveys regarding the waterways, and authorizes this Department to make supplemental flood control reports when requested by either Public Works Committee (H.Rept. 583) (p. 7065).  
Passed without amendment H.R. 3792, to authorize appropriation of \$15,000,000 for emergency flood-control work by the War Department (p. 7033). See item 2 for appropriation.
4. SUGAR CONTROLS. Reps. Rich, Rayburn, and Keefe discussed the reasons for ending

sugar rationing (p. 7034).

5. REORGANIZATION. The Expenditures in the Executive Departments Committee reported without amendment H.Con. Res. 51, to disapprove the President's Reorganization Plan 3, regarding housing (H.Rep. 580) (p. 7042).
6. MARKETING AGREEMENTS. The Agriculture Committee ordered reported\* H.R. 452, to amend the Marketing Agreement Act so as to permit marketing agreements and orders to operate under certain conditions when the seasonal average price is above parity, make provisions of the act applicable to any agricultural commodity, permit a requirement of compulsory inspection, authorize the levying of assessments when no regulation is in effect, and include additional commodities by a referendum vote of the majority of the producers of a commodity (p. D370).  
\*Copies of the bill and report will not be available until the bill is actually reported, when this Digest will include a statement to that effect.
7. PERSONNEL; RETIREMENT. The Post Office and Civil Service Committee ordered reported H.R. 1995, to amend the Civil Service Retirement Act so as to provide for return of retirement deductions to employees separated, or transferred to positions not within the purview of the act, before completing 10 years of service (p. D371).  
\*Copies of the bill and report will not be available until the bill is actually reported, when this Digest will include a statement to that effect.

#### SENATE

8. SUGAR CONTROLS. Sen. Butler, Nebr., urged removal of the remaining controls on sugar (price control and industrial allocation) by withholding funds for the administration of these controls after June 30, 1947 (pp. 7026-7).
9. PAYMENTS IN LIEU OF TAXES. The Public Lands Committee submitted a report of an investigation of contributions to local governments on account of nontaxable Federal lands located within the jurisdiction of such governments (S.Rept.270) (p. 6995).
10. ASSISTANT SECRETARY. The Daily Digest states that the Interstate and Foreign Commerce Committee "approved S. 1421, authorizing the appointment of an additional Assistant Secretary of Commerce" (p. D368).
11. TRANSPORTATION. Continued debate on S. 110, to amend the ICC act regarding agreements between carriers (pp. 7005-29).  
The Interstate and Foreign Commerce Committee reported with an amendment S. 1297, to extend the authority under title III of the Second War Powers Act for the operation of ODT until Jan. 31, 1948 (S.Rept. 264) (pp. 6995, D368).
12. FOREIGN RELIEF. The Foreign Relations Committee reported without amendment S.J. Res. 124, to enable the President to utilize the appropriations for U.S. participation in the work of UNRRA for meeting administrative expenses of Government agencies in connection with the liquidation of UNRRA (S.Rept.266) (p.6995).
13. VETERANS' BENEFITS; EDUCATION. The Labor and Public Welfare Committee reported without amendment S. 1392, to prescribe certain dates for the purpose of determining eligibility of veterans for vocational rehabilitation, and for education, training, guaranty of loans, and readjustment allowances under the Servicemen's Readjustment Act of 1944 (S.Rept. 268) (p. 6995).
14. GOVERNMENT COMMUNICATIONS. The Daily Digest states that the Interstate and For-

## PROVIDING SUPPORT FOR WOOL

JUNE 12, 1947.—Ordered to be printed

Mr. HOPE, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany S. 814]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 814) to provide support for wool, 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, 2, and 3, and agree to the same.

Amendment numbered 4:

That the Senate recede from its disagreement to the amendment of the House numbered 4, and agree to the same with an amendment, as follows:

On page 3 of the House engrossed amendments, beginning with the word "That" in line 16, strike out through and including the period in line 18, and insert in lieu thereof the following: *That no proclamation under this section with respect to wool shall be enforced in contravention of any treaty or international agreement to which the United States is now a party.*

And the House agree to the same.

CLIFFORD R. HOPE,  
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STEPHEN PACE,

*Managers on the Part of the House.*

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*Managers on the Part of the Senate.*



that it should only be considered after the House Committee on Armed Services has had an opportunity to perfect a bill to make possible the cashing of these bonds. Let us not make the mistake of hasty and inconsiderate action that will benefit only a handful of veterans. Let us do the job right in fairness to the several millions of veterans who hold terminal-leave bonds.

Mr. Chairman, I ask for the defeat of the pending amendment.

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

Mr. VAN ZANDT. I yield to the gentleman from Arkansas.

Mr. HARRIS. If it is right for the terminal leave bonds to be made available for housing necessities, is it not also right that they be made available for other necessities of life that the veterans have to provide for?

Mr. VAN ZANDT. That is correct. I am in favor of giving the veterans the right to cash their terminal leave bonds, but I believe the necessary legislation should be brought to this floor and due consideration given to it so that every veteran will be able to cash those bonds and not just those who may purchase real estate.

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

Mr. VAN ZANDT. I yield to the gentleman from Florida.

Mr. SMATHERS. Has the gentleman signed the discharge petition to bring this bill to cash terminal leave bonds to the floor? Has the gentleman signed that to bring it on the floor?

Mr. VAN ZANDT. I happen to be a member of the subcommittee of the Committee on Armed Services that will consider legislation on the subject very shortly. In my opinion it is unnecessary to circulate a discharge petition in behalf of legislation to cash terminal leave bonds. I have introduced H. R. 2 to provide for cashing terminal leave bonds and would have circulated a discharge petition myself if I had any doubt that the legislation would not be considered during this session of Congress.

Mr. SMATHERS. It can be considered right away if the gentleman will sign it and get some of his friends to sign that petition.

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

Mr. VAN ZANDT. I yield to the gentleman from Mississippi.

Mr. COLMER. If this amendment is adopted, those veterans who want to use the certificates for that purpose may use them. That would not discriminate against them. Why could not that be done pending the bringing out of the bill which would pay them in cash that the gentleman from Florida has been working on? I do not see how it would be a discrimination against anybody. It would give relief to that many. Does the gentleman agree with that?

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

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments do now close.

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

Mr. HARRIS. Mr. Chairman, reserving the right to object, the gentleman from Mississippi would like to have 5 minutes and I hope the gentleman will permit him to consume that much time.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 6 minutes, to be equally divided between the gentleman who are on their feet and any member of the committee who may be opposed to the amendment.

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

There was no objection.

The CHAIRMAN. The gentleman from Mississippi [Mr. WILLIAMS] is recognized.

(Mr. WILLIAMS asked and was given permission to revise and extend his remarks.)

Mr. WILLIAMS. Mr. Chairman, since I have been a Member of Congress, I have watched it treat veterans as if they did not have enough sense to know what to do with their own money. I want to remind the Congress that the veterans of our country are grown men. I think that certainly we should recognize the fact that they have sense enough to know what to do with their own money. For that reason I think we ought to go ahead and allow them to cash these bonds.

I was somewhat surprised at my good friend from Pennsylvania when he stood up here and spoke against allowing veterans to use their terminal leave bonds as a part payment on a home. I am surprised. He has always been a friend of the veterans, so I am sure he is possibly a little misled on this subject, because he says he wants them to be given the right to cash those bonds, but is against this amendment. Certainly this amendment would be a step in the right direction. It is his party that says that the boys cannot cash them; it is not our party. The bill is in a Republican committee of a Republican Congress.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. If my memory serves me correctly, I was not here then, I was in the service, but during the Seventy-ninth Congress the gentleman's party was in control of this House, and they were the ones that passed the bill.

Mr. WILLIAMS. If the gentleman will let me reply to that. I will tell him that I was not here either. I was in a service hospital.

Mr. ANGELL. The gentleman's party held it up.

Mr. WILLIAMS. Now, whether my party held it up or not, the Republican Party is in power now, and you have the power to cash them. Two wrongs do not make a right.

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

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

Mr. ROONEY. I ask the gentleman from Mississippi if it is not a fact that

there is a discharge petition on the Clerk's desk, which would relieve the committee from considering the bill to cash terminal leave bonds.

Mr. WILLIAMS. I understand this Republican-controlled committee refused to bring this bill out on the floor. So, as a last resort, the author of the bill placed a petition on the Speaker's desk and it is up there now. If you really want to pay these bonds, sign this petition in order to bring it up. You ought to give these boys a right to cash these bonds. There are very few Members, to my left, if any, who have signed that petition.

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

Mr. WILLIAMS. I yield to the gentleman from Illinois.

Mr. ARENDS. I think I might be able to throw some light on this matter. When the question was up last year whether they should be paid in cash or be paid in bonds I was a member of the conference committee. The House voted to pay in cash. We sat in conference for a number of days and finally, word came from the White House that the bill would not be signed unless they took the bonds and therefore we took the bonds.

Mr. WILLIAMS. I was not here then.

Mrs. ROGERS of Florida. Mr. Chairman, if the gentleman will yield, I hope that they will not make this a party issue. It is the interest of the veteran that I am concerned with.

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

[Mr. MILLER of Connecticut addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from Connecticut has expired. All time has expired.

The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS].

The question was taken; and on a division (demanded by Mr. ROONEY) there were—ayes 100, noes 123.

Mr. ROGERS of Florida. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WOLCOTT and Mr. ROGERS of Florida.

The Committee again divided, and the tellers reported that there were—ayes 100, noes 137.

So the amendment was rejected.

Mr. RAINS. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. RAINS:

On page 4, immediately following section 4, add the following new section:

"Transfer of war housing to the War or Navy Department.

"SEC. 5. Notwithstanding the provisions of this act or any other provision of law, the Administrator may in his discretion upon the request of the Secretaries of War or Navy transfer to the jurisdiction of the War or Navy Department any war housing that may be considered to be permanently useful to the Army or Navy."

Renumber sections 5, 6, 7, 8, 9, and 10, as sections 6, 7, 8, 9, 10, and 11, respectively.

Mr. WOLCOTT. 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. BENDER, 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. 3492) to provide for the expeditious disposition of certain war housing, and for other purposes, had come to no resolution thereon.

#### SUPPORT PRICE ON WOOL—CONFERENCE REPORT

Mr. HOPE submitted the following conference report and statement on the bill S. 814, an act to provide support for wool, and for other purposes, for printing, under the rule:

##### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 814) to provide support for wool, 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, 2, and 3.

And agree to the same.

Amendment numbered 4: That the Senate recede from its disagreement to the amendment of the House numbered 4, and agree to the same with an amendment, as follows:

On page 3 of the House engrossed amendments, beginning with the word "That" in line 16, strike out through and including the period in line 18, and insert in lieu thereof the following: "That no proclamation under this section with respect to wool shall be enforced in contravention of any treaty or international agreement to which the United States is now a party."

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##### 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. 814) to provide support for wool, 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 Senate recedes from its disagreement to the amendments of the House Nos. 1, 2, and 3.

Under the amendment of the House numbered 4, the "Wool Act of 1947" was brought within the scope of the provisions of Section 22 of the Agricultural Adjustment Act (of 1933), as reenacted and amended, with the exception that no quantitative limitations could be imposed by the President under the authority of section 22 upon the total quantities of wool or products thereof which may be entered or withdrawn from warehouse for consumption in the United States. The Senate receded from its disagreement to this amendment with an amendment which deleted the provision placing a limitation upon the power of the President to

impose quantitative restrictions upon the amount of wool or products thereof which may be imported and which provided that no action could be taken under the authority of section 22 of the Agricultural Adjustment Act (of 1933), as reenacted and amended, with respect to wool which would be in contravention of any treaty or international agreement to which the United States is a party on the date of the enactment of the Wool Act of 1947.

The bill (S. 814), as agreed to in conference, would empower the President to protect any program conducted under the Wool Act of 1947 in the same manner and by the same methods as he is now authorized to protect programs conducted under the Agricultural Adjustment Act (of 1933), as reenacted and amended, the Social Conservation and Domestic Allotment Act, as amended, and section 32 of Public Law 320, Seventy-fourth Congress, approved August 24, 1935, as amended.

Section 22 of the Agricultural Adjustment Act (of 1933), as amended, was first enacted on August 24, 1935. It was subsequently reenacted in 1937 and has been amended twice, the last time being on January 25, 1940. The provisions of section 22 of the Agricultural Adjustment Act (of 1933), as reenacted and amended, are designed to protect programs conducted to aid domestic agriculture by empowering the President, whenever he has reason to believe, and finds after an investigation conducted by the Tariff Commission, that any one or more articles are being, or are practically certain to be, imported into the United States under such conditions and in sufficient quantities as to render, or tend to render, ineffective or materially interfere with any program conducted under the provisions of the laws enumerated above, to impose such fees on, or such limitations on the total quantities of, any article or articles which may be imported as he finds to be necessary in order that the importations of such article or articles will not render, or tend to render, ineffective or materially interfere with programs conducted under the specific laws enumerated above.

Since the date of the enactment of section 22 of the Agricultural Adjustment Act (of 1933) in 1935, the President has on several occasions made effective use of the authority granted herein to protect certain agricultural programs. That authority was exercised as recently as February 1, 1947, when harsh or rough cotton having a staple length less than  $\frac{3}{4}$  inch was made subject to an import quota.

The amendment providing "That no proclamation under this section with respect to wool shall be enforced in contravention of any treaty or international agreement to which the United States is now a party" makes it clear that there can be no conflict in any action authorized to be taken under section 22 of the Agricultural Adjustment Act (of 1933), as reenacted and amended, with respect to wool and any international agreement or treaty to which the United States is a party on the date of the enactment of this act.

CLIFFORD R. HOPE,  
AUG. H. ANDRESEN,  
ANTON J. JOHNSON,  
WILLIAM S. HILL,  
STEPHEN PACE,

*Managers on the Part of the House.*

##### EXTENSION OF REMARKS

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill H. R. 3492 may have five legislative days in which to revise and extend their remarks.

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

There was no objection.

##### REPORT ON H. R. 3769

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file a report on the bill H. R. 3769.

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

There was no objection.

##### EXTENSION OF REMARKS

Mr. GAVIN asked and was granted permission to extend his remarks in the RECORD in two instances and to include two editorials.

Mr. McDONOUGH asked and was granted permission to extend his remarks in the RECORD and include a speech he recently made.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD and include certain extraneous matter.

Mr. SPRINGER asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Indianapolis Times.

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

Mr. JOHNSON of California (at the request of Mr. DONDERO) was given permission to extend his remarks in the Appendix of the RECORD with reference to the Mundt bill.

Mr. STEVENSON asked and was granted permission to extend his remarks in the RECORD and include a statement made before the Subcommittee on Retirement Legislation of the Civil Service Committee of the House of Representatives regarding the report of the actuaries of the Civil Service Commission retirement and disability fund.

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

Mr. BYRNES of Wisconsin asked and was granted permission to revise and extend the remarks he made today in Committee of the Whole and include a resolution adopted by the common council of the city of Manitowac.

Mr. ARNOLD asked and was granted permission to extend his own remarks in the RECORD.

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

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

Mr. MUNDT asked and was granted permission to extend his remarks in the RECORD and include a recent public statement by Secretary of State Marshall on the importance of the student exchange program.

Mr. RANKIN asked and was granted permission to extend his remarks in the Appendix of the RECORD and include the address made by President Truman at Ottawa, Canada, on yesterday.

Mr. BLATNIK asked and was granted permission to extend his remarks in the RECORD.

Mr. MANSFIELD of Montana (at the request of Mr. CARROLL) was granted

# S. 814

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IN THE SENATE OF THE UNITED STATES

JUNE 13 (legislative day, APRIL 21), 1947

Ordered to be printed with the amendments of the House of Representatives  
numbered

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## AN ACT

To provide support for wool, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Wool Act of 1947".

4       (1)SEC. 2. (a) The Commodity Credit Corporation is  
5       directed, through loans, purchases, or other operations to  
6       support a price to producers of wool produced (shorn or  
7       pulled) in the calendar years 1947 and 1948 in the United  
8       States and its Territories at the price not less than that which  
9       the Commodity Credit Corporation has undertaken to support  
10      wool in 1946.

11      SEC. 2. (a) The Commodity Credit Corporation shall

1 *continue, until December 31, 1948, to support a price to*  
2 *producers of wool in the continental United States and*  
3 *Territories at the price it supported wool in 1946.*

4 (b) Notwithstanding any other provisions hereof, the  
5 Commodity Credit Corporation may adjust support prices  
6 for individual grades and qualities of wool for the purpose  
7 of bringing about a fair and equitable relationship in the  
8 support prices for the various grades and qualities of wool;  
9 and may make discounts from support prices for off-quality,  
10 inferior-grade, or poorly prepared wool.

11 ~~(2)SEC. 3.~~ The Secretary of Agriculture shall establish  
12 ~~monthly (commencing with the month of January 1947)~~  
13 ~~a comparable price for wool and the comparable price so~~  
14 ~~established shall be used for the purposes of all laws in which~~  
15 ~~a parity or comparable price is established or used. The~~  
16 ~~comparable price for wool shall be that price which bears~~  
17 ~~the same relation to the average parity prices of the other~~  
18 ~~basic agricultural commodities, cotton, corn, wheat, rice,~~  
19 ~~tobacco, and peanuts, as the actual price for wool bore to~~  
20 ~~the actual average prices of such basic commodities during~~  
21 ~~the period August 1934 to July 1939. Such comparable~~  
22 ~~price for wool may be adjusted for grade, quality, season,~~  
23 ~~and location.~~

24 ~~(3)SEC. 4 SEC. 3.~~ The provisions of sections 385, 386, and  
25 388 of the Agricultural Adjustment Act of 1938, as amended,



1 shall be applicable to the support operations carried out  
2 pursuant to section 2 of this Act.

3 (4)SEC. 5. The Commodity Credit Corporation may, with-  
4 out regard to restrictions imposed upon it by any law, dispose  
5 of any wool produced prior to January 1, 1949, at prices  
6 which will permit such wool to be sold in competition with  
7 imported wool. The disposition of any accumulated stock  
8 under the provisions of this section, however, shall be made  
9 at such rate and in such manner as will avoid disruption  
10 of the domestic market.

11 SEC. 6. Wool is a basic source of clothing for the  
12 people of the United States, and, as such, is deemed a  
13 basic agricultural commodity.

14 SEC. 4. Subsections (a) and (b) of section 22 of the  
15 Agricultural Adjustment Act, as amended and reenacted  
16 (U. S. C., 1940 edition, title 7, sec. 624), are hereby  
17 amended to read as follows:

18 "(a) Whenever the President has reason to believe that  
19 any one or more articles are being, or are practically certain  
20 to be, imported into the United States under such conditions  
21 and in sufficient quantities as to render or tend to render  
22 ineffective or materially interfere with any program or  
23 operation undertaken, or to reduce substantially the amount  
24 of any product processed in the United States from any  
25 commodity subject to and with respect to which any program

1 is in operation, under this title or the Soil Conservation and  
2 Domestic Allotment Act, as amended, or section 32, Public  
3 Law Numbered 320, Seventy-fourth Congress, approved  
4 August 24, 1935, as amended, or the Wool Act of 1947,  
5 he shall cause an immediate investigation to be made by  
6 the United States Tariff Commission, which shall give preced-  
7 ence to investigations under this section to determine such  
8 facts. Such investigations shall be made after due notice  
9 and opportunity for hearing to interested parties and shall  
10 be conducted subject to such regulations as the President  
11 shall specify.

12 “(b) If, on the basis of such investigation and report  
13 to him of findings and recommendations made in connection  
14 therewith, the President finds the existence of such facts,  
15 he shall by proclamation impose such fees on, or such limita-  
16 tions on the total quantities of, any article or articles which  
17 may be entered, or withdrawn from warehouse, for con-  
18 sumption as he finds and declares shown by such investiga-  
19 tion to be necessary to prescribe in order that the entry of  
20 such article or articles will not render or tend to render  
21 ineffective or materially interfere with any program or opera-  
22 tion undertaken, or will not reduce substantially the amount  
23 of any product processed in the United States from any  
24 commodity subject to and with respect to which any program  
25 is in operation, under this title or the Soil Conservation

1 *and Domestic Allotment Act, as amended, or section 32,*  
2 *Public Law Numbered 320, Seventy-fourth Congress, ap-*  
3 *proved August 24, 1935, as amended, or the Wool Act of*  
4 *1947: Provided, That no limitation shall be imposed on*  
5 *the total quantity of any article which may be imported*  
6 *from any country which reduces such permissible total*  
7 *quantity to less than 50 per centum of the average annual*  
8 *quantity of such article which was imported from such*  
9 *country during the period from January 1 1929, to*  
10 *December 31, 1933, both dates inclusive: And provided*  
11 *further, That no limitation shall be imposed on the total*  
12 *quantities of wool or products thereof which may be entered*  
13 *or withdrawn from warehouse for consumption."*

14 *SEC. 5. The Commodity Credit Corporation may, until*  
15 *December 31, 1948, dispose of wool owned by it without*  
16 *regard to any restriction imposed upon it by law.*

Passed the Senate April 7 (legislative day, March 24),  
1947.

Attest: CARL A. LOEFFLER,  
Secretary.

Passed the House of Representatives with amendments  
May 23, 1947.

Attest: JOHN ANDREWS,  
Clerk.

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**AN ACT**

To provide support for wool, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JUNE 13 (legislative day, APRIL 21), 1947

Ordered to be printed with the amendments of the  
House of Representatives numbered





## CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
 Division of Legislative Reports  
 (For Department staff only)

Issued June 17, 1947  
 For actions of June 16, 1947  
 80th-1st, No. 113

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HIGHLIGHTS: House agreed to conference report on wool bill. House passed Remount Service transfer bill. House passed bill to protect forests from insects and diseases. Senate passed bill to regulate marketing of insecticides, rodenticides, weed killers, etc. Senate passed Interior appropriation bill. Senate passed bill to change boundaries of Gila reclamation project. Sen. Pepper introduced rural-industrialization bill. Rep. Douglas introduced and discussed bill to authorize a farm-labor program in Labor Department.

## HOUSE

1. WOOL-PRICE SUPPORTS. Agreed to the conference report on S. 814, the wool bill, after rejecting, 166-191, a motion by Rep. Rayburn to recommit the bill to conference (pp. 7253-64).  
 The bill provides as follows: Requires that, until Dec. 31, 1948, CCC shall support the price of wool at the 1946 level. Authorizes CCC to sell its wool at less than parity. Makes Sec. 22 of the AAA Act applicable to wool programs under the bill provided that no action under this provision shall be in contravention of existing international agreements.  
 The Senate has not yet acted on the conference report.
2. FORESTRY. Passed without amendment S. 597, to provide for protection of forests from insects and diseases (pp. 7238-9). This bill will now be sent to the President.
3. CIVIL-SERVICE RETIREMENT. Passed without amendment H. R. 3511, to extend until June 30, 1948, the provision for annuities for 25-years-service employees who have been involuntarily separated from service or have been voluntarily separated but have accepted positions with lower pay (p. 7235).
4. REMOUNT SERVICE. Passed as reported H. R. 3484, to transfer the Remount Service (which improves the breeds of horses) from the War Department to this Department, effective July 1, 1947 (p. 7244).
5. WATER CONSERVATION. Passed with amendments H. R. 2167, to authorize the Secretary of Agriculture to add certain lands to the Angostura water conservation and utilization project, S. Dak. (p. 7239).
6. FISH AND WILDLIFE. Passed without amendment H. R. 2721, to require that, in the management of existing facilities in the upper Mississippi River, the War

Department give full consideration to the needs of fish and other wildlife resources and their habitat dependent on such waters (pp. 7239-40).

7. INDEPENDENT OFFICES APPROPRIATION BILL. The Rules Committee reported a resolution waiving points of order on this bill, H. R. 3839 (p. 7266). It is expected that debate on this bill will begin today.
8. TAXATION. Received the President's veto message on H. R. 1, the tax-reduction bill (H. Doc. 322)(pp. 7227-8). A vote on whether to over-ride the veto is expected today.
9. PERSONNEL. A subcommittee of the Post Office and Civil Service Committee agreed to recommend to the full committee H. R. 1426, extending veterans' preference to widowed mothers of veterans, and H. R. 3520, to amend the veterans' preference provisions regarding ratings on civil-service examinations (p. D386).
10. FLOOD CONTROL. Rep. LeCompte, Iowa, urged flood-control appropriations, describing flood damage to farm crops in Iowa (p. 7218).
11. FORESTRY. After discussion, Rep. Colc, N. Y., asked that H. R. 1826, making it a petty offense to enter any national-forest land while it is closed to the public, be passed over without prejudice in order that the Committee might correct its report (p. 7229).
12. RECLAMATION. On objections of Reps. Harris, Allen of La., Brooks, Gathings, and Larcade. H. R. 1274, to extend the reclamation laws to Ark., was stricken from the consent calendar (p. 7229).
13. MILITARY LEAVE. Passed as reported H. R. 1845, to amend existing laws regarding military leave for U. S. employees so as to equalize rights to leave and reemployment for such employees who are members of the Enlisted or Officers' Reserve Corps, the National Guard, or the Naval Reserve (pp. 7235-6).

#### SENATE

14. MARKETING; INSECT CONTROL. Passed without amendment H.R. 1237, to regulate the marketing of insecticides, rodenticides, weed killers, etc. (p. 7161). This bill will now be sent to the President.
15. INTERIOR DEPARTMENT APPROPRIATION BILL, 1948. Passed as reported this bill, H.R. 3123 (pp. 7173, 7177-94). Sens. Wherry, Gurney, Ball, Cordon, Hayden, Thomas (Okla.), and O'Mahoney were appointed conferees (p. 7194). House conferees not yet appointed.
16. RECLAMATION. Passed as reported S. 483, to relocate the boundaries and reduce the area of the Gila Reclamation project (pp. 7174-5).  
Passed without amendment H.R. 3197, to increase the reimbursable construction cost obligation and extend repayment period of the Mancos Water Conservancy District (p. 7168). This bill will now be sent to the President.  
Passed without amendment H.R. 3348, to declare U.S. policy with respect to allocation of construction costs of Coachella Division of the All-American irrigation project, Calif. (p. 7168). This bill will now be sent to the President.  
Passed without amendment H.R. 3143, to authorize construction of the Paonia Federal reclamation project, Colo. (p. 7168). This bill will now be sent to the President.



The Clerk called the roll and there were—yeas 304, nays 53, not voting 72, as follows:

[Roll No. 80]  
YEAS—304

Abernethy	Fletcher	McMillan, S. C.
Albert	Fogarty	Macy
Allen, Calif.	Foote	Madden
Allen, Ill.	Forand	Mahon
Allen, La.	Fulton	Manasco
Almond	Gary	Mansfield, Mont.
Andersen, H. Carl	Gathings	
Anderson, Calif.	Gavin	Marcantonio
Anderson, August H.	Gearhart	Martin, Iowa
Andrews, Ala.	Gillette	Meade, Md.
Andrews, N. Y.	Gillie	Morrow
Angell	Goff	Michener
Arends	Goodwin	Miller, Calif.
Auchincloss	Gordon	Miller, Conn.
Bakewell	Gore	Mills
Bates, Ky.	Gorski	Mitchell
Bates, Mass.	Gossett	Monroney
Battle	Graham	Morgan
Beall	Granger	Morris
Beckworth	Grant, Ala.	Morrison
Bennett, Mich.	Grant, Ind.	Morton
Blackney	Gregory	Muhlenberg
Blatnik	Gwynne, Iowa	Mundt
Boggs, Del.	Hagen	Murdock
Bonner	Hale	Murray, Tenn.
Boykin	Hall	Nixon
Bradley	Leonard W.	Norblad
Bramblett	Halleck	Norton
Brehm	Hardy	O'Brien
Brooks	Harless, Ariz.	O'Hara
Brophy	Harness, Ind.	O'Konski
Brown, Ga.	Harris	Owens
Brown, Ohio	Harrison	Pace
Buchanan	Havenner	Passman
Buckley	Hays	Patterson
Bulwinkle	Hébert	Peden
Burke	Hedrick	Peterson
Burleson	Heffernan	Phillips, Tenn.
Byrne, N. Y.	Hendricks	Pickett
Camp	Herter	Ploesser
Canfield	Hess	Plumley
Cannon	Hill	Potts
Carroll	Hinshaw	Preston
Carson	Hobbs	Price, Fla.
Case, N. J.	Hoeven	Price, Ill.
Celler	Hollifield	Priest
Chadwick	Holmes	Rabin
Chenoweth	Hope	Rains
Chiperfield	Horan	Ramey
Clason	Howell	Rankin
Clevenger	Jackson, Calif.	Rayburn
Clippinger	Jackson, Wash.	Rayfiel
Coffin	Javits	Redden
Cole, N. Y.	Jenison	Reed, Ill.
Colmer	Jenkins, Ohio	Reeves
Cooley	Johnson, Calif.	Richards
Cooper	Johnson, Ill.	Riehlman
Corbett	Johnson, Ind.	Riley
Cotton	Johnson, Okla.	Rivers
Courtney	Johnson, Tex.	Rizley
Cravens	Jones, Ala.	Robertson
Crow	Jones, Ohio	Robson
Cunningham	Jones, Wash.	Rockwell
Dague	Judd	Rogers, Fla.
Davis, Ga.	Karsten, Mo.	Rogers, Mass.
Davis, Tenn.	Keating	Rohrbough
Davis, Wis.	Kee	Ross
Dawson, Utah	Keefe	Russell
Deane	Keogh	Sabath
Delaney	Kerr	Sadlak
Devitt	Kersten, Wis.	Sadowski
D'Ewart	Kilday	St. George
Dingell	King	Sanborn
Dolliver	Kirwan	Sasser
Domengeaux	Klein	Scott, Hardie
Dondero	Knutson	Scott,
Donohue	Kunkel	Hugh D., Jr.
Dorn	Landis	Seely-Brown
Doughton	Lane	Short
Douglas	Lanham	Sikes
Drewry	Larcade	Simpson, Ill.
Durham	Latham	Simpson, Pa.
Eberharter	Lea	Smathers
Elliott	LeCompte	Smith, Maine
Ellis	Lemke	Smith, Va.
Elston	Lesinski	Snyder
Engel, Mich.	Lewis	Spence
Engle, Calif.	Lodge	Stigler
Evins	Love	Stratton
Fallon	Lusk	Talle
Feighan	Lyle	Taylor
Fellows	Lynch	Teague
Fenton	McConnell	Thomas, N. J.
Fernandez	McCormack	Thomas, Tex.
Fisher	McCowan	Thomason
Flannagan	McDonough	Tibbott
	McGarvey	Tollefson
	McGregor	Towe

Vall  
Van Zandt  
Vorys  
Walter  
Weichel

Wheeler  
Whitten  
Whittington  
Wigglesworth  
Wilson, Tex.

Wolverton  
Wood  
Worley  
Youngblood  
Zimmermann

NAYS—53

Arnold  
Banta  
Barrett  
Bennett, Mo.  
Bryson  
Buck  
Buffett  
Byrnes, Wis.  
Case, S. Dak.  
Church  
Cole, Mo.  
Crawford  
Curtis  
Folger  
Griffiths  
Gross  
Hart  
Heselton

Hoffman  
Huber  
Hull  
Jarman  
Jonkman  
Kean  
McMillen, Ill.  
MacKinnon  
Mason  
Meyer  
Miller, Md.  
Miller, Nebr.  
Murray, Wis.  
O'Toole  
Poage  
Poulson  
Reed, N. Y.  
Rees

Rich  
Rooney  
Schwabe, Mo.  
Schwabe, Okla.  
Scrivner  
Smith, Kans.  
Smith, Wis.  
Springer  
Stefan  
Stevenson  
Sundstrom  
Taber  
Trimble  
Twyman  
Vursell  
Willson, Ind.  
Woodruff

NOT VOTING—72

Barden  
Bell  
Bender  
Bishop  
Bland  
Bloom  
Boggs, La.  
Bolton  
Busbey  
Butler  
Chapman  
Chelf  
Clark  
Clements  
Cole, Kans.  
Combs  
Coudert  
Cox  
Crosser  
Dawson, Ill.  
Dirksen  
Eaton  
Ellsworth  
Elsaesser  
Fuller

Gallagher  
Gamble  
Gifford  
Gwinn, N. Y.  
Hall  
Edwin Arthur  
Hand  
Hartley  
Jenkins, Pa.  
Jennings  
Jensen  
Jones, N. C.  
Kearney  
Kearns  
Kefauver  
Kelley  
Kennedy  
Kilburn  
LeFevre  
Lucas  
McDowell  
McMahon  
Maloney  
Mansfield, Tex.  
Mathews

Meade, Ky.  
Nodar  
Norrell  
Patman  
Pfeifer  
Philbin  
Phillips, Calif.  
Powell  
Sarbacher  
Scoblick  
Shafer  
Sheppard  
Smith, Ohio  
Somers  
Stanley  
Stockman  
Vinson  
Wadsworth  
Welch  
West  
Williams  
Winstead  
Wolcott

A motion to reconsider was laid on the table.

The doors were opened.

INDEPENDENT OFFICES APPROPRIATION BILL, 1948

Mr. HARNESS of Indiana, from the Committee on Rules, submitted the following resolution (H. Res. 248) for printing in the RECORD:

*Resolved*, That during the consideration of the bill (H. R. 3839) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes, all points of order against the bill or any provisions contained therein are hereby waived; and it shall also be in order to consider without the intervention of any point of order any amendment to said bill prohibiting the use of the funds appropriated in such bill or any funds heretofore made available, including contract authorizations, for the purchase of any particular site or for the erection of any particular hospital.

EXTENSION OF REMARKS

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include a resolution

PROVIDING SUPPORT FOR WOOL

Mr. HOPE. Mr. Speaker, I call up the conference report on the bill (S. 814) to provide support for wool, and for other purposes; and I ask unanimous consent that the statement may 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 Kansas [Mr. HOPE]?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House, June 12, 1947.)

Mr. HOPE. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, several changes have been made in the wool bill during the course of its consideration by Congress. During this period, sensational and exaggerated statements have been made as to the effect it might have on the reciprocal trade agreement program and the current meeting at Geneva to set up an International Trade Organization. In my opinion, the legislation in the form adopted by the conferees is entirely in harmony with the policies which has been followed by this administration with reference to foreign trade and domestic price supports.

In view of the changes which have been made, I desire to call attention to just what the bill does in its present form:

First. It is emergency legislation expiring on December 31, 1948, and provides that during that period the price of wool shall be supported by the Commodity Credit Corporation at the same price it supported wool in 1946. The effect is to give wool the same protection which has been given numerous other agricultural commodities in the way of support prices during the so-called Steagall period.

Second. The bill authorizes the Commodity Credit Corporation to dispose of

So two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Sarbacher with Mr. Cox.  
Mr. Wadsworth with Mr. Mahon.  
Mr. McDowell with Mr. Lucas.  
Mr. Coudert with Mr. Somers.  
Mr. Butler with Mr. Kefauver.  
Mrs. Bolton with Mr. Bell.  
Mr. Scoblick with Mr. Williams.  
Mr. Kearney with Mr. Kennedy.  
Mr. Kilburn with Mr. Norrell.  
Mr. Le Fevre with Mr. Clements.  
Mr. Busbey with Mr. Chapman.  
Mr. Jenkins of Pennsylvania with Mr. Philbin.  
Mr. Bishop with Mr. Jones of North Carolina.  
Mr. Kearns with Mr. Pfeifer.  
Mr. Dirksen with Mr. Chelf.  
Mr. Ellsworth with Mr. Boggs of Louisiana.  
Mr. Gallagher with Mr. Stanley.  
Mr. Gamble with Mr. Vinson.  
Mr. Cole of Kansas, with Mr. Barden.  
Mr. Meade of Kentucky, with Mr. Powell.  
Mr. Nodar with Mr. Clark.  
Mr. McMahon with Mr. Patman.  
Mr. Maloney with Mr. Sheppard.  
Mr. Elsaesser with Mr. Bloom.  
Mr. Jensen with Mr. Crosser.  
Mr. Hartley with Mr. Mansfield of Texas.  
Mr. Hand with Mr. Dawson of Illinois.  
Mr. Eaton with Mr. Bland.  
Mr. Mathews with Mr. Winstead.  
Mr. Bender with Mr. Kelley.  
Mr. Gwinn of New York, with Mr. Combs.  
Mr. Edwin Arthur Hall with Mr. West.

The result of the vote was announced as above recorded.

its present stocks of wool, notwithstanding any restriction at present imposed upon such disposition by law. Under existing law, the Commodity Credit Corporation is prohibited from selling wool at less than parity. This has resulted in the accumulation of stocks approximating 460,000,000 pounds. To this will be added the 1947 and 1948 clips, each of which it is estimated will run about 300,000,000 pounds. Thus, if Commodity Credit should find it necessary to produce these clips and could not dispose of any of its stocks at prevailing prices, it would find itself at the end of 1948 with over a billion pounds of wool. In the meantime, domestic requirements would have been met from imports. It is hoped, through the provisions of this bill, to liquidate these stocks without substantial loss, and it is the hope also that much of the 1947 and 1948 clips can be purchased in the normal course of trade and will not have to be handled by the Commodity Credit Corporation.

Third. Section 4 of the bill as approved by the conferees brings wool within all the provisions of section 22 of the Agricultural Adjustment Act, legislation which has been on the statute books ever since 1935, and which applies to a number of agricultural commodities upon which price supports are in effect. Under the provisions of section 22, if the President has reason to believe that imports are rendering a price support program ineffective or are materially interfering with the same, he shall refer the matter to the Tariff Commission for an investigation and report. If, as a result of that report, he finds that imports are interfering with the program, then he is authorized to impose either a quota or an import fee in order to make the price support program effective.

Section 22, sponsored and proposed by the Roosevelt administration, has been amended by Congress and approved by the President several times since 1935, and action under its provisions has been taken on various occasions by both Presidents Roosevelt and Truman. The latest action in this respect was on February 1, 1947, when quotas were imposed upon imports of harsh cotton. In all cases so far quotas, rather than fees, have been used. The legislation has operated concurrently with, and supplemental to, the reciprocal trade agreement program. It has been used to harmonize and reconcile the administration's domestic price support program on price support commodities with its foreign trade policy. Something of this sort has been and is necessary because there is a considerable measure of inconsistency between the two policies.

The inclusion of wool in section 22 is entirely in harmony with the letter and spirit of the law as it has been applied in the past. It merely gives the President the authority and machinery to protect a price support program if he finds it is endangered by imports.

The bill in its final form, like most bills on controversial subjects, makes an effort to harmonize conflicting viewpoints. I think that has been done to the maximum extent in this instance.

There is general agreement that because of conditions arising out of the war emergency, and particularly because of the great accumulation of wool stocks in this country and in the world, some stabilization measures are necessary. In the case of domestic wool, the most effective measure seems to be to continue the 1946 price supports until December 31, 1948. In this instance, just as in any effort to support prices above current market quotations, the cost is likely to reach excessive proportions unless there can be some control over the quantity coming on the market from either domestic or foreign sources. This has been recognized in all our price support legislation and is the basis of section 22.

A special effort has been made by the conferees to make sure that the bill is not out of harmony with the administration's foreign trade policy. We have provided that no proclamation issued by the President under this act shall be enforced in contravention of any treaty or international agreement to which the United States is now a party. This protects the rights and interests which any other nation may have by reason of existing trade treaties.

The provisions of the bill are in entire harmony with the proposed charter of the International Trade Organization of the United Nations. Paragraph I of article 25 of that document provides for a general limitation of quantitative restrictions; however, with a number of exceptions, among which is the following:

2. The provisions of paragraph I of this article shall not extend to the following:

(a) Prohibitions or restrictions on imports or exports imposed or maintained during the early postwar transitional period which are essential to—

(iii) The orderly liquidation of temporary surpluses of stocks owned or controlled by the government of any member or of industries developed in the territory of any member owing to the exigencies of the war which it would be uneconomic to maintain in normal conditions.

The situation which exists in this country with reference to wool stocks clearly comes within the provisions of subsection (a) (iii).

The bill is also in harmony with the spirit of article 34 of the charter of the International Trade Organization relating to emergency action on imports of particular products.

The legislation is also in entire accord with the Executive Order dated February 25, 1947, which directs that every trade agreement hereafter entered into shall include an escape clause. This Executive order was issued after consultation with Senators VANDENBERG and MILLIKIN, and pursuant to an agreement reached between them and the Secretary of State. Part I of this Executive order reads as follows:

1. There shall be included in every trade agreement hereafter entered into under the authority of said act of June 12, 1934, as amended, a clause providing in effect that if, as a result of unforeseen developments and of the concession granted by the United States on any article in the trade agreement, such article is being imported in such increased quantities and under such conditions as to cause, or threaten, serious injury to domestic producers of like or similar

articles, the United States shall be free to withdraw the concession, in whole or in part, to modify it, to the extent and for such time as may be necessary to prevent such injury.

2. The United States Tariff Commission, upon the request of the President, upon his own motion, or upon application of any interested party when in the judgment of the Tariff Commission there is good and sufficient reason therefor, shall make an investigation to determine whether, as a result of unforeseen developments and of the concession granted on any article by the United States in a trade agreement containing such a clause, such article is being imported in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers of like or similar articles. Should the Tariff Commission find, as a result of its investigation, that such injury is being caused or threatened, the Tariff Commission shall recommend to the President, for his consideration in the light of the public interest, the withdrawal of the concession, in whole or in part, or the modification of the concession, to the extent and for such time as the Tariff Commission finds would be necessary to prevent such injury.

3. In the course of any investigation under the preceding paragraph, the Tariff Commission shall hold public hearings, giving reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings. The procedure and rules and regulations for such investigations and hearings shall from time to time be prescribed by the Tariff Commission.

On the same day that this order was issued, the Under Secretary of State gave out a statement that the escape clause so authorized would be along the lines of the escape clause in the Mexican agreement. That escape clause in effect provides for the imposition by the President of quotas or other customs treatment when he finds that the same is necessary to prevent serious injury to domestic producers because of concessions granted in reciprocal trade agreements.

It is my opinion that if the wool bill becomes a law, the provisions of section 22 will never have to be used. Practically all the world's wool which is in competition with our own is in the hands of the British Empire sales organization known as JO—joint organization. Although it has wider powers, JO corresponds roughly to our Commodity Credit Corporation when it comes to handling Australian, New Zealand, and South African wool stocks, which accumulated during and since the war. Both Under-Secretary Clayton of the State Department and Under-Secretary Dodd of the Agriculture Department stated to the conference committee that these countries have advised that they would be glad to sit around the table and work out a plan for the orderly disposition of surplus wool stocks. That is the sensible thing to do. However, it has not been done and probably will not be done if this legislation is not passed.

If we give the President the authority to protect our wool price support program through the use of quotas or other customs treatment, as recognized in the ITO charter and the escape clause in our reciprocal trade agreements, and as have been in effect on other commodi-

ties through section 22 for many years, I predict that an agreement will soon be reached between the British Empire countries and the United States for the orderly liquidation of these troublesome wool stocks. Such an agreement would be to the benefit of all countries concerned and would enable us to liquidate our wool stocks with little, if any, loss to the Treasury. At least, it would greatly lessen the losses.

Since this bill does not in any way increase or decrease the domestic supply of wool, it cannot affect the quantity of ultimate wool imports. Whether this legislation becomes a law or not, we are going to consume the wool now owned by the Commodity Credit Corporation as well as the clips of 1947 and 1948. Whatever we need in addition we will have to import. The only question involved is the sale of the accumulated stocks in an orderly manner and in such a way as to cause the least loss to the United States Treasury.

Wool is a strategic material—so recognized by the Army. In the present state of international affairs, it is essential that we maintain a domestic wool industry. Even with price supports, it has been declining. This legislation does not attempt to solve the long time problem of the wool industry. It merely seeks to bridge the present emergency, due in the main to market dislocations and stock accumulations during the war. There has been no wool market since April 15. Practically all of the 1947 clip is unsold.

It is essential that the conference report be adopted and that the bill become a law at the earliest possible moment.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MILLER of Nebraska. With reference to the wool which the Commodity Credit Corporation holds, you stated that if they were directed to they would dispose of the wool. Is it contemplated that they will dispose of the wool at a loss which will have to be made up by the Federal Treasury?

Mr. HOPE. Under this bill it is hoped that it will not be necessary to dispose of the wool at a loss. We hope there can be some orderly arrangement made whereby this country will not be flooded with imports and that the wool on hand at the present time and that which may be brought under this act may be disposed of in an orderly way without any loss to the Treasury.

It is possible, of course, that there may be some loss, but we are authorizing the Commodity Credit Corporation to sell the wool to the best advantage. The thing to do is to get the wool out of the hands of the Commodity Credit Corporation and get it into trade channels.

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

Mr. HOPE. I am glad to yield to my colleague.

Mr. AUGUST H. ANDRESEN. Does the gentleman regard the authority conferred upon the President under section 22 to impose quotas or an import fee as mandatory or as discretionary with the President?

Mr. HOPE. The authority is certainly discretionary; the President, of course,

must act upon the findings that are laid before him by the Tariff Commission, but it is still up to the President to determine whether or not imports are interfering with the domestic price-support program.

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

Mr. HOPE. I am glad to yield to the gentleman.

Mr. McCORMACK. If it is left that way, does the gentleman think that under the law it is discretionary with the President?

Mr. HOPE. It is up to the President to determine whether or not the facts as found by the Tariff Commission reveal a situation which calls upon him to act.

Mr. McCORMACK. Then, if in his judgment such a situation is revealed, then no matter what his personal views may be, under the law he should act; should he not?

Mr. HOPE. If in his judgment the President felt that the facts were such as required him to act, certainly I would expect him to act in good faith.

Mr. McCORMACK. In the first place, the words "whenever the President has reason to believe" does not leave anything to his discretion. If you and I were President, even if we did not want to act in a certain way, but we had reason to believe a certain thing, then under that language it would be our duty to act; would it not?

Mr. HOPE. If the President has reason to believe, then he should submit the matter to the Tariff Commission for a finding as to the facts.

Mr. McCORMACK. Then, if he believes the recommendation of the Tariff Commission is correct on the evidence he should act, should he not?

Mr. HOPE. If he believes that it calls for action, certainly he should act.

Mr. McCORMACK. That is, he should act whether or not his opinion is otherwise.

Mr. HOPE. Let me give the gentleman an illustration. The question might come up in the President's mind as to whether the fact that the United States Treasury was losing money in supporting the price of wool constituted an interference with the price-support program. That would be a question which the President would have to decide in his own mind. The gentleman from Massachusetts might say that the fact that the Treasury of the United States was losing money on this transaction constituted an interference. I might say it did not. There is certainly plenty of room there for the President to exercise discretion.

Mr. McCORMACK. But that would not be discretion. That would be judgment, I submit to the gentleman, who is very fair. The question of discretion and judgment are two different things.

Mr. HOPE. Well, the gentleman can use whichever word he prefers to use in that connection, but I say it is finally up to the President to make his decision based upon the facts as submitted by the Tariff Commission.

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

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. The law specifically states that the President

must find the existence of such facts; so that he can use his independent judgment on the situation, irrespective of the findings of the Tariff Commission.

Mr. HOPE. Yes. After the report of the Tariff Commission is laid before the President, he must make an independent finding that facts exist which would require him to issue a proclamation.

The SPEAKER. The time of the gentleman from Kansas has again expired.

Mr. COOLEY. Mr. Speaker, I wonder if the gentleman would yield the minority one-half of the time.

Mr. HOPE. I think I have too many calls for time. I would not be able to yield the gentleman from North Carolina half of the time.

Mr. COOLEY. So that we have half of the time on this side for discussion.

Mr. HOPE. I will be glad to yield the gentleman 10 minutes at this time, if he desires it.

Mr. COOLEY. Mr. Speaker, during the war, the world's greatest crisis, a rather magnificent spirit of cooperation permeated the Allied world. As a result of that grand world-wide spirit of cooperation and under the urgent spur of necessity, gallant men won many great victories on the battlefields of the world. This great spirit of cooperation was in all respects nonpartisan. Men of all parties and of many countries died in a common cause. VE-day and VJ-day have come and gone, and we are now living in the postwar world. Frankly, I am shocked to know that apparently some people now seem to regard world cooperation as a matter of little importance. Unless we solve the problems of peace in this postwar world, the great victories which have been won will have been won in vain. The fruits of those victories will be lost in the burning and consuming flames of economic isolation.

I do not believe that the average American today fears atomic warfare. Fortunately our great Nation has the secrets of the atomic bomb. I do believe, however, that intelligent men everywhere very greatly fear the dangers of economic warfare which may be just as devastating to the hope of peace as atomic warfare could possibly be. This measure is the first overt act. It is economic warfare. The great issue involved here is the issue of economic isolation against world cooperation. In the proper solution of this great problem, you have just as great interest as I could possibly have. I am influenced not by editorials which have been written, but because of my own firm belief that the problems of this distressed and devastated world can only be solved by cooperation on a world-wide basis.

Economic isolation means economic warfare. Economic warfare certainly does not mean peace. We have experienced the tragic results of economic isolation. Twice in our day and generation the earth has been bathed in human blood. I am fortified and strengthened in my belief by the opinions of eminent statesmen—statesmen of different political faiths, yet statesmen all of whom are true Americans. I have before me a communication written by the Honorable Cordell Hull, former Secretary of State, a great Democrat, and a great

American. I also have here a communication from another distinguished former Secretary of State, the Honorable Henry L. Stimson, a distinguished Republican, and a great American. And here is a communication from a great soldier, a great statesman, and a great American, the present Secretary of State, Gen. George C. Marshall. To the list of these witnesses we can add the present Under Secretary of State for Economic Affairs, the Honorable Will Clayton, our able and distinguished representative at the Geneva Conference; and the honorable and distinguished Secretary of Agriculture, our former colleague, Clinton Anderson; and the Under Secretary of Agriculture, the Honorable N. E. Dodd; all of whom agree that no action should be taken here which would violate either the letter or the spirit of the charter of the Geneva Conference and jeopardize the hope for world cooperation in the field of world trade and commerce.

Please consider these communications:

NAVAL HOSPITAL,  
Bethesda, Md., June 4, 1947.  
The Honorable GEORGE C. MARSHALL,  
Secretary of State.

MY DEAR SECRETARY MARSHALL: I have been very disturbed to learn of Mr. Clayton's return from Geneva in connection with the possibility of action by the Congress intended to increase the tariff on wool. I believe that such action would seriously endanger the success of the negotiations now going on in Geneva for the reduction of trade barriers under the Reciprocal Trade Agreements Act and for the establishment of an international trade organization, embodying the basic principles of mutually beneficial international economic relations for which we have striven so long.

After more than a decade of successful operation under the Reciprocal Trade Agreements Act, and at a time when the principal trading nations of the world are prepared to follow our lead in carrying out a program of economic disarmament, it would be tragic indeed if any action of ours should endanger that program.

I do not wish to pass judgment on whether or not the growers of wool in this country are entitled to additional assistance. That is for the Congress to decide. I do feel very strongly, however, that such assistance, if given, should not be in a form which would preclude or nullify the comprehensive negotiations in which we are now engaged with other countries for the reciprocal reduction of tariffs and other trade barriers. The success of these negotiations is indispensable to our own economic stability and prosperity and for the creation of a climate favorable to the preservation of world peace.

The form in which domestic wool producers receive price support must not jeopardize our international relations. As the President said in his address at Waco, Tex., on March 6: "The negotiations at Geneva must not fail."

Faithfully yours,

CORDELL HULL.

[Copy of telegram dated June 4, 1947, from the Honorable Henry L. Stimson to the Secretary of State]

The Honorable GEORGE C. MARSHALL,  
Secretary of State, Washington, D. C.

DEAR MR. SECRETARY: I am deeply concerned regarding the pending wool legislation in Congress. In the form proposed by the House of Representatives, this legislation would increase the tariff on wool.

It is my considered opinion that to enact the House measure at any time would be most unwise. It would amount to a repudi-

ation of the whole structure of American economic policy developed in the Congress and the State Department during the 15 years since Cordell Hull began his great work for trade agreements. And such repudiation now, when American leadership has been so largely responsible for the Conference on World Trade at present proceeding in Geneva, would not fail to have serious and immediate international effect, both economic and political. To other nations now watching for proof of American sincerity and unity it would be a shocking indication that the policy of the United States can at any time be shackled by the sort of economic shortsightedness for which all the world has paid so dearly in recent years.

After World War I, the American people and others executed an economic and political retreat from world affairs. These policies were in large part responsible for the great economic break-down which followed both here and in Europe. Now we are engaged in effort to reconstruct a world shattered by the war which grew out of that economic break-down. In this effort of reconstruction greater freedom of world trade is indispensable. No such freedom can be achieved if this country retreats behind tariff walls higher than ever.

To enact any provision raising the wool tariff would be a clear first step toward the disastrous repetition of our former error. If the Congress should determine that the price of wool must be supported, a question on which I do not here offer any judgment, it can accomplish this purpose at relatively small cost by employing the method of subsidies contained in the Senate bill. But to support these prices by raising the tariff on wool would be to give financial assistance to a few at the cost of a large share of this Nation's hope for world prosperity and peace.

Very sincerely yours,

HENRY L. STIMSON.

THE SECRETARY OF STATE,  
Washington, June 4, 1947.

The Honorable GEORGE D. AIKEN,  
Senate Office Building, Washington, D. C.

MY DEAR SENATOR AIKEN: I wish to express appreciation to the Senate and House conferees in hearing the Under Secretary of State for Economic Affairs with respect to pending legislation on wool. I am sure Mr. Clayton made clear the serious issues involved from the point of view of our foreign policy. However, I wish to summarize the position of the Department of State in this matter.

The Senate bill directs the Commodity Credit Corporation to continue until December 31, 1948, to support a price to domestic producers of wool at the same price at which it purchased domestic wool in 1946. It authorized the Commodity Credit Corporation to dispose of wool owned by it at market prices.

The House added to this bill a provision intended to result in an increase in the high tariff on wool, and thus enable the Government to give this support to domestic wool producers without financial loss to this Government. The cost of such support would thus be passed on to the consumer of woolen goods.

The critical importance of this action, as it bears on our foreign relations, arises from the fact that there is in progress at this very time in Geneva, an international conference on trade and employment called by the United Nations on the initiative of this country. The United States delegation, of which Mr. Clayton is chairman, is taking a leading part in this conference.

The object of the conference is to negotiate reciprocal trade agreements for the reduction of barriers and the elimination of discriminations in international trade. A further object is to agree upon a draft of a charter for an international trade organization to

be set up under the Economic and Social Council of the United Nations.

Some 50 or 60 negotiations are actually taking place between the different countries represented at this conference, and it is expected that eventually some 70 or 80 agreements will be entered into. The participation of the United States in this aspect of the proceedings derives from the Reciprocal Trade Agreements Act last extended by Congress in 1945.

While wool constitutes a relatively small part of our domestic economy, being only one-half of 1 percent of agricultural income, it is a highly important commodity in other countries. For example, it forms 90 percent of the value of all of the exports of Australia to the United States.

The question here is whether the best interests of the United States will be served by the passage of the Senate wool bill which affords protection to the domestic wool producers at a relatively small cost to the United States Treasury, or by the adoption of the House version of the bill which would provide this protection by further raising barriers to international trade. The Department of State is strongly of the opinion that the Senate bill provides the only acceptable course of action open to us not wholly inconsistent with our current efforts to remove the cause of serious conflicts in the world economic field.

I am taking the liberty of passing on to you herewith the views on this subject of our most distinguished elder statements—Mr. Stimson and Mr. Hull.

Faithfully yours,

G. C. MARSHALL,  
Secretary of State.

(Enclosures: Letter to Secretary Marshall from Hon. Cordell Hull dated June 4, 1947. Copy of telegram to Secretary Marshall from Hon. H. L. Stimson dated June 4, 1947.)

MAY 22, 1947.

The Honorable HAROLD D. COOLEY,  
House of Representatives.

MY DEAR MR. COOLEY: I take pleasure in this opportunity to answer your inquiry of May 19 concerning the views of the Department of State with respect to proposed wool legislation. I refer to S. 814, a bill to provide support for wool and for other purposes, as passed by the Senate and reported favorably with amendments by the Committee on Agriculture of the House of Representatives.

The bill in the form in which it was reported was not under consideration by the Committee on Agriculture when representatives of the Department testified before that body. We have not had a formal opportunity to present our views on the legislation, as it has been reported.

S. 814, as reported with amendments, is intended to achieve three main objectives. First, it directs the Commodity Credit Corporation to support a price to wool producers at the 1946 level until December 31, 1948. This provision is consistent with the proposed long-run program for wool submitted by the President in his memorandum to Senator O'MAHONEY on March 11, 1946. The Department of State believes this section of the bill accomplishes the essentials of the administration's plan which recognizes that wool should receive support comparable to that granted to other agricultural commodities.

Secondly, S. 814 authorizes the Commodity Credit Corporation to sell its stocks of wool without regard to restrictions imposed upon it by law. This is necessary because Commodity Credit Corporation must be able to sell wool at the market if it is to dispose of its stocks. This is also consistent with the President's program in the opinion of the Department of State.

Thirdly, an amendment to section 22 of the Agricultural Adjustment Act has been

added to provide for the imposition of fees on any imported article by the Secretary of Agriculture if he finds that imports of said article interfere materially with the wool-support program. The accompanying report shows that the purpose of the fee is to increase the price of imported wool to equal the support level for domestic wool. The Department of State advises against the adoption of this amendment. I understand from the CONGRESSIONAL RECORD that it is proposed to modify this import-free amendment by directing the President, rather than the Secretary of Agriculture, to impose the fees after investigation by the Tariff Commission. This does not remove the fundamental objections to the provision.

If import fees, which are actually increases in the tariff, are levied, they would be harmful to the interests of the United States in the following ways.

First, the cost to the public in increased prices for woolen manufactures would far exceed the increased returns to the wool growers. The President's memorandum, previously referred to, pointed out that "it will be more desirable from a national point of view and more dependable for growers to have the Government absorb losses on sales of domestic wool rather than to raise additional trade barriers against imports." The cost of supporting returns to wool growers must be borne by the public of the United States regardless of the form that support takes. The tariff itself is a subsidy which is collected, like a sales tax, from consumers through raised prices and conveyed to producers by the same means. To talk about avoiding cost to the Treasury is to evade the issue, for the public, and not the Treasury, pays the bill.

A fee will raise the cost of the raw material. This, in turn, cumulatively increases the cost of doing business at every stage of the production process. Therefore, the final cost to the public as a consumer is far greater under the fee than it would be if raw material prices were not increased by fees and the public, as a taxpayer, paid the subsidy.

In the second place, new import fees on wool would injure the interests of the United States through their effect on our foreign relations. We all recognize the responsibility of this country for leadership, both political and economic, in the postwar world. The United States has taken the initiative in promoting the adoption of principles of economic conduct among nations which would require each country to consider the impact of the economic measures it undertakes on world economic progress. If the proposed amendment providing new import barriers is adopted, the moral leadership of the United States in world affairs will suffer a serious blow.

If at this time, when we are actually negotiating with other countries at Geneva for the lowering of trade barriers, we raise new barriers as this bill proposes, we stand convicted of insincerity.

Wool is a critical item in our current negotiations for an International Trade Organization for the expansion of world trade and employment. Although wool raising accounts for less than one-half of 1 percent of our agricultural income, it is very important in world trade. It is the most important import into the United States from Australia, New Zealand and South Africa. It is by far their most important source of the dollars they need so badly to buy our exports. If we impose new barriers to this trade, we cannot expect them to cooperate wholeheartedly in creating the type of postwar world we want to have. Without such cooperation, the other British Commonwealth nations would have difficulty joining with us in a mutually advantageous program. Other nations would question the sincerity of our protestations that we do not intend to retreat to economic isolationism.

Let me summarize by saying the Department approves support to wool growers and authority for Commodity Credit Corporation to sell its wool below parity. The Department therefore hopes that the Congress will adopt the proposed bill as passed by the Senate without amendment.

Sincerely yours,

CLAYTON.

Mr. Speaker, although I do not have before me communications from the Secretary of Agriculture or the Under Secretary, there can be no misunderstanding as to their position concerning this important matter. During the conference, Under Secretary of Agriculture, Mr. Dodd, addressed a letter to Senator ARKEN in which the position of the Department of Agriculture was clearly indicated.

America has taken her rightful place among the nations of the earth. The question is: "Shall we be able to hold that great place of leadership?" We were the first to sponsor world cooperation. Our Nation renounced economic isolation, but now we are about to embrace the evil vulture again. The question before us is one of paramount importance. I hope that I am not unduly alarmed and I also hope that I do not overrate the importance of the matter before us. Certainly the great statesmen whom I have quoted seem to regard the matter as one of great importance. As we approach a vote on this conference report, we are conscious of the fact that a conference of world-wide importance is going on at Geneva, but America, the greatest of all nations, is not represented there. Our representative, Mr. Clayton, was forced to abandon, temporarily at least, the great work which he had undertaken at Geneva and all because of this pending wool bill. Mr. Clayton has been anxious to return to Geneva, but he dares not return until this issue has been settled. How could he sit at the conference table and attempt to negotiate reciprocal agreements looking toward the revival of world trade conscious of the contents of this bill which supplies the president with a sword with which to destroy every agreement which might be reached and written?

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

Mr. COOLEY. I yield.

Mr. HOPE. When Mr. Will Clayton returned from Geneva and when the letters to which the gentleman refers from Mr. Stimson, Mr. Hull and General Marshall were written, the conference committee had not met; no conference report had been made. I will ask the gentleman if they were not referring to an entirely different bill than the one we have before us at this time?

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

Mr. COOLEY. I yield.

Mr. RAYBURN. I might say in answer to the gentleman from Kansas that Mr. Clayton and the State Department are just as opposed to this conference report and the bill in its present form as they were to the bill reported by the House committee. They would have no objection; Mr. Clayton would not be in the United States today, if the House committee had reported and the House

itself had passed the bill that the Senate passed, which was what we thought the wool people wanted—that was a support for the price of wool.

Mr. COOLEY. That is exactly what the wool producers wanted.

Mr. HOPE. Mr. Speaker, will the gentleman yield that I may answer?

Mr. COOLEY. I yield.

Mr. HOPE. Mr. Clayton is certainly a very hard man to please. We have come a long way trying to please him.

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

Mr. COOLEY. It is not a question of pleasing Mr. Clayton, I might say. Yes; I will yield to the gentleman from Texas.

Mr. RAYBURN. That is exactly what I desire to say; it is not a question of pleasing Mr. Clayton. It is whether or not we are going to cooperate with the remainder of the world in order that they may take our surplus. They cannot take our surplus goods unless we take theirs. Money does not cross the ocean to balance trade; it is goods for goods, now as it has always been.

Mr. COOLEY. May I add that on June 12, 1947, just last Thursday, General Marshall issues this statement:

I am disappointed in the reported action of the Senate and House conference with respect to the wool bill. I am making public my letter to the conferees together with a telegram from Mr. Stimson and the letter from Mr. Hull referred to therein.

The truth is the officials of the State Department were not given an opportunity to be heard about this all important matter affecting our foreign economic policy. The House amendment was not written by the Members of the House Committee on Agriculture and no hearings on the proposal were held. It is unfortunate that this matter originated as it did and came before the House Committee on Agriculture. Our Committee deals entirely with agricultural problems, but this bill vitally affects world trade and commerce and the foreign economic policy of our Nation, and is in fact a revenue measure attached to a bill which originated in the Senate. Under our Constitution, revenue measures must originate in the House of Representatives. The constitutional question involved seems to be of very slight importance to the ardent advocates of "false economy." If you by your vote approve this conference report, you have in effect delegated to our committee the right and function to fix and impose tariffs and to delegate that authority as we may determine. If we are to provide for a tariff on wool, why not on potatoes, tomatoes, cucumbers, cauliflowers, and every other vegetable and product of agriculture?

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

Mr. COOLEY. I yield.

Mr. HOPE. Our committee has had that right ever since 1935 when we got the first tariff containing section 22. Since that time, potatoes, tomatoes and all other commodities have been under that bill any time the President chooses to exercise his authority to deal with them.

Mr. COOLEY. Not with import duties as here provided. The gentleman must know that he is not accurate.

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

Mr. COOLEY. I yield.

Mr. HOPE. The gentleman says I know that is not accurate. The fact is that the import fee provision has been in the bill ever since 1940.

Mr. COOLEY. Has it been used on any commodity other than a surplus crop upon which we have a definite program? Certainly not, because the language of section 22 so provides.

Mr. HOPE. It has been in the bill ever since 1940. It has not been used as yet, but it has been available for use at any time.

Mr. COOLEY. Here is one test of what this bill involves. If it is not the purpose to destroy reciprocal trade agreements now in existence or hereafter to be negotiated, then why do the House conferees object to this language which is written in a bill sponsored by my distinguished and beloved friend, the gentleman from Kansas [Mr. HOPE], introduced on February 10, 1947, in which he provides in clear, unambiguous language the following:

No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

If it is not the purpose to destroy the reciprocal trade program, why do we not send this bill back to conference and insist that the conferees put that savings clause in this bill? I say it is nothing more nor less than an insidious effort to undermine the reciprocal trade treaty program.

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

Mr. HOPE. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. COOLEY. Mr. Speaker, I want to say to the Members in this House who are interested in the farm program that when you destroy the support program for wool you are undermining and will ultimately destroy the entire agricultural support program because the two things are certainly going in opposite directions. You can support the wool industry of America better than you can any other agricultural commodity grown in the country. The whole wool crop produced in America is worth approximately \$120,000,000. We produce only about one-third of the wool we consume. In round figures, we produce about 300,000,000 pounds annually. This could be subsidized to the extent of even 5 cents a pound and it would only involve \$15,000,000 a year. If we abandon the support program and lift trade barriers the public will pay not just \$15,000,000 but probably \$150,000,000. Do not you believe that the extraction will be painless. It will be long remembered and very painful to the consuming public. It is estimated that the public will pay 10 times more than the direct subsidy involved.

The issue of economic isolation involved in this legislation cannot be compromised. We either believe in world cooperation or we believe in economic iso-

lation. We cannot divorce this bill from the reciprocal trade treaty program. The effect of this bill will be to drive this Nation into the tragic arms of economic isolation which means economic ruin. If economic isolation is to be the policy of America, the people of America should know it and the people of the world should know it. If the President signs this bill, our diplomats will be damned in the eyes of the people of the world and the integrity, the prestige, power, and influence of our Nation will be irreparably impaired. I hope, therefore, that this report will be recommitted or defeated.

Here is a statement by the Secretary of State, issued on May 29, 1947:

The State Department is opposed to the House amendment to the wool legislation now under consideration. Wool is the key commodity in the Geneva negotiations to expand trade through the reduction of trade barriers. It is by far the most important export and source of dollars of Australia, New Zealand, and the Union of South Africa. We cannot expect them to cooperate with us in reducing trade barriers if we increase duties on their wool. Without their participation, the remainder of the British Commonwealth cannot, as a practical matter, join with us in a mutually advantageous program.

Wool is also a symbol of our intentions in foreign trade. If we adopt higher tariffs in the present bill, other nations will conclude we cannot or will not live up to our professed policy of international cooperation. They will turn to trade restrictions and bilateralism to protect themselves. On the other hand, expanding trade between the United States and other nations will not only help us sell our surplus products but also will allow them to earn the dollars they need to reconstruct their economies and to protect their democratic institutions.

The wool bill as passed by the Senate would protect the wool industry in the United States by direct payments from the Commodity Credit Corporation. The indirect cost of these payments to the public as taxpayers would be far less than the cost of the increased tariff provided by the House amendment to the public as consumers.

I am anxious for the wool producers of America to be protected. I favor the passage of the Senate bill, but even though I am greatly interested in the welfare of the wool producers I am not willing to permit my interest in them to bring about a devastating collapse of the Geneva Conference and of the hope for a revival of world trade and commerce by world cooperation and reciprocity. The sponsors of this measure are making goats out of the sheep growers of America, and as a direct result of the politics involved the wool market has dropped 14 cents a pound below the support price of 42 cents a pound, which would have been guaranteed under the Senate bill. If the wool producers of America end up with no support program whatever, I believe they will know exactly where to place the responsibility. It is easy enough for Members to say we want to protect the wool growers, and yet, at the same time, attach provisions in the form of amendments which they know will defeat the very thing that they say they actually want to do.

As some evidence of the politics involved, I call your attention to an AP report under a Washington date line of May 13:

WILL DRAFT WOOL BILL—GOP GROUP NAMED TO EXPEDITE ACTION

WASHINGTON, May 13.—A special committee on wool legislation was appointed today by the House Republican steering committee.

Representative HALLECK, of Indiana, said that an effort will be made to draft a bill to satisfy all wool men.

"There are a number of difficult decisions to be made," HALLECK told reporters. "We are anxious to satisfy everyone and will try to expedite action."

The Senate has passed legislation to provide price support at the 1946 level, and permit the Commodity Credit Corporation to sell its stocks of wool at prices competitive with foreign wool. The House added a provision for an import fee, to apply on excess foreign imports and floor stocks.

The new provision, particularly the floor-stock tax, has drawn opposition from the wool dealers and fabricators.

HALLECK said the committee will meet tomorrow morning. Its members are Representatives HOPE, of Kansas, MURRAY of Wisconsin, SIMPSON of Pennsylvania, JENKINS of Iowa, CASE of South Dakota, HERTER, of Massachusetts, and HALLECK.

You will note that not a single member of the Democratic Party was named as a member of the Halleck committee.

It is unfortunate that the wool growers of America must be made scapegoats by the Republican steering committee. This is the little black sheep of the Republican Party, a wolf in sheep's clothing which will destroy the farm program and the hope of world cooperation.

(Mr. COOLEY asked and was given permission to revise and extend his remarks.)

Mr. HOPE. Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Speaker, after all of the arguments are stripped down, there is but one issue before the House this afternoon and that is whether or not we will accord to the commodity wool the same rights and the same privileges that some 20 or 30 other agricultural commodities now enjoy. That is the issue, because the sole purpose of amending section 22, as set out in the conference report, is to bring wool under that section.

Now, let me read to you some of the commodities that now have the protection that is proposed here to give to wool, and please do not smile when I tell you those commodities extend from noodle soup to wheat and cotton. I want to read you from a list of the commodities that are now protected under section 22, and the issue here is whether or not you will bring wool under section 22. Now, here are some of the commodities. The President has not acted on all of them. He has acted only on two, wheat and cotton, but here are the ones on which the President could act. My distinguished friend, the gentleman from North Carolina, is frightened that we will wreck the reciprocal-trade treaties of this Nation. There is no such thing involved here. Here are some of the commodities now under section 22:

Beans, beets, cabbages, carrots, onions, Irish potatoes, sweetpotatoes, spinach, noodle soup, orange juice, tomato flakes, cotton, wheat flour, wheat, milk, eggs, apples, peaches, kale, peas, squash, and grapefruit juice.

Every one of them are under section 22, and if those commodities are imported into this country in large quantities the President can initiate an investigation and can do one of two things, that is, establish import quotas or import fees on the imports.

Now, I want to be helpful if I can. Let me give you just a little history. It has been stated here that section 22 was intended only to protect surplus commodities and therefore was not intended to protect wool, because wool is largely an import commodity. I have gone back to 1935 when section 22 was first enacted. This is the committee report dated June 15, 1935, filed in this House by Marvin Jones, then chairman of the Agricultural Committee, and with reference to section 22, then new legislation, here is what the committee said:

Efforts to restore agricultural prices in this country will not be wholly successful if competitive foreign imported articles are allowed to take the domestic market away from the domestic products.

Further, it says:

Congress cannot now ascertain and provide specifically for the varieties of circumstances, under which, and the commodities the importation of which, will endanger the effort to attain parity prices.

In this bill before the House we are proposing to support wool at the parity price and section 22 was enacted for that specific purpose.

Now, the original section 22 authorized only import quotas; that is, we could limit the amount coming into this country. In 1939 this Congress amended that act and added the right to impose import fees up to 50 percent ad valorem. And here is what the committee report, also filed by Marvin Jones, dated July 14, 1939, had to say about this section and the need for including import fees:

It is clearly necessary for the successful operation of such programs that some means, such as is provided in section 22, be available to prevent a backwash of low-priced exports into a higher-priced domestic market. \* \* \* It is known to a point of overwhelming certainty that a particular farm program will be ineffective in the absence of some protection against increased foreign importations. Consequently, the bill provides that restrictions (either an importation fee or an importation quota) against foreign importations may be imposed under the provisions of section 22 whenever it appears to be reasonably certain that such importations would increase and affect a farm program adversely.

It has been stated here that the President must act and has no discretion in these cases. I say that neither the law nor the practice requires such a thing. In the first place, under section 22, under which it is proposed to bring wool, no action can be taken unless it is initiated by the President of the United States, and then subsection (d) states that the decision of the President on the fact is final.

The newspapers have published throughout this country that this bill imposes a 50-percent ad valorem on the import of wool. It does no such thing. The maximum the President could impose is 50 percent, as the law says it shall not be in excess of 50 percent. The

President could impose a fee of 1 percent, 10 percent, or 50 percent, as he saw fit.

Then, mind you, the act specifically provides that if the President should impose a fee he may at any time revoke it, suspend it, or modify it.

The gentleman from Massachusetts [Mr. McCORMACK] said that probably the President must necessarily act. Let us look at it. Right now we are supporting Irish potatoes at 90 percent of parity, just as you propose in this wool bill to support wool at 100 percent of parity. During the last 6 months, so the Department of Agriculture reports, they have destroyed approximately 22,000,000 bushels of Irish potatoes as part of their effort to support the price to growers at 90 percent of parity. Do not forget that Irish potatoes are now under section 22. They are under it today. While we have supported Irish potatoes at 90 percent of parity, while we have dumped about 22,000,000 bushels we have imported into this country from Canada between 4,000,000 and 5,000,000 bushels, but the President has not acted. The President has not asked the Tariff Commission to make an investigation. The President has not found that those imports of Irish potatoes from Canada have materially affected the support program. I submit that under the authority which the President has under section 22 there is no compulsion for him to impose an import fee or quotas on wool if wool is included in section 22. So I say that there must be complete discretion in the President of the United States, when we have been importing Irish potatoes into this country for the last 6 months and Irish potatoes are now covered by section 22.

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

Mr. PACE. I yield to the gentleman from North Carolina.

Mr. COOLEY. If the gentleman says there must be discretion in the President, I should like to know why it is that he objects so violently to providing in plain language that the President shall be free to exercise his sound discretion in this matter.

Mr. PACE. The gentleman has made no such proposal.

Mr. COOLEY. Those proposals have been made time and again since this controversy started. If the gentleman does not know now, if he is not conscious of the fact that he is undermining the reciprocal trade agreements, why is he not willing to accept this protective clause which was in the bill of the gentleman from Kansas [Mr. HOPE]?

Mr. PACE. Because, as I told the gentleman before when the bill was on the floor, if the amendment which the gentleman offered in the House, receiving only 26 votes, was adopted, it would put Mr. Will Clayton in charge of the farm program of this country, and I do not intend to put it there if I can help it.

Let me say one more thing. There is only one big issue here, and that is whether you will accord wool the same protection as is accorded the other commodities I have read off to you. Then, there is one more issue here, and that may prove to be the biggest issue of all to me. That is whether the House will start the practice, as is proposed here

when they urge us to accept the Senate bill, of supporting a commodity in the farm program up here at around parity and then dump it down there at any price that the market might bear in competition with foreign commodities. If you do that, your farm program is gone and the farmers of this country will have no protection.

Mr. HOPE. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Speaker, I regret very much that I have only 2 minutes to speak in opposition to this conference committee report.

The bill which was returned from the conference committee is, of course, identical with the bill that went out of the House except for one provision, which to my mind makes it very much worse than it was before it left here. That provision allows the President, and it is done, I believe, in order to contravene the possibility of this bill violating certain existing treaties, to use the import-quota system in order to prevent foreign wools coming into this country.

I would not mind that in the least if we did not have to import wool and were dealing with a commodity of which we had a surplus. But we are going to have to continue to import wool. The minute you begin using the import-quota system you open up regulatory bodies to the worst type of corruption that I can imagine. Any individual who receives a license to import, whether he be a manufacturer or an importer, is given a special privilege on which he can cash in. Every nation which is given permission to ship wool to this country—and there are some 20 nations shipping wool to this country—receives something of value for which they are willing to pay. You will completely demoralize every purchaser of wool in this country and I am speaking primarily because in my own section of the country there are dealers in wool and we have, roughly, 65 percent of the manufacturers of wool in the textile mills. They will not know where they stand from day to day if this bill is enacted.

I will also repeat what I have said previously when the bill came up here in the House. I think the price that has been set means that the Government is going to have to continue to purchase the entire commodity, and so-called free enterprise in dealing in that commodity will be gone.

I hope the conference committee report will not be accepted.

Mr. HOPE. Mr. Speaker, I yield 2 minutes to the gentleman from Utah [Mr. GRANGER].

(Mr. GRANGER asked and was given permission to revise and extend his remarks.)

Mr. GRANGER. Mr. Speaker, I regret that we have had to have this controversy over this report. The problem before us seems to me to be so simple and so just that it neither deserves the criticism we have had in the press nor the criticism we have had here on the floor of the House. It is just a very simple matter.

There is only one other country in the world which is concerned with this legis-

lation, and that is the British Empire. For the last 3 years this Congress, by legislation, has excluded the local producer of wool from our local markets and has handed it over, principally to Australia and New Zealand, in its entirety.

We are now in a position of pleading with them to allow us to use our own market to sell this surplus of wool that we have acquired as a result of giving the market to them.

That is the whole question that is involved here. The question is very simple. If you farmers who are interested in the support program want to wreck it entirely, you just add the cost of this stock pile of wool to the Irish potatoes and you will certainly do it.

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

Mr. HOPE. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, I join with my good friend from the West [Mr. GRANGER] in saying he is sorry this controversy arose. It would not have been here if the House Committee on Agriculture and the House itself had followed the Senate bill which I, among others, thought was what the wool people wanted. There is no man in this House who is a greater friend of the wool people than I. I think my State probably produces more wool than any other State in the Union. I think this House bill and the conference report have gone too far. I think it is going to be desperately troublesome to the people of the United States, to our representatives abroad, who are trying to bring about these reciprocal trade agreements.

Let me say to you people who have farm surpluses, who have manufacturing surpluses, we must trade our surpluses to somebody for their surpluses or there will not be any trading. Money does not cross the ocean to balance trade between countries. It is goods for goods.

It has been said that Mr. Clayton came back to the United States. He did. He was negotiating in Geneva, getting along fine. He could have gotten along under the Senate bill, because there was nothing in there to scare the Australian, the New Zealander, or the South African, but when this bill was reported by the House Committee on Agriculture he came back here and said, "I am through in Geneva as long as this thing is pending in its present form and as long as it has a chance to pass."

Cordell Hull, who could not have anything but a patriotic interest in this, wrote a letter to Secretary Marshall. I have only time to read one paragraph:

After more than a decade of successful operation under the Reciprocal Trade Agreements Act and at a time when the principal trading nations of the world are prepared to follow our lead in carrying out a program of economic disarmament, it would be tragic, indeed, if any action of ours should endanger that program.

He says in his letter that this does endanger that program.

Another great ex-Secretary of State, Mr. Henry L. Stimson, in a letter to the

Secretary of State, among other things, says this:

It is my considered opinion that the enactment of the House measure at any time would be most unwise.

Then listen to this statement:

It would amount to a repudiation of the whole structure of American economic policy developed in the Congress and in the State Department during the 15 years since Cordell Hull began his great work on trade agreements.

You have all seen the statement by Secretary of State Marshall. You have heard read into the RECORD letters by the gentleman from North Carolina [Mr. COOLEY], from Under Secretary of State, Mr. Clayton, who is deeply distressed, who knows that in the situation in which we find ourselves now as the greatest creditor nation in all the history of the world, with exports of from fifteen to sixteen billion dollars last year and with imports of less than eight billion, how long can our economy stand when goods must be traded for goods?

I say to you that in my opinion this House this afternoon—and I am going to give them an opportunity to do it—should by a vote express itself that the conferees should reconsider this bill, re-refer it to the conference committee in order that they may bring something in here that will be a support to the price of wool, do what the wool grower in the United States desires, which will keep him in business; but we must remember that out of the 1,000,000,000 pounds of wool that we manufacture in the United States of America only about 300,000,000 pounds is produced in the United States.

I want the support price. I want our wool growers to stay in business, but I do not want the great program of the United States getting together with the other parts of the world ruined, a program under which we can sell them our surplus if we will take some of theirs. I do not want that program done up, destroyed, thrown out, as I believe it will be under this bill.

They say the President has the power to do this, that, and the other. Is is a question of psychology with these people. That sword is hanging over their heads all the time, that the President may raise this tariff by 50 percent.

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

Mr. RAYBURN. I yield.

Mr. McCORMACK. I call attention to the fact that official figures show that our rate of exports during March was \$20,000,000,000 a year, whereas for the first quarter the figures show our imports are \$5,600,000,000. How long can that go on without a bust?

Mr. RAYBURN. Trade, commerce, agriculture, manufacturing—no business can stand a situation like that.

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

Mr. HOPE. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. McCORMACK].

(Mr. McCORMACK asked and was given permission to revise and extend his remarks.)

Mr. McCORMACK. Mr. Speaker, it will mean the destruction of the full effectiveness of the Hull reciprocal trade agreements program. This bill should mean a lot to the people of America. It has great significance. From this fact that the Republican Party is responsible for its passage the commentators of the country and our people should realize that with a Republican victory in 1948—which looks very doubtful now—that reciprocal trade agreements will be scrapped.

If this bill becomes law it will have serious international economic repercussions.

The world will construe it that we are renewing the days of the Smoot-Hawley Tariff Act.

The old and dangerous journey of economic nationalism will be started again.

From our own economic angle it is unwise.

Exports for March, including services, relief, and other shipments to occupied areas were at an annual rate of \$20,000,000,000. This is in accordance with the National City Bank's June letter.

This is more than we shipped abroad at the height of the war, even when lend-lease accounted for almost four-fifths of our total shipments.

It is vitally important for our own national economy that we sell from 10 to 15 percent of goods produced here abroad.

We know that from our experiences of the last depression.

Our exports play an important part in our employment?

Our imports for the first quarter of 1947 were at the rate of \$5,600,000,000 a year?

This is very disconcerting.

What does it mean? It means that foreign buyers are incurring a deficit in their dealings with us.

That cannot keep up long.

A continuance of that situation means a "bust."

It is apparent from actual business figures that gold and dollar positions of other countries are bad, and getting worse. Their reserves are on the downward trend, and their reserves are not healthy.

Even those countries—outside of the United States—who profited from the war are witnessing a dissipation of their gold and dollar reserves.

While the gift and dollar loans bring relief, that is only temporary, and partially artificial, unless the countries who buy from us develop a better balance of trade.

It is amazing how many persons ignore the indisputable fact that a country that buys must sell.

Even individuals must have a balance of trade with others.

Countries must.

No country can keep on buying more than it sells or exchanges in goods or services.

When the point is reached where a country cannot carry on—due to an unfavorable balance of trade—unnatural, unhealthy, artificial, expedient



means are used in an attempt to meet the situation.

When one country starts—another follows—and the road of economic nationalism, such as followed the passage of the iniquitous Hawley-Smoot bill, is the result.

The important part of this bill is that for political reasons the domestic producer of wool is being sold down the river.

We all know a support-price bill until December 31, 1948, would be signed by the President.

And yet, this provision is inserted by the leadership of the Republican Party.

The domestic wool producers are being used in this preliminary step to the scrapping of the Hull reciprocal trade program.

The domestic wool producers are being used to bring about an acute international situation.

The Senate bill did not have the objectionable provisions. They were inserted by the Republican policy committee in the House.

I wonder if the domestic wool producers are going to let themselves be fooled by this exhibition of political hypocrisy.

To the people of the country this is a definite message that if the Republicans should by any chance win next year that the Hull reciprocal trade agreement program will be scrapped, and the world will again take a tailspin into the vicious journey of high trade barriers of economic nationalism.

In connection with the support-price provisions of this bill, to which there is no serious objection, the Member of the House who is entitled to primary credit is the gentleman from Utah [Mr. GRANGER].

While I cannot support this bill for the reasons I have stated, mainly because of the import provisions, I believe in giving credit where credit is due, and the gentleman from Utah [Mr. GRANGER] is entitled to that credit.

Mr. HOPE. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Speaker, I am opposed to this conference report, as I was to the original bill before us. The editorial from the New York Times set forth below points out clearly and succinctly the principal reasons for my opposition. Under leave granted, I cite this editorial and one from the Washington Star in support of the position which I feel compelled to take in this matter:

[From the New York Times]

#### WOOL OVER THEIR EYES

In directing the President to increase the tariff or to impose quotas on wool, in order to carry out a price-support program, the House and Senate conferees, in their effort to increase the profits of a handful of wool growers in this country, have voted to accomplish the following things:

1. To hold up or increase the price of woolen clothing for all American consumers.
2. To alienate Australia, our gallant and vitally important war ally. Wool makes up 90 percent of the value of all Australian exports to this country. The effect of the con-

ferrees' action; if enacted into law, must be to push Australia and New Zealand more definitely into an empire-preference system, and away from freer trade with the United States.

3. To sabotage the reciprocal-trade program and the negotiations at Geneva with 16 other nations. To lead the world back toward protectionism, bilateralism, and economic isolationism.

4. To set an example in price control and in increased governmental barriers at a time when it is vitally necessary in the interests of this country to try to get Europe back to a system of freedom of trade and enterprise if world economic revival is to be made possible.

All this is being done by men who have repeatedly protested against governmental economic controls and declared their devotion to free enterprise.

[From the Washington Evening Star]

#### A BAD BILL

At a time when foreign nations are critically in need of dollars to buy things from us, nothing could seem more unrealistic than the Senate-House conference agreement on the tariff-boosting features of the wool support bill. Nor could anything be better calculated to wreck the American led international meeting at Geneva to work out a program for freer world trade.

As far as the dollar shortage abroad is concerned, this bill would have the effect of intensifying it. Wool represents about 95 percent of Australia's dutiable exports to us, and it is an important part of our trade with New Zealand and South Africa. In moving now to subject it to a tariff that could run 50 percent higher than the present high rate of 34 cents a pound, the Senate-House conferees have in effect moved to make more difficult than ever the effort of vital segments of the British Commonwealth to acquire the wherewithal they must have to pay for all the imports they need from us. This seems little short of folly, especially when related to the fact that one of the most serious problems of our time—in terms both of our own prosperity and the recovery of the world—is the lack of dollars in foreign lands.

From the long-range viewpoint, moreover, the effect of this measure on the objectives of the Geneva conference could be disheartening in the extreme. The United States has been seeking to spread the doctrine of reciprocal trade as one of the essentials of a sound peace—a doctrine aimed at a mutual lowering of friction-breeding tariff barriers in an ever-expanding area. Without such a program, as our Government leaders have said over and over again to the world, we can have only economic warfare, which in turn can sow the seeds of armed conflict. Wool is a symbol of our sincerity in this respect; if we now move to increase the duty on it, our fine words will have a hollow and mocking ring at Geneva, and other nations, fearing the beginning of a congressional assault on our past reciprocity policy, will have good reason to accuse us of saying one thing and doing the exact opposite.

The wool-support bill can be attacked on other grounds besides these, but its implications as regards dollars and reciprocity are enough to make clear that it ought not to be enacted in its present form. If Congress as a whole adopts the Senate-House conference version, then the President will be justified in vetoing it. It simply cannot be reconciled with the role the United States must play in an economically sick world.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an editorial from the New York Times and one from the Washington Star.

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

There was no objection.

Mr. HOPE. Mr. Speaker, I yield such time as he may desire to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Speaker, the adoption of this conference report is exceedingly important to the economy of the West and to my State in particular.

Mr. Speaker, with all the hue and cry that has been raised about wool legislation, one might think that it contained some new and radical departure from established practices. A careful examination of the legislation reported by the conference committee shows that the opposite is true. There is only one provision in the bill that authorizes the President or his agents to do anything they are not already doing or have done with respect to wool and certain other commodities.

Most of the clamor in the press has concerned itself with the provision of this bill which permits the President, if he deems it wise and necessary, to raise the tariff as much as 50 percent of the value of imported wool or wool articles, or to establish import quotas. This action is not mandatory, but is optional if the President thinks that imports are imposing an unwarranted burden on our Treasury by their interference with the operation of the other provisions of the bill which set a price for wool and a domestic program to support the price. The President already has authority to raise duties on a long list of commodities, and he has exercised that authority. The price and support program has been in effect before this time for wool, and is in effect now for many other agriculture commodities. There is nothing new, no departure from long established precedent, in either of these provisions of the legislation.

The new provision is the authorization which is given the Commodity Credit Corporation to dispose of its wool holdings at a price less than parity in competition with other wools.

All of us have read and heard lengthy discussions of this legislation in which it has been said that the wool bill would break down our hopes of a profitable international trade by ending wool shipments from the British dominions. It is said that Australia has nothing to ship us but wool; that with passage of this legislation she will no longer be able to ship wool to us, and the resulting breakdown in trade will hamper our efforts to build world peace. These are most irresponsible statements. From them one might come to think that it was our duty to buy all of the wool Australia and New Zealand can produce, and that failure to do so will mean disaster. Nothing could be more foolish.

In the first place, Australia and the other wool-producing countries will continue to ship wool to us, no matter what we do with our tariffs. At the present time we produce less than one-third of the wool we consume. It is not expected that we will ever produce more than one-

half of our requirements. We will always need sizable imports of wool to supply the balance of our consumption. Wool will continue to come to this country, and we will continue to trade with Australia, regardless of the action taken on this legislation.

In the second place, for the same reasons, our imports of foreign wool will never be as large as the exporting countries might desire. Our ability to use foreign wool is strictly limited, and nothing that we do in this legislation will greatly alter the consumption of wool or the amount of foreign wool which we can use. In normal times we use about a half billion pounds of wool per year. Last year, because of pent-up wartime demand, we used nearly 1,000,000,000 pounds. We are not expected to maintain that rate of consumption this year.

Of course, we can, if we wish, let the wool industry of this country go out of existence, and we can become completely dependent upon foreign wool. The folly of such a procedure in the event of war is terrible to consider. During the last war we were very fortunate that we could keep open the supply lines to Australia, although for a time it appeared that they might be cut almost at will. I need only remind you that one of the principal causes of the defeat of the German drive at Stalingrad was the fact that Germany had not sufficient wool clothing to keep its army functioning in the severe Russian winter. Can we allow our domestic source of wool to disappear at a time when the next war, if there should be one, might well be fought across the Arctic regions?

It would be equally foolish so far as peacetime conditions are concerned to let this domestic industry wither. Some opponents of this measure are concerned with the possibility of a small increase in the price of woolen articles as a result of this bill. Whether there would be such an increase is highly problematical. It certainly would not be significant. But consider, if you will, the price we might have to pay for wool if all our wool came from abroad. Needless to say, the British Empire wool cartel is not an altruistic organization. Let me call to your mind the situation which existed when we had to depend wholly upon imports of rubber. The British and Dutch combined and pushed the price of rubber up out of all reason. It was only with the greatest of difficulty that we were able to extricate ourselves from that position. The same thing can happen with the price of wool. We had a foretaste of it when production of American woolen garments was virtually strangled by OPA, and the imported woolen garments, shoddy as they were in many cases, sold at unbelievably high prices.

I would like to emphasize also that the price of wool has risen only 13 percent since September 15, 1941. Compare this, if you will, with other commodities. Under the plan envisioned in this bill, it is not intended to raise the price of wool above the present level, but to maintain it at that level so that the producer in this country may continue to exist. You have been given adequate statistical information to prove that the wool grower is no profiteer.

This bill means a very great deal to the State of Montana. The wool industry is one of the most important in our State. Montana is vast in area, but many thousands of acres are suitable primarily or solely for grazing livestock. If the livestock industry declines, our entire economy, not only in Montana but throughout the West, declines with it. The wool industry is by no means the insignificant little industry that is portrayed by the press, the State Department, and the others who are all too ready to sacrifice it for their own purposes. Already in Montana our sheep population has declined from about 5,000,000 to 2,000,000 head, and our wool production from 38,000,000 to 20,000,000 pounds. Our annual income from wool has varied from \$15,500,000 to \$3,000,000.

In this connection I would like to bring home to you the fact that you are doing away with much more than one western industry if you let the sheep business collapse. You are setting a precedent whereby jobs in the handling, processing, and manufacture of wool and woolen garments are taken from this country and transported to other countries. Such a precedent would bring disaster to a great many industries if it is carried to its logical conclusions.

The decline of the wool industry, the facts that have been brought out in our debate on this legislation, demonstrate better than anything I can call to mind the effect of the reciprocal trade agreements upon our economy. We have seen what can happen, not only to the producers of the raw material, but also to the workers in our cities who are engaged in the many steps of processing and manufacturing which turn the raw wool into the finished product, and deliver it to the ultimate consumer. The jobs of all these people, jobs that we can do efficiently in this country, will be exported if we follow the precedent advocated by those who would sacrifice our American wool industry to the interests of foreign producers.

The wool industry, if it is to survive, must have a firm program for the future. We require not only the actual support given in this legislation, but in addition the moral support which comes from the knowledge that we are interested in providing a helping hand to the industry. For these reasons, I hope that the conference report on the wool bill will pass this House with a large majority today.

(Mr. D'EWART asked and was given permission to revise and extend his remarks.)

Mr. HOPE. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, there appears to be a great deal of shadow-boxing going on in connection with this bill, both on the floor and through the press of this country. This is not a tariff bill. The legislation does not fix any tariff rates one way or the other. In simple language all that the bill proposes is to place wool under section 22 of the Agricultural Adjustment Act, with all other farm commodities, and to vest in the President discretionary power to impose import quotas or an import fee on wool in the event he deems

such action advisable after finding that excessive importation of wool is interfering with a governmental program. This authority which he now possesses for all other commodities, is discretionary power in his hands.

The main issue involved in the controversial provisions of the wool bill is whether or not the President intends to exercise the authority conferred upon him by this bill. The Tariff Act of 1930 gives him the same authority which he has refused to exercise up to the present moment. Should the President find that the placing of a quota or import fee on wool is contrary to his foreign-trade policy, I am satisfied that he has no intention whatsoever of exercising the authority conferred upon him in section 22.

The gentleman from Georgia mentioned what the President had failed to do in the case of potatoes. Potatoes and other vegetables are amongst the products placed in section 22 more than 10 years ago by the Congress. At the present time there is a vital need for a quota or import fee on potatoes, but the President has elected not to exercise his discretionary power in this respect, and therefore, between four and five million bushels of potatoes have been imported from Canada during the past 7 months. Such a policy is being pursued by the President at a time when the Government has spent around \$85,000,000 to support the price of potatoes produced in this country. During the past 6 weeks representatives of the Department of Agriculture have been pouring kerosene on thousands of bushels of new potatoes in the southern States to destroy them in order to carry out the price-support program. This indefensible action has created a scarcity of potatoes which attracted imports of potatoes from Canada, but the President did not act or use the authority conferred upon him by section 22 to stop the injurious effect that imported potatoes were having on the Government's price-support program.

Since no additional authority is conferred upon the President by placing wool under section 22, we can only assume that he will treat wool in the same manner as he has potatoes, but not using his discretionary power to either place wool under a quota or import fee for the remainder of the 2-year period. It is clearly within his discretion to act as he sees fit.

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

Mr. AUGUST H. ANDRESEN. I am sorry; my time is limited.

The letter to which our former Speaker referred as coming from the great Secretary of State, Mr. Hull, was written before this conference report was agreed to and presented to the House. The letter from Mr. Marshall came before the conference report was agreed to.

Mr. Clayton appeared before the conference committee and begged the committee not to include wool under section 22. He did not say that he came home from Geneva because of the House bill. As a matter of fact, he came home because he was not feeling well or for some other purpose. We might as well be honest about this matter. I do not think this is any secret. He said to the

conference committee that he had been in the hospital and was having a rest. He stated further that he just got up out of his bed to come before the conference committee a day or so before we acted.

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

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does the gentleman state to this House that Mr. Clayton stated to the conference committee he came home because he was sick? As a matter of fact he has stated every time that he came home on account of this bill.

Mr. AUGUST H. ANDRESEN. He said he was sick, and he did not state that the conference broke up on account of the wool bill. Now, let me explain about the conference at Geneva. The Geneva conference was not broken up as a result of the House wool bill, because even to the way when Mr. Clayton came before the conference committee, the conference was in session and the various committees are in session at Geneva negotiating trade agreements. When I asked Mr. Clayton if he proposed to cut the duty on wool he said he did not know because he had not discussed it with the President. When I asked him if he was going to cut the duty on butter, cheese, or any other item, he stated "that this was highly confidential" which he could not even discuss with the Members of Congress on the conference committee. It would be much better for Congress and the American people to learn the facts, rather than to be used as poker chips in an international poker game.

Mr. Clayton and his associates are dealing with the rights of the American people, and Members of Congress are entitled to receive honest answers to important questions dealing with such rights. It looks to me as though they are dealing away the rights of American workers and American farmers. What are we here for? We are here to legislate in the interests of the American people. If we are going to protect the economy of this country and the future of American workers and farmers, yes, even our American way of life, we had better find out what is being done at the Geneva Conference. Furthermore, it should be the duty of officials in the executive branch of the Government to be honest with the American people.

I believe that I have fully discussed the controversial provisions of the wool bill. The balance of the bill provides for the disposal of around 460,000,000 pounds of Government-owned wool, which was purchased by the Government during the war as a strategic material, in competition with imported wool. The British wool cartel or syndicate controls approximately 80 percent of all of the wool produced in the world. The reason that our Government has not been able to dispose of its domestic wool is due to the fact that the British syndicate has undersold foreign wool in our domestic market at a price below parity. The bill places the Government in a position to dispose of its wool in competition with British wool, and the Treasury will stand the loss. This loss will no doubt exceed \$50,000,000, and it is not a

subsidy to wool growers, because the Government is the owner of the wool. The bill also proposes the continuation of the present price support program for wool for 1947 and 1948 in accordance with the provisions of the Steagall amendment which assures a support price for all farm products until December 31, 1948.

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

Mr. HOPE. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

[Mr. MURRAY of Wisconsin addressed the House. His remarks will appear hereafter in the Appendix.]

[Mr. HILL addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HOPE. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Speaker, in the minds of some people it is high treason to protect agriculture and the American farmer. It is about time we are protecting the American wool industry or there will not be any such industry to protect in the years to come. Our sheep industry is now being reduced at the rate of approximately 4,000,000 head a year. Statistics show that in 1943 we had approximately 49,000,000 head; 45,000,000 in 1944; 41,000,000 in 1945; 37,000,000 in 1946 and 32,000,000 in 1947. Thus we have had a reduction of approximately 17,000,000 head in the past 5 years. At this rate it is very apparent that in about 10 years from now there will be very few sheep left in this country. Perhaps we should take time to stop, look and listen before it is too late. The conference report should be adopted.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOPE. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Speaker, I earnestly hope that this conference report will be adopted. The tariff issue has been stressed far out of proportion to its importance as it applies to this measure. I am one of those who has confidence that, before he invokes the provisions of section 22 in defense of the wool program, the President of the United States will use good, sound judgment and discretion. With respect to the making of section 22 of the AAA law apply to wool, we seek only to apply to wool the same identical treatment that for the past 12 years has been accorded to some 20 or 30 agricultural products.

(Mr. FISHER asked and was given permission to revise and extend his remarks.)

(Mr. HOPE asked and was given permission to revise and extend his remarks.)

The SPEAKER. All time has expired. The question is on the conference report.

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

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. RAYBURN. I am, Mr. Speaker.

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

The Clerk read as follows:

Mr. RAYBURN moves to recommit the conference report on the bill S. 814 to the committee of conference.

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

The previous question was ordered.

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

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 166, nays 191, not voting 72, as follows:

[Roll No. 81]

YEAS—166

Albert	Gore	Norton
Andrews, Ala.	Gorski	O'Brien
Andrews, N. Y.	Grant, Ala.	O'Toole
Auchincloss	Gregory	Patterson
Bakewell	Hale	Peden
Bates, Ky.	Hardy	Peterson
Bates, Mass.	Harris	Pickett
Battle	Harrison	Plumley
Beckworth	Hart	Poage
Blatnik	Havenner	Potts
Bloom	Hays	Price, Fla.
Bonner	Heffernan	Price, Ill.
Brooks	Hendricks	Priest
Bryson	Herter	Rabin
Buchanan	Heselton	Rains
Buck	Holfield	Ramey
Buckley	Huber	Rankin
Bulwinkle	Jackson, Wash.	Rayburn
Burke	Jarman	Rayfield
Byrne, N. Y.	Javits	Redden
Canfield	Johnson, Okla.	Richards
Cannon	Johnson, Tex.	Riley
Carroll	Jones, Ala.	Rivers
Case, N. J.	Judd	Rogers, Fla.
Celler	Karsten, Mo.	Rogers, Mass.
Chadwick	Kean	Rooney
Church	Keating	Sabath
Clason	Kee	Sadlak
Colmer	Keogh	Sadowski
Cooley	Kerr	Sasscer
Cooper	King	Scott,
Corbett	Kirwan	Hugh D., Jr.
Cotton	Klein	Seely-Brown
Courtney	Lane	Sheppard
Cox	Lanham	Sikes
Davis, Tenn.	Lesinski	Smathers
Deane	Lodge	Smith, Maine
Delaney	Lusk	Smith, Va.
Devitt	Lyle	Spence
Dingell	Lynch	Stigler
Donohue	McConnell	Sundstrom
Doughton	McCormack	Taylor
Douglas	McMillan, S. C.	Thomas, N. J.
Durham	MacKinnon	Thomas, Tex.
Eberharter	Madden	Thomason
Evins	Manasco	Tollefson
Fallon	Marcantonio	Towe
Feighan	Meade, Md.	Trimble
Fogarty	Merrow	Walter
Folger	Miller, Calif.	Whittington
Foot	Miller, Conn.	Wigglesworth
Forand	Mills	Wilson, Tex.
Fulton	Monroney	Wolverton
Gary	Morgan	Wood
Goodwin	Morris	Zimmerman
Gordon	Morton	

NAYS—191

Abernethy	Bender	Chenoweth
Allen, Calif.	Bennett, Mich.	Chiperfield
Allen, Ill.	Bennett, Mo.	Clevenger
Allen, La.	Blackney	Clippinger
Almond	Bradley	Coffin
Andersen,	Bramblett	Cole, Kans.
H. Carl	Brehm	Cole, Mo.
Anderson, Calif.	Brophy	Cole, N. Y.
Andresen,	Brown, Ga.	Cravens
August H.	Brown, Ohio	Crawford
Angell	Buffett	Crow
Arends	Burleson	Cunningham
Arnold	Byrnes, Wis.	Curtis
Banta	Camp	Dague
Barrett	Carson	Davis, Ga.
Beall	Case, S. Dak.	Davis, Wis.

Dawson, Utah	Jackson, Calif.	Passman
D'Ewart	Jenlson	Phillips, Calif.
Dirksen	Jenkins, Ohio	Phillips, Tenn.
Dolliver	Jennings	Ploeser
Domengeaux	Jensen	Poulson
Dondero	Johnson, Calif.	Preston
Dorn	Johnson, Ill.	Reed, Ill.
Drewry	Johnson, Ind.	Reed, N. Y.
Elliott	Jones, Ohio	Rees
Ellis	Jonkman	Reeves
E'ston	Keefe	Riehlman
Engel, Mich.	Kliday	Rizley
Engle, Calif.	Kunkel	Robertson
Fellows	Landis	Robson
Fenton	Larcade	Rockwell
Fernandez	Latham	Rohrbough
Fisher	Lea	Ross
Flannagan	LeCompte	Russell
Fletcher	Lemke	Sanborn
Gathings	Lewis	Schwabe, Mo.
Gavin	Love	Schwabe, Okla.
Gearhart	McCowen	Scott, Hardie
Gillette	McDonough	Scrivner
Gillie	McGarvey	Short
Goff	McGregor	Simpson, Ill.
Gossett	McMillen, Ill.	Simpson, Pa.
Graham	Macy	Smith, Kans.
Granger	Mahon	Smith, Wis.
Grant, Ind.	Mansfield,	Snyder
Griffiths	Mont.	Springer
Gross	Martin, Iowa	Stefan
Gwynne, Iowa	Mason	Stevenson
Hagen	Meyer	Stratton
Hall,	Michener	Taber
Leonard W.	Miller, Md.	Talle
Halleck	Miller, Nebr.	Teague
Harless, Ariz.	Mitchell	Tibbott
Harness, Ind.	Morrison	Twyman
Hedrick	Muhlenberg	Vail
Hess	Mundt	Van Zandt
Hill	Murdock	Vorys
Hinshaw	Murray, Tenn.	Vursell
Hobbs	Murray, Wis.	Welchel
Hoeven	Nixon	Wheeler
Holmes	Norblad	Whitten
Hope	O'Hara	Wilson, Ind.
Horan	O'Konski	Woodruff
Howell	Owens	Worley
Hull	Pace	Youngblood

## NOT VOTING—72

Barden	Gwinn, N. Y.	Meade, Ky.
Bell	Hall,	Nodar
Bishop	Edwin Arthur	Norrell
Bland	Hand	Patman
Boggs, Del.	Hartley	Pfeifer
Boggs, La.	Hébert	Philbin
Bolton	Hoffman	Powell
Boykin	Jenkins, Pa.	Rich
Busbey	Jones, N. C.	St. George
Butler	Jones, Wash.	Sarbacher
Chapman	Kearney	Scoblick
Chelf	Kearns	Shafer
Clark	Kefauver	Smith, Ohio
Clements	Kelley	Somers
Combs	Kennedy	Stanley
Coudert	Kersten, Wis.	Stockman
Crosser	Kilburn	Vinson
Dawson, Ill.	Knutson	Wadsworth
Eaton	LeFevre	Welch
Ellsworth	Lucas	West
Elsaesser	McDowell	Williams
Fuller	McMahon	Winstead
Gallagher	Maloney	Wolcott
Gamble	Mansfield, Tex.	
Gifford	Mathews	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Boggs of Louisiana for, with Mr. Williams against.

Mr. Chapman for, with Mr. LeFevre against.

Mr. Philbin for, with Mr. Busbey against.

Mr. Kennedy for, with Mr. Gwinn of New York against.

Mr. McDowell for, with Mr. Bishop against.

Additional general pairs:

Mr. Hartley with Mr. Kelley.

Mr. Eaton with Mr. Winstead.

Mr. Hand with Mr. Powell.

Mr. Gamble with Mr. Mansfield of Texas.

Mr. Nodar with Mr. Combs.

Mr. Mathews with Mr. Barden.

Mr. Kearney with Mr. Norrell.

Mr. Hoffman with Mr. Lucas.

Mr. Boggs of Delaware with Mr. Chelf.

Mr. Ellsworth with Mr. Bell.

Mr. Coudert with Mr. Dawson of Illinois.  
Mr. Smith of Ohio with Mr. Patman.  
Mr. Meade of Kentucky with Mr. Clark.  
Mr. McMahon with Mr. Pfeifer.  
Mr. Knutson with Mr. Somers.  
Mr. Jones of Washington with Mr. West.  
Mr. Edwin Arthur Hall with Mr. Crosser.  
Mr. Rich with Mr. Stanley.  
Mr. Sarbacher with Mr. Hébert.  
Mr. Shafer with Mr. Bland.  
Mrs. Bolton with Mr. Clements.  
Mr. Butler with Mr. Boykin.  
Mr. Elsaesser with Mr. Kefauver.

Mr. GEARHART, Mr. VAN ZANDT, Mr. OWENS, and Mr. COLE of Kansas changed their votes from "yea" to "nay."

Mrs. SMITH of Maine changed her vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

## EXTENSION OF REMARKS

Mr. DINGELL asked and was given permission to extend his remarks in the RECORD and include an excerpt from the Wall Street Journal.

Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend his remarks.

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

## SUBCOMMITTEE ON INDIAN AFFAIRS

Mr. D'EWART. Mr. Speaker, I ask unanimous consent that the Subcommittee on Indian Affairs may be permitted to sit tomorrow and Wednesday during general debate.

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

There was no objection.

## SPECIAL ORDER GRANTED

Mr. BENDER. Mr. Speaker, I ask unanimous consent that today following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

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

There was no objection.

## EXTENSION OF REMARKS

Mr. OWENS asked and was given permission to extend his remarks in the RECORD and include a news editorial.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include a newspaper article on postage rates.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and in each to include some printed material.

Mr. JOHNSON of Texas asked and was given permission to revise and extend his remarks.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD on the bill H. R. 3342, the unfinished business before the House, and to include some extraneous material.

## CALENDAR WEDNESDAY BUSINESS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the business in

order on Calendar Wednesday of this week be dispensed with.

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

There was no objection.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ELLIS, from June 20 to June 26, on account of official business.

## SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Louisiana [Mr. LARCADE] is recognized for 15 minutes.

Mr. LARCADE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain tables.

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

There was no objection.

[Mr. LARCADE addressed the House. His remarks appear in the Appendix of today's RECORD.]

## SPECIAL ORDER

The SPEAKER pro tempore (Mr. MUNDT). Under previous order of the House, the gentleman from Ohio [Mr. BENDER] is recognized for 15 minutes.

## AIR-LINE CRASHES

Mr. BENDER. Mr. Speaker, air crashes in the United States in the past 16 days have taken 145 lives. It is a grim and awful thing to contemplate that these crashes could have been prevented by the Civil Aeronautics Administration. Mr. Speaker, many hundreds of other innocent victims will be added to those already dead unless this House demands the necessary action from the Civil Aeronautics Administration.

The husband of my secretary, coming home to a family reunion after being in the field at work for the past 6 weeks, died in the crash of the Capital air liner in the Blue Ridge Mountains on Friday. The young daughter of one of my closest friends was on her way to Washington and died in that crash. In the past two and a half weeks more than a score of Clevelanders have been killed in commercial air line crashes.

Mr. Speaker, the time is long past for this House to take action and I propose that we take action. Today I am introducing a joint resolution which instructs the Civil Aeronautics Administration to require immediately the installation of radar altimeter equipment in all licensed commercial aircraft. This joint resolution also instructs the Civil Aeronautics Administration to require immediately the installation of ground control approach equipment at all airports from which commercial aircraft are licensed to operate. My resolution, Mr. Speaker, also requires that the Civil Aeronautics Administration immediately order the establishment of omnidirectional system of radio beams on all commercial airways. In addition, the resolution calls for a prompt report from the Civil Aeronautics Administration on their safety regulation service.

Mr. Speaker, I urge that the House take prompt action on this resolution,





# DIGEST OF CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

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**HIGHLIGHTS:** Senate debated conference report on wool bill; to vote today at 2:30. Senate passed bill to permit carriers to make agreements on transportation charges with ICC approval. House passed independent offices appropriation bill. House disapproved President's reorganization plan 3 regarding housing. House received USDA's proposal to repeal various provisions regarding minimum tobacco allotments.

## SENATE

1. **WOOL-PRICE SUPPORTS.** Received and debated the conference report on S. 814, the wool bill (pp. 7334-44, 7363-4). Agreed to vote on the report at 2:30 today. For provisions of amended bill, see Digest 113. Sen. Aiken, Vt., inserted excerpts from Mr. Dodd's testimony, and a recent letter from him; regarding the proposal to make Sec. 22 of the AAA Act applicable to wool (pp. 7339-40). Sen. Hatch, N. Mex., inserted the USDA Solicitor's opinion regarding applicability of the Sec. 22 provision in the conference committee's bill (p. 7342). The President pro tem ruled that the "conference report cannot be recommitted, because the House has accepted the report and the conferees have been discharged" and, as expressed by Sen. Saltonstall, Mass., that "the only thing that can be done with the conference report is either to vote it up or vote it down" (p. 7343).

2. **TRANSPORTATION.** Passed, 60-27, with amendments S. 110, amending the ICC Act regarding agreements between carriers (pp. 7345-63). The bill, as passed by the Senate, is printed on pp. 7362-3 of the Congressional Record. Rejected an amendment by Sen. Taylor, Idaho, to create a Federal Traffic Bureau and to transfer to it all departments' functions regarding contracts for Government traffic, routing of such traffic, representation of the U. S. in proceedings before administrative tribunals regarding such traffic, auditing transportation charges for Government shipments, and handling claims in connection with such shipments (same as H. R. 3307); however, the amendment was not debated in view of the time situation on the Senate floor (pp. 7361-2).

As passed by the Senate, S. 110 authorizes common carriers and freight forwarders to make agreements concerning transportation services and charges and practices related thereto, subject to approval by ICC but without being deemed in violation of the antitrust laws.

3. FLOOD CONTROL. Passed without amendment H. R. 3792, to authorize appropriation of \$15,000,000 to the War Department for emergency flood-control works (p. 7335). This bill will now be sent to the President.
4. PURCHASING; REORGANIZATION. A subcommittee of the Labor and Public Welfare Committee voted to report adversely to the full committee H. Con. Res. 49, which would disapprove the President's Reorganization Plan 2. That plan would provide for Labor Department coordination of enforcement, by other departments, of several laws regarding wages and hours in connection with Federal contracts. (p. D397.)

HOUSE

5. INDEPENDENT OFFICES APPROPRIATION BILL, 1948. Passed with amendments this bill, H.R. 3839 (pp. 7373-400). There was considerable discussion as to actual amount of reduction in the President's budget by action on appropriation bills thus far. During the debate, Rep. Miller, Conn., spoke in favor of his bills to amend the Federal Power Act (pp. 7382-6).
6. REORGANIZATION; HOUSING. Agreed to H. Con. Res. 51, which disapproves the President's Reorganization Plan No. 3, concerning the reorganization of housing agencies (p. 7400).
7. AAAct: TOBACCO. Received from this Department proposed legislation to repeal the provision of the AAAct of 1938, as amended, relating to minimum farm acreage allotments and increases in small tobacco acreage allotments. To Agriculture Committee. (p. 7411.)
8. MEAT PRICES. Rep. Celler, N.Y., urged the Agriculture Committee to investigate the recent increase in meat prices (p. 7371).
9. FARM LOAN ASSOCIATIONS; SOCIAL SECURITY. At the request of Rep. Hope, Kans., H.R. 2415, to cover employees of production credit associations and national farm loan associations under the Social Security Act, was rereferred from the Agriculture Committee to the Ways and Means Committee (p. 7411).
10. EXPERIMENT STATIONS. Received from the Missouri Agricultural Experiment Station staff and the faculty of the Missouri College of Agriculture a petition not only "to restore the publication of the Experiment Station Record but to enlarge its scope and usefulness" (p. 7412).
11. APPROPRIATIONS. Received from the President (June 16) a supplemental appropriation estimate of \$90,000 to complete liquidation of the Office of Scientific Research and Development (H. Doc. 328).  
Received from the President (June 16) a supplemental appropriation estimate of \$73,361,000 for U.S. participation in the International Refugee Organization (H. Doc. 327).

BILLS INTRODUCED

12. APPROPRIATIONS. S. Res. 129, by Sen. Bridges, W.H., to authorize \$25,000 for the Appropriations Committee to conduct investigations. To Appropriations Committee. (p. 7333.)
13. TAXATION; DAIRY INDUSTRY. H.R. 3884, by Rep. Carson, Ohio, to provide for including dairy cattle owned by a taxpayer conducting a dairy farm as "property used in the trade or business" within the meaning of the Internal Revenue Code.



By Mr. LANGER:

S. 1473. A bill for the relief of Paul Knauer; to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 1474. A bill for the relief of Annie Blackmon; to the Committee on the Judiciary.

By Mr. BUTLER:

S. J. Res. 130. Joint resolution establishing a code for health and safety in bituminous-coal and lignite mines of the United States the products of which regularly enter commerce or the operations of which substantially affect commerce; to the Committee on Public Lands.

By Mr. MARTIN:

S. J. Res. 131. Joint resolution providing for the representation of the Government and people of the United States in the observance of the two-hundredth anniversary of the founding of the city of Reading, Pa.; to the Committee on the Judiciary.

#### EMPLOYMENT OF TEMPORARY ASSISTANTS, ETC., BY COMMITTEE ON APPROPRIATIONS

Mr. BRIDGES submitted the following resolution (S. Res. 129), which was referred to the Committee on Appropriations:

*Resolved*, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, the Committee on Appropriations, or any duly authorized subcommittee thereof, is authorized to make such expenditures, and to employ upon a temporary basis such investigators, and such technical, clerical, and other assistants, as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed \$25,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee on Appropriations.

#### DISTRICT SCHOOL TEACHERS' SALARIES—AMENDMENTS

Mr. JOHNSTON of South Carolina (for himself, Mr. CAPPER, Mr. COOPER, Mr. HOLLAND, Mr. McGRATH, Mr. SPARKMAN, and Mr. UMSTEAD) submitted amendments intended to be proposed by them, jointly, to the bill (H. R. 3611) to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia, and for other purposes, which were ordered to lie on the table and to be printed.

#### HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H. R. 379. An act for the relief of Kuo Yu Cheng;

H. R. 431. An act for the relief of the Columbia Hospital of Richland County, S. C.;

H. R. 553. An act for the relief of Arsenio Acacio Lewis;

H. R. 645. An act for the relief of Ben W. Colburn;

H. R. 649. An act for the relief of Antonio Belaustegui;

H. R. 710. An act for the relief of Fritz Hallquist;

H. R. 988. An act to confer jurisdiction upon the District Court of the United States for the Western District of Kentucky to hear, determine, and render judgment upon the claims of certain property owners adjacent to Fort Knox, Ky.;

H. R. 1162. An act for the relief of Persis M. Nichols;

H. R. 1493. An act for the relief of Anna Malama Mark;

H. R. 1508. An act for the relief of Mrs. Luia Wilson Nevers;

H. R. 1652. An act to provide for the naturalization of certain United States Army personnel—Yugoslav fliers;

H. R. 1737. An act for the relief of Owen R. Brewster;

H. R. 1800. An act for the relief of David Hickey Post, No. 235, of the American Legion;

H. R. 2056. An act for the relief of J. C. Bateman;

H. R. 2306. An act for the relief of Myrtle Ruth Osborne, Marion Waits, and Jessie A. Waits;

H. R. 2399. An act for the relief of Joseph W. Beyer;

H. R. 2434. An act for the relief of Ruth A. Hairston; and

H. R. 2607. An act for the relief, of the legal guardian of George Wesley Hobbs, a minor; to the Committee on the Judiciary.

H. R. 1486. An act to authorize and direct the Secretary of the Interior to issue to Alice Scott White a patent in fee to certain land; and

H. R. 2151. An act authorizing the Secretary of the Interior to issue a patent in fee to Erle E. Howe; to the Committee on Public Lands.

H. R. 1845. An act to amend existing laws relating to military leave of certain employees of the United States or of the District of Columbia so as to equalize rights to leave of absence and reemployment for such employees who are members of the Enlisted or Officers' Reserve Corps, the National Guard, or the Naval Reserve, and for other purposes; and

H. R. 3484. An act to transfer the Remount Service from the War Department to the Department of Agriculture; to the Committee on Armed Services.

H. R. 3511. An act to extend the provisions of section 1 (e) of the Civil Service Retirement Act of May 29, 1930, as amended, until June 30, 1948; to the Committee on Civil Service.

H. J. Res. 193. Joint resolution to grant authority for the erection of a permanent building for the American National Red Cross, District of Columbia Chapter, Washington, D. C.; to the Committee on Foreign Relations.

#### COMMITTEE MEETINGS DURING SENATE SESSION

Mr. AIKEN. Mr. President, I ask unanimous consent that the subcommittee of the Committee on Labor and Public Welfare considering the antidiscrimination bill may sit during the session of the Senate today.

I also ask consent that the Committee on Agriculture and Forestry may sit at 2 o'clock today for the purpose of hearing witnesses who have to leave town, who were supposed to testify this morning.

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

Mr. FERGUSON. Mr. President, I ask unanimous consent to be permitted to hold a surplus-property hearing this afternoon while the Senate is in session.

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

#### TRIBUTE TO THE LATE THOMAS BUTLER PEARCE, OF SOUTH CAROLINA

Mr. MAYBANK. Mr. President, yesterday I had printed in the Appendix of the RECORD a tribute to the memory of Hon. Thomas Butler Pearce, former chairman of the Democratic Party of South Carolina. In connection with the printing of the tribute it was stated that

it was prepared under the direction of the South Carolina Research Planning and Development Board. I neglected to state that the author of the very fine tribute to Mr. Pearce was a former Member of this body, Senator Wilton Hall, of South Carolina. I ask that in the permanent RECORD, following the words "of which Mr. Pearce was chairman," there be inserted the words "and was edited and prepared by former Senator Wilton Hall, of South Carolina."

The PRESIDENT pro tempore. Without objection, the change may be made.

#### HENRY WALLACE AND THE SOUTHERN CONFERENCE FOR HUMAN WELFARE—EDITORIAL FROM NASHVILLE BANNER

[Mr. STEWART asked and obtained leave to have printed in the RECORD an editorial entitled "Henry and the SCHW," published in the Nashville Banner of June 13, 1947, which appears in the Appendix.]

#### TAX REDUCTION—EDITORIAL FROM THE WASHINGTON NEWS

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial regarding tax reduction from the Washington News of June 18, 1947, which appears in the Appendix.]

#### WHEN A RIVER'S FLOODS ARE COUNTED UP—EDITORIAL FROM ARKANSAS GAZETTE

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an editorial entitled "When a River's Floods Are Counted Up," published in the Arkansas Gazette of June 12, 1947, which appears in the Appendix.]

#### EXCHANGE STUDENTS—EDITORIAL FROM HARTFORD (CONN.) COURANT

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an editorial entitled "Exchange Students," published in the Hartford (Conn.) Courant of June 13, 1947, which appears in the Appendix.]

#### NO TAX RELIEF—EDITORIAL FROM PITTSBURGH POST-GAZETTE

[Mr. MYERS asked and obtained leave to have printed in the RECORD an editorial entitled "No Tax Relief," published in the Pittsburgh Post-Gazette of June 17, 1947, which appears in the Appendix.]

#### COURTS MARTIAL IN GERMANY

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD three letters from soldiers in Germany relative to court-martial proceedings there, which appear in the Appendix.]

#### REPORT OF JUDGE OF JUVENILE COURT OF THE DISTRICT OF COLUMBIA

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on the District of Columbia.

(For President's message, see today's proceedings of the House of Representatives on p. 7400.)

#### AMENDMENT OF INTERSTATE COMMERCE ACT WITH RESPECT TO CERTAIN AGREEMENTS BETWEEN CARRIERS

The Senate resumed the consideration of the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers.

The PRESIDENT pro tempore. Senate bill 110, the unfinished business, is

before the Senate, and under the unanimous consent agreement entered into heretofore a vote on that bill is to be taken at 4 o'clock this afternoon, the time from 2 o'clock onward to be equally divided between the proponents and the opponents.

Mr. REED. Mr. President, the Senator from Wyoming [Mr. O'MAHONEY] offered several amendments to Senate bill 110, which is the unfinished business and will come before the Senate at 2 o'clock, or after the conference report on the so-called wool-support bill has been disposed of. I have discussed the amendments with the Senator from Wyoming, and on behalf of the committee which reported the bill, I will accept a part of them.

In order to simplify matters on the floor, I ask unanimous consent that I may have a print of a bill including the amendments which I am willing to accept. I ask unanimous consent that such a print be made, and lie upon the table.

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

#### PRICE-SUPPORT PROGRAM FOR WOOL— CONFERENCE REPORT

Mr. WHERRY. I inquire if any arrangement has been made regarding the conference report on the so-called wool-support bill.

The PRESIDENT pro tempore. Conference reports are in order at any time.

Mr. AIKEN. Mr. President—

Mr. WHERRY. I am very glad to yield to the Senator from Vermont.

Mr. AIKEN. If the Senator from Vermont has recognition, at this time I wish to submit the conference report on Senate bill 814, which is the so-called wool-support bill.

I understand, however, that beginning at 2 o'clock, the time on the unfinished business, Senate bill 110, is to be equally divided until a vote is taken on that measure at 4 o'clock; so if the conference report on the wool support bill is still before the Senate at that time its consideration will have to be suspended until after action on the so-called Bulwinkle bill.

The PRESIDENT pro tempore. The Senator from Vermont is correct.

Does the Senator from Vermont submit the conference report?

Mr. AIKEN. Yes; I submit the conference report, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The conference report will be read.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 814) to provide support for wool, 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, 2, and 3, and agree to the same.

Amendment numbered 4: That the Senate recede from its disagreement to the amendment of the House numbered 4, and agree to the same with an amendment, as follows: On page 3 of the House engrossed amendments, beginning with the word

"That" in line 16, strike out through and including the period in line 18, and insert in lieu thereof the following: "That no proclamation under this section with respect to wool shall be enforced in contravention of any treaty or international agreement to which the United States is now a party."

And the House agree to the same.

GEORGE D. AIKEN,  
MILTON R. YOUNG,  
ELMER THOMAS,  
HARLAN J. BUSHFIELD,  
ALLEN J. ELLENDER,

Managers on the Part of the Senate.

CLIFFORD R. HOPE,  
AUG. H. ANDRESEN,  
ANTON J. JOHNSON,  
WILLIAM S. HILL,  
STEPHEN PACE,

Managers on the Part of the House.

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

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

Mr. WHERRY. Mr. President, since the Senate is about to consider the conference report on the so-called wool-support bill, I suggest the absence of a quorum.

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

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

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

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

The Senator from Massachusetts [Mr. LODGE] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from Oklahoma [Mr. THOMAS] is absent by leave of the Senate.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

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

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

The question is on agreeing to the conference report on Senate bill 814.

Mr. AIKEN obtained the floor.

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

Mr. AIKEN. For what purpose?

Mr. TYDINGS. I wish to inquire of the Senator from Vermont whether he desires to hold the floor for any considerable length of time?

Mr. AIKEN. I intend to hold it only long enough to explain the conference report on the so-called wool-support bill.

Mr. TYDINGS. My reason for making the inquiry is that yesterday a few misstatements were made about the postmaster resolution as it affects Maryland. I should like an opportunity early in the session, if possible, to state the true facts.

Mr. AIKEN. I hope that the conference report on the wool-support bill may be disposed of before the consideration of the Bulwinkle bill is resumed. For that reason, I should rather not yield at this time. I am sure the Senator's remarks will be just as applicable at some other time as they are right now.

#### EMERGENCY FLOOD RELIEF

Mr. REVERCOMB. Mr. President, I should like to ask unanimous consent at this time to lay aside temporarily the pending business and take up the emergency flood-relief bill. I do so because it is really an emergency measure. It was placed upon the calendar only yesterday. Many thousands of people are homeless, I might say, and more than a million acres have been inundated by recent floods. Money is needed immediately to cope with this emergency and to provide for emergency flood-control work I think the bill will not cause much debate. So I ask the Senator from Vermont to yield if he will for that purpose.

Mr. AIKEN. Does the Senator intend to ask that the conference report on the wool-support bill be laid aside?

Mr. REVERCOMB. I was going to ask unanimous consent that the conference report be temporarily laid aside.

Mr. AIKEN. I do not think that would be advisable inasmuch as we hope to dispose of the report within a very short time. The wool bill itself deals with an emergency matter for a million or more wool growers of this country. I believe we should give all relief we can or should to the sufferers from the floods, but the conference report on the wool bill deals with a subject which has been before Congress so long that it seems to me if action is going to do any good at all, it must be taken immediately.

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

Mr. AIKEN. I yield for a brief observation.

Mr. HICKENLOOPER. I can say that in my section we are tremendously interested in the proposed emergency flood control appropriation. I know of no objection to it. Such action has been taken before in similar situations. The entire southeastern section of my State has been subject in the last 2 weeks to three unprecedented floods in three of our large rivers. A good many counties are being evacuated. Farm lands in Iowa which have never before been covered by flood waters are now completely ruined. There is no money, as I understand, in the hands of the Army engi-

neers for the immediate repair of levees and of other installations which would stop further devastation.

I call the attention of the Senator from Vermont to the fact that yesterday there occurred over this territory another 4- to 5-inch rain, which will perhaps bring up a fourth crest of record height. I have been on the telephone almost constantly for the past 3 or 4 days in consultation with persons in these devastated areas. I know that in Illinois a similar situation prevails. I cannot too strongly impress upon the Senator from Vermont the vital need for having this emergency money placed in the hands of the Army engineers and the authorities in the flooded regions through the emergency legislation we propose to have acted upon now.

I will say, Mr. President, that if there is any objection to the bill, if it cannot be passed immediately, I would be in sympathy with the position taken by the Senator from Vermont. But I have the impression that there is no objection to the emergency appropriation, which is a matter of life and death literally, because by reason of the flood a number of lives have been lost in the State of Iowa, and countless millions of dollars in property and in top soil also have been lost. Prompt action on the measure will result in saving other property and top soil.

Mr. REVERCOMB. Mr. President, will the Senator from Vermont yield to me for a short statement?

Mr. AIKEN. Yes, I yield; but I should like to say both to the Senator from West Virginia and to the Senator from Iowa that if it appears that the discussion on the conference report on the wool bill is going to be long drawn out, then I shall be glad to have it temporarily set aside, but the conference report also deals with an emergency matter, an emergency affecting wool. There is now no wool-support program in effect. I understand that thousands of farmers in order to meet obligations, are being forced to dispose of their wool at a price far below the market price. It seems to me we can dispose of the conference report in a very short time.

Mr. President, my own State has been hard hit by floods, but I do not think delay in acting on the flood-control bill until 4 o'clock today, or perhaps 1:30 o'clock, would result in any great loss. I hope we can dispose of the conference report in a relatively short time. Further, I understand the bill proposed to be taken up by the Senator from West Virginia calls for an appropriation.

Mr. REVERCOMB. That is correct. I will say to the Senator that I do not believe there will be discussion of this emergency matter, once it is explained. I feel it can be disposed of within 10 minutes.

Mr. AIKEN. If I were sure that it would not take more than 10 minutes I would yield for that purpose, but so far as I know, I would have no control over the length of time that the discussion of the emergency flood-control measure might consume.

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

Mr. AIKEN. I yield.

Mr. BARKLEY. I might suggest to the Senator from Vermont that the conference report on the wool bill will involve some discussion. I doubt whether it would be concluded by the hour of 2 o'clock at which hour, I understand, time will begin to be divided on the so-called Bulwinkle bill.

Mr. AIKEN. That is correct.

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

Mr. AIKEN. I yield.

Mr. TAFT. I ask the Senator from West Virginia if it is proposed to take up House bill 3792, Calendar No. 294, just as it is, without amendment?

Mr. REVERCOMB. That is correct. There are no amendments to be made.

Mr. TAFT. Could we ascertain now whether any Senator is going to object to that bill? It is on the calendar. If not, it seems to me we might dispose of it in 5 minutes.

Mr. REVERCOMB. Yes; I think it can be disposed of in less time than that.

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from West Virginia for the purpose he has stated?

Mr. AIKEN. Mr. President, I yield to the Senator from West Virginia to make the motion he desires to make.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. The Senator from West Virginia does not propose to make a motion. He proposes to make a unanimous consent request for immediate consideration of the bill.

Mr. AIKEN. I thank the Senator from Nebraska for the correction, which makes the situation seem even better.

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from West Virginia for the indicated purpose?

Mr. AIKEN. I yield.

The PRESIDENT pro tempore. The Senator from West Virginia [Mr. REVERCOMB] asks unanimous consent that the pending business be temporarily laid aside for the purpose of considering House bill 3792, which the clerk will state by title.

The CHIEF CLERK. A bill (H. R. 3792) to provide for emergency flood-control work made necessary by recent floods, and for other purposes.

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

There being no objection, the bill (H. R. 3792) to provide for emergency flood-control work made necessary by recent floods, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the sum of \$15,000,000 is hereby authorized to be appropriated as an emergency fund to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers for the repair, restoration, and strengthening of levees and other flood-control works which have been threatened or destroyed by recent floods, or which may be threatened or destroyed by later floods: *Pro-*

*vided,* That pending the appropriation of said sum, the Secretary of War may allot, from existing flood-control appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, such appropriations to be reimbursed from the appropriation herein authorized when made: *Provided further,* That funds allotted under this authority shall not be diverted from the unobligated funds from the appropriation "Flood control, general," made available in War Department Civil Functions Appropriation Acts for specific purposes.

SEC. 2. The provisions of section 1 shall be deemed to be additional and supplemental to, and not in lieu of, existing general legislation authorizing allocation of flood-control funds for restoration of flood-control works threatened or destroyed by flood.

#### PRICE-SUPPORT PROGRAM FOR WOOL— CONFERENCE REPORT

The Senate resumed the consideration of the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 814) to provide support for wool, and for other purposes.

Mr. AIKEN. Mr. President, I should like to review very briefly indeed the events which led up to the conference report on the wool bill which is now before the Senate. As every Senator probably knows, when the war began the sheep growers of the United States were hit very hard. They were hit so hard that the number of sheep began to be reduced materially, and the Commodity Credit Corporation, in order to assure an adequate supply of wool, undertook to sustain the support price for wool, and it did so, at one time maintaining a support price of 118 percent of parity.

With the ending of the war, however, and with the President's proclamation of last January 1, which would end the support price on June 30 of this year, the sheep growers were left without any support whatsoever for the price of the wool which they are producing.

In the meantime, from the years 1942 to 1947 the number of sheep in this country dropped from 49,000,000 to approximately 32,500,000, and wool production dropped from approximately 455,000,000 pounds in 1942 to an estimated total of 310,000,000 pounds in 1947.

Congress has provided, through the Steagall amendment, for support prices for many other farm commodities, to run until December 31, 1948, but the wool growers were left high and dry, and there is every indication that there is going to be a still further decline in the production of wool below its present low level, unless something is done to maintain a support price which will make it possible for our farmers to produce wool.

There is no question that for national security wool is a most strategic material. Therefore this spring several bills were introduced in the House and the Senate to provide for maintaining a support price for wool for this year's and next year's crop, or so long as the Steagall amendment provides a support price with a floor for other farm commodities.

The Committee on Agriculture and Forestry of the Senate held hearings the last week in March and the first day of April, and reported a bill, which was passed by the Senate.

Let me say, first, that the purposes of the several bills which have been introduced are two: First, to place a floor under the price of wool which will encourage American sheep growers to continue producing wool, so that we may not become wholly dependent on a source of supply thousands of miles away. The other purpose is to authorize the Commodity Credit Corporation to dispose of an accumulation of approximately 460,000,000 pounds of wool at a price which the market will pay. Much of this wool is of lower grade, and will not bring the full market price anyway. The Commodity Credit Corporation has been prohibited from disposing of this wool at any price less than parity, and as the market price for the wool was less than parity it has been unable to dispose of it as rapidly as seemed advisable. So the bill which was considered by the Senate Committee on Agriculture and Forestry last March carried these two provisions.

At the time hearings were held representatives of the Department of Agriculture appeared before the committee. They approved the bill. They said that it would be necessary to maintain a support price for wool if we were to continue to produce wool. They also wanted authority to dispose of the accumulation of 460,000,000 pounds of wool which they held at that time at the market price. However, they suggested that, if they started selling that wool at the market price, foreign competition might drop the price just below it, and soon there would be a price war, with a demoralized wool market for everyone. Therefore the Department of Agriculture suggested that some safeguard be placed in the bill authorizing the Secretary of Agriculture either to establish quotas or impose additional fees on wool which otherwise might be imported in such amount and at such prices as would completely demoralize the domestic market and prevent the Commodity Credit Corporation from disposing of the wool which it had on hand.

Members of the Committee on Agriculture and Forestry realized that we could not comply with the suggestion of the Department of Agriculture to provide for the imposition of higher fees on imported wool in the event that the domestic market appeared to be destroyed or that it was impossible to maintain a price support program, because the imposition of fees would naturally affect the revenues of the Government, and such legislation must originate in the House. Therefore when we reported the bill to the Senate we recommended that the House in its consideration of the bill adopt such an amendment as would permit the Government to impose fees or quotas if necessary.

I wish to say in all fairness that the State Department did not appear before the Committee on Agriculture and Forestry to testify on this bill. The State Department has since indicated its disapproval of the amendment which the House adopted, but at the time the Senate committee made the recommendation it was not aware of the opposition of the State Department.

The bill came back to the Senate, and conferees were appointed. The con-

ferrees of the House and Senate held several meetings. The House was adamant in insisting upon retaining the provision which the House had placed in the bill, which provided that the President could impose fees or quotas on imports of wool. We held a number of meetings, but got nowhere. As for myself, I would have been perfectly willing to have brought the bill back to the Senate without the House amendment, but the House conferees were anything but willing. In fact, they said they could not possibly get a bill through the House without that amendment.

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

Mr. AIKEN. I shall be glad to yield in a moment.

So in order to get the bill before the Senate for as prompt action as possible so that we might determine just what we were going to do and whether we were to support the price of wool or not, the Senate conferees agreed to the House amendment, with an amendment qualifying it, and brought it back to the Senate, and it is now before us for action.

Before yielding to the Senator from Georgia, let me say that the House amendment originally provided for the imposition of fees only. The amendment which was adopted in conference provides that the President may impose either fees or quotas.

I now yield to the Senator from Georgia.

Mr. RUSSELL. Mr. President, is there anything in the bill which makes it mandatory on the President to impose either fees or quotas? Is there any standard fixed in the bill which requires him, in view of certain conditions, to impose fees or quotas? Or is it wholly discretionary with the President as to whether he shall or shall not impose them?

Mr. AIKEN. As I interpret the amendment, it is discretionary with the President. What the amendment does is to apply to wool the provisions of section 22 of the Agricultural Adjustment Act. The Senator from Georgia probably knows that section 22 already covers 20 or more agricultural commodities. It has been made use of by President Roosevelt, and by President Truman in the case of cotton last winter. Wool was left out of the list of commodities covered by section 22. The purpose of the amendment which was placed in the bill by the House, and which has been agreed to by the Senate conferees, is to add wool to the list of such commodities.

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

Mr. AIKEN. I yield.

Mr. SALTONSTALL. The Senator from Vermont has answered the question of the Senator from Georgia, if I correctly understood him to the effect that there is nothing compulsory upon the President to issue such an order. I interpret the section quite differently from the way the Senator from Vermont interprets it. The words are that if certain facts appear on the surface the President shall—

cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investi-

gations under this section to determine such facts.

Then—

If on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees—

And so forth. It seems to me that the language is certainly open to the interpretation that if the Tariff Commission determines as a result of an investigation that certain facts exist the President must impose fees or limitations.

Mr. AIKEN. I understand that different interpretations are being placed upon section 22 and the proposed amendment which has been agreed to by the conferees. However, it seems to me that it is optional with the President, because the Tariff Commission cannot take any action until instructed by the President. I might add that this provision has been taken advantage of twice, once in the case of wheat and once in the case of cotton. Nevertheless, recently there has been a surplus of potatoes in this country while potatoes were being imported from Canada, and the President has taken no action to prevent the importation of four or five million bushels of potatoes. If the President did not feel called upon to take action in the case of potatoes, I know of nothing which would compel him to take action in the case of wool unless he so desired.

Mr. SALTONSTALL. On page 4 of the bill as it comes from the conference, in line 15, it is provided that if the President finds the existence of certain facts— he shall by proclamation impose such fees on or such limitations on the total quantities of, any article or articles which may be entered, or withdrawn from warehouse, for consumption—

Then in lines 11 to 13 on page 5, there is the proviso—

That no limitation shall be imposed on the total quantities of wool or products thereof which may be entered or withdrawn from warehouse for consumption.

Are not these two provisions contradictory?

Mr. AIKEN. The second provision was stricken out in conference. The proviso which said that no limitation "shall be imposed on the total quantity of wool or products thereof," and so forth, has been stricken out. That is the one which would prevent the imposition of quotas.

First of all, any action must be initiated by the President. No one else can start any action to impose either fees or quotas. If the President finds that the domestic market is being demoralized, that it is impossible to maintain a support price program because of unusually heavy receipts into this country, he may direct the Tariff Commission to make an investigation. If the Tariff Commission should find that, in fact, our domestic market was being demoralized, then the President might, for such time as he saw fit, impose fees or quotas. He may impose fees up to the amount of 50 percent of the tariff, but he is not required to do that. He may impose a fee of 1 percent or 2 percent, or whatever he sees fit, up to 5 percent.

But what I want to make clear is that any action must start with the President.

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

Mr. AIKEN. I yield to the Senator from North Dakota.

Mr. YOUNG. The Senator from Vermont brought out one point which I wish to emphasize; namely, the provision adopted by the House that import fees may be imposed in order to prevent dumping by foreign markets. Of course the State Department and the President could, if they wanted to, raise import fees sufficiently high so that there would be no costs. That is another thing that is disconcerting to the wool growers and to farmers in general—the cry against subsidies which are necessary to support farm prices. The President could, if he would, go to the extent of raising the import fees high enough so that no support price program would be necessary at all.

Mr. AIKEN. I thank the Senator from North Dakota.

I want to say that there is no indication that the President would ever be called upon to impose either fees or quotas during the next 18 months. For that reason I felt that the amendment was unnecessary. But the House felt otherwise. I do not see how there can come the harm from this amendment which some of its critics claim will come from it. I realize that it has stirred up a furor around the world and that some countries, particularly wool-growing countries, have been given the idea that we are starting something which is eventually going to shut them out of our market. That would not be the case, because we are dependent on them already for 60 percent of the wool which we use in this country. We have got to have that much from them anyway.

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

Mr. AIKEN. But with the market as it is today, which is a rising market, it occurs to me that if the Commodity Credit Corporation would dispose of the wool it has on hand there would be very little, if any, loss to the Government, and no harm whatsoever to the growers in foreign countries.

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

Mr. AIKEN. I yield first to the Senator from Massachusetts, and then to the Senator from New Mexico.

Mr. SALTONSTALL. I should like to ask the Senator from Vermont a question. When the bill passed the Senate it contained a provision in section 5 that disposition of any accumulated stocks should not be so made as to disrupt the domestic market. That provision was stricken out, and section 5 now reads as follows:

The Commodity Credit Corporation may, until December 31, 1948, dispose of wool owned by it without regard to any restriction imposed upon it by law.

My question is: May that not lead to disruption of the market? Was not the Senate provision a much better provision?

Mr. AIKEN. That is an amendment which was put in by the House and which

was agreed to by the Senate conferees because we were sure that the Commodity Credit Corporation itself would not deliberately market the wool in such a way as to disrupt the market. Either the Senate or House provision is entirely acceptable to me. I think that either one assures adequate protection; but I think that without either provision the Commodity Credit Corporation still would not market the wool in such a manner as to disrupt the market. They wanted some language put in so that no one could say that they had been told to sell it all at once.

Mr. SALTONSTALL. May I ask a further question of the Senator?

Mr. AIKEN. Yes; I yield further.

Mr. SALTONSTALL. I wonder if the Senator from Vermont understood the previous question which I asked him, because I have a copy of Senate bill 814 as it was amended in conference, and lines 16 to 19 on page 4 would seem to indicate that the President could prevent withdrawal from warehouses; and then on page 5 of the bill, lines 11 to 13, there is a proviso which indicate that he cannot. I repeat my former question: Are not those two provisions conflicting?

Mr. AIKEN. They were conflicting. In fact, the one on page 4 permitted the President to impose quotas. Then in lines 11 to 13, page 5, he was in effect prohibited from imposing quotas. The sentence in lines 11 to 13, on page 5, was stricken out in conference. The original House amendment required him practically to impose fees, but as amended in conference he is authorized to exercise the use of either increased fees or quotas.

I now yield to the Senator from New Mexico.

Mr. HATCH. I merely want to ask the Senator a question to clarify the situation somewhat. I think his explanation has been very clear, but I am not sure that it is understood, as, for instance, with reference to the life of this measure. When will it expire? I understand that the support price provision will end December 31, 1948.

Mr. AIKEN. The support price provision will end December 31, 1948. The Senate provided that the support price would be maintained for the 1947 and 1948 clip. The House amended that to provide that all payments must be made before December 31, 1948. Under the Senate version it might have been carried over a year or two and the Government would still be liable for support prices. I think the House provision is better.

Mr. HATCH. Is it the thought of the Senator from Vermont, who has given a great deal of study to this subject, that by this bill there is being established any permanent policy, or is it to meet the situation as presently existing?

Mr. AIKEN. I think the Senator has the correct idea, that it is regarded as an emergency measure to give the wool growers the same protection that the producers of many other agricultural commodities enjoy under the Steagall amendment until December 31, 1948. I feel, and I think the entire agricultural industry feels, that before that time

comes we must work out a more permanent policy and program for agriculture in this country if we are to maintain a strong and stable agriculture. This is a temporary support price to cover this year's crop, which has just been sheared, and next year's crop which will be sheared next spring.

Mr. HATCH. Does the Senator from Vermont entertain the thought that this measure constitutes an arbitrary, mandatory rise in the wool tariff?

Mr. AIKEN. Absolutely not. In fact, I do not expect that the President will even consider raising the fees or imposing quotas, because the wool market is growing stronger month by month. I have hopes that the Commodity Credit Corporation can dispose of the 460,000,000 pounds they have without any loss whatsoever to the Government. But that is not very likely, because the accumulation has been picked over and the better grades have been used, so that most of the poorer grades still remain.

Mr. HATCH. I recognize the Senator's deep interest in international affairs as well as in domestic affairs. Does the Senator see anything in this bill which will complicate any of our international relations?

Mr. AIKEN. I do not see anything in it, as it is, that should complicate international relations. The only thing that might complicate international relations is that it could be interpreted, if people were so minded, as indicating a trend toward economic isolationism on the part of the United States. But that is a state of mind.

I do not see anything in the conference report itself which would lead to international complications. When we send this report down to the President, as I think we shall, he can veto it if he so desires. I am not sure whether the State Department will recommend a veto. I am sure that the Department of Agriculture is not likely to recommend a veto.

If the President vetoes it, the chances are that there will be no support price for wool in the United States for the next 2 years. I understand that right now speculators are offering the small western growers 28 cents a pound for their wool, or 10 cents a pound below the world market price. As I understand the situation, they are trying to take advantage of the small producers who have notes due and must have some money in any event.

But if there is any doubt in the President's mind and in the minds of those in the State Department, I believe the President can sign this measure and at the same time issue a reassuring statement that should clarify the international atmosphere.

Mr. HATCH. Mr. President, from what the Senator has just said and also from his experience in the conference with the House conferees, is he completely convinced that the adoption of this conference report and its subsequent enactment into law constitute the only method by which the wool growers of the United States may have any kind of price support program in the future?

Mr. AIKEN. I am afraid the Senator is correct. I did think the House would

be willing to pass a straight support price bill. I have serious doubts of that now. In fact, I am inclined to think that if this measure fails of enactment, that will be the end of the wool support price program. I am sorry to have to come to that conclusion, but I do.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ROBERTSON of Virginia. The Senator has just spoken of a reassuring statement that he could give the President and the State Department. I have just talked to Mr. Clayton about this measure. There is no statement that we could give him about these House amendments that would reassure him. He said that the nations with whom he is dealing at Geneva regard this proposed step as a high-tariff, isolationist move, and it is not in keeping with the quota provisions that we have previously applied to farm products of which we produce a surplus. He said that last year we produced 300,000,000 pounds of wool, and consumed a billion pounds, and that normally we import twice as much wool as we produce, and therefore on the basis of the quota provisions of the House amendments we would be going beyond any quota plan under the Agricultural Adjustment Act to support the wool price through the Commodity Credit Corporation, by limiting exports that come into competition with a product which is already in excess supply.

As to the other provision, Mr. Clayton said that while it may be discretionary with the President, nevertheless the nations with whom he is dealing at Geneva take the same attitude that the average newspaper and average person in the United States take, namely, that this is a move in the direction of a higher tariff on a principal commodity of a friendly nation on which in normal times the tariff is equivalent to 100-percent protection, and on which, on the basis of prices last year, which were abnormally high, the tariff was equivalent to a protection of 63 percent.

Mr. President, with all due deference to our distinguished conferees, it appears to me that we are inviting a veto of a measure that is very necessary on behalf of our wool producers, because, on account of the large supply of wool in the hands of the Government, the prospects are that the price of wool will go down in 1948 below 90 percent of parity.

I was happy to join with my distinguished colleague the Senator from Wyoming in a program to list wool as a basic farm crop and to give the wool growers the protection of 90 percent of parity. So far as I know, that is all that the wool growers have requested. That is all that the Virginia wool growers have requested. They would have been happy to get that. They still want it.

If we put this provision into effect, I am satisfied that the State Department will ask the President to veto the bill; and if he does, there will be no likelihood that the Congress will pass the bill over the President's veto, inasmuch as it was adopted by the House by only a very small majority, and certainly there will not be an overwhelming majority in

favor of it in the Senate. That will mean that no measure on this subject will be enacted into law, and in that case we shall find that in reaching for a hypothetical advantage in the future, we shall have lost the loaf we want now for the protection of next year's prices.

So, Mr. President, why would not it be logical for us to insist on the bill as passed by the Senate, and reject the conference report, and let it go back to the House of Representatives? In that case, the first vote in the House would be on the question of having the House recede from its position and concur in the position of the Senate. If the House of Representatives should concur in the position of the Senate, the bill then would go to the President as the Senate passed it. If that was not done, the next step in the House of Representatives would be for the House to vote on the question of insisting on its amendments and requesting a further conference.

In any event, we would still have the bill before us, and there would be a chance to enact something on the subject into law.

Mr. AIKEN. Mr. President, I say to the Senator from Virginia that I did not mean to infer that this body should issue any reassuring statement. I meant that when the President signs the bill, he can issue a reassuring statement—to the whole world, if he wishes to do so—to the effect that he sees no possibility of having to apply it. I, myself, should have preferred to see the bill go to the President without the amendment; but I should prefer to see it go to him with the amendment rather than to have a million wool growers in the United States left at the mercy of the buyers, who will pay them far less than even the world market price which they are offering them today.

Mr. ROBERTSON of Virginia. But my colleague will understand that the traders of other nations know what English means, and they will know that the first move in connection with this bill was for a mandatory tariff increase.

Mr. AIKEN. That is correct.

Mr. ROBERTSON of Virginia. Very well. Now we back off and provide for a permissive tariff increase. However, no explanation, in view of the origin of the movement, would satisfy them and reassure them that down in our hearts we do not intend, later on, to creep up on them and keep their wool out of our markets or else make them pay through the nose in order to sell their wool in our markets.

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

Mr. AIKEN. I yield.

Mr. BARKLEY. The Senator said, in answer to a question, that the bill was temporary.

Mr. AIKEN. I said the support price was temporary.

Mr. BARKLEY. Yes; I wish to point out that the temporary character applies only to the support price.

Mr. AIKEN. I did not say that it applies to anything else.

Mr. BARKLEY. I wish to make that point clear, because the provision we are arguing about will be permanent law,

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

Mr. AIKEN. I yield.

Mr. TAFT. The permanent law will be that this may be done so long as there is a support-price program. But that also expires, insofar as permanent law is concerned. It is a law now in effect, and it applies to every agricultural commodity except wool.

This matter is nothing new; this law has been on the statute books. It applies wherever there is an agricultural support-price program. The moment we establish a wool support-price program, it will apply to wool; and the moment the wool support-price program ends on December 31, 1948, it no longer will apply to wool.

So that provision also is dependent upon the time limit, and is effective only to the end of 1948, insofar as wool is concerned.

Mr. BARKLEY. Mr. President, I think the Senator's interpretation of the language, taken as it is from this conference report, is subject to controversy. I do not see anything in the language of this particular amendment, as it comes back to the Senate, which limits it to the period in which an agricultural support price is provided by the Congress.

Mr. TAFT. The Senator will find that in line 4, on page 4: "or the Wool Act of 1947."

The Wool Act of 1947 expires with the support-price program.

Mr. BARKLEY. The Wool Act of 1947 would be the bill we are now discussing, if it shall be enacted.

Mr. TAFT. But let me read the language:

Whenever the President has reason to believe that any one or more articles are being, or are practically certain to be, imported into the United States under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with any program or operation undertaken, or to reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or the Wool Act of 1947.

So that it seems to be perfectly clear that the moment the support price on wool expires, the application of this section to wool will also expire. That certainly is the way I interpret the provision.

Mr. AIKEN. The Senator from Ohio is correct about that.

Mr. O'MAHONEY. Mr. President, will the Senator from Vermont yield to me?

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

Mr. O'MAHONEY. I desire merely to express my agreement with what has just been said by the Senator from Ohio. The effect of section 22 is bound absolutely by the terms in which the Wool Act of 1947 will be itself affected. That act will expire on the 31st of December 1948, and after that date section 22 will

have no application whatsoever to wool, though after that date it will continue to have effect with respect to cotton, with respect to tobacco, with respect to a host of other agricultural products which are now under the section.

Moreover, I think it should be pointed out that before section 22 can become effective to make any change of any kind in the present tariff situation, it will be necessary, first, for the President to reach a decision that the support prices for wool are being undermined. Then it will be absolutely mandatory upon him to direct the Federal Tariff Commission to make an investigation. Then it will be necessary for the Tariff Commission to make the investigation and make its report. Then it will be necessary for the President to act, under the law. I submit that these four steps cannot possibly be taken before the wool law itself will have expired.

There is another factor, however, which has been completely overlooked in this matter. The OPA has ceased to exist. OPA ceiling prices have been removed from every single commodity. But the bill provides that wool shall be supported at the OPA ceiling price established during the war. So what we are saying in this measure is merely that the Government of the United States shall come to the aid of the domestic wool producers by guaranteeing to them the old OPA ceiling price, although OPA ceilings have been eliminated with respect to every other product.

With respect to the international phase of the matter, I should like to call attention to the fact that the wool which comes into the United States from abroad is sold here by a state monopoly, the British Joint Organization. All that is sought to be done now is to protect the domestic producers against any injurious effect upon domestic prices of a large dumping by the foreign state selling agency.

Mr. President, I cannot refrain from adding, with the permission of the Senator from Vermont, that in my opinion this section 22 amendment was introduced into the bill for the express purpose of trying to kill the bill, and to put the President upon a political spot. There is not the slightest doubt in my mind that this suggestion came from those who have opposed the wool-support program from the very outset.

Of course when it would seem that the State Department was fearful that it would interfere with the Geneva program, then it was perfectly obvious to the political opponents of the President that a golden opportunity was provided to put him on the spot, and although every effort has been made by the Senate conferees to get this paragraph out—because none of the wool growers have asked for it, no wool-growing organization in the country has asked for it—although the conferees made every effort to get it removed, it was not removed.

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

Mr. O'MAHONEY. I yield with the permission of the Senator from Vermont.

Mr. AIKEN. I yield that the Senator from Nebraska may ask a question of the Senator from Wyoming.

Mr. WHERRY. I should like to ask how the Wool Growers' Association feels about the conference report as submitted.

Mr. O'MAHONEY. Of course, we would like to have it agreed to, because we know that if the bill is not approved, there will be no possibility of sustaining wool prices, and our domestic producers of wool will be laid open to the competition of the foreign state monopoly.

Mr. BARKLEY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from Kentucky?

Mr. AIKEN. I yield to the Senator.

Mr. BARKLEY. I should like to ask the Senator from Wyoming whether it is his understanding that those who want to put the President in a political hole, or on the spot, are willing to jeopardize the entire wool-support program in order to do it?

Mr. O'MAHONEY. I most certainly think they are.

Mr. BARKLEY. It is a great tribute to their good faith to put this provision in the bill.

Mr. AIKEN. Mr. President, I think I can explain the situation.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield for a moment?

Mr. AIKEN. I yield to the Senator from Virginia.

Mr. ROBERTSON of Virginia. Does the Senator from Wyoming concur in the position taken by the Senator from Virginia, that the logical thing for us to do now is to insist upon the Senate bill and let it go back to the House, with the hope that the House will recede and concur in the Senate bill?

Mr. O'MAHONEY. Mr. President, I am sure the Senator may feel that that would be the logical thing to do, but I know from what has already transpired that there is no possibility of the House receding. So I think it would be just wasted effort. The Senator from Vermont will be much better able to answer the Senator than I, because I did not participate in the conference.

Mr. ROBERTSON of Virginia. If the effort fails, the responsibility will be on the House for a situation under which the wool growers of the Nation would get no protection at all in prices next year.

Mr. YOUNG. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield to the Senator from North Dakota.

Mr. YOUNG. As one of the conferees on the bill, I should like to say that I think it was the feeling of most of the Senate conferees—it was my feeling personally—that we favored import fees and quotas, but that we were reluctant to accept these provisions only because they might invite a Presidential veto and thereby postpone enactment of necessary wool-support prices.

I favor import fees and quotas because the President might use them to prevent dumping, and if the cost to the Government in support prices is too great he could impose import fees to the

extent of making support prices unnecessary.

Mr. AIKEN. Mr. President, the Senator from Wyoming made the suggestion that there are those who would like to kill the wool-support program, and with that assertion I heartily agree; and that there are those who would like to put the President on the spot, and I can hardly disagree with that statement. It seems to me that possibly both objectives may be accomplished by the bill if we do not watch out. But my objective is to provide a support program for the wool producers of the United States, and I hope that will be done through the bill we are considering. I am not particularly interested in who is to blame for its failure, if it shall fail.

On the 27th of March, when the Committee on Agriculture and Forestry was holding its hearings on the wool bill, Under Secretary of Agriculture Dodd was on the witness stand, and the Senator from Illinois [Mr. LUCAS] asked this question:

Now, with respect to section 5, do you have any suggestions on that as to how that could be amended? That gives the power.

That means the power to dispose of the surplus wool which the Commodity Credit Corporation has on hand. The following interchange took place:

Secretary Dobb. That is on S. 103?

Senator LUCAS. That is on the O'Mahoney and also on the Robertson (of Wyoming) bills, S. 103 and S. 814. They are both the same.

Secretary Dobb. In regard to the sale?

Senator LUCAS. Yes.

Secretary Dobb. I think that could be worked out only to the extent that we were told to liquidate it in slow and orderly manner.

The only thing is I do not want to get caught, for somebody else to take the high-priced market, and for us to take the low.

I do not think it should be changed unless you have something, either an import fee or import quota, because otherwise it would not do any good to hold your wool off the market for 3 or 4 years unless you do something to the other part of it.

Senator LUCAS. I understand that, but do you think section 5 is all right as it is written, which says:

"The Commodity Credit Corporation may, without regard to restrictions imposed upon it by any law, dispose of wool at prices which will permit such wool to be sold in competition with imported wool."

Secretary Dobb. I think it is all right unless you have either an import fee or import quota at which time I think there should be an amendment; they should be directed to take 3 or 4 years.

Senator LUCAS. That would give you or your successor the power to dump all of this overnight if you wanted to do it.

Secretary Dobb. And personally I think it would be a terrible thing.

Senator LUCAS. That is the point, and there is a question in my mind whether there should not be some language which would restrict or limit such power.

Secretary Dobb. You would not want to restrict unless you had some control on imports.

Senator LUCAS. What I am talking about is selling it in an orderly fashion in line with what the world market will absorb without depressing the price. That is the point.

Secretary Dobb. I am 100 percent for it but I think before we did that we should have either an import fee or import quota so that it could be exercised.

If the section 22 amendment went in so you could invoke that, then yes, I would like to see that.

And then, 2 days later, Under Secretary Dodd came back, and the Senator from Missouri [Mr. KEM] asked the following question:

Senator KEM. There is another thing about which I have been concerned.

As I recall, the first day you appeared before the committee and discussed the wool situation, you recommended that there be an import quota provision in the law. Are you still of that opinion?

Secretary Dodd. I believe I made the statement, Senator, that I thought if you continued to have the support price, that something would have to be done about imports, either an import fee or some other method. Senator KEM. Is that still your opinion?

Secretary Dodd. Yes, it is.

So while there may be those in Congress who would like to kill a wool support-price program and embarrass the President, yet I am sure the Department of Agriculture, which originally suggested the amendment, had no desire either to kill the program or to embarrass the President. But it appears that there has developed a decided difference of opinion between Mr. Clayton, of the State Department, and the Department of Agriculture.

Finally, I received a letter, which I will place in the RECORD, signed by Mr. Dodd, of the Department of Agriculture, under date of June 10, stating how the Department would like to have it amended. But it was someone from the State Department who called me and said the letter was on the way, and it had been cleared with the Bureau of the Budget. So evidently the Budget Bureau and the State Department and the Department of Agriculture finally got together. But it looks as if, on paper, the Department of Agriculture lost.

I ask unanimous consent that the letter, dated June 10, 1947, from Under Secretary Dodd to myself, be printed in the RECORD at this point in my remarks.

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

JUNE 10, 1947.

HON. GEORGE D. AIKEN,  
Chairman of the Senate Conference on  
S. 814.

DEAR MR. AIKEN: The purpose of this letter is to make clear the position of this Department with respect to the amendments to section 22 of the Agricultural Adjustment Act, as amended and reenacted (U. S. C. 1940 ed., title 7, 624), which would be made by section 4 of S. 814 as passed by the House of Representatives. Section 4 would authorize the imposition of import fees on wool or wool products for the purpose of preventing the impairment of the price-support program for wool.

This Department favors amending section 22 of the Agricultural Adjustment Act to authorize the imposition of fees or quotas on imported wool or wool products when necessary to prevent the impairment of the price-support program for wool, provided that such authority is not exercised in contravention of the provisions of any treaty or international agreement to which the United States is or hereafter becomes a party. Accordingly, we recommend that the proviso prohibiting the imposition of quotas on wool or wool products—which section 4 of S. 814 would add to subsection (b) of section 22 of the Agricultural Adjustment Act—be de-

leted and the following proviso be substituted therefor:

"Provided, That no proclamation under this section shall be enforced in contravention of any treaty or international agreement to which the United States is or hereafter becomes a party."

A provision similar to the foregoing provision is contained in H. R. 1825, which would amend section 22 of the Agricultural Adjustment Act to authorize the imposition of fees or quotas on any agricultural commodity or product thereof when necessary to prevent the impairment of any program undertaken with respect thereto and which was recommended for enactment by this Department.

An identical letter is being sent to Hon. CLIFFORD R. HOPE, chairman of the House conference on S. 814.

The Bureau of the Budget advises that it has no objection to the submission of this letter.

Sincerely yours,

N. E. DODD,  
Under Secretary.

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

Mr. AIKEN. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to ask the Senator a question, and, if I may, I desire to make a very brief preliminary statement? First, I am not interested in embarrassing the President, but I do want to have a support price for the American wool growers. I am also very much interested in the consumers of wool and in the textile mills and in the people who work in them, in Massachusetts and New England.

I should like to ask this question: While the President, under the terms of the conference report, cannot by proclamation violate any present treaty, he is not prevented, is he, from putting any quota he may desire on wool which may in the future come into the country after the bill is passed?

Mr. AIKEN. He can only do it if he is so minded and can prove to the Tariff Commission that importations are interfering with the support-price program.

Mr. SALTONSTALL. I should like to ask a further question. The Senator from Ohio said that wool was by the pending bill placed within the terms of the Agricultural Adjustment Act. Is it not true that wool is the only commodity which will be within that act which we do not produce in sufficient quantity to meet our domestic needs?

Mr. AIKEN. No; I am not sure that is true. Section 22 covers at least 22 farm commodities, including noodle soup. I have often wondered on what kind of bush noodle soup grew; but it is in the list. But wool never has been included. However, when we maintain a support price for wool, and a foreign country persists in selling wool for a cent a pound under the market, so we are kept out of our own market, then we accumulate a surplus, and wool becomes a surplus on our Government's hands, just as does cotton or corn or oats.

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

Mr. AIKEN. I yield.

Mr. SALTONSTALL. But under the terms of the bill as passed by the Senate, and also under the terms of the conference report omitting certain provisions,

there is an opportunity for the Commodity Credit Corporation, if it so desires, to sell the wool at a price which will enable it to compete on the market.

Mr. AIKEN. That is correct. With the rising market, I believe grease wool is about 10 cents a pound higher on the world market now than it was a year ago. With a rising market, I believe the Commodity Credit Corporation will be able to dispose of the 460,000,000 pounds they have on hand, and maintain the floor under the present clip, so that much of it will be sold directly to the users, without losing money. I would not have said that a year ago, but the wool market is strengthened, as the Senator knows.

Mr. SALTONSTALL. So that there is no real need for the provision regarding quotas or increased fees, is there?

Mr. AIKEN. I should have preferred to see the bill enacted without that provision in it.

Mr. SALTONSTALL. But with the provision regarding particular quotas, as well as increased fees, there will be a disruption of free contract, and it will not be possible for a purchaser of wool in a foreign country—and there are 20 such foreign wool-producing countries—to make a firm contract. Is not that correct?

Mr. AIKEN. Oh, I doubt that.

Mr. SALTONSTALL. If the President can impose a tariff, or a quota, at any time in the future, in the case of countries which are far away, so that contracts run 2, 3, or 4 months ahead, what would keep a contract a firm contract?

Mr. AIKEN. It is a coincidence that the support price for wool is to continue just so long as the term of office of the present incumbent of the White House. It seems to me that foreign countries and buyers would have sufficient confidence in his doing what he ought to do, and not disrupting the market for the world, so that the market would not be disrupted. As a matter of fact, the Senator from Massachusetts knows our buyers cannot go into Australia and New Zealand and buy at any price. If an offer is made at a price that is too low, then the British Empire says, "We will take that wool. You can buy as much wool, within the empire floor, the JO floor, as you see fit, but you cannot go there and bid less than that floor."

Mr. SALTONSTALL. Assuming that a textile mill is making a certain grade of cloth from a certain grade of wool, and that a quota is ordered, so that the contract being performed by the textile mill is affected, but with the need of further raw wool in order to finish the the contract; what will happen to the remainder of the contract if the President puts into effect a quota?

Mr. AIKEN. The same thing that would happen if a quota were imposed under provisions of a trade-agreement act.

Mr. SALTONSTALL. Assuming that to be true, and assuming that that will let the seller out of the contract, we will say, then the grade of cloth the mill can produce will deteriorate, will it not?

Mr. AIKEN. I do not know about the textile business, but, before I conclude, I was going to read some other provisions



of international agreements, which have already been agreed to by the nations. That constitutes just as serious a factor for the manufacturer as what is being proposed here, by including wool under section 22 of the AAA Act.

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

Mr. AIKEN. I yield.

Mr. SALTONSTALL. Will it not be true that every textile mill in the country which makes woolen goods will be uncertain as to its future supply of wool of certain grades and qualities which it may wish to import from other countries, and also uncertain of the prices at which it can sell?

Mr. AIKEN. I understand there is a considerable degree of uncertainty in the textile business, but I do not think there will be such a great uncertainty on the part of our textile manufacturers under any provisions of the bill as there would be if we let our wool production in this country get down so low that we will be at the mercy of the British Empire for our wool supply. Maybe the uncertainty would be removed. Maybe the textile manufacturers would know that they would have to pay 60 cents a pound for wool then. But the stock pile we have, the accumulation of 460,000,000 pounds, undoubtedly has helped to keep down the price of foreign wool to our textile mills.

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

Mr. AIKEN. I yield.

Mr. SALTONSTALL. If a quota is established—and I want to reassert that there is no wish in my mind not to give some support price to the American wool growers—if a quota is established, licenses to import will have to be issued, will they not?

Mr. AIKEN. I do not know how a quota would be handled. It would be very difficult.

Mr. SALTONSTALL. The Senator from Vermont says it would be very difficult to establish and apply quotas. If quotas were established and I received a license or were given the opportunity to import, and the Senator from Vermont did not, and he was a competitor of mine, would not that be grossly unfair to the Senator from Vermont?

Mr. AIKEN. I do not know how quotas would be imposed. I do not know just how quotas are imposed at the present time. But at present we permit Canada to ship into the United States so much livestock, so much beef, so many thousand gallons of cream a year. We have quotas on imports from Mexico also, or anyhow we did have. I do not know how they are handled. But I assume that a quota on wool would have to be handled in a manner similar to the way quotas on other imports from other countries are handled.

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

Mr. AIKEN. I yield.

Mr. SALTONSTALL. Assume a quota was established, and I became a licensee, and the Senator from Vermont was not able to become a licensee for importation, then my license would become a thing of value in and of itself, would it not, in opposition to the competition of the Senator from Vermont?

Mr. AIKEN. I should think so. However, I do not anticipate it will be necessary to impose quotas this year or next year. I do not anticipate that it will be necessary to impose increased tariff protection this year or next year. For that reason I do not think the amendment was necessary in order to protect the wool grower. But I do think it is necessary now to pass the bill and send it to the President. If we do not, we will be taking a chance of there being no floor for wool at all.

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

Mr. AIKEN. I yield.

Mr. SALTONSTALL. If we do not establish quotas, as the Senator has just said, it may become necessary to establish increased fees or tariffs, and if we establish increased fees or tariffs, then that will result in making the price uncertain. In other words, we either make uncertain the quantity that a manufacturer may have to use, or we make uncertain the price at which he can buy the increased quantity.

Mr. AIKEN. Neither fees nor tariffs can be imposed until the market has been demoralized in this country.

Mr. ROBERTSON of Wyoming. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ROBERTSON of Wyoming. As author of the wool bill, S. 814, I rise to support the conference report. I should like to draw the Senate's attention, and particularly the attention of the distinguished Senator from Massachusetts [Mr. SALTONSTALL]—I am sorry the distinguished Senator from Virginia [Mr. ROBERTSON] is not on the floor at the moment—to the proviso on page 5, lines 11 to 13, which the distinguished Senator from Vermont pointed out had been stricken in the conference report. The words beginning "that no limitation shall be imposed" and so forth, down to "consumption," were stricken out. I do not think the distinguished Senator has yet stated the proviso which has replaced those three lines which have been stricken out, and I should like to read that proviso now.

Mr. AIKEN. That is correct. The Senator from Vermont had not concluded his remarks, but would be glad to have the Senator from Wyoming explain that proviso.

Mr. ROBERTSON of Wyoming. I read the proviso:

*And provided further, That no proclamation under this section with respect to wool shall be enforced in contravention of any treaty or international agreement to which the United States is now a party.*

That language, Mr. President, as I understand from the conferees, was placed in the report in order to remove any objections which the State Department might have to the bill.

In that connection, Mr. President, I was most interested in what the distinguished Senator from Virginia had to say with regard to his conversation with Mr. Clayton. As I took it down he stated that Mr. Clayton said, "Normally we import twice as much wool as we produce." I wonder if the Senator understood Mr. Clayton correctly, because if Mr. Clayton did say that,

it is entirely erroneous. By "normally" I take it he meant in prewar years. In prewar years our domestic production of wool was from 400,000,000 to 450,000,000 pounds, and our consumption was from 600,000,000 to 650,000,000 pounds, which means that we would have had to import approximately 200,000,000 pounds. Since 1943 we have been importing anywhere from 700,000,000 to 800,000,000 pounds, up to 1,000,000,000 pounds. Last year our importations were around 800,000,000 pounds.

While on this point it might interest the Senate to know that during the years 1943, 1944, 1945, and 1946 the total duties collected by the United States on all dutiable imports amounted to \$1,609,501,000. Of that amount, \$505,200,000 represented the duties collected on imported wool. In other words, the wool duties amount to more than 31 percent of the total duties collected on all dutiable goods.

Mr. President, there is no intention to embarrass the President by this bill. The provision which I just read respecting trade treaties is ample evidence of that. The bill is absolutely necessary for the American wool grower. He must have a support price for his product until world conditions, or, in any event, until the conditions so far as his industry are concerned, are more settled. This year the shearing of the sheep for the wool is almost complete. The wool has all been held in storage pending a bill of this nature. As the Senator from Vermont pointed out, the small producer has been forced to sell his wool at a price far below the normal market.

I hope the Senate will accept the conference report.

Mr. AIKEN. Mr. President, I do not believe it is necessary to go into any further explanation of the conference report. I simply reiterate that I believe that the effect of this amendment on the bill has been exaggerated, both by its proponents and its opponents. It has received a build-up out of proportion to its importance. I do not believe that it was necessary to tack it on to a price-support bill for wool. If there had been any way of getting out of it, I would not have accepted it.

Neither do I believe that it will disrupt world trade, because if it does disrupt world trade, it will be through the acts of the President of the United States; and I do not believe that he has any intention of disrupting world trade and preventing the making of further reciprocal trade agreements. I feel that the importance of the amendment has been exaggerated.

Mr. President, I believe that the approximately 1,000,000 wool growers of this country are entitled to the same degree of protection which is offered to producers of other agricultural commodities, for the next year and a half. I see no way of giving them such protection except through the passage of this bill, and I hope that the conference report will be approved by the Senate.

Mr. HATCH. Mr. President, I do not want to take much time, or to delay a vote on the conference report. I assume

that we are rapidly approaching that time.

I am in complete accord with what the Senator from Vermont has said, to the effect that the bill as it now stands, and will go to the President, vests only discretionary power in the President. The bill is not mandatory as to the raising of fees or the imposition of quotas. If it were, I would not support it, regardless of how important it may be to the wool growers of the West and of my State. Certainly I would not want to complicate international trade agreements. They are of importance superior even to the interests of our local growers. But I see nothing in the bill which would complicate the situation. I see nothing which would compel a mandatory increase in duties.

I feel, as the Senator from Vermont has so well pointed out, that we must either adopt the conference report or we shall have no program at all this year. I am utterly convinced that it would serve no useful purpose to send the measure back to conference. If the conference report is defeated we shall have no support program. The only chance we have for a support program—and it is a support program in which the wool growers are interested, and not a tariff provision—we have no choice except to adopt the conference report. For that reason I shall support the conference report.

In line with what I have said about the power being discretionary and not mandatory, I requested the Solicitor of the Department of Agriculture to give me his written opinion on that question. I have his letter before me. He confirms everything I have said, and what the Senator from Vermont has said. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the letter from the Solicitor of the Department of Agriculture in which he holds that the power vested is entirely discretionary with the President.

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

UNITED STATES  
DEPARTMENT OF AGRICULTURE,  
Washington, D. C., June 13, 1947.

HON. CARL A. HATCH,  
United States Senate.

DEAR SENATOR: Reference is made to your telephonic request for an expression of my views concerning the President's authority with respect to the imposition and enforcement of fees or quotas on wool under section 22 of the Agricultural Adjustment Act (of 1933), as amended by section 4 of the conference report on S. 814. You are particularly concerned with the extent to which section 22, as so amended, would reserve to the President the right to decide whether fees and quotas should be imposed or enforced.

At the outset it should be observed that subsection (d) of section 22 provides that any decision of the President as to facts under such section shall be final.

Under subsection (a) of section 22 the President is required to cause an immediate investigation to be made by the Tariff Commission whenever he has reason to believe that any wool or wool products are being, or are practically certain to be, imported into the United States under such conditions and in sufficient quantities as to ren-

der or tend to render ineffective or materially interfere with the wool price-support program required to be carried out by the Wool Act of 1947 or to reduce substantially the amount of any product processed in the United States from wool. Accordingly, before an investigation can be made by the Tariff Commission the President must first decide whether facts exist which give him reason to believe that the imposition of fees or quotas would be warranted under section 22. The responsibility for this decision is vested solely in the President.

Subsection (b) of section 22 provides for the imposition by the President of fees or quotas on wool if, on the basis of such Tariff Commission investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of facts which warrant the imposition of fees or quotas under section 22. It is clear, therefore, that after an investigation has been made by the Tariff Commission, quotas or fees may be imposed only if the President finds that facts exist which authorize such imposition. Here again the responsibility for deciding whether such facts exist is vested in the President and, as we have already noted, the President's decision as to the facts is final.

As amended by the conference report, section 22 provides that no proclamation with respect to wool shall be enforced in contravention of any treaty or international agreement to which the United States is now a party. This is a mandatory provision the effect of which would be to nullify any proclamation of the President which contravenes an international agreement or treaty to which the United States is now a party. However, any view expressed by the President in this respect in issuing a proclamation would be accorded weight in the event the validity of the proclamation should be drawn into question.

The views expressed herein are, of course, not binding upon the President or any other agency of the Government.

Sincerely yours,

W. CARROLL HUNTER,  
Solicitor.

Mr. TAYLOR. Mr. President, I shall vote for the conference report with the assurances which have been given. Let me say further that if the President should find it necessary in his judgment to veto the bill, I shall be compelled to support the veto.

Mr. YOUNG. Mr. President, a moment ago the question was raised as to whether wool growers were supporting the bill. Is my information correct that the American Wool Growers Association is supporting the bill?

Mr. AIKEN. That is correct. The farm organizations are behind the bill.

Mr. YOUNG. I should like to read a telegram from the American Farm Bureau Federation.

Mr. AIKEN. We have all received such telegrams.

Mr. YOUNG. I think it should be placed in the RECORD. I ask unanimous consent that a telegram from the American Farm Bureau Federation be printed in the RECORD at this point.

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

WASHINGTON, D. C., June 18, 1947.  
Senator MILTON R. YOUNG,  
Washington, D. C.:

Board of directors, American Farm Bureau Federation in session today adopted following resolution:

"We respectfully urge approval by Congress and President of conference report on S. 814,

providing price support program for wool until end of Steagall period. We also favor provision amending section 22 to include wool on same basis as other commodities. This provision is entirely discretionary and consistent with principle of escape clause now required by Presidential order in all trade agreements. In simple justice wool growers are entitled to comparable assistance already extended other commodities."

EDWARD A. O'NEAL,  
President, American Farm  
Bureau Federation.

Mr. SALTONSTALL. Mr. President, I hope that a wool support bill will be passed, but not this one, or this one in its present form. I believe that we can pass a wool support bill without the uncertain provisions as to quotas and fees on imports and consequently the uncertainty of prices.

As a representative from New England, and particularly from Massachusetts, which has approximately 60 percent or more of the wool trade, and has a very substantial percentage of the textile mills of the country which use wool as a raw product, I believe that the bill in its present form, with quotas and possible changes in price levels, is a very unwise bill to pass.

We have heard a great deal about the wool grower. We all want American wool growers to continue to produce wool. However, we have heard nothing about the consumer of wool products. We must remember that in establishing higher tariffs and imposing quotas, if either of those alternatives is put into effect the consumer of woolen goods, the man who wears a suit, as you and I do, Mr. President, will have to pay higher prices. Every person in this country who wears a woolen suit will inevitably have to pay higher prices for his clothes if the bill goes through in its present form, allowing restrictions on imports or higher fees on imports. We must remember that.

At the present time we produce approximately half of all the wool we use in an ordinary year. If my memory is correct, we produce between 300,000,000 and 400,000,000 pounds in an ordinary peacetime year. We use between six hundred and seven hundred million pounds. In the past few years we have been using almost 1,000,000,000 pounds of wool a year.

The bill in the form in which it passed this body, and also as reported to the House, contained a provision allowing the Commodity Credit Corporation to sell its inventory of raw wool on the market at a loss if necessary. That provision permits the Commodity Credit Corporation to compete with the foreign wool market. The reason there has been so much wool coming in from abroad is that the Commodity Credit Corporation inventory is held at a price above the level at which wool can come in from foreign countries. So while the Commodity Credit Corporation has been accumulating about 460,000,000 pounds of wool in warehouses, wool has been coming in from abroad underneath the price of the Commodity Credit Corporation wool, even with the tariff, and is being sold. The cloth which goes into our clothes has been coming in from abroad to a very considerable extent.

I should like to point out, as I tried to do in my questions addressed to the Senator from Vermont, that if we establish quotas we must devise some form of license. The licensee has a tremendous advantage over his competitor. If we do not establish quotas, we shall have uncertain prices. Wool comes from Africa and Australia. If an American is to make a contract for wool in Australia, he must make it 3 or 4 months in advance of the time when he wishes to use the wool. In the meantime, the President may perfectly properly, under the terms of the bill, impose a quota or impose a higher tariff fee. What happens? The man in this country who has bought the wool either cannot get the wool which he may have contracted to sell, or else he gets it at a higher price, and he must stand the loss. The wool broker, the man who buys wool and resells it, is an independent agent. He will not be able to do business.

It is said that we want to protect the producer. We do; but we also want to remember the consumer. We also must remember that we grow only about half the wool we use. If we grow only half the wool we use, we must import wool. If no one in this country can make a firm contract, he is not going to bring in wool from abroad, and we are not going to have the raw material with which to make our fabrics and textiles.

I hope that this bill will not pass in its present form. I believe that in the long run it is not for the best interests of all the consumers of woolen goods, and it is not for the best interests of the wool grower, because it establishes a very artificial market of which the grower is just as uncertain as is anyone else.

Because I know that not only I but many other Senators on both sides of the aisle feel very strongly about it, I should like to point out, Mr. President, that if this bill becomes law, for the next 2 years, as in the past 4 years, the Government will be the sole buyer of domestic wool. It is in the wool business, purely and simply, in competition with all the foreign wool which comes in through private hands. We want to get the Government out of business. We want to support a wool program for the grower, but we want to support it in such a way that the grower can live in competition with wool which comes in from abroad.

I hope, Mr. President, that this bill will be either recommitteed to conference or be defeated so that we can start afresh.

As one representative of New England I want to say that I could and would support a reasonable bill in the interests of the domestic wool grower.

Mr. President, I should like now to make a parliamentary inquiry. Do I correctly understand that the conference report can be either accepted or rejected without amendment, or can be recommitteed to conference? Those are the only three alternatives with reference to a conference report?

The PRESIDENT pro tempore. The conference report cannot be recommitteed, because the House has accepted the report and the conferees have been discharged.

Mr. SALTONSTALL. So that the only thing that can be done with the conference report is either to vote it up or vote it down?

The PRESIDENT pro tempore. The Senator is correct.

SEVERAL SENATORS. Vote!

The PRESIDENT pro tempore. The question is on agreeing to the conference report on Senate bill 814.

#### NOMINATIONS TO CERTAIN MARYLAND POST OFFICES

Mr. TYDINGS. Mr. President, I regret to take the time of the Senate when a vote is near. However, when the unanimous-consent request was made I wanted to make a statement that seemed to me to be in the nature of a question of personal privilege, but I deferred to the Senator from Vermont [Mr. AIKEN]. I much regret that time will be consumed between now and 2 o'clock, but I feel under no obligations further to defer.

Yesterday the able Senator from North Dakota [Mr. LANGER] in closing his remarks on the postmaster investigation resolution saw fit to take four examples in Maryland to show how the ugly head of politics had entered into the appointment of postmasters in that State. I took the trouble this morning to read his remarks and to get the official record, and the Senator is wrong in all four cases. Never was a case argued to a jury on more erroneous statements than those presented by the Senator from North Dakota yesterday. Let me take them up in order.

First, he referred to the appointment of the postmaster of Ocean City, Md. An examination was held in Ocean City which resulted in only one eligible, and he was the acting postmaster. When I learned this I immediately got in touch with the Post Office Department and asked what had become of the veterans whom I knew had taken the examination. In reply to my request I received a letter from the Civil Service Commission, which is as follows:

The veterans did not meet the minimum requirement for general experience, and general qualifications were insufficient to comply with minimum requirements of eligibility, and they were not assigned a grade.

The Senator from North Dakota lathered himself into paroxysms of sadness and agony as he assumed that the Maryland Senators had overlooked the nominations of veterans. The Senator from North Dakota was totally wrong. The Civil Service Commission failed to qualify them; the Senator from Maryland asked why they had not been qualified, and received the answer which I have just read. The acting postmaster being the only eligible, we therefore sent his name forward, and so his nomination comes before this body.

The second case which the Senator from North Dakota brought up was the Brandywine post office. I have nothing to do with that office, because as we all know, when a Democrat represents a district, all inquiries regarding post offices go to him. I asked the Representative from the district in question what happened. In that case there were 3 men who took the examination. The No. 1

man was a veteran. He had a very fine job in Washington, and could not make up his mind for a long time whether he wanted to accept the position or to decline it. Finally he declined it. The name of the No. 2 man was sent forward and is now before the committee. Yet the Senator from North Dakota assumed yesterday that some hocus-pokus had taken place and that the No. 2 man had been jumped over the No. 1 man. If he had asked me in advance what the facts were in the case I should have been glad to have gotten them for him. It is a shame that he saw fit to use erroneous facts in an attempt to bolster a very weak case.

The next case was that of Bishopville. There is where the real laugh comes in, because the man who is nominated for postmaster at Bishopville is a lifelong Republican. Let me give the Senate the facts in that case. I am quoting now from a letter:

Mr. Ringler, now the United States postmaster at Bishopville, is affiliated as a Republican and has served as postmaster at Bishopville, Md., for almost 34 years under both Republican and Democratic administrations. He is popular and is the choice of over 90 percent of the patrons of the Bishopville post office, a majority of whom are active Democratic voters.

So what we have done in this case has been to pick a man who is a Republican, whom the Senator from North Dakota assumed was a Democrat, and to recommend his appointment as postmaster of Bishopville and his nomination is now pending before this body. I have asked the Senator from North Dakota to come on the floor so that he might hear these facts face to face, but evidently he has either not received the message or he has other business. The Senator stated yesterday that there was some hocus-pokus in connection with this matter.

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

Mr. TYDINGS. I yield.

Mr. WHERRY. I should like to suggest to the able Senator that I, too, requested the Senator from North Dakota to be present and hear this presentation, and he sent word that he was conducting a committee meeting and would be glad to look at the RECORD and answer later.

Mr. TYDINGS. I hope that he will look at the RECORD, for if he does, he will find that what I have stated is so, and I hope that he will be, as I believe he is, big enough to get up on the floor and say that the statements which he made yesterday were erroneous.

I have here a letter from a patron of the Bishopville post office, who is a lady and a Democrat. I shall not disclose her name, but here is a statement from her letter:

Mr. Ringler was born and bred a Republican, and, we, the people of this community, would be pleased to have Harry R. Ringler given the permanent appointment of postmaster at this office. After all, is it not the people's wish of his community that should be considered?

Both the Maryland Senators received a letter from the Democratic State Cen-

tral Committee of that county saying they were nominating Mr. Ringler, a life-long Republican, to this office as postmaster. I shall read from the letter, which is dated January 27, 1947:

The Democratic State Central Committee of Worcester County unanimously recommended for appointment Mr. Harry R. Ringler for United States postmaster at Bishopville, Worcester County, Md., Mr. Ringler being eligible No. 1 for the office following a civil-service examination. Mr. Ringler, now acting United States postmaster at Bishopville, affiliated as a Republican, has served in the postmastership at Bishopville for almost 34 years.

The letter goes on to praise him. It is signed by the six Democratic members of the State central committee. Yet yesterday on this floor the Senator from North Dakota used this case as a means of securing authority to make an investigation into partisanship in the civil-service and the post-office appointments which have been recommended by the Maryland Senators.

In this instance we have a Democratic State Central Committee recommending the No. 1 man, who has been a life-long Republican, yet it was used as an argument to bolster the case—the weak case, the political case, the partisan case—which was back of the resolution which was under consideration yesterday.

Now I come to the last case the Senator from North Dakota mentioned, namely, the appointment of the postmaster at Oakland, Md. Mr. President, what happened in that case? An examination was held. The highest applicant was William Spoerlein, who had a rating of 80.33 percent. The second applicant was Paul A. Turney, who had 78.93 percent. He had that; but in order to obtain that percentage, which was lower than the rating of the No. 1 man, he used his veteran's preference. Even with his veteran's preference, he stood No. 2 on the list. So the Maryland Senators appointed the No. 1 man, as they should have done in that circumstance.

I have mentioned the four cases which were used yesterday. The Senator from North Dakota said the heart of the Senator from Maryland was bleeding at the way the ex-servicemen were treated. The Senators from Maryland were for all ex-servicemen; and when their names did not appear, the Senators from Maryland wrote to the Post Office Department and said, "What has become of the two ex-servicemen who took this examination?" The Civil Service Commission wrote us, in due time, that those two ex-servicemen had failed to make an eligible passing mark. It was only after we found that the ex-servicemen had not passed, that the Maryland Senators nominated the top man, who was not an ex-serviceman.

Finally, the Senator from North Dakota, to bolster his case, brought up the postmastership at Baltimore. Mr. President, I served in this body for a long time with one of the finest Americans who ever lived, Phillips Goldsborough, my colleague, who sat on the other side of the aisle. If we had both been Republicans or if both of us had been Democrats, no two men could have gotten along better than we did. We never had

a dispute, and we cooperated just as fully as we would have if we had been members of the same party. During Mr. Goldsborough's tenure, the postmaster at Baltimore died. He was a Republican. In the course of time, an examination was held; and the first assistant, who was Mr. Green, passed first on the eligible list. Senator Goldsborough and I agreed that Mr. Green should have the job. It was said that Mr. Green was a Republican. Frankly, I do not know whether he was or not. Nevertheless, the people of Baltimore wanted him. He was a career man; and Senator Goldsborough and I, and later Senator Radcliffe and I, joined in having Mr. Green made the postmaster. After some 40 years of service in the Baltimore post office. When Mr. Green withdrew or retired, we again took the first assistant, who was a career man, and put him in.

I wish to say to the Senator from North Dakota that if the administration of the Post Office Department or any other department, State, local, or national, was as clean and as free from political interference and conniving as the postmasterships in Maryland, then they would have a record without one blot on it. I resent these imputations of political interference; and I have covered the records relative to the statements of the Senator from North Dakota. Patronage has never worried the Senators from Maryland, and it never will; and in connection with the filling of offices, where civil service examinations are necessary, we shall abide by the rules of the game, as the record here shows that we have.

Mr. LANGER subsequently said: Mr. President, during my unavoidable absence this afternoon, the distinguished Senator from Maryland [Mr. TYDINGS] proceeded to talk about certain post offices in Maryland. I wish to say that I have my reply ready, and I expected to reply this afternoon. However, I find that the Senator from Maryland is not upon the floor at this time. Therefore, at the earliest opportunity, as soon as the Senator from Maryland is upon the floor, I shall ask recognition, in order to reply to the Senator from Maryland.

#### PRICE SUPPORT PROGRAM FOR WOOL— CONFERENCE REPORT

The Senate resumed the consideration of the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 214) to provide support for wool, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. BARKLEY. Mr. President, I wish to discuss the conference report. However, it is now 5 minutes before 2, and at 2 o'clock we must take up the Bulwinkle bill, under the unanimous-consent agreement. Obviously, I shall not be able to complete my remarks on the conference report in the time between now and 2 o'clock. Therefore, Mr. President, I request that the conference report go over temporarily.

Mr. WHERRY. Mr. President, in view of the statement of the Senator from

Kentucky, I suggest that we prepare to proceed with the unfinished business the consideration of which, under the unanimous-consent agreement, is to be resumed at 2 o'clock. Several Senators have matters which they would like to take up between now and 2 o'clock; and at 2 o'clock we can proceed to have a quorum call, preparatory to taking action on the Bulwinkle bill, if need for a quorum call then exists.

Mr. SALTONSTALL. Mr. President, do I correctly understand that the time between 2 o'clock and 4 o'clock will be devoted to consideration of the Bulwinkle bill or other subjects, but that no vote will be taken on the conference report until after 4 o'clock?

Mr. WHERRY. I understand—and the minority leader can bear me out in this—that commencing at 2 o'clock, the time is to be equally divided between the proponents and opponents of the so-called Bulwinkle bill; and if any Senator wishes to speak during that time, he will have to arrange for time with either the Senator from Kansas [Mr. REED] or the Senator from Georgia [Mr. RUSSELL], who are in charge of the time for the proponents and the opponents, respectively.

Mr. President, I believe—and I think I can speak with assurance—that there will be no action on the conference report on the wool bill until after the Bulwinkle bill is voted on at 4 o'clock.

I yield now to my colleague from Nebraska.

Mr. BUTLER. Mr. President, I prefer to speak later.

Mr. WHERRY. Then, Mr. President, I suggest the absence of a quorum.

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

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

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

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

The time from this point on until 4 o'clock will be divided equally, under the control, respectively, of the Senator from Georgia [Mr. RUSSELL] and the Senator from Kansas [Mr. REED]. To whom does the Senator from Georgia yield?

carriers of one class; carriers by motor vehicle are carriers of one class; carriers by water are carriers of one class; and freight forwarders are of another class.

"(5) The Commission shall not approve under this section any agreement which it finds is an agreement for a pooling, division, consolidation, merger, purchase, lease, acquisition, or other transaction, to which section 5 of this act is applicable.

"(6) The Commission shall not approve under this section any agreement which establishes a procedure for the determination of any matter through joint consideration unless it finds or by condition requires that under the agreement there is or shall be accorded to each party the free and unrestrained right to act contrary to and independently of the initial determination or report, or any subsequent determination or report, arrived at through such procedure, and unless it finds or by condition requires that all carriers of the same class (as defined in paragraph (4) of this section) within the territorial and organizational scope of such agreement shall be eligible to become and remain parties to the agreement upon application and payment of charges applicable to other parties of the same class. Nothing in this section and no approval of any agreement by the Commission under this section shall be so construed as in any manner to remove from the purview of the antitrust laws any restraint upon the right of independent action by any carrier by means of boycott, duress, or intimidation.

"(7) The Commission is authorized, upon complaint or upon its own initiative without complaint, to investigate and determine whether any agreement previously approved by it under this section, or terms and conditions upon which such approval was granted, is not or are not in conformity with the standards set forth in paragraph (2), or whether any such terms and conditions are not necessary for purposes of conformity with such standards, and, after such investigation, the Commission shall by order terminate or modify its approval of such agreement if it finds such action necessary to insure conformity with such standards, and shall modify the terms and conditions upon which such approval was granted and may impose additional terms and conditions to the extent it finds necessary to insure conformity with such standards or to the extent to which it finds such terms and conditions not necessary to insure such conformity. Any person, including the Attorney General of the United States, may make complaint to the Commission of any action taken under or pursuant to an agreement theretofore approved by the Commission, and the Commission, upon such complaint or upon its own initiative, shall after hearing determine whether any such action is in conformity with such agreement and with the terms of the approval thereof by the Commission and is consistent with the standards above set forth and whether its approval of the agreement should be modified or terminated or additional terms or conditions be prescribed with respect to the particular action complained of. The effective date of any order terminating or modifying approval, or modifying terms and conditions, or prescribing terms or conditions, shall be postponed for such period as the Commission determines to be reasonably necessary to avoid undue hardship.

"(8) No order shall be entered under this section except after interested parties (including in all cases the Attorney General of the United States and interested State regulatory commissions or other authorities) have been afforded reasonable opportunity for hearing.

"(9) No agreement approved by the Commission under this section, and no conference or joint or concerted action pursuant to

and in conformity with such agreement as the same may be conditioned by the Commission, shall be deemed to be a contract, combination, conspiracy, or monopoly in restraint of trade or commerce within the meaning of the antitrust laws: *Provided*, That the approval by the Commission of any agreement concerning, or providing rules or regulations pertaining to or procedures for the consideration, initiation, or establishment of, time schedules, the interchange of facilities, the settlement of claims, the promotion of safety, or the promotion of adequacy, economy, or efficiency of operation or service shall not be deemed to be approval of any subsequent modification or amendment thereof or of any supplemental or other agreement made pursuant to any provision contained in the original approved agreement: *And provided further*, That the approval by the Commission of any agreement providing procedures for the consideration, initiation, or establishment of time schedules, the interchange of facilities, the settlement of claims, the promotion of safety, or the promotion of adequacy, economy, or efficiency of operation or service shall not be deemed to be approval of any joint or concerted action taken pursuant to any provision of such agreement.

"(10) Any action of the Commission under this section in approving an agreement, or in denying an application for such approval, or in terminating or modifying its approval of an agreement, or in prescribing the terms and conditions upon which its approval is to be granted, or in modifying such terms and conditions, shall be construed as having effect solely with reference to the applicability of the provisions of paragraph (9)."

"(11) The enactment of this section shall not—

"(a) deprive the Supreme Court of jurisdiction to hear and determine the case of Georgia versus Pennsylvania Railroad Co., et al. docket No. 11 (original), October term, 1945, or any proceeding for the enforcement of the provisions of any decree entered in such suit;

"(b) change any principle of substantive or procedural law otherwise applicable in the determination of such suit or proceeding, or deprive any party to such suit of any relief to which such party would be entitled but for the enactment of this section; or

"(c) render lawful the performance of any past or future act which shall have been found by the Supreme Court in such suit or proceeding as it relates to the parties to such suit to be unlawful or which shall have been prohibited by the terms of any decree entered therein or any supplement thereto or any modification thereof."

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

- S. 50. An act for the relief of Joseph Ochrimowski;
- S. 317. An act for the relief of Robert B. Jones;
- S. 361. An act for the relief of Alva R. Moore;
- S. 423. An act for the relief of John B. Barton;
- S. 425. An act for the relief of Col. Frank R. Loyd;
- S. 470. An act for the relief of John H. Gradwell;
- S. 514. An act for the relief of the legal guardian of Sylvia De Cicco;
- S. 561. An act for the relief of Robert C. Birkes;

- S. 620. An act for the relief of Mrs. Ida Elma Franklin;
- S. 824. An act for the relief of Marion O. Cassidy; and
- S. 882. An act for the relief of A. A. Pelletier and P. C. Silk.

#### ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 18, 1947, he presented to the President of the United States the following enrolled bills:

- S. 50. An act for the relief of Joseph Ochrimowski;
- S. 317. An act for the relief of Robert B. Jones;
- S. 361. An act for the relief of Alva R. Moore;
- S. 423. An act for the relief of John B. Barton;
- S. 425. An act for the relief of Col. Frank R. Loyd;
- S. 470. An act for the relief of John H. Gradwell;
- S. 514. An act for the relief of the legal guardian of Sylvia De Cicco;
- S. 561. An act for the relief of Robert C. Birkes;
- S. 620. An act for the relief of Mrs. Ida Elma Franklin;
- S. 824. An act for the relief of Marion O. Cassidy; and
- S. 882. An act for the relief of A. A. Pelletier and P. C. Silk.

#### PRICE-SUPPORT PROGRAM FOR WOOL— CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 214) to provide support for wool, and for other purposes.

Mr. BARKLEY. Mr. President, I wish to address the Senate briefly in opposition to the conference report. So far as I am concerned, consideration of the conference report may go over until tomorrow. However, if there is insistence on voting upon it tonight, I should like to make a few remarks regarding it. I desire to say to the Senator from Vermont that several Senators wish to discuss the conference report, and it seems to me obvious that we cannot conclude it this evening. I wonder if the Senate at this hour wants to resume consideration of it. I say in good faith to the Senator that we cannot conclude debate this afternoon without holding a very late session, because there are two or three Senators who desire to discuss it and who are not ready this afternoon to do so. There is no purpose to delay a vote. It is a bona fide discussion of the conference report. Personally, I should prefer to wait until tomorrow, but I am ready to go on now if necessary.

Mr. AIKEN. If the Senator will yield, I will say that I do not happen to know of anyone, other than the Senator from Kentucky, who wants to speak on the conference report, but I do not question that there may be others.

Mr. BARKLEY. The Senator from Pennsylvania [Mr. MYERS] wishes to discuss it, as does also the Senator from Maryland [Mr. TYDINGS], who has been called from the Chamber by important public business and is unable to be here any further today. There may be other Senators. I know of those two.

Mr. AIKEN. Mr. President, I wonder if it would not be a good idea to go on as long as the leadership of the Senate thinks it advisable to proceed tonight, and we will save that much time tomorrow. I hope we can get a determination as soon as possible of whether there will be a wool support price. There has been no support price since the 15th of April, although legally there should be one until the 30th of June. However, the Department of Agriculture did not see fit—and I think it acted wisely—to start a new support-price program for this year until it could ascertain whether it could continue it. In the meantime, it is my understanding that buyers are taking advantage of the smaller wool growers of the country. The conference report will either be approved or disapproved by the Senate. The sooner we find it out, the better. If it is approved, the bill will be sent to the President; and if he signs it, the sooner we find it out, the better. If he sees fit to veto it, I will say there is a very remote possibility that some other legislation might be proposed to support the price of wool, although I think that its chance of enactment at this time is very remote. But if any legislation at all is to be enacted to take effect by the 1st of July, when the act completely expires, we shall have to get it through as soon as we can. Personally, I doubt if any further legislation would be enacted in the event of a veto, but I do think we should get a determination as soon as we can. It seems to me that if we proceed for awhile longer tonight, we will save that much time tomorrow.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

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

Mr. ROBERTSON of Virginia. Mr. President, I wish to submit a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. ROBERTSON of Virginia. In the event the Senate votes down the conference report, will a motion then be in order that the Senate insist on its objections to the House amendments and ask for a further conference on its own bill?

The PRESIDENT pro tempore. In response to the Senator's inquiry, the Chair will say that if and when the present conference report is rejected, a motion will be in order requesting the House for a further conference and providing that the Chair shall appoint conferees. If that motion is agreed to by the Senate it is then in order to instruct the conferees.

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

Mr. BARKLEY. In a moment I will yield.

As I said a while ago, I have no desire and neither has any other Senator any desire, unduly, to delay a vote on this matter; but in view of the lateness of the hour and the fact that there are four Senators who want to address themselves to the conference report, it is obvious that we cannot finish it tonight. It is agreeable to me to vote at any time tomorrow that the Senate is willing to fix, provided a sufficient time is allowed for

legitimate discussion. Assuming that the Senate shall meet at 12 o'clock I would suggest that a vote be taken at 3 o'clock tomorrow afternoon. I think that 3 hours would be sufficient time to discuss the conference report.

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

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

Mr. WHERRY. Is the Senator offering that as a suggestion?

Mr. BARKLEY. I am offering it as a suggestion, but I am willing to propound it as a unanimous-consent request.

Mr. WHERRY. Would it be agreeable to the distinguished Senator if we vote at 2 o'clock and divide the time—

Mr. BARKLEY. No; it would not.

Mr. WHERRY. If we convene at 11 o'clock?

Mr. BARKLEY. I hope we will not meet at 11. Tomorrow is Thursday, and there will be some committee meetings.

Mr. WHERRY. Would the Senator be willing to divide the time between 1 o'clock and 3 o'clock?

Mr. BARKLEY. Yes.

Mr. WHERRY. I understand that was a suggestion?

Mr. BARKLEY. I was offering it as a suggestion, yes. I am willing to make it a unanimous-consent request.

Mr. WHERRY. If it is made as a request I suggest to the able Senator from Kentucky that the time between the hours of 1 and 3 o'clock be equally divided between the proponents and the opponents of the measure.

Mr. BARKLEY. So that anyone getting the floor at 12 could occupy it until 1?

The PRESIDENT pro tempore. Will the Senator state the unanimous-consent request?

Mr. BARKLEY. Mr. President, I presume to make the unanimous-consent request, inasmuch as I made the suggestion, that at the hour of 3 o'clock tomorrow the Senate proceed to vote without further debate upon the conference report now pending.

Mr. WHERRY. Mr. President, reserving the right to object, would there be any objection to voting not later than 3 o'clock, in the event that we could vote upon the conference report before that?

Mr. BARKLEY. So far as I am concerned, there would not be. The difficulty is that Senators do not know whether the vote is to take place at 3 o'clock or at some hour before that when the debate may be exhausted. Therefore they would make their arrangements to be here at 3 o'clock.

Mr. TAFT. I may suggest to the Senator that we also have the conference report on the rent-control bill which certainly ought to be dealt with tomorrow. It may involve some debate. I would hope that we might perhaps meet a little earlier. If we make the hour at 3 o'clock we will have a repetition of the same thing we have had today.

Mr. BARKLEY. No; that could not happen; because the agreement on the so-called Bulwinkle bill did not preclude debate on amendments that were to be offered. That is why that bill took much more time. I will agree to 2:30 o'clock.

I will modify the request by making it 2:30 instead of 3.

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

Mr. BARKLEY. I yield.

Mr. WHERRY. I offer as a modification of the unanimous-consent request the suggestion that if we vote at 2:30 the time between 1 o'clock and 2:30 o'clock be equally divided. That would include all the time this side needs for discussion.

Mr. BARKLEY. That means that up until 1 o'clock any Senator can speak on anything. I think that if there is to be any control of the time it ought to begin when the Senate meets.

Mr. WHERRY. Yes.

The PRESIDENT pro tempore. The Chair can submit only one unanimous-consent request at a time.

Mr. BARKLEY. I will modify my own request, if the Senator will permit. It is that at 2:30 the Senate proceed to vote on the conference report and that the time from the assembling of the Senate tomorrow until that hour be equally divided between the proponents and opponents of the conference report, to be controlled respectively by the Senator from Vermont [Mr. AIKEN], and I will control the other half of it, unless some other Senator wants to.

The PRESIDENT pro tempore. Does the Senator include in his unanimous-consent request not only the disposition of the conference report, but of any motions?

Mr. BARKLEY. Any motion or proceedings relative thereto.

The PRESIDENT pro tempore. Is there objection to the unanimous consent request? The Chair hears none, and the order is made.

The unanimous-consent agreement, as entered into and as reduced to writing, is as follows:

*Ordered*, That on the calendar day of Thursday, June 19, 1947, at the hour of 2:30 p. m., the Senate proceed to vote, without further debate, upon the question of agreeing to the conference report on the bill (S. 814) to provide support for wool, and for other purposes, or upon any motion relating thereto.

*Ordered further*, That the time intervening between the meeting of the Senate on said day and the hour of 2:30 o'clock p. m. be divided equally between the proponents and the opponents of the bill, to be controlled, respectively, by the Senator from Vermont [Mr. AIKEN] and the Senator from Kentucky [Mr. BARKLEY].

#### ORDER OF BUSINESS

Mr. WHERRY. Mr. President, I now propose that after the wool bill has been disposed of tomorrow at 2:30 o'clock the Senate proceed to the consideration of order No. 79, Senate bill 564, to provide for the performance of the duties of the office of President, in case of the removal, resignation, or inability both of the President and Vice President.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nebraska that when the conference report on the wool bill is completed tomorrow afternoon, the Senate proceed to the consideration of Senate bill 564?







DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued June 20, 1947  
For actions of June 19, 1947  
80th-1st, No. 116

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**HIGHLIGHTS:** Senate agreed to conference report on wool bill. Senate received nomination of Wells to be Cooperative Bank Commissioner, FCA. Senate received USDA proposal to repeal certain minimum-allotment provisions re tobacco. Senate committee approved Lodge bill to create Commission on Organization of Executive Branch. Senate committee approved bills to continue export-control, allocations and priorities powers. Rep. Keating criticized USDA's destruction of surplus potatoes. Rep. Ellis criticized "propaganda activities", particularly in USDA, regarding appropriations.

SENATE

1. **WOOL-PRICE SUPPORTS.** Agreed, 48-38, to the conference report on S. 814, the wool bill (pp. 7413, 7418-33). A large portion of the debate was on the import-control provision, concerning which Sen. Barkley inserted letters from Secretary Marshall and former Secretaries Hull and Stimson, criticizing the provision (p. 7429). This bill will now be sent to the President.
2. **HOUSING.** Agreed to the conference report on H. R. 3203, the rent-control bill (pp. 7436-40, 7445-9). There was no discussion of the roads-to-forests item, which was not agreed to by the conferees. This bill will now be sent to the President.
3. **FCA NOMINATION.** Received from the President the nomination of James E. Wells, Jr., to be Cooperative Bank Commissioner, of FCA (p. 7454).
4. **FOREIGN RELIEF.** Sen. Smith, N. J., inserted Herbert Hoover's letters on the economic situation in Europe (pp. 7413-6).
5. **AAA; TOBACCO.** Received from this Department a proposed bill to repeal certain minimum-allotment provisions regarding tobacco; to Agriculture and Forestry Committee (p. 7433).
6. **FOOT-AND-MOUTH DISEASE.** Both Houses received from this Department the 30-day report on the Mexican foot-and-mouth disease campaign; to Senate Agriculture and Forestry Committee and House Agriculture Committee (pp. 7433, 7497).
7. **REORGANIZATION.** The Expenditures in the Executive Departments Committee voted to report without amendment S. 164, to provide for a Commission on Organization of the Executive Branch (p. D405). The report was not actually submitted. Sen. Lodge, Mass., commended the Committee for this action (p. 7436).

8. RESEARCH. The Executive Expenditures Committee discussed, and gave final instructions for drafting a modified version of, S. 493, the technical information and services bill (p. D405).
9. INTERGOVERNMENTAL RELATIONSHIPS. The Executive Expenditures Committee selected a subcommittee (Sens. Bricker, chairman; Hickenlooper, Thye, Hoey, and O'Connor) to study this matter (p. D405).
10. WAR POWERS. The Judiciary Committee voted to report S. 1461, to extend temporarily certain powers under the 2nd War Powers Act regarding allocations and priorities, and S. 1460, to continue the Export Control Act (p. D405). The reports were not actually submitted.
11. COMMUNICATIONS. S. 816, as reported (see Digest 112) repeals the mandatory special rate for Government telegrams; and authorizes the Federal Communications Commission under the Communications Act of 1934, to prescribe charges, classifications, regulations and practices, including priorities, applicable to Government telegrams. The bill would be effective on the 10th day following the date of enactment.

#### HOUSE

12. PERSONNEL; VETERANS' BENEFITS. Passed as reported H.R. 1389, to amend the Veterans' Preference Act by defining the term "active duty", which is required for eligibility under the Act, as "active duty in any branch of the armed forces of the United States shall mean active full-time duty with military pay and allowances in any branch of the armed forces during any war or in any campaign or expedition (for which a campaign badge has been authorized)" (pp. 7564-7).  
Passed as reported H.R. 966, to amend sec. 14 of the Veterans' Preference Act so as to make it mandatory for an administrative officer to take corrective action recommended by CSC in the case of appeals made by preference eligibles because of discharge, suspension, demotion, etc. (pp. 7567-9).  
The "Daily Digest" states that the Post Office and Civil Service Committee "ordered\* favorably reported, with amendment, H.R. 1426, extending veterans' preference to widowed mothers of veterans under certain conditions" (p. D407).  
\* Copies of the bill and report will not be available until the bill is actually reported, when this Digest will include a statement to that effect.
13. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H.R. 1995, to amend the Civil Service Retirement Act to provide for the return of the amount of deductions from the compensation of any employee who is separated from the service or transferred to a position not within the purview of such act before completing ten years of service (H.Rept. 615) (p. 7497).  
The "Daily Digest" states that the bill has been amended to "make it retroactive to January 24, 1942" (p. D408).  
The Post Office and Civil Service Committee reported without amendment H.R. 3813, to provide for removal from, and the prevention of appointment to, offices or positions in the executive branch of the Government of persons who are found to be disloyal to the U.S. (H.Rept. 616) (p. 7497).
14. MARKETING. In reporting H.R. 452 (see Digest 112) to amend the Agricultural Marketing Agreement Act, the Agriculture Committee struck out the provision authorizing the inclusion of additional commodities under the Act by a referendum vote of the majority of the producers of a commodity, and amended the bill so that provisions of the Act would be applicable only to the following commodities, other than milk and its products: "fruits (including pecans and walnuts but not including apples, other than apples produced in the States of



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 80<sup>th</sup> CONGRESS, FIRST SESSION

Vol. 93

WASHINGTON, THURSDAY, JUNE 19, 1947

No. 116

## Senate

(Legislative day of Monday, April 21, 1947)

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

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

O God, our Father, while we pride ourselves that we learn something every day, we seem to make little progress in spiritual things.

Nowhere is our ignorance more tragic. So long have we been riding on the balloon tires of conceit, for our own good we may have to be deflated, that on the rims of humility we may discover the spiritual laws that govern our growth in grace. If our pride has to be punctured, Lord, make it soon before we gain too much speed.

For the salvation of our souls and the good of our country. In Jesus' name. Amen.

### 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. Swanson, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3492. An act to provide for the expeditious disposition of certain war housing, and for other purposes;

H. R. 3818. An act to amend the Federal Insurance Contributions Act with respect to rates of tax on employers and employees, and for other purposes; and

H. R. 3839. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 51) against adoption of Reorganization Plan No. 3 of May 27, 1947, in which it requested the concurrence of the Senate.

### ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 3792) to provide

for emergency flood-control work made necessary by recent floods, and for other purposes, and it was signed by the President pro tempore.

### PRICE-SUPPORT PROGRAM FOR WOOL— CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 814) to provide support for wool, and for other purposes.

The PRESIDENT pro tempore. Under the unanimous-consent agreement entered into yesterday, a vote is to be taken at 2:30 o'clock this afternoon on the conference report on Senate bill 814, and the time intervening between the convening of the Senate until the hour of 2:30 o'clock is under the control of the Senator from Vermont [Mr. AIKEN] and the Senator from Kentucky [Mr. BARKLEY]. Under the circumstances, the Chair can recognize no one except by permission of the Senator from Kentucky or the Senator from Vermont.

### THE JOURNAL

Mr. WHERRY. Mr. President, will the Senator from Kentucky yield to me to ask for the approval of the Journal?

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

Mr. WHERRY. I ask unanimous consent that the reading of the Journal of the proceedings of yesterday, June 18, 1947, be dispensed with, and that the Journal stand approved.

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

### MEETING OF COMMITTEE DURING SENATE SESSION

Mr. SMITH. Mr. President—

Mr. BARKLEY. I yield to the Senator from New Jersey.

Mr. SMITH. Mr. President, I ask unanimous consent that the subcommittee of the Committee on Labor and Public Welfare be permitted to continue to sit during the session of the Senate today while holding hearings on the anti-discrimination bill.

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

### LETTERS FROM FORMER PRESIDENT HOOVER ON ECONOMIC SITUATION IN EUROPE

Mr. SMITH. Mr. President, I desire to make a brief statement concerning an insertion in the RECORD I wish to have made.

Mr. President, the news from Europe becomes increasingly alarming. The economic situation appears to be rapidly deteriorating, and prompt action will be necessary if we are to save the world from further chaos.

From the standpoint of America, we are being called on for more and more aid, and the time has definitely come to take account of stock, both as to what our foreign policy should be and what limits must be placed on the aid that we can give in this crisis. Without America sound economically, we will soon find ourselves in serious difficulty.

While perhaps it is the first responsibility of the Committee on Foreign Relations to keep abreast of these matters and prepare to act promptly if necessary, it is my feeling that every Member of the Senate should be informed of conditions. I, therefore, ask unanimous consent to have printed in the RECORD two important communications from former President Hoover dealing with the economic situation abroad. The first is a letter to the Honorable JOHN TABER, chairman of the Committee on Appropriations of the House of Representatives, dated May 26, 1947, entitled "We Must Speed Peace." The second is a letter to the Honorable STYLES BRIDGES, chairman of the Committee on Appropriations of the United States Senate, dated June 15, 1947, entitled "The Limits of American Aid to Foreign Countries."

A study of these letters in connection with Secretary Marshall's recent statement of policy and the statement on June 14 on United States rehabilitation of foreign countries by the senior Senator from Michigan [Mr. VANDENBERG], chairman of the Foreign Relations Committee, will furnish a background for an understanding of some of the serious problems which are facing us and will indicate the direction in which our participation in foreign affairs should move.

I ask unanimous consent that the letters referred to from former President Hoover be printed in full in connection with my remarks.

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

The letters from Mr. Hoover are as follows:

WE MUST SPEED PEACE

NEW YORK, N. Y., May 26, 1947.

Hon. JOHN TABER,  
Chairman, Committee on Appropriations,  
House of Representatives,  
Washington, D. C.

DEAR MR. TABER: I have your request for a memorandum on my views upon the recommendation of the War Department of \$725,000,000 for food and collateral relief requirements for Germany, Japan, and Korea for the next fiscal year.

You have also requested that I should furnish you a memorandum upon the causes of these continuing demands upon us, measures which might ameliorate these demands upon our taxpayers and generally upon our foreign relief and reconstruction policies. I shall, as you requested, attend the committee hearing on Tuesday to give any further information they desire.

For clarity, I have throughout this text numbered my specific recommendations.

1. As matters stand this appropriation of \$725,000,000 should be made. In addition to this proposed American appropriation the British are also to contribute their share of bizonal relief in Germany. These enormous sums are inescapable for the next year unless millions of people under our flags are to die of starvation. They are about the same as during the present fiscal year and this year's experience demonstrates how near starvation is in these countries.

Surely we must take steps to bring these burdens upon our taxpayers to an end.

We are now providing relief for the third year after the war.

The delay by Russia in making peace with Germany and Japan together with the Allied policies of reparations and industrial demilitarization have paralyzed the industrial productivity of these countries. They are able to make substantial exports and are not contributing, as they otherwise could, to their own support.

General Marshall, in Moscow, ably urged the immediate necessity for Russia and France to comply with the Potsdam agreement, which provided for economic unification of the four zones; for the revision of the plant transfers for reparations; and the revision of so-called levels of industry. Meanwhile, Russia and France are taking industrial exports from their zones which, under the Potsdam agreement, would contribute to paying the food bill in the American and British zones. Thus we are paying reparations. We are shipping fertilizers for relief which could be supplied from the French zone. We are supplying France with Ruhr coal which could be used for the manufacturing of exports in Germany with which to pay for food.

2. In view of the Russian refusal to General Marshall's able presentation at Moscow, and the continued violation of the Potsdam agreement to unify German economy in both Russia and France, we are surely no longer bound by that agreement as to reparations and industrial policies.

In the bizonal area of Germany, after 2 years since VE-day, the agricultural production is about 75 percent of prewar and the industrial production is only at 33 percent of 1936, and exports are only 3 percent. In Japan there has been about 80-percent recovery in agricultural production, but industrial production is only 30 percent of prewar, with exports about 4 percent.

To understand the situation in the German area, we might visualize what would happen if the present policies were imposed on the United States. Suppose America were divided into four zones with little interchange of economic life or food surpluses, with an obligation to tear down and ship abroad 25 percent of our peace-production plants, and with a restricted level of industry which would destroy 60 percent of our possible export trade. Then add to this the failure even to designate the plants that are to be removed, so that all initiative to operate the remaining plants is destroyed by uncertainty as to whom the victims will be. Suppose also we were not allowed to produce oil, and were limited in fertilizer production. Without relief from some humanitarian country, millions of our people would die.

Unless there are revolutionary changes in our policies as to Germany and Japan, the burdens upon our taxpayers are not likely to lessen, and are more likely to increase. There are three alternatives before us in our occupied territories: To wash our hands of the whole business and then let the conquered countries drag the whole world to final chaos; or, for humanitarian reasons, merely to carry these people on a food-subsistence level, hoping for improvement in the attitudes of other nations; or to act at once to free ourselves from their hindrances as far as possible.

3. The time has come when we should issue a last call to Russia and France to comply with the Potsdam agreement. If they do not at once respond, we and the British should immediately take the steps to set up the economy of the bizonal areas so as to restore their industrial production and exports.

4. An effort should be made to consolidate the French zone (except the Saar) into the bizonal area. In this we have a right to expect French cooperation, in view of the great sacrifices the American people are now making on behalf of France.

5. In any event, we should immediately carry out the present project of a temporary centralized German government over the American and British zones subject to our military direction. We might even contemplate a separate peace with this government if the next Conference of Foreign Ministers does not succeed in more constructive policies.

6. If we are to secure adequate exports with which they can pay for food, it is urgent that we at once revise the reparations and industrial demilitarization policies imposed upon these zones by various Allied agreements. These latter policies are identical in Japan, where they must likewise be revised.

7. We should, in our German zones and in Japan, suspend the whole concept of levels of industry, placing restrictions upon only a few specified industries, such as shipping and aviation.

8. We should at once abolish for good the destruction or removal of all industrial plants which can make peacetime goods or services. The heavy burden now borne by our taxpayers is ample proof of the folly of these policies. It is an illusion that there are any consequential reparations to be had by removal of peacetime industrial plants. The buildings, foundations, water, electrical, and other connections in such plants have no value for removal. All that is removable for any use are machines, all secondhand and many obsolete. The cost of tearing them out, shipping them to some area where there is neither skilled labor nor skilled management, and of building new foundations, buildings, and connections, leave even these values comparatively trivial. We should allow the removal of equipment from such munitions factories which cannot be converted into peacetime production. We should assess by independent engineers the actual value to any proposed recipient of

peacetime plants, deducting the cost of dismantling, and then call upon Germany or Japan to pay such a sum over the years and retain the plants. With such action, the uncertainties which now paralyze German and Japanese initiative would quickly revive many industries and gradually provide exports to pay for their food. The drain upon our taxpayers would gradually disappear. Unless this is done, Germany and Japan will not be self-supporting in our time.

Such policies have no practical relation to the demilitarization of either Germany or Japan. I assume we are not going to make the major mistake of Versailles of leaving these countries the nuclei of militarism by granting them any armies or navies. It seems generally agreed that we will absolutely disarm these peoples so that they shall not again be able to engage in aggressions; that this disarmament will embrace destruction of all military arms, fortifications, and arms factories; that they will have no army, no navy, and no air force; that they will retain only a constabulary in which no previous officer may be employed; that no militarist officials can hold public office; that this disarmament must be continued for a generation or two, until they have lost the know-how of war, and the descent of militarism through birth. We have already offered to join in guaranties which will make these prohibitions effective.

9. With such a policy of demilitarization, the chains on production and export of peace purpose goods should be removed and a simple check maintained to assure that industry does no evil.

The situation in Japan is not complicated by zonal occupation of other armies, and we are more free to act. Also, the United States is paying the entire food bill. The world has had the service of a great administrator in General MacArthur under whose guidance the Japanese have adopted a constitution approved by us; they have freely elected a government and are determined upon democratic processes.

10. We should at once summon the peace conference with Japan and make a peace with her by as many nations as wish to adhere.

Such policies as I have outlined are of a vast importance to the nations outside of Germany and Japan. The whole world is suffering from delay in restoration of productivity. The whole world is an interlocked economy, and paralysis in two great centers of production is a world disaster. There is greater opportunity to speed recovery in the world by such action as I outline than by any amount of gifts and loans from the United States.

There has been announced an American policy of defending the frontiers of western civilization. The most vital of these frontiers are Germany and Japan. If they are lost, all Europe and the Far East are lost.

The reasons for continuous obstruction by Russia to every effort which would restore production have at least some expression in the Russian press as a method by which the United States can be bled white by relief measures. We should wait no longer. Russia will not make war about it.

#### COORDINATION OF AMERICAN POLICIES

11. The problems of relief I have been discussing are involved in a much wider action. That is the coordination of all aid which we are extending for relief and reconstruction abroad. The resources of the United States are not unlimited and we are carrying over 90 percent of these burdens. In the 2 years since the war the United States has spent upward of fourteen billions in free relief, Government loans or loans from agencies dependent upon the United States for their survival. Already we are practically committed to five billion during the next fiscal year. These activities are divided

INVESTIGATION OF HIGH PRICES OF CONSUMER GOODS

Mr. BALDWIN. Mr. President, for nearly 6 months, the Eightieth Congress has been in session dealing with a number of important concerns of the American people. However, in those 6 months, I have heard little discussion of—and no solution suggested with respect to—the gravest domestic problem facing our country today, which is the problem of high prices.

If we can say that the American people were more concerned about one subject than any other at the time of the elections last fall, I think that concern was about prices. Yet, we have, so far in the present Congress, made only a few references to the question and have provided no positive specific action, nor has the administration done so. There is little point in political recriminations about the matter at this time. I do not believe our people are nearly so much interested in placing the blame as they are in lowering the prices. After having seen the failure of price-control measures and recognizing the necessity for the operation of a free economy, we on this side of the aisle, in all good faith, assured the people of the country that the decontrol of prices would bring the relief they so sorely needed. Now, it seems to me, it is up to us to demonstrate that we can, and will, do something to provide lower prices, particularly on the necessities our people now find it most difficult to buy.

Experience in the past has shown that we cannot adequately legislate against high prices. Prices are so deeply entangled in economic cause and effect and reaction that they cannot be easily or completely affected through some single legislative action or by controls.

However, the fact is perfectly clear that something can and must be done to change the growing trend toward higher prices. When one finds new cars being sold in second-hand lots at prices from \$400 to \$600 above the manufacturers' stated prices; when one sees \$2 shirts selling for \$4 and \$5; when one sees steaks nearing \$1 a pound, and the price of the less expensive cuts also increasing proportionately, he realizes that there is something fundamentally wrong with our pricing system. It is very difficult to compare certain prices. For example, it is difficult to compare 58-cent-price-controlled butter that could not be obtained, with \$1-black-market butter, or with 69-cent-uncontrolled butter. It is true in some fields that shortages are still causing high prices. This is particularly true in the case of certain manufactured articles the demand for which is still far ahead of supply. However, in the case of certain other items, such as basic food necessities, there is every reason to believe that supplies are adequate. Yet prices are still high. This trend upward has been accelerated since the war, until now we find by comparing prices on comparable items, they are probably the highest in our history. Under such conditions, we cannot, as a Nation, continue or improve the high standard of living that has made us the envy of the world and that has made

possible our position as the leading Nation today.

According to Bureau of Labor statistics, food prices as of April 1947 are 93 percent higher than in January 1941 and 33 percent higher than in April 1946. Clothing prices are now 82 percent higher than in 1941 and 20 percent higher than a year ago. Food prices, particularly, have seriously affected all our people. Bread prices, for example, have jumped from 8.6 cents in 1941, to 10.6 cents in 1946, to 12 cents in March 1947. Milk—in the same period—has gone from 14 cents to 16 cents, to 19 cents. Potatoes have gone from 39 cents to 75 cents, and now 68 cents a peck. Taking the price index from 1935 to 1939 as 100, children's shoes have jumped from an index of 115 in 1941, to 147 in 1946, to 194 in 1947. Men's shirts have moved from an index of 110 to 183, to 246. These few illustrations should serve to demonstrate the violent increases in price our people have suffered. As we well know, the incomes of many of our people—perhaps most of them—have by no means been increased comparably. While it is most difficult accurately to picture this price condition statistically, any housewife can tell us in irrefutable terms what these costs mean to her family.

The Congress is representative of all the people in all the States. In every sense, it must be the eyes to see what is going wrong in our country and—seeing it—take measures to correct it. It must likewise be the ears for all the people to listen for what is going wrong and—hearing it—take measures to correct what needs correction. Since the administration has shown no disposition to date to cope effectively with this very important problem, there is every reason why Congress should ascertain at the earliest date why prices are high, what corrective measures can be taken, and then to formulate and to put into operation such measures.

It seems to me, therefore, that it is high time that on both sides of the aisle we regard this question as fundamental and nonpolitical. The Senator from Connecticut does not believe anyone of us here has so little faith in our free-enterprise system that he would involuntarily return to the confusion, shortages, and black markets that typified our wartime control of prices. Now it is up to all of us, regardless of party, to do our part to make that American system work. It is high time that we quit talking about high prices and start doing something about them. If exorbitant profits are being made, let us find that out. It is possible that artificial shortages are being created. If that is so, let us find that out. It is possible that increased wages and lower production are the answer—though statistics indicate wages alone cannot account for the increase. I do not pretend to know at this time the detailed causes. However, it seems to me, it is time we do something about it. All of our people are deeply worried about the high cost of plain living—the cost of food, the cost of housing. For that reason, Mr. President, the junior Senator from Connecticut is submitting a concurrent resolution requiring that a joint congress-

sional committee be appointed to begin an immediate, comprehensive investigation and report to the Congress not later than March of next year as to what, in their opinion, the causes are, and what, in their opinion, can be done to give our people just and needed relief. The hour is already late. Let us hope the Members of the Senate will need no urging to join in this common effort to solve what all of us know is the most pressing daily problem our people face.

At this time, Mr. President, I submit a concurrent resolution authorizing the President pro tempore of the Senate and the Speaker of the House to appoint such a committee.

There being no objection, the concurrent resolution (S. Con. Res. 19) was received and referred to the Committee on Banking and Currency, as follows:

*Resolved by the Senate (the House of Representatives concurring),* That there is hereby established a joint committee to be composed of five Members of the Senate (not more than three of whom shall be members of the same political party) to be appointed by the President pro tempore of the Senate, and five Members of the House of Representatives (not more than three of whom shall be members of the same political party) to be appointed by the Speaker of the House of Representatives. Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection. The committee shall select a chairman and a vice chairman from among its members.

SEC. 2. It shall be the duty of the joint committee (1) to make a full and complete study and investigation of the present high prices of consumer goods and (2) to report to the Senate and the House of Representatives not later than March 1, 1948, the results of its study and investigation together with such recommendations as to necessary legislation as it may deem desirable.

SEC. 3. (a) The joint committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Eightieth Congress, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

(b) The joint committee is empowered to appoint and fix the compensation of such experts, consultants, and clerical and stenographic assistants as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1923, as amended, for comparable duties.

(c) The expenses of the joint committee, which shall not exceed \$100,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of disbursements so made.

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

Mr. BALDWIN. I yield.

Mr. TAFT. The Senator will probably be interested to know that the Joint Committee on the Economic Report will begin hearings on Tuesday next, which will continue during the next 30 days, and to which have been invited most of the leading industrialists of the country and representatives of all the agencies which have statistical organizations dealing with the general question of wages, prices, maintenance of employment, and prosperity in general. The Senator is invited to attend those hearings. So far as I can see, the committee is doing exactly what the Senator thinks such a committee should do.

Mr. BALDWIN. If that is so, I can only join with the rest of the people of the United States in rejoicing over it, and in hoping that there may be speedy action.

The PRESIDENT pro tempore. The time of the Senator from Connecticut has expired.

#### PRICE-SUPPORT PROGRAM FOR WOOL— CONFERENCE REPORT

The Senate resumed the consideration of the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 814) to provide support for wool, and for other purposes.

Mr. BARKLEY. Mr. President, I yield 15 minutes to the Senator from Pennsylvania [Mr. MYERS].

Mr. MYERS. Mr. President, I may say by way of introduction that much of what the Senator from Connecticut [Mr. BALDWIN] has just said makes sense, and good, common sense. If the Senator from Ohio had not done so, I would have reminded the Senator from Connecticut that at long last the Joint Committee on the Economic Report has gotten around to consider the very subject which is worrying the Senator from Connecticut so much. Unfortunately, we have waited all too long, I believe, to look into this subject, which is so serious. I think the Congress should have given time and attention to it long ago.

But in the Congress of the United States we have been endeavoring to lower taxes for the rich and raise rents for the poor. We have been inviting a return to the days of dog-eat-dog economics. We have placed the housewife at the mercy of the profiteer. We have attempted to emasculate the wage-hour law, and we have attempted to break unions up into tiny little segments so that they can be taken one by one, just as Hitler took the nations of Europe one by one until he had gobbled up the entire continent. I think it all ties in together. I think the bill under discussion, the wool bill, ties into this situation.

In this morning's issue of the Philadelphia Inquirer I came across a rather disturbing editorial. I may say that the Philadelphia Inquirer espouses a political philosophy to which I do not subscribe, but it is one of the finest and most influential newspapers in the United States. It has constantly supported Republican candidates for office and has constantly and regularly supported the Republican ticket.

This editorial is directed to the present session of the Pennsylvania Legis-

lature, which completed its deliberations on Tuesday evening of this week after five and a half months of sessions.

Mr. President, the Governor of Pennsylvania is a Republican, and a fine man, a real gentleman, a patriotic American. The Legislature of Pennsylvania, in both houses, is overwhelmingly Republican. This Republican newspaper, in its issue of this morning, has this to say in the opening paragraph of an editorial entitled "Tobacco Road' Session Ends in Failure":

Perhaps the major accomplishment of the session of the Pennsylvania Assembly just ended was its final adjournment at 10:20 o'clock Tuesday night.

In the last few paragraphs of the editorial from the Philadelphia Inquirer I find the following:

Home rule, racketeers' extortions, the threat of skyrocketing rents, the whiplash of prejudice held over workers by certain employers: all these meant nothing to the Tobacco Roaders.

They clung to their selfish, narrowly political, amazingly behind-the-times views, and they swung their votes that way.

The wonder of it is that the recent session achieved anything worth while at all.

But its accomplishments are marred forever by its failures, its malingering, its incompetence. It will go down in history as the Tobacco Road legislature.

What worries me is this: If we here in the Congress continue to mangle, if we continue to avoid the very things which the Senator from Connecticut brought to our attention today, if we continue to close our eyes to the grave dangers on the home front, if we continue to snipe at the foreign policy of our Government, as this bill does, then this session of the Eightieth Congress may become known as the Tobacco Road session.

Mr. President, I ask unanimous consent that the entire editorial to which I have referred be printed in the RECORD at this point as a part of my remarks.

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

[From the Philadelphia Inquirer of June 19, 1947]

#### TOBACCO ROAD SESSION ENDS IN FAILURE

Perhaps the major accomplishment of the session of the Pennsylvania Assembly just ended was its final adjournment at 10:20 o'clock Tuesday night.

For up to that time, all through the wearisome weeks since January, its record was mainly one of dismal failure.

Few sessions in the history of the State had the opportunity to enact more urgently needed laws, only to waste that opportunity with Tobacco Road legislating of the worst kind; legislating that smacks of the backwoods and a refusal to keep in step with modern times.

It is typical of the Tobacco Road state of mind to keep the session dawdling on for weeks without important accomplishment, and then as adjournment neared to tie the business of the assembly into hopeless knots of confusion.

On the credit side is passage of legislation opening the way for insurance companies to develop large housing projects in Philadelphia; permitting Pennsylvania to have community-property laws such as a number of other States enjoy, with resultant reductions in income taxes for married couples; and regulating automobile financing practices so as

to put an end to the extortionate overcharges that have been prevalent.

Measures to reduce the rates of unemployment compensation charges levied upon employers under the merit rating system and to provide \$89,000,000 for new construction at State mental hospitals, including Byberry, may also be put down as substantial accomplishments.

Certain approved labor regulations are desirable, such as the ban on strikes by State and city employees, including school teachers and essential public-utility workers, and the denial of unemployment compensation to strikers. But a number of other proposed regulations were lost in the shuffle.

Higher pay for teachers is made possible by the legislature, and local tax bases broadened to help out in this connection. But the manner in which this was performed for Philadelphia—by the imposition of a mercantile license and an additional personal-property tax—cannot be accepted as perfect because the amount of money collected may fall far short of the need.

It is in the session's outright sins of omission, however, that the members have proved mainly delinquent.

They refused to pass a fair-employment-practice bill that would have made it unlawful for anyone to deny employment because of race, religion, or color.

They refused to wipe out the disgraceful racket in new-car sales.

They refused to give communities the home-rule right of deciding for themselves whether they wish to add hockey to the list of sports permitted on Sundays.

They refused to protect rent payers with a rent-control law that would have been in effect after Federal controls are lifted.

They refused to reapportion the State's legislative districts to give the people fair representation at Harrisburg for the first time in 25 years.

They refused to outlaw the Ku Klux Klan.

They refused—the Tobacco Road Republicans holding the balance of power—to legislate for the people. They insisted on blockading measure after measure that would have benefited our State.

They have no excuse. They cannot say they did not have ample time—the session stretched on for 5 months. They cannot say they did not understand the various issues—the Inquirer kept pounding away for weeks stressing the desirability of various bills and urging their passage.

Home rule, racketeers' extortions, the threat of skyrocketing rents, the whiplash of prejudice held over workers by certain employers—all these meant nothing to the Tobacco Roaders.

They clung to their selfish, narrowly political, amazingly behind-the-times views, and they swung their votes that way.

The wonder of it is that the recent session achieved anything worth while at all.

But its accomplishments are marred forever by its failures, its malingering, its incompetence. It will go down in history as the Tobacco Road legislature.

Mr. MYERS. Mr. President, I am deeply worried and concerned about the dark shadows cast by the pending wool bill. We have advanced hundreds of millions of dollars to countries all over the world. For what purpose? We have advanced that money to shelter the homeless and to feed the hungry and clothe the naked. I think we have advanced these moneys too in our own intelligent self-interest, as the distinguished senior Senator from Michigan [Mr. VANDENBERG] has so often said. I was and I am thoroughly in accord with this policy, and I congratulate him for the bipartisan leadership which he has

given to our present foreign policy. However, I fear that if this bill passes we shall give notice to the other countries of the world that we are abandoning the course which we have followed for some years past.

We cannot carry the world on our back. This we all realize. We can lend money to other countries to enable them to rehabilitate themselves, to assist them along the road to economic recovery.

But of course this is but a temporary and immediately necessary aid. Eventually they must help themselves and the only way they can do so is by engaging in trade with us and with all the world. But this bill gives notice to the nations assembled at the Geneva Conference, and to all the world, that our brave words of reciprocal trade and the lowering of trade barriers are just words—only words. It is notice to the world that we are returning to a policy of isolationism. If we follow that course if we adopt this conference report, our entire foreign policy may be in jeopardy. So I sincerely hope that the Senate will vote down the conference report, because of the world-wide repercussions which may follow. If the Senate approves the conference report, I hope the President will veto the bill. If he does, I hope that his veto will be sustained.

Mr. President, we have offered our assistance and our aid to those countries which subscribe to the kind of democracy in which we believe. I hope we will continue to help those countries which respect the will of the majority of their peoples. If we do there is a chance that we may ultimately achieve that world of decency and of human freedom which we all hoped for during the days of World War II.

But if we retreat now—and this bill is one of the first steps in a retreat—the nations of the world may well be driven into the all-embracing arms of communistic totalitarianism. They may conclude at this crucial hour that America is only whispering honeyed words, and that although we have loaned them some money and have said to them, "We hope you can finally rehabilitate yourselves with this help," we have in reality turned our backs on them, and said, "We will take none of your trade. We will take none of your business. Where then Mr. President will they turn in their desperate search for a road back to economic recovery. Will they turn to trade blocs, sterling blocs, or a sphere of influence in which we may not have any part—a sphere of influence in which we have no influence?"

So, Mr. President, while America takes firm and courageous stands on international issues presenting what appears to be a united bipartisan front in behalf of freedom and decency for all peoples everywhere, little men, arrogant little men wield their hatchets on the appropriations necessary to carry out our commitments, and scream in dismay at every dollar spent here or abroad for the purpose of strengthening democracy. They beat their breasts to emphasize the platitudes they speak about as the American way, but they do their mightiest to return

America to the ways of isolationism internationally and jungle economics domestically. Disaster follows either course.

If we back out of Europe now, tail first, talking "international cooperation"—and this wool bill, Mr. President, is the start of backing out of Europe tail first—at the same time we retreat from the responsibilities which go with it—world trade is one of those responsibilities, Mr. President; reciprocal trade is one of those responsibilities, and this measure jeopardizes the reciprocal trade program, then, I say, God help those throughout the world who look to us for freedom, for certainly there will be no one else to help them.

And if they go down into the sea of despair which invites expanding totalitarianism, then, I say, God help America, for alone we cannot stand off a world which envied us the wealth we squander so recklessly on nonessentials while denying a fraction of our bounty to save the lives of millions of hungry, cold, and hopeless men, women, and children.

Mr. President, every newspaper editorial I have read, every letter I have received, is concerned over the threat to our reciprocal trade program by this wool bill. I ask unanimous consent, that at the close of my remarks there be inserted in the CONGRESSIONAL RECORD certain editorials and news articles from various newspapers in Pennsylvania.

I know of no one in my State who is in favor of the pending legislation. So, Mr. President, not only because of its domestic effects, not only because of the complications which will be occasioned on the home front, but particularly and more importantly because of the series of dire consequences to our whole international policy, I hope and trust, that the conference report will be rejected.

The PRESIDENT pro tempore. Without objection, the request of the Senator from Pennsylvania to have inserted in the RECORD certain editorials is granted.

The editorials referred to are as follows:

[From the Christian Science Monitor]

#### WOOLEN TORPEDO

It may not sound very dangerous—a torpedo of wool—but it is. Let's get the story from the beginning:

Before the war ended, statesmen in many nations began to plan for economic peace in the world as one base for political and military peace. A prime factor in economic peace, they decided, was a freer movement of goods between countries. To that end, they sought ways to lower tariffs and other artificial barriers by reciprocal agreements.

A key move in this program was the enactment last year of a new Trade Agreements Act by Congress. This gave the President authority to negotiate pacts reducing the American tariff on specific imports by as much as 50 percent in exchange for similar reductions by other countries. With this authority, the United States arranged a conference at Geneva to work out such reciprocal plans for giving world trade more freedom.

Meanwhile, a new Congress was elected. It was controlled largely by men who believed in high tariffs. There were reports that they would repeal the Trade Agreements Act of 1946, but apparently they decided not to try. Instead, they began to undermine its operations. Some of them served open notice that other nations could

not depend on trade agreements with America to last after expiration of the act next year.

Also, they found a weapon. It is a proposal to raise the already high tariff on wool by an extra import fee sufficient to make it difficult for other countries to ship wool to the United States. The House of Representatives off-handedly passed this bill, which tends to increase the cost of every yard of woolen goods used in America.

If the Senate should also pass it, Mr. Truman would almost surely veto it. But much of the damage would have been done. Other countries would have had notice from Congress that groups of producers with special interests are still powerful enough in the United States to block a general program for reducing trade barriers—even at the expense of the general interest of the consumers. And, as Secretary Marshall warns, "Wool is a symbol of our intentions in foreign trade."

There is your "wool torpedo." And if the American people do not want it to blow up the Geneva conference and the most hopeful steps for economic peace, they should let Congress know—soon and emphatically.

[From the Pittsburgh Press of June 16, 1947]

#### THE WOOL GRAB

Of course, President Truman will have to veto the wool-tariff bill.

No more greedy, senseless, and untimely measure has even been considered by this Congress.

Here our Government is lending and giving away billions of dollars to other countries because they haven't the exchange to buy goods which we produce and they need.

Wool is one commodity which some other countries have that they could trade for our goods—if we would only buy more wool from them. Yet, our Government has accumulated 430,000,000 pounds of domestic wool, which it can't sell at less than the price-support level of 42 cents a pound, a price higher than our own people can pay. And we already have a tariff of 34 cents a pound against wool imports.

Now along comes Congress with a bill proposing a 50-percent addition to the tariff. And at a time when, under the initiative of our own Government, an international trade conference is being held at Geneva to reduce barriers to commerce.

Fortunately, the Republicans will not have enough votes in Congress to override the veto. And between now and the next election there should be enough time to educate the GOP on some of the economic facts of our present world, which is in the shape it is largely because of the Fordneys and McCumbers and Smoots and Hawleys of days gone by.

[From the Pittsburgh Post-Gazette]

#### WOOL AND WAR

The wool-grab bill, by which this country would revive its suicidal high-tariff policies of the twenties, is almost certain to be passed by Congress. This bill would not only retain the present duties on wool but would require the President either to raise them or to impose quotas whenever imports were found to be reducing the amount of domestic fiber produced.

The immediate effect of the bill will be to sabotage the efforts of our State Department officials who are now negotiating reciprocal agreements with representatives of 18 nations at Geneva. It is questionable whether these nations can now place much credence in our pious words about freeing world trade when our legislative actions prove us hell-bent for economic isolationism.

The wool tariff hits most of all the British Empire, that family of nations which should provide our closest allies. For example, almost 90 percent of Australia's exports to this country—and a large part of New Zealand's—

are accounted for by wool. If we are to close our markets to these Dominions, we shall not only invite a resumption of the Empire preferential system but will set an example in those discriminatory trade practices which are the sure harbingers of war.

Unless all our postwar foreign policy is to go by the board, President Truman must veto—and Congress must sustain his veto of—the wool-tariff bill.

[From the Pittsburgh Press]

#### GOP ATTACKS TRADE POLICY IN WOOL DEBATE—CALLS FOR RETURN OF HIGH TARIFFS

(By Charles T. Lucey)

WASHINGTON, May 23.—House consideration of a bill authorizing a higher import duty on wool today brought a Republican frontal attack on the whole reciprocal trade program. It had GOP Members calling for a return of the good old days of the Smoot-Hawley tariff.

Heated floor debate turned the congressional clock back 20 years as Republicans called for a traditional party tariff stand and Democrats warned of retaliation from abroad such as followed passage of past high-tariff laws.

Administration officials fear that signs of revival of the old protectionist spirit apparent in the fight on wool will mean trouble when the reciprocal-trade law comes up for extension next year.

#### CONFERENCE JEOPARDIZED

Already, according to State Department people, the proposed higher tariff on wool has jeopardized the success of the current Geneva Conference studying world reduction of trade barriers.

Under Secretary of State William L. Clayton told the House, in a letter read by Democratic Whip JOHN McCORMACK, of Massachusetts, that "if \* \* \* when we are negotiating at Geneva, we raise new barriers as this bill proposes, we stand convicted of insincerity."

From Republican Representative HAROLD KNUTSON, of Minnesota, Ways and Means Committee chairman, came a sharp answer by way of appointment of a special subcommittee to study the whole subject of what the United States representatives are proposing at the 21-nation Geneva meeting.

#### UNITED STATES POSITION WEAKENED

Mr. Clayton flew home from Switzerland a few days ago after word of the proposed higher wool tariff, reaching there, had weakened the position of the United States delegation.

Mr. KNUTSON also said it seemed the entire American wool industry was doomed as the price of shipping a few autos to Australia, and he warned that Geneva conferees should be on notice that Congress is in no mood to destroy one domestic industry so that another might ship surpluses abroad.

The wool bill started as a measure simply to continue the Government's wool-support-price program, which already has cost the taxpayers \$38,000,000 and piled Government warehouses high with a 40,000,000-pound wool surplus. The program increases woolen goods' costs to consumers.

[The House today rejected a proposal to reduce the Government's support price for wool from 42.1 cents a pound to 38 cents. The vote was 110 to 56.]

But the House Agriculture Committee added a section authorizing also a new import fee on wool, up to 50 percent of value, beyond the 34-cents-a-pound tariff now levied on cleaned wool.

The GOP high-tariff position was reiterated by Representative ROBERT RICH, Clinton County, Pa., Republican, who proposed direct action by adding a tariff of 8 or 10 cents a pound in addition to the existing tariff.

#### FOR THE GOOD OLD DAYS

"I'm of the old school," he shouted to the House. "The Republican Party always stood for a tariff and I'm for it today. Let's get back to the good old days."

Representative McCORMACK asked "if he meant the good old Smoot-Hawley days."

"No, no—I mean yes," replied Mr. RICH.

#### HOUSE ACTION ON WOOL BILL JARS OUR WORLD TRADE PLANS

(By Marquis Childs)

WASHINGTON, June 3.—Under Secretary of State Will Clayton is a tall, soft-spoken Texan who believes deeply in free enterprise and free trade. As a free trader, starting from scratch, Will Clayton has built one of the impressive private fortunes of his generation.

Now he is serving the Government as conscientiously as he once served his own private interest. His job is not an easy one. He is trying to persuade the other countries of the world that it is possible to revive the free-trade pattern.

The State Department has a plan for an international trade organization. But before the other nations will accept that plan they want us to show our good faith by reducing tariffs and indicating in other ways that we intend to accept imports from abroad.

In April, Clayton went to Geneva, Switzerland, to promote the world trade idea at an international conference. In the middle of that conference, Congress threatened to pull the rug out from under the American proposals at Geneva. Clayton flew back to Washington to argue his case, not with skeptical foreigners, but with doubting and resentful Members of Congress.

This is how the House put the world trade plan in jeopardy. The House passed a bill which would make it possible under certain circumstances to raise by 90 percent the tariff on wool coming into the United States. We were telling anybody who cared to listen that, instead of lowering tariffs, we proposed to raise them.

The House bill represented the pressure of wool growers in this country to get a guaranteed market. They produce only a small fraction of the wool we use, and they produce it at a high cost and at a small margin of profit to themselves, if any. Yet they are distributed in States with comparatively scant population and so they can make their political weight felt.

The wool story is a long and complicated one. During the war, our Government bought wool at a support price, and the Government now holds 500,000,000 pounds which cannot be sold under present law. The price has dropped to about half that of the wartime support price.

The Senate adopted a wool bill that did not contain the provision for a 50 percent boost in tariff. There is a good chance that the Senate point of view will prevail and that the 50 percent provision in the House bill will be knocked out. Even Senator JOSEPH C. O'MAHONEY, of Wyoming, who comes from one of the wool States, has said he is for compromise since he is convinced the President would veto the House bill and he wants help for wool growers in the form of a domestic subsidy.

When Clayton first returned from Geneva, he went down under an attack of flu. Now, after administration of large doses of penicillin, he is well enough to go up to Capitol Hill to battle for his goal.

Much harm has already been done by the action of the House. It was an indication to the delegates at Geneva of an attitude exactly the opposite of that which Clayton was urging. Perhaps if the final outcome is favorable, the damage can be repaired.

But one must say frankly that this is a forlorn hope. The pressures that developed to protect the wool farmers will certainly be exerted again when farmers in other fields

begin to find the going rough. Unless there is powerful and continuing resistance, the shadow of the wool bill may prove to be the shadow of the shape of things to come.

There is another pattern. It is the pattern of subsidies, of dumping on the world market, of imperialism.

If the plans for a world trade organization fail, that is the way it will go. The producer will be given a domestic subsidy. Under the subsidy the Government is likely to acquire surplus stocks. Then comes the pressure to unload those stocks. They cannot be disposed of at home without upsetting the support price. So they are dumped onto the world market.

This means a kind of competition that is in actuality economic warfare. We shall be competing on this level with Argentina and the Soviet Union, which have put their trade under complete state control. The pressure to do the same thing in this country, in order to hold our own in that warfare, will be very great. So the hope of free enterprise goes glimmering.

The proposed hike in the wool tariff must be blocked. Similar pressures must be resisted. Clayton has fought a gallant fight and he deserves better of Congress.

[From the Washington Post of June 19, 1947]

#### SHEEP'S CLOTHING

House and Senate conferees have agreed on a mongrel measure for looking after our puny wool industry which would gouge the American consumer and promote corruption in the customs administration. Evidently the conferees were impressed by the objection that an import fee added to the present tariff would violate the letter of our existing trade agreements with a group of nations. Accordingly they adopted an alternative course of keeping out foreign wool, namely, the imposition of import quotas. Strange as it may seem, there is no specific ban on import quotas in any of our commercial pacts with foreign nations, though they would clearly violate their spirit. Doubtless nobody ever thought that the time would come when such a method of fighting the foreigner would be taken seriously. That this device has come out of the Eightieth Congress is no compliment to its sense of morality.

Let us think what might be expected to follow this novel method of propping up our wool growers at the consumers' expense. Congress would authorize the Administration to exclude 50 percent of an import trade that is now four times our domestic clip. What yardstick would the administrators pick? The easiest and doubtless the only practicable way would be to shut the ports to foreign wool as soon as the quota had been attained. That would start a race on the part of foreign suppliers to get their stuff into America. Clearly the factor of distance alone would promote discrimination and ill will. But it is the opening for graft on a grand scale that is the most dismaying thing about an import quota system. Wool is such an important item in the economy of Australia, New Zealand, Argentina, and Uruguay that they would do everything they could to obtain import permits. It is irresponsible of Congress to subject the customs administration to this temptation.

One import quota, of course, would deserve another. If this new method of fleecing the consumer succeeds, then we would have a line of sick and uneconomic industries buttonholing Congress for similar protection. The prospective hold-up should arouse the consumer. Already he is paying through the nose for his woolen goods. This new bill would subject him to another steal of monstrous proportions. It might seem surprising that the industry which finds such favor in the eyes of Congress is wool. Its product is worth only \$120,000,000, or much less than one-thousandth of the national income. But wool, like silver, is well distributed, and



23 States (or, better put, 46 Senators) have a vested interest in it. And other States might not be averse to going along with the wool States in the hope that with the introduction of this new type of windfall from the public trough they might get theirs. One good turn always has earned another in tariff politics.

We have not discussed the international implications of this opening gun in the congressional declaration of economic war. The Geneva Conference on trade agreements might as well close up shop if the wool bill should be enacted. What our representatives are trying to do there is to establish economic peace. But the wool bill means economic war. It is a new technique in import restrictions which would persuade other nations to copy our example, with disastrous results on world and American trade. Our representatives also are trying to find ways and means of helping foreigners earn the dollars wherewith to buy our goods. The problem of the dollar shortage has now become a crisis of the first magnitude engaging the full-time attention of Secretary Marshall. But the wool bill would close an avenue for earning dollars and at the same time for aiding the American consumer. It thus flies in the face of our national interest. Cannot the national well-being make any dent at all upon men obsessed with selfish interests? The wool bill is the year's prize example of lunatic exploitation of the American consumer and the foreign supplier.

The PRESIDENT pro tempore. The Chair understands that the Senator from Vermont [Mr. AIKEN] yields 20 minutes to the Senator from New Mexico [Mr. HATCH].

Mr. HATCH. Mr. President, under the unanimous-consent agreement providing for limitation of time, it will be impossible for me to discuss at length and in detail all the matters affecting the wool producers of this country. There are many things that should be said. Some of the charges which have been made throughout the press, largely, I think, due to misunderstanding, ought to be answered. The stigma which has been heaped upon the producers of wool in this country ought to be removed. I would that I had the time today to answer the charges of selfishness and greed and unconcern about world affairs and international relations which have been made, ill-advisedly, against those who are engaged in the actual production of a basic American commodity. Some of the charges and some of the things which the Senator from Pennsylvania [Mr. MYERS] has just said have given me grave concern.

When it is remembered that since the first reciprocal trade agreement was proposed in the Congress of the United States I have supported every measure, the original act and every extension of it, and not only that, but I have opposed every crippling provision which has been offered throughout the years, including even the one with reference to Argentine beef, it cannot be said that I am not concerned with world trade or international affairs. Considering that record, of which I am not ashamed, it may well be understood that when the House of Representatives added this particular amendment, I was deeply and gravely concerned lest it constitute the erection of a tariff barrier, the placing of an embargo, which would destroy

trade which is vitally necessary, as the Senator has so well pointed out. But, Mr. President, if that were the case, if this bill were to have that effect, I would stand here with every man who opposes such a measure and use my voice and my vote to defeat it, no matter what might be the consequence to my own State; for I believe, Mr. President, that international trade is important; I believe that world trade flows across borders, as has been so often said, where armies do not march. I think it is important to the peace of the world that proper trade relations be maintained with all nations. So devoted am I to this principle, Mr. President, that when the amendment first came to my attention I not only gave it such consideration and study as I could give it myself, but I enlisted the advice and counsel of others, men of legal training and efficiency, men who had time to go into it carefully, or more time than I had. As a result of such study as I have given to the subject and of the advice which I have obtained, I am utterly convinced that the measure, even with the amendment proposed by the House, does not have the effect which has been so often attributed to it.

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

Mr. HATCH. I yield.

Mr. MYERS. I take it that the Senator is in total disagreement with the Secretary of State and the Under Secretary of State as to the implications of this measure?

Mr. HATCH. When the Senator says "implications" I do not know just what is meant. Implications are of many kinds. I do know that if the Secretary of State or the Under Secretary of State says that this measure would produce limitations or undue restrictions upon the importation of wool, I believe they are wrong.

Mr. MYERS. Is the Senator in disagreement with the Under Secretary and the Secretary when they say that this amendment, if agreed to, will torpedo and wreck the Geneva Conference?

Mr. HATCH. I have no information as to that. I have not been to Geneva. I know what the respective gentlemen have said, and in their judgment and opinion I have the utmost confidence; but I say to the Senator that, if such is the case, it is an entirely unjustified contention, as I shall presently point out. It is based upon an element with which the Senator from Pennsylvania began his remarks. He said, "I fear." That is the way the Senator began his remarks. He does fear. Perhaps other nations fear. Against such fear I know of no successful defense except truth, and in order to dissipate some of the fears in the Senator's mind and perhaps in the minds of others, I shall truthfully point out what this measure does. But if we are to be ruled and regulated by fear, nothing but chaos will develop at home and abroad.

Mr. MYERS. Mr. President, will the Senator yield further?

Mr. HATCH. I must remind the Senator that I am under a limitation as to time. I will yield this once.

Mr. MYERS. They are now engaged in negotiating new agreements and they fear the effect this measure may have upon such new agreements.

Mr. HATCH. I shall not discuss that question with the Senator.

Mr. MYERS. There is nothing certain or absolute, but there is a grave danger involved.

Mr. HATCH. I shall reach that point in a few moments if the Senator will permit me to proceed.

Mr. President, I have said that, if this measure had the effect which has just been ascribed to it, if it did arbitrarily raise the tariff duties, if it did impose what amounts to an embargo, I would vote against it, regardless of the consequences to my State. I go further than that, and say that I believe so much in the patriotism of the wool growers of New Mexico that if the effects which have just been ascribed to this measure were shown actually to exist, and if the results would be so chaotic as has been predicted, they would join me in casting that vote.

Mr. President, I have been diverted from the line of my remarks. I wonder whether the Chair can advise me how much time I have consumed.

The PRESIDENT pro tempore. The Senator has 12 minutes remaining.

Mr. HATCH. Very well.

It is true, Mr. President, that the wool growers want protection for their industry to the extent that they can have some measure of the profit and prosperity which prevails throughout other industries of the land. It may be true, Mr. President, that the products of their toil and occupation represent but a small part of the national income. This has been said so frequently I wonder if the thought is gaining strength and momentum that because an industry does not represent a great part of the national income, it may be well to wipe it out of existence and bankrupt and destroy those who are engaged in it. I doubt, Mr. President, the justice and wisdom of any such line of thought. I doubt whether it will appeal to any fair-minded citizen who will look at the facts as they actually exist and not as they are sometimes represented—or, rather, I am inclined to say, misrepresented—to be.

I, for one, Mr. President, notwithstanding my lifelong convictions as to reciprocity being the true basis of world trade, am not willing to single out one lone industry and say that it shall be destroyed and bankrupted, while others prosper and flourish under exactly the same conditions which would preserve and keep it alive. I am not willing to make goats out of sheep.

While the pending measure, Mr. President, has been one represented to be something in the nature of a wolf in sheep's clothing, I am not unmindful of the fact that there may also be contained within the bill itself and within some of those who prompted and caused the tariff provision to be written, something in the nature of a wolf disguised as a sheep. I am utterly convinced, Mr. President, that there are those—and I am not speaking of Members of Con-

gress now—who wanted that provision in the bill, in the belief and in the hope that including it in the measure would cause its defeat either in the Congress or by a veto by the President which could not be overridden, and that as a consequence the whole support program for wool would collapse and that those interests which are concerned chiefly with obtaining cheap wool would thereby unduly profit and gain at the expense, loss, and perhaps bankruptcy, of the wool growers of America.

I shall not elaborate upon this subject today; but having served as a member of the Special Committee To Investigate Wool Trade and Practices, I learned many things about how the wool growers of this country in the past were deceived and even defrauded—which are mild terms compared with actual practices which our committee found to exist in many, many instances.

Now, Mr. President, to the bill itself: The measure does provide a continuation of a support program for the next 18 months. It is but a temporary measure, as was developed on yesterday, and it establishes no fixed or determined policy. Insofar as prices are supported, the Congress does not seem to be in much disagreement as to the terms of the measure. It appears to be almost the unanimous opinion that so long as present unsettled and disturbed conditions exist, it is necessary to have some kind of a support program for wool. Even the most vigorous opponents of the pending bill concede that. So it will not be necessary today to discuss that feature of the measure, and I shall not do so.

The opposition is directed against the provision which relates to the imposition of duties and the fixing of quotas. That is an important matter. This is the provision which gives me so much concern. It is one which I did not want in the bill. I did not think, and I do not believe, that it was at all necessary. Its inclusion was a mistake—such a mistake, Mr. President, as to cause me to question why that provision was inserted, for it may have the effect of eventually killing the entire measure. As I have said, if it did require the raising of import duties, if it did require the fixing of quotas amounting to an embargo, I would vote against it.

As I have previously stated, I studied that provision. I sought the advice and counsel of others. After having done that, I arrived at an interpretation of the bill which was exactly the same as the one which was given yesterday by the distinguished and able Senator from Vermont [Mr. AIKEN].

Incidentally, I might add that the reputation and the record of the Senator from Vermont are such that I know that nothing could persuade him to agree to a conference report or to a provision in any bill which he believed to be contrary and detrimental to the interests of the country as a whole. This is no idle compliment I pay to the Senator from Vermont. His entire record in this body warrants, justifies, and demands this tribute to his character and to his statesmanship. He has not been narrow, selfish or greedy in any of his attitudes with regard to matters of public interest. He

has said—and I agree with him—that the provisions in the bill relating to the increase in import duties and the quotas are entirely discretionary with the President.

The measure as it is now presented in the conference report only gives to the President the discretion to protect any program conducted under the Wool Act of 1947 in the same manner and by the same methods as he is now authorized to use to protect programs conducted under the Agricultural Adjustment Act of 1933, as reenacted and amended, the Soil Conservation and Domestic Allotment Act, as amended, and section 32 of Public Law 320, Seventy-fourth Congress, as amended.

The provisions of section 22 of the Agricultural Adjustment Act empower the President, "whenever he has reason to believe"—note the words, "whenever he has reason to believe," for they are the words of the act—"and finds, after an investigation conducted by the Tariff Commission," that one or more of the articles included in that section are being imported under such conditions and in sufficient quantities as to interfere materially—not merely incidentally—with any program conducted under the provisions of the laws enumerated, to impose such fees on, or such limitations on the total quantities of, any article as he finds to be necessary, within, of course, the limitations that are fixed, in order that the importation of such article will not materially interfere with programs conducted under the laws mentioned.

The words I have just used are taken, in large part, from the statement of the House managers, but they correctly quote the act and they correctly state its implications.

Mr. President, the words I have quoted, appearing, as they do, in the statement of the House managers, are words which would be interpreted by any court constructing the provision. They should also be understood and interpreted by the other countries who may deal with this provision. They convey the clear and definite meaning that the exercise of the power vested rests entirely within the discretion of the President of the United States.

Although he may sometimes entertain fear, will any Senator on this side of the aisle stand here and say that he fears and distrusts the wisdom and discretion of the President of the United States? Does he fear and distrust that the President of the United States will unreasonably, unduly, and harshly raise tariff duties or impose quotas? If there is such a fear on the part of any Member of the Senate, he entertains a fear which I do not share, and he has a feeling toward the President of the United States which I do not have.

Mr. MYERS. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. I yield for 1 minute.

Mr. MYERS. I am sure the President does not even want this power, since his Secretary of State has opposed the granting of the power. Furthermore, I am of the opinion that what is proposed will be permanent legislation. Although I have no fear of the present President, I do not know who may be President in the

future, and I say this is to be permanent legislation, which will extend beyond 1948.

Mr. HATCH. Again, Mr. President, the Senator expresses fear, and I say that when he expresses a fear that it is permanent legislation, he expresses a fear which is entirely ungrounded and unfounded, for it is not to be permanent legislation, as was fully explained on the floor yesterday. It will automatically expire on the 31st day of December next, when President Truman will still be in office.

Mr. MYERS. I am in accord with that statement, but with the Senator's interpretation I am not in accord.

Mr. HATCH. What I have said about the present occupant of the White House, when I stated that I do not mistrust and will not mistrust his motives, I would say regarding any occupant of the White House, for, regardless of how elections may go, I am convinced, as an American, that the man the American people choose for their Chief Magistrate will be a reasonable, a just, a fair, and a patriotic American. No matter to what party he might belong, I would say, Mr. President, that I would have complete confidence that no President of the United States would unduly and unreasonably exercise the power proposed to be vested by the bill to destroy international relations, to destroy world trade, and bring chaos and ruin to all the world. I have too much regard for all Presidents and all parties to entertain any such fear as that. So what I have said about the present occupant of the White House applies to all.

Of course, Mr. President, world trade is of such vast importance that it requires the efforts of all of us to maintain it and keep it on a sound, fair, and just basis, especially with nations like Australia and New Zealand, whose chief exports are wool, which they send to us, buying from us in return. I would do those countries no injury, and my President will do them no injury. If those at Geneva are entertaining grave fears because of the passage of the pending measure, let them read the amendment itself, and let them realize that the power is only discretionary and that, as I say, it will not be used by the President except in the most extreme case, when it might be absolutely necessary to use it in order to prevent the ruin of an important industry here at home. I do not believe even the Australians or New Zealanders would have any reasonable objection to that.

Mr. President, I have taken already more time than I should have taken; but I feel deeply about every question involved in the bill. I did not want the provision we have been discussing; I do not want it now. I think it is unnecessary. But I believe it will be completely harmless and ineffective, and if the measure shall not be enacted, if the program shall be killed and destroyed, I am quite sure many citizens of America engaged in the production of wool will face bankruptcy and perhaps ruin.

The PRESIDENT pro tempore. The Senator's time has expired. To whom does the Senator from Vermont yield?

Mr. AIKEN. I yield 7 minutes to the senior Senator from Wyoming [Mr.

O'MAHONEY]. I believe the Senator from Kentucky will want to speak on the other side at the conclusion of the remarks of the Senator from Wyoming.

The PRESIDENT pro tempore. The Senator from Wyoming is recognized for 7 minutes.

Mr. O'MAHONEY. Mr. President, I desire to associate myself with the very well-reasoned statement which has just been made by the senior Senator from New Mexico [Mr. HATCH], who pointed out that section 22, which seems to be drawing the principal fire of those who are fearful of the results of the proposed legislation, makes itself operative by the phrase "whenever, in the discretion of the President of the United States." The provision cannot become effective unless the President in his judgment finds that it is essential.

I wish to point out that it is my understanding that every reciprocal trade agreement which is now proposed to be entered into will contain an escape clause, which will be an expression of the same, exact power of the President of the United States with respect to any agreement.

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

Mr. O'MAHONEY. I yield.

Mr. HATCH. The Senator is familiar with the provision of existing law giving the President of the United States power not only to raise but to lower tariffs.

Mr. O'MAHONEY. If a reciprocal trade agreement is made, it is a binding obligation of our Government, of course, until it is modified, but when the reciprocal trade agreement contains an escape clause, then those who enter into the agreement—and this must include all those assembled at Geneva—are on notice that the President of the United States may bring the agreement to an end. The situation, therefore, logically and factually is no different with respect to the pending bill than with respect to any reciprocal trade agreement which may be entered into. Therefore all the charges which are being made that the bill undertakes to establish a new policy of economic isolation fall absolutely to the ground.

Mr. President, I wanted to call attention to another phase of the matter.

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

Mr. O'MAHONEY. I yield.

Mr. LUCAS. If what the Senator says is true, why is the State Department so violently opposed to the proposal?

Mr. O'MAHONEY. Because the State Department has been impressed by the emotional reaction of those who are seeking to prevent the enactment of this support bill, the emotional reaction of those who seek to capture the largest possible amount of the American market for wool.

I point out to the Senator from Illinois that the primary basis for the wool legislation is that the chief producers of wool in the world, outside the United States, are Australia, New Zealand, and South Africa, as the Senator well knows. The Government of Great Britain has entered into an agreement with those three Dominions under which the Gov-

ernment of Great Britain has set up a joint organization to sell wool in the United States. Great Britain has, in other words, a state monopoly for the disposal of that wool in this market.

It goes further than that, however. The Government of Great Britain lends its money to France to promote manufacturing of the British-owned wool in France, to be reexported to Great Britain, and exported to the United States as the output of Great Britain. The same policy has been followed with respect to Italy. In other words, the Government of Great Britain has organized the wool-producing and the wool-manufacturing trade for the purpose of capturing the largest possible share of the American market, and all that we, who are supporting the pending measure, are trying to do is to prevent that program from destroying our own basic industry.

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

Mr. O'MAHONEY. How absurd it is to say that we will endanger either the foreign exporters of wool or the domestic consumers becomes evident when I point out to the Senate that the pending bill provides only for the purchase of domestic wool at the OPA ceiling price. There is no other commodity of the farm or the factory which is being held to the OPA ceiling price.

I now yield to the Senator from Kentucky.

Mr. BARKLEY. I wanted to inquire if the Senator did not know that the joint organization of which he speaks is really, in fact, a sort of prototype of our Commodity Credit Corporation?

Mr. O'MAHONEY. Oh, I do not agree with that suggestion.

Mr. BARKLEY. Is it not operating with respect to wool produced in the British Dominions, in order that there may be an orderly marketing of that product in the nations of the world who are in a position to receive it?

Mr. O'MAHONEY. But the Commodity Credit Corporation buys only what it sells within the United States.

Mr. BARKLEY. I understand that.

Mr. O'MAHONEY. What I am pointing out to the Senator from Kentucky is that the Government of Great Britain has launched itself upon a program of state commercialism. Not a single pound of American cotton can be bought in Great Britain by any individual citizen of Great Britain. Every pound of cotton to be purchased there must be purchased by the state, not by the individual. If we are to preserve a system of free economy, we must preserve a system in which the individual is free.

Mr. LUCAS and Mr. BARKLEY addressed the Chair.

Mr. O'MAHONEY. I am under limited time, and I wanted to refer to another point.

The whole basis, Mr. President, of our saving the world from the results of the war is the productive capacity of the United States, the productive capacity of America. We cannot afford to destroy that productive capacity, whether it be the producers of wool upon the ranges, the producers of automobiles in American industry, or the industrial producers of New England. So we cannot

afford to follow a policy that may jeopardize the productive capacity of the wool growers, in order to find foreign markets for our industrial output. There must be a balance.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. BARKLEY. Mr. President, I yield 10 minutes to the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. President, when the pending bill was initially before the Senate for consideration, I voted against its passage. I intend to vote against the adoption of the conference report today, not because of what was added to the bill in conference, but because I think it an unsound piece of legislation. When we pass the pending bill we are establishing a precedent of supporting an agricultural commodity at a price far in excess of parity. This is the first bill relating to farmers that has come before the Eightieth Congress. In it there has been selected one section or group of American farmers. And we are proposing for the next 18 months to guarantee to that group the highest price they have received for their product during the past 14 years. In other words, we are picking out one favorite group and guaranteeing to it wartime prices in a peacetime economy.

A statement was made a few minutes ago that there are no other agricultural products selling at OPA ceilings. I would dispute that statement because today there are many agricultural products which the eastern farmers are selling considerably below the former OPA ceiling, and which they have been selling below that ceiling for some time. It is nothing unusual to establish price ceilings in wartime, but the farmers do not expect and Congress has no right to establish wartime prices in a peacetime economy. We have heard a great deal of discussion recently both by the President of the United States and by Members of this body regarding the high cost of living, and yet, at the same time, we find that while the Government, through one agency, is buying potatoes and dumping them on this side of the border, through another agency potatoes are being imported from our neighbor on the north. The same thing is being done, or is now proposed to be done, with respect to wool.

The 1946 report on agricultural statistics shows that this country is normally an importer of wool since we actually produce less wool than we consume. The whole price structure can be worked out on an equitable basis through the tariffs. It is ridiculous that we should today establish the price of any commodity at wartime levels and then complain about the high cost of living, yet that is exactly what we are doing. Many mills in our country are operating entirely on imported wool because the foreign countries are selling their wool in the American market at just a shade under the price which we are endeavoring to maintain. I think we should be rendering maximum service to the farmers, the laboring man, and to the man who has retired from active employment if, instead of calling upon them to pay still

higher prices, we should endeavor to check the inflationary rise in the cost of living. Mr. President, I shall continue to vote against such a program as that here proposed.

I ask to have included in the RECORD a table which shows the production of wool in the United States, since 1936. It also shows the consumption of wool within the United States during the same period, the amount of wool imported, and the price. I call attention to the fact that the price ranged from 19 cents to 42 cents. We are today proposing to stabilize the price at the highest price on record which is near 42 cents.

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

Wool					
	Con- sump- tion	Total produc- tion	Exports	Imports for con- sump- tion	Price
		Million	Million	Million	
1936.....	406	419	16	110	26.9
1937.....	380	423	68	150	32.0
1938.....	284	425	1,343	30	19.1
1939.....	396	428	179	98	22.3
1940.....	407	436	456	222	28.3
1941.....	647	456	38	613	35.5
1942.....	615	459	111	1,004	40.1
1943.....	624	449	27,878	918	41.6
1944.....	622	418	7,396	584	42.4
1945.....	645	387	32,392	709	41.9

The PRESIDENT pro tempore. To whom does the Senator from Kentucky now yield?

Mr. BARKLEY. I promised to yield to the Senator from Maryland [Mr. TYDINGS], but he is not on the floor at the moment. Would the Senator from Vermont care to yield time to someone?

Mr. AIKEN. No, Mr. President. We have used 37½ minutes out of our 65 minutes, I believe.

Mr. BARKLEY. How much?

Mr. AIKEN. We have already used more than half our time. I suggest the Senator from Kentucky yield to someone on the other side.

Mr. BARKLEY. Mr. President, I inquire how much time have I remaining?

The PRESIDENT pro tempore. The Chair is informed that 49 minutes remain to the side of the Senator from Kentucky.

Mr. BARKLEY. I yield 5 minutes to the Senator from Illinois.

Mr. LUCAS. Mr. President, I am exceedingly interested in world recovery; I am extremely interested in certain of the elementary principles of world trade. It seems to me the pending bill is at cross purposes with what is desired by the American people, namely, world recovery, in our economic and political relations with other nations. A moment ago the distinguished Senator from Wyoming [Mr. O'MAHONEY], replying to a query, said the State Department was opposed to the pending measure, by reason of the emotional situation which arises with other nations of the world who are now in conference at Geneva, attempting to secure economic uniformity throughout the world, whereby the raw materials of this and other nations may be furnished without tariff barriers, which are contemplated by the pending bill. Knowing George Marshall as I do, knowing Will Clayton, the Under Secretary of State, as

I do, I am certain they are not being misled by the emotional side of the economic picture which faces them at the present time. Once a beginning is made with legislation of this kind the door is being opened to ultimate repeal of the reciprocal trade-agreement program which was inaugurated years ago by Cordell Hull. I am told that Cordell Hull is unalterably opposed to the conference report which is now before the Senate. If there is any man in America who understands reciprocal-trade relations between this and other nations, it is the distinguished former Secretary of State, Mr. Hull.

Mr. President, I am sure that the citizens of New Zealand and Australia and other sheep-producing countries of the world are disillusioned as the result of what is proposed to be done by the pending bill. In other words, we are talking out of both sides of our mouth at the same time, as we proceed to pass legislation of this kind. Sooner or later the Congress is going to be compelled to look at this kind of problem from the standpoint of the Nation as a whole, as its economic power is related to that of the rest of the world. That is not now being done. The same old, sectional, selfish interest is involved in the wool bill as is involved in a good many other measures which come to the floor of the Senate and by means of which United States Senators seek to protect some particular industries at the expense of the economic life of the rest of the Nation.

Mr. President, I am opposed to the conference report.

The PRESIDENT pro tempore. The time of the Senator from Illinois has expired.

Mr. AIKEN. Mr. President, I yield 5 minutes to the junior Senator from Maine [Mr. BREWSTER].

The PRESIDENT pro tempore. The Senator from Maine is recognized for 5 minutes.

Mr. BREWSTER. Mr. President, I have been interested in this matter from the standpoint of the woolen mills of the East which, it has been suggested, might be prejudiced by the proposed action. In my study of the situation I have been interested to find that exactly the same power which is placed in the President by this bill to protect the domestic wool industry and dispose of the great reserves of wool we have accumulated, extends also to the manufactured product, so that if any prejudice should extend to the manufacturers of wool products by reason of the provisions of the bill, the President has exactly the same power to extend protection to the woolen manufacturers of the East or of any other section of the country that he has to the wool growers of the West. I say that because there has been concern expressed as to whether or not the eastern manufacturers would be prejudiced by the provisions of the pending measure. That would be by means of imposing quotas on the importations not only of wool but of wool products, a power which was bestowed upon the President in the Tariff Act of 1930 under section 1336. So I think there will be no question regarding the powers of the President to act, as he has said, for the protection of any industry in the

United States which is threatened with disaster by these means.

Nor does the measure interfere with any of our existing trade agreements. While in the United Kingdom agreements it is provided that no fees shall be imposed, and so that method of protection would not be available under the terms of the pending bill, it does not prohibit the imposition of quotas. We hear a great deal about quotas being inconsistent with our existing international trade policy. My only answer to that is that the greatest single item concerned is now handled by quotas not under the tariff.

While Mr. Clayton, our very eminent Under Secretary of State, dealing with economic matters, and, I think, without employing any criticism, one of those most familiar with the cotton industry, so that he must be fully informed regarding the situation, inveighs against protection for products of the North and the West, while he challenges the proposed action regarding wool, and cries to high heaven that quotas are utterly incompatible with the great trade philosophy which he is seeking to sell to the nations of the earth, yet today he has his great cotton industry safely sheltered behind a quota system which is the most restrictive of any of the provisions we have in our laws or in our regulations.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point, the annual import quotas on cotton.

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

*Annual import quotas on cotton*

	Pounds
Under 1½ inch, other than rough or harsh cotton under ¾ inch.....	14,516,882
1½ inch or more, but less than 1½ inch.....	45,656,420
This item was increased by Presidential action last week to add this amount of 1½ to 1½ inch fiber.....	23,094,000
Less than ¾ inch harsh rough fiber.....	70,000,000

Total quotas of all lengths..... 153,267,302

Cotton 1½ inches longer comes in quota free but pays a duty of 3½ cents a pound.

These quotas represent a total of somewhat under 300,000 bales. The amount of fiber longer than 1½ entering the country is negligible. The total United States production of all lengths of cotton is approximately 10,000,000 bales.

Mr. BREWSTER. These figures show that while we produced 10,000,000 bales of cotton under the import quotas established by Mr. Clayton, who inveighs against import quotas, not more than 300,000 bales of cotton of any character, outside certain items which are very little used in this country, can be imported. I suggest that what is sauce for cotton is sauce for wool, if I may use a somewhat mixed metaphor, and that if it is all right to protect the American cotton industry by import quotas on cotton, I am quite sure that the trade program of the world will not collapse if the poor little sheep of the West or the poor little woolen industry of New England is accorded a similar assistance. What is good for one is certainly good for the

other, and with that I wish to leave the discussion.

Mr. BREWSTER subsequently said: Mr. President, I ask unanimous consent to have inserted in the RECORD, at the conclusion of my remarks made earlier in the day, a brief statement relating to the position of the wool-textile industry under Senate bill 814.

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

POSITION OF WOOL-TEXTILE INDUSTRY UNDER  
S. 814

If the Wool Act of 1947 becomes law and import restrictions (either fees or quotas) are imposed on raw wool, what will be the position of the wool manufacturers who are buying raw wool? The following comments are addressed to section 22 as it would be amended by the wool bill now before the Senate.

Section 22 (a) provides that when any one or more articles are being imported so as to interfere with the Wool Act, the President shall direct the Tariff Commission to make an immediate investigation to determine whether additional import restrictions are necessary to protect the domestic program. Wool textiles are certainly within the scope of section 22 (a) as well as raw wool.

Section 22 (b) authorizes the imposition of fees or quotas on any article or articles which the President finds to be necessary to prevent the entry of such article or articles from interfering with the program.

Both raw wool and wool manufactures are clearly covered by section 22, provided, of course, that the facts show the necessity for action in order to prevent imports from interfering with the domestic program.

The principal question concerning compensatory protection to the textile industry arises from the last proviso of section 22 (b): "That no proclamation under this section with respect to wool shall be enforced in contravention of any treaty or international agreement to which the United States is now a party." That provision would not affect raw wools finer than 44s—the types produced in the United States—because such wools are not included in existing trade agreements. The proviso would, however, preclude the imposition of fees, but not of quotas, on wool textiles. Practically all forms of imported wool textiles are included in existing trade agreements, the most important of which in this connection is the agreement with the United Kingdom. Under the proviso, in the wool bill no article on which an outstanding trade-agreement concession is in effect could be subjected to an import fee under section 22 because the agreement prescribes the maximum duties that can be imposed on the articles covered thereby, and the fee under section 22 is a duty within the terms of the agreement and would therefore be in contravention thereof.

However, quotas may be imposed on trade-agreement articles under certain conditions, one of which permits the use of quotas "in conjunction with governmental measures or measures under governmental authority operating to regulate or control the production, market supply, quality, or price of the like article of domestic growth, production, or manufacture."<sup>1</sup>

The Wool Act of 1947 in effect establishes a floor under the price of raw wool produced in the United States and therefore is a measure to regulate or control the price of such wool within the meaning of the trade agreement. It would also seem reasonable to conclude that by controlling the price of raw

wool the wool act would operate to control the price of textiles—at least to the extent that the cost of the raw wool is reflected in the cost of the textiles. From all this it is concluded that the proviso of section 22 (b) would preclude the use of import fees on wool textiles but that import quotas could be imposed.

The PRESIDENT pro tempore. The time of the Senator from Maine has expired.

The situation is that the Senator from Vermont has 20 minutes remaining, and the Senator from Kentucky has 43 minutes remaining. The Chair understands the Senator from Kentucky yields 15 minutes to the Senator from Maryland [Mr. TYDINGS].

Mr. TYDINGS. Mr. President, when the Nation is about to begin to take a certain course of action it is highly desirable that we survey the circumstances that exist in order to test whether or not the proposed course of action is desirable and in the over-all national interest. Today we live in a world that is very sick indeed. Most of the economy of Europe has been destroyed. The nations over there are having a very difficult time to make ends meet. The situation in Asia is far from wholesome and far from promising. As a matter of fact, the United States is the one great citadel of economic sufficiency, on the one hand, and stabilized democratic government, upon the other, that seems to exist among the great powers of the earth.

After the last World War the earth was not so greatly devastated. When that war was over our allies owed us \$11,000,000,000 in war debts which we refused to cancel. In the next 11 years private banking interests in America loaned \$15,000,000,000 to foreign governments and subdivisions thereof and to foreign corporations. So that by 1929, in war debts and in private loans made after the war to foreign governments and subdivisions thereof and to foreign corporations, there were \$26,000,000,000 owing to the United States of America as a government or as a people.

At the same time we prevented those who had borrowed the money and who owed us the money from paying the debt in the only medium of exchange that existed, and that was in goods or services. To my way of thinking, this helped materially to bring on a world crisis, which in time overtook our own Nation and put us through one of the most serious depressions of all time.

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

Mr. TYDINGS. I cannot yield.

Today the situation is far worse. Today the earth is much more devastated and impoverished than it was after World War I. Today countries are not able to float loans on a security basis. What has been done in this body so far has been largely in the nature of gifts which we call aid. I do not know how far this process will continue, but it is estimated by high authority that if we were to adopt it in its full scope it would require \$24,000,000,000 or \$25,000,000,000 to place a bottom under the economy of the world so that a sound world economy could thereafter evolve. Probably the Congress would not welcome embrac-

ing—certainly not at one time—an aid program of this magnitude. Nevertheless, we have already started along that roadway. In this session of Congress we have appropriated \$350,000,000 for general foreign relief and \$400,000,000 for Greek and Turkish assistance, a total of almost \$1,000,000,000, besides other appropriations which directly and indirectly go to aid a stricken world.

We must not lose sight of the fact that in this country we have only about 6 percent of the earth's population; but we have a much larger percentage of the world's income. It has been estimated that the United States has approximately 30 percent of the total world income. So here we are, a people numbering 6 or 7 percent of the population of the earth, with 30 percent, or nearly a third, of the total income of the entire earth. We are rich, happy, and prosperous almost beyond human imagination, in comparison with many other countries.

One must actually see at first hand the conditions which prevail in the world faintly to appreciate them. Last year I had the good fortune to go around the world and visit many of the countries of the earth and see at first-hand the dire conditions which exist.

We can talk in generalities all we please about how we must rehabilitate and safeguard civilization, how we must place a substantial floor under it so that we can build upon that floor, how we must have a world at peace and must have security at home. We can talk about disarmament abroad and at home so that the United Nations may perform the task for which it was created. But all of that is only so much Fourth of July oratory unless we couple with it another premise of procedure. There must be some division of the world's work if world prosperity and a sound economy are to come to the peoples of stricken lands. We can own all the ships on earth which carry commerce on the seven seas; we can own all the airplanes in the world which fly commerce in the air; we can perform all the banking business; we can perform all the insurance business of the world; we can raise more food than any other country on the globe—but after all is said and done, unless the other fellow can do something also, he cannot buy what we have to offer; and if he cannot buy what we have to offer, our own prosperity is adversely affected.

We must find some way, without adopting the repugnant tenets of communism in international affairs, to allow production to be grouped into natural places. A country which can best produce beans ought to be given an opportunity to produce beans for the good of mankind all over the world, particularly if it can produce little else. By selling those beans outside the country which produces them, that country can obtain credits—dollars—with which to purchase the things which it cannot produce, and which we desire to sell. We cannot do it all. If we do it all, all we shall do is to look at suffering humanity all over the globe and from time to time funnel out from the Treasury of the United States sums sufficient

<sup>1</sup>This language is quoted from art. XV of the trade agreement with the United Kingdom. Other trade agreements contain identical or similar language.

merely to keep life in existence all over the globe.

Many countries are faced with a situation in which they cannot compete with us. They have not our industrial know-how. They have not our inventions, or our machinery. They have not our transportation facilities. In a prosperous, busy world, in a world dedicated to peace, and a world which is in a position to keep the peace, there must be some sort of division of the world's work. No one wants to make the sacrifice. The man who is in the airplane business wants to fly all the planes from this country to all points of the compass. The man who is in the shipping business wants to have his ships go to all the ports of the earth, without competition from any foreign source. The man who produces cotton, wool, cattle, potatoes, automobiles, furniture, clothing, shoes, or what not, wants to have customers all over the globe.

That is a commendable outlook so far as it goes, but we cannot have customers all over the globe unless we have customers who can sell something in order to obtain the money with which to buy the things which we desire to sell. If we do not have a broader horizon than mere little segments of this, that, or the other business enterprise, we shall be in the position of prolonging the misery of the world and unwittingly sowing the seeds of rebellion, and perhaps of another war as a consequence.

I do not mean to say that part of this bill has not a great deal of merit. During the war and for several years preceding it, this Government has been dedicated to what is known as a support program. The bill as it passed the Senate under the able leadership of the Senator from Vermont [Mr. AIKEN] carried a provision with respect to wool which is similar to that enjoyed by other commodities. But when it came back from the House of Representatives it was an entirely new bill. There was an effort to jam the mailed fist of power into the economy of nations so as to stop the normal ebb and flow of trade.

What will the people of New Zealand, Australia, and South Africa, who now produce wool, produce instead of wool, so that they may get the money with which to buy our automobiles, our wheat, our corn, our cattle, our cotton, and our manufactured goods, if we stop the importation of wool into this country? They certainly must produce something. They cannot buy with thin air. They cannot buy unless they can sell.

So, Mr. President, I shall vote against the conference report with the hope that if we are able to vote the conference report down, the Senate bill, which has gone to the House of Representatives, will then be in order for reconsideration in the House. If the House should be so wise as to pass that bill, we could keep the commendable features in our present economy in it without walking a road which is fraught with serious dangers.

Mr. President, how much time have I remaining?

The PRESIDENT pro tempore. The Senator has 2½ minutes remaining.

Mr. TYDINGS. I was intrigued with the language in the bill. It says that

the President of the United States is empowered to levy fees. Mark the word, "fees"; f-e-e-s, against imports of wool if certain conditions arise which make it desirable, under the philosophy of the bill. The word should be "tariffs." That is all it is. The word "fees" is nothing more than a pleasing substitute, a euphemism, if you please, to soften the harsh character of the connotation of the word "tariff."

I am therefore hopeful, Mr. President, that others may see this situation as I see it, that they may see that we are starting with one bill after another to walk the same roadway we walked after World War I. At that time we loaned money to our customers so that they could buy the goods which they desired from us. We did not let them sell us anything that we could keep out; but we made loans to the extent of \$15,000,000,000 after World War I, and our customers paid the money which they had borrowed from us with which to buy the goods we were selling to them. But when the loans stopped in 1928 and 1929 that trade stopped, and the whole world skidded into a gigantic depression. Now we are beginning again to make gifts instead of loans to the foreign states that are in a depleted condition. At the same time we erect barriers so that we will have to make these gifts, for the sake of humanity, over a longer period of time than otherwise would be necessary.

There must be some division of the world's work if there is to be a prosperous world, if there is to be a peaceful world, and it should be an orderly and natural division of the world's work, not one which is artificial, grabbed or acquired or protected by the artifices of governmental legislation.

The PRESIDENT pro tempore. The time of the Senator from Maryland has expired. To whom does the Senator from Vermont yield?

Mr. AIKEN. I yield 5 minutes to the junior Senator from Wyoming [Mr. ROBERTSON].

The PRESIDENT pro tempore. The junior Senator from Wyoming is recognized for 5 minutes.

Mr. ROBERTSON of Wyoming. Mr. President, several statements were made by the Senator from Maryland [Mr. TYDINGS] to which I should like to reply, particularly his statement questioning the advisability of this measure on the ground that it would have the effect of reducing the foreign imports of wool, thereby further reducing the ability of a foreign nation to buy goods from us, or, in other words, to receive American dollars. I fully realize the necessity of foreign nations obtaining American dollars, but the passage of the pending bill affecting the wool industry would not interfere with their ability to obtain American dollars.

Prior to the war, as I made clear yesterday, we imported approximately 200,000,000 pounds of wool, mostly from Australia. During the war, when the cost of production of wool in this country rose approximately from 200 to 300 percent, it was impossible to maintain our production, and it dropped from 450,000,000 pounds to 300,000,000 pounds, which is the production today.

By reason of the peculiar nature of the sheep business it is impossible to increase production in 6 months, a year, or 2, or even 3 years. It is a very gradual process; and if we ever do get back to raising 400,000,000 to 450,000,000 pounds of wool in this country it will probably take us at least 10 years to do so. During that time, and certainly for the next 2 or 3 years, the foreign imports coming into this country, instead of being approximately 200,000,000 pounds, which was the amount in prewar days, will be approximately 800,000,000 pounds, as it is now.

Our consumption of wool has increased from approximately 600,000,000 pounds to approximately 1,000,000,000 pounds, and there is no possibility, Mr. President, of that amount of imported wool being reduced. Our consumption is, as I say, approximately a billion pounds, and experts claim that it will continue at that rate for many years to come. I myself am inclined to think that that may be a slight exaggeration, but I believe that the floor will be somewhere around 800,000,000 pounds, which will still leave an importation of at least 500,000,000 pounds of wool.

Australia, New Zealand, South Africa, and the Argentine are importing into this country two or three times as much wool as they have ever before imported in any prewar period.

So far as my having any sympathy with attempts to boost imports from those foreign countries is concerned, I cannot go along with the Senator from Maryland.

Regarding the statement of the Under Secretary of State, Mr. Clayton, that our attitude at Geneva would appear inconsistent, I cannot agree that we would be inconsistent in any way if this bill should be passed. Our imports would continue at the high rate at which they are today; and there is nothing inconsistent in approaching any trade treaty or any understanding with a foreign nation when they continue to export to this country the vast quantity which they exported during the war years because of the great demand for wool to be used in the manufacture of uniforms and blankets for our Army and Navy.

The PRESIDENT pro tempore. The time of the Senator has expired.

Subsequently,

Mr. AIKEN. Mr. President, I yield 1 minute to the Senator from Wyoming [Mr. ROBERTSON].

Mr. ROBERTSON of Wyoming. Mr. President, I merely wish to ask that a correction be made relative to a news release appearing in today's Washington Post. The title is "Senate Ready To Vote Today on Wool Bill." After referring to the remarks of the Senator from Kentucky [Mr. BARKLEY] and the Senator from Wyoming [Mr. O'MAHONEY], the last paragraph states that—

Senator ROBERTSON (Republican, of Wyoming) also said other nations would regard passage of the bill in its present form as a high-tariff, isolation move by the United States.

The article continues to show that I would vote against this measure.

Mr. President, obviously that position should have been ascribed to the Senator from Virginia [Mr. ROBERTSON], a Democrat. It was he who made that remark. Let me add that I am advised that over the radio networks this morning the statement was made that Senator ROBERTSON of Wyoming was opposed to this bill—a bill which he himself introduced.

So I hope the press and the radio will make the necessary correction, in line with this correction which I am inserting in the RECORD.

Mr. BARKLEY. Mr. President, I feel compelled to correct the Senator from Wyoming in this respect: He referred to this measure as being a bill he introduced. This is not the bill he introduced. All of us can support and did support the bill he introduced.

Mr. President, I now yield 5 minutes to the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. SALTONSTALL. Mr. President, I shall vote against this conference report. I shall do so, because, as I stated yesterday, it will make it very difficult for the people who are consumers of wool to use wool as a raw product. I shall not repeat the argument which I made yesterday, but I should like to make two points in answer to the distinguished junior Senator from Maine [Mr. BREWSTER] with relation to the use of wool in woolen mills. He stated that there were quotas on cotton. I do not doubt that that is true. The difference between cotton and wool is a very simple one. We produce all the cotton we can use, whereas, as the distinguished Senator from Wyoming [Mr. ROBERTSON] said a moment ago, we produce approximately only half of the wool we consume. If quotas are placed on wool or its cost is increased, the amount of wool or the price at which it goes into the woolen mills for use in the making of garments is directly affected.

It is true, as the junior Senator from Maine has stated, that, under the reciprocal trade agreements, tariffs can be raised by the President on the other wool products that go into the making of cloth. In other words, if quotas or increased prices are put on raw wool, then the President has the power under present laws to increase the tariffs on yarn and other material.

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

Mr. SALTONSTALL. I have only 5 minutes.

Mr. AIKEN. If it takes only 30 seconds of my time?

Mr. SALTONSTALL. I yield.

Mr. AIKEN. Imposing an additional tariff on wool is not a condition for imposing a tariff on the finished product. The President can impose a tariff on the finished product regardless of the tariff on raw wool.

Mr. SALTONSTALL. The Senator from Vermont is entirely correct, and if I made a statement to the contrary it was inadvertent. What I intended to say was that if an additional tariff or a quota is put on raw wool, presumably, in order to keep the balance equal, a higher tariff would have to be placed on yarn. I shall not argue the question of international

relations; but I do submit that what we are doing is to impose upon the consumer a higher price for suits made of woolen goods which he must buy.

I believe we can help the grower of raw wool, the sheep raiser, by providing a floor under raw wool prices, without having the Government go completely into the business and without adopting a quota or a fee system which would make it almost impossible for the buyer of wool to make contracts in other countries, and which would make wool producers in other countries unable to do business with us in the United States without the fear that either their contracts would have to be canceled or higher prices would have to be put on them.

I believe the conference report creates a great deal of unnecessary uncertainty. I hope it will be rejected, and that the Senate bill will be returned to the House and a further conference requested.

Mr. BARKLEY. Mr. President, how much time do I have remaining?

The PRESIDENT pro tempore. The Senator from Kentucky has 23 minutes.

Mr. BARKLEY. Mr. President, I feel compelled not only to vote against this conference report myself but to join other Senators who have urged its defeat. When this conference report was before the House of Representatives a few days ago, a motion to recommit it was defeated by a little more than 20 votes, which leads me to believe that if this conference report is defeated in the Senate, and if a further conference is requested by the Senate, and if the bill is returned to the House of Representatives and a further conference is held, with or without instructions from either body, we would very likely have returned to us the bill which the Senate passed, without this amendment which has caused all this controversy in regard to the wool situation.

Mr. President, the wool situation is one which has bedeviled Congress ever since I can remember. It is one upon which the Taft administration was wrecked back in 1909. Schedule K, which was the wool schedule of the Payne-Aldrich tariff bill, was the beginning of the hard luck which Mr. Taft encountered in the 4 years of his Presidency.

At the present time, the tariff on wool is 34 cents a pound. We in the United States have never produced as much wool as we consume; and as our population has increased and as our people have from time to time worn more clothes, the proportion of wool produced in the United States in relation to the total amount of wool consumed in the United States has declined, until at the present time, out of a billion pounds of raw wool consumed by the people of the United States, we produce less than 300,000,000 pounds—less than 30 percent. So, in order to meet our needs, we are required to import more than 70 percent, or, to state it in round figures, let us say approximately 70 percent of all the wool we consume.

From the figures of the Bureau of Labor Statistics, the Department of Agriculture, the Department of Commerce, and other agencies which deal

with the cost of living, we are advised that at the present time the cost of clothing in the United States receives a figure of 200 percent, as compared to 100 percent for its cost in 1939—in other words, that in the 8 years from 1939 to 1947 the cost of clothing to the American people has increased 100 percent.

The situation with respect to wool at the present time is that the Commodity Credit Corporation, which has purchased wool in order to maintain a price for the American wool producers, now has 460,000,000 pounds of wool in its possession. Under the law, it cannot sell that wool, because Congress has provided that it shall not sell it. One of the objects of this measure, as originally passed by the Senate and as now incorporated in the conference report, is to authorize the Commodity Credit Corporation to sell at the market price the wool it now has, together with the wool which it will take over from the 1947 and 1948 clip. No one thinks that the Commodity Credit Corporation is stupid enough to dump all that wool on the market. It will feed it to the market, of course, as the market will absorb it. There is no provision in this proposed law that compels the Commodity Credit Corporation to sell it; it is merely authorized to sell it. That is a wise provision, because if that Corporation were compelled to keep the 460,000,000 pounds it now has, plus approximately 600,000,000 pounds for the 1947 and 1948 clip, the Commodity Credit Corporation would find itself the owner of a billion pounds of American-produced wool. Inasmuch as we are compelled to buy more than two-thirds of the wool we consume in the manufacture of clothing, blankets, and other woolen manufactured goods in this country, it seems to me that we already have on the books a tariff sufficient to protect the wool growers of the United States, many of whom live within my State.

I dare say that in some 20 or 25 States of the Union there are sheep ranches on which wool is produced. Wool is a byproduct of the sheep industry. One can drive from one end of Kentucky to the other and see beautiful flocks of sheep grazing upon the meadows. It has always been an ambition of mine to own one of those meadows and have some sheep grazing upon it.

I have not received a single letter from a wool producer in my State asking for inclusion in the bill of the provision we are discussing. The wool producers did not ask for it in the House. The Senator from Wyoming [Mr. O'MAHONEY] yesterday made the statement that this amendment was inserted in the bill in order to put the President of the United States on the spot, or in a hole. I do not know in what fertile brain that stupid idea was germinated. Nobody denied that accusation here yesterday, and I take it for granted there must be some substance to it. But I know that the wool growers did not ask for the provision. They did ask that we provide for the same type of price support for wool that we provided for price support in the case of other commodities, most of which are in surplus, such as tobacco, wheat, and cotton. We produce more of those commodities than we consume, and

therefore we have a surplus to sell to other markets of the world. In view of the world conditions in those markets, and the domestic condition, too, at the time the support was provided, we provided for support prices for those commodities, payable out of the Treasury of the United States.

There is a condition in the wool market that is entirely different. We not only have no surplus, but we have a two-thirds deficiency in our own production compared to our own consumption, so that we must obtain wool from foreign fields, and we must obtain that wool from the countries which produce it in surplus—Australia, New Zealand, South Africa, and the Argentine.

Mr. President, the provision of the bill we are discussing may well become effective, because while the bill does not compel the President to initiate the investigation which he would refer to the Tariff Commission, there will be no doubt a moral obligation, and there will certainly be great pressure brought to bear upon the President by those who are interested, with the presentation of such facts and figures as they may collate, in order to induce him to submit to the Tariff Commission a direction for an investigation such as that which is provided in the bill.

The President could arbitrarily say, "Notwithstanding all this, I will not do it," and there is no force that could compel him to do it, I grant. But if the facts which are submitted to him, if the bill shall become law, by those who are interested in the enforcement of the provision, are such as to make out a prima facie case in favor of an investigation and an increase, the President cannot arbitrarily decline to order it, without subjecting himself to the charge of deliberately ignoring his obligation under the law.

After he has ordered the investigation, from there on it is mandatory. When the Tariff Commission has made the investigation and has made its report to the President, showing that the facts submitted to him in the first instance are true, or substantially true, then the President shall do certain things, under the terms of the bill. It does not say he may do them; he shall do them. Then he shall institute these quotas, and, assuming that the Tariff Commission report were accurate and could be relied upon by the President, it is no longer a voluntary act on his part, he is commanded to do certain things.

Mr. President, I have here a letter written by the Secretary of State. Certainly he is a man of responsibility. He is not actuated by any partisan, political considerations, or by local considerations with respect to the production or sale or the price of wool. Secretary Marshall has written a letter to the Senator from Vermont, which I shall not have the time to read, but to which I call the attention of the Senate, in which he emphatically states that the adoption of this provision, added on to the bill by the House of Representatives, and brought here in a merely modified form, but substantially the same as that which went to the conference committee—and in some respects I believe it is even worse—will materially

interfere with the economic phases of our foreign policy, and, Mr. President, we cannot avoid the economic phases of our foreign policy.

The distinguished President of the Senate, the chairman of the Committee on Foreign Relations, has time and time again, in language of sincerity and eloquence, announced the doctrine that we cannot long prosper in the United States if the rest of the world is prostrate. We have made loans to various nations in order to try to stabilize their economy, and not only to stabilize their economy, but, by stabilizing their economy, to stabilize their political institutions, because politics depends very largely upon economic conditions in every country for its own stability, and we know that the alien nostrums and doctrines and ideologies move into any territory where there is economic chaos and uncertainty, unemployment and want. So that in order to help stabilize these economies in the interest of a peaceful world we have made loans to various nations.

We know that the making of these loans cannot continue forever. The distinguished chairman of the Committee on Foreign Relations a few days ago made a suggestion with reference to the creation of a commission to investigate our ability and our resources, and also the need for our assistance in foreign countries. That was a very constructive suggestion, and I endorse it, with this reservation, that I hope that by whatever method the set-up may be created, the question of investigating our resources and our ability to respond to the needs of foreign nations may be in some way related to our Department of Commerce, which I think is best equipped to investigate that subject, and that in so far as the investigation of the needs in other countries may be concerned, it may be related to our State Department, which I think is best equipped to make such an investigation, but that the two investigations should be correlated and dovetailed into each other, so that we may not overreach ourselves either in the matter of the needs of other countries, or our ability to respond to those needs.

Mr. President, we cannot in any event, regardless of this investigation or its results, if it is held, continue indefinitely to feed money to Europe, which will exhaust itself in its very expenditure, and that expenditure will be futile unless out of it can come economic reconstruction, so that Europe can get on to her feet, manufacture products, and sell them to the markets of the world.

In order to do that, European nations must buy machinery. Where can they buy it except in the United States? Nowhere, in sufficient quantities. How can they pay for machinery bought in the United States except with dollars? They cannot pay for it in pounds, or in marks, or in francs, or in drachmas. They must pay for it in dollars. Dollars are the only commodity the American manufacturer will accept in return for his goods.

There are only two ways by which these foreign purchasers can obtain dollars. One is either by borrowing the money from us or accepting a gift from

us; or by selling something to us in exchange for dollars.

Which do we prefer? Shall we continue to lend or give them money, or shall we allow them to sell something to us in exchange for dollars, which they then exchange for other products? With those dollars they buy our surpluses, they buy our food, they buy our wheat, they buy our tobacco, they buy our meats, and they have to pay for them in dollars. By allowing them to sell us a surplus which they produce, such as a surplus of wool, they can exchange their wool for our meats, our tobacco, our corn, our wheat. Dollars do not travel. Money does not travel. It does not meet itself going forth or coming back in the middle of the Atlantic Ocean. Goods are exchanged, but money is used as a medium of the exchange.

So, Mr. President, we are required either to continue to feed money into Europe by loans or gifts in order that they may have dollars with which to buy things from us, or we must allow them to sell things to us in order to get dollars; and wool is one of the things which is the most convenient means by which certain nations producing a surplus of that commodity may obtain dollars to exchange for American products. Australia's wool constitutes 90 percent of her exports to the United States. That is an important part of the world economy, and I do not think we can afford to lose sight of our recent history. I do not believe we can afford again to stick our heads in the sand economically or politically and imagine that our entire anatomy is concealed, when the truth is that most of it is in plain view. We have fought two expensive and bloody world wars in order to learn that lesson. Are we going to forget it now?

I am not able at first hand to say to what extent the passage of the pending bill will interfere with the Geneva Conference now in progress, but when, out of a clear sky, without any hearings, the House of Representatives made an addition to the pending bill, Mr. Clayton, the head of our delegation in Geneva, was so concerned about it that he was compelled to leave the Geneva Conference and come here in an effort to avoid this thing that might bring catastrophe to the Geneva Conference, which not only involves trade agreements but the charter of the International Trade Organization which has been set up under the United Nations.

I have here a copy of the letter which former Secretary Hull wrote to the Secretary of State. Cordell Hull, in his room at the hospital in Bethesda, was so concerned about it that he wrote a letter to the Secretary of State, urging elimination of the provision. I ask that the Secretary of State's letter to the Senator from Vermont [Mr. AIKEN], and Mr. Hull's letter to Secretary Marshall, and also a telegram to Secretary Marshall from former Secretary Henry L. Stimson, be printed in the RECORD at this point in my remarks. I have also received a telegram from the League of Women Voters of the United States, which I ask to have printed at this point in my remarks.



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

JUNE 4, 1947.

The Honorable GEORGE D. AIKEN,  
Senate Office Building,  
Washington, D. C.

MY DEAR SENATOR AIKEN: I wish to express appreciation to the Senate and House conferees in hearing the Under Secretary of State for Economic Affairs with respect to pending legislation on wool. I am sure Mr. Clayton made clear the serious issues involved from the point of view of our foreign policy. However, I wish to summarize the position of the Department of State in this matter.

The Senate bill directs the Commodity Credit Corporation to continue until December 31, 1948, to support a price to domestic producers of wool at the same price at which it purchased domestic wool in 1946. It authorizes the Commodity Credit Corporation to dispose of wool owned by it at market prices.

The House added to this bill a provision intended to result in an increase in the high tariff on wool, and thus enable the Government to give this support to domestic wool producers without financial loss to this Government. The cost of such support would thus be passed on to the consumers of woolen goods.

The critical importance of this action, as it bears on our foreign relations, arises from the fact that there is in progress at this very time in Geneva, an International Conference on Trade and Employment called by the United Nations on the initiative of this country. The United States delegation, of which Mr. Clayton is chairman, is taking a leading part in this Conference.

The object of the Conference is to negotiate reciprocal trade agreements for the reduction of barriers and the elimination of discriminations in international trade. A further object is to agree upon a draft of a charter for an international trade organization to be set up under the Economic and Social Council of the United Nations.

Some 50 or 60 negotiations are actually taking place between the different countries represented at this Conference, and it is expected that eventually some 70 or 80 agreements will be entered into. The participation of the United States in this aspect of the proceedings derives from the Reciprocal Trade Agreements Act, last extended by Congress in 1945.

While wool constitutes a relatively small part of our domestic economy, being only one-half of 1 percent of agricultural income, it is a highly important commodity in other countries. For example, it forms 90 percent of the value of all of the exports of Australia to the United States.

The question here is whether the best interests of the United States will be served by the passage of the Senate wool bill, which affords protection to the domestic wool producers at a relatively small cost to the United States Treasury, or by the adoption of the House version of the bill which would provide this protection by further raising barriers to international trade. The Department of State is strongly of the opinion that the Senate bill provides the only acceptable course of action open to us not wholly inconsistent with our current efforts to remove the cause of serious conflicts in the world economic field.

I am taking the liberty of passing on to you herewith the views on this subject of our most distinguished elder statesmen—Mr. Stimson and Mr. Hull.

Faithfully yours,

G. C. MARSHALL.

(Enclosures: Letter to Secretary Marshall from Hon. Cordell Hull, dated June 4, 1947.

Copy of telegram to Secretary Marshall from Hon. H. L. Stimson, dated June 4, 1947.)

NAVAL HOSPITAL,

Bethesda, Md., June 4, 1947.

The Honorable GEORGE C. MARSHALL,  
Secretary of State.

MY DEAR SECRETARY MARSHALL: I have been very disturbed to learn of Mr. Clayton's return from Geneva in connection with the possibility of action by the Congress intended to increase the tariff on wool. I believe that such action would seriously endanger the success of the negotiations now going on in Geneva for the reduction of trade barriers under the Reciprocal Trade Agreements Act, and for the establishment of an international trade organization, embodying the basic principles of mutually beneficial international economic relations for which we have striven so long.

After more than a decade of successful operation under the Reciprocal Trade Agreements Act, and at a time when the principal trading nations of the world are prepared to follow our lead in carrying out a program of economic disarmament, it would be tragic indeed if any action of ours should endanger that program.

I do not wish to pass judgment on whether or not the growers of wool in this country are entitled to additional assistance. That is for the Congress to decide. I do feel very strongly, however, that such assistance, if given, should not be in a form which would preclude or nullify the comprehensive negotiations in which we are now engaged with other countries for the reciprocal reduction of tariffs and other trade barriers. The success of these negotiations is indispensable to our own economic stability and prosperity, and for the creation of a climate favorable to the preservation of world peace.

The form in which domestic wool producers receive price support must not jeopardize our international relations. As the President said in his address at Waco, Tex., on March 6: "The negotiations at Geneva must not fail."

Faithfully yours,

CORDELL HULL.

JUNE 4, 1947.

The Honorable GEORGE C. MARSHALL,  
Secretary of State,  
Washington, D. C.

DEAR MR. SECRETARY: I am deeply concerned regarding the pending wool legislation in Congress. In the form proposed by the House of Representatives, this legislation would increase the tariff on wool.

It is my considered opinion that to enact the House measure at any time would be most unwise. It would amount to a repudiation of the whole structure of American economic policy developed in the Congress and the State Department during the 15 years since Cordell Hull began his great work for trade agreements. And such repudiation now, when American leadership has been so largely responsible for the Conference on World Trade at present proceeding in Geneva, could not fail to have serious and immediate international effect, both economic and political. To other nations now watching for proof of American sincerity and unity it would be a shocking indication that the policy of the United States can at any time be shackled by the sort of economic shortsightedness for which all the world has paid so dearly in recent years.

After World War I, the American people and others executed an economic and political retreat from world affairs. These policies were in large part responsible for the great economic break-down which followed both here and in Europe. Now we are engaged in an effort to reconstruct a world shattered by the war which grew out of that

economic break-down. In this effort of reconstruction greater freedom of world trade is indispensable. No such freedom can be achieved if this country retreats behind tariff walls higher than ever.

To enact any provision raising the wool tariff would be a clear first step toward the disastrous repetition of our former error. If the Congress should determine that the price of wool must be supported, a question on which I do not here offer any judgment, it can accomplish this purpose at relatively small cost by employing the method of subsidies contained in the Senate bill. But to support these prices by raising the tariff on wool would be to give financial assistance to a few at the cost of a large share of this Nation's hope for world prosperity and peace.

Very sincerely yours,

HENRY L. STIMSON.

WASHINGTON, D. C., June 18, 1947.

The Honorable ALBEN W. BARKLEY,  
United States Senate,  
Washington, D. C.:

Tariff amendment added by House to S. 814, the wool bill, constitutes, in our opinion, first concrete attack on reciprocal-trade program. We consider expanded world trade essential to well-being of the American economy and to reconstruction of the world. We urge you to oppose approval of conference report on this bill.

ANNA LORD STRAUSS,

President, League of Women Voters  
of United States.

Mr. BARKLEY. Mr. President, surely Cordell Hull cannot be actuated by partisan politics; surely, Cordell Hull, who has done a great work that will live forever in the annals of our history, is not actuated by any petty desire either to injure or to promote any industries in the United States. Surely, that great Republican, Henry L. Stimson, who was Secretary of War in the administration of William Howard Taft, Secretary of State in the administration of Herbert Hoover, and Secretary of War, again, under the Roosevelt administration—surely, he is not actuated by partisan politics, or by any desire to put the President of the United States in a hole or on a spot.

Mr. President, I have been advised that I have only 2 minutes remaining.

The PRESIDENT pro tempore. The Senator from Kentucky has 3 minutes remaining.

Mr. BARKLEY. I ask the Chair to notify me when I shall have consumed one more minute because I want to yield 2 minutes to the Senator from Massachusetts [Mr. LODGE].

Mr. President, I hope that the conference report will be defeated, and, upon its defeat, I hope that a further conference may be requested by the Senate. In view of the closeness of the vote in the House a few days ago, I have no doubt that it will be agreed to, and that we can get a bill which will do all the wool growers request, and all they have a right to expect, in order to put them on the same basis as the producers of wheat, tobacco, cotton, and other commodities—in order to support their price in the postwar period—without adding this other thing that materially interferes with the economy and welfare of the world, and also indicts our own sincerity in the provisions we have made upon that subject.

The PRESIDENT pro tempore. The time of the Senator from Kentucky has expired.

Mr. AIKEN subsequently said: I yield 1 minute to the senior Senator from Kentucky.

The PRESIDENT pro tempore. The senior Senator from Kentucky is recognized for 1 minute.

Mr. BARKLEY. Mr. President, in that 1 minute I ask unanimous consent to have printed at the end of my remarks an editorial entitled "Break in the Dike," published in the Washington Post of June 17, 1947; an editorial entitled "Bad Timing," published in the New York Times of June 17, 1947; an editorial entitled "Extreme Short-Sightedness," discussing the same subject, which appeared in the New York Herald Tribune of June 13, 1946, with an accompanying article entitled "Vital Role of American Dollar," by Warwick O. Fairfax; and an editorial entitled "Sheep's Clothing," which appeared in the Washington Post of June 19, 1947.

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

[From the Washington Post of June 17, 1947]

#### BREAK IN THE DIKE

Some persons will see in the congressional enactment of the new wool bill a return to economic isolationism. Such an assessment misses the mark. The superprotection provided for American wool stems, in our opinion, from a combination of purely domestic circumstances. It has been fostered by representatives of the western wool-producing States in part as retaliation against Republican cuts in reclamation projects. Their colleagues then passed the buck to the President as a way out of a predicament which is always felt on the favor-bartering hill. The trouble is that this action is buck-passing with economic peace and treaty observance.

The dilemma in the wool industry could have been resolved for at least the present by acceptance of the Senate bill providing for domestic subsidies. Instead, the conferees left the President with the ugly alternative of raising the import fees or lowering the import quotas to support the price of domestic wool. It is bad enough that such ill-conceived action makes a mockery of all our high-sounding talk on new trade agreements at Geneva. What is worse is that the amended program, if upheld, will provide a flagrant violation of reciprocal trade agreements we have already signed with the wool-exporting nations.

As Mr. Stimson phrased it, it will "amount to a repudiation of the whole structure of American economic policy developed \* \* \* during the 15 years since Cordell Hull began his great work for trade agreements" and would be "a shocking indication that the policy of the United States can at any time be shackled by the sort of economic short-sightedness for which all the world has paid so dearly in recent years." If this blow is sustained in contravention of our pledged word, what Nation can then afford to trust us? An emphatic veto should be forthcoming.

[From the New York Times of June 17, 1947]

#### BAD TIMING

Only an adverse vote in the Senate can now prevent Congress from sending Mr. Truman the final draft of a measure which is about as untimely as any measure of which the imagination could well conceive at this moment. This is the wool bill, directing the President to increase the tariff or to impose

quotas on that commodity, in order to carry out a price-support program. The House of Representatives approved the measure yesterday.

The bill reaches a peak of untimeliness because it promises to do damage on two fronts. At home one of the chief problems of the moment is rising costs of living; this bill would hold up or increase the price of woolen clothing for all American consumers. Abroad, there is no problem more pressing than that of how to get as much as possible of Europe and Asia started on the road to economic recovery through a revival of trade and enterprise; this bill would increase barriers to trade and torpedo the work on which the international conference at Geneva is now engaged.

Surely there ought to be enough votes in the Senate to halt so bungling a measure.

[From the New York Herald Tribune of June 13, 1946]

#### EXTREME SHORT-SIGHTEDNESS

One would have to look far to find a more perfect example of short-sightedness than the action of the Senate-House conferees who agreed to permit higher import restrictions on foreign wool. In its final form, the wool bill provides for exclusion of imports through higher tariffs or quota restrictions. Senator AIKEN, of Vermont, who was reluctant to agree to these provisions, predicted a Presidential veto if the bill is passed by Congress. It deserves no better fate.

On another part of this page we print an article by Warwick O. Fairfax, a leading Australian, who explains in sober, restrained language how American trade policy can affect foreign nations. The outside world desperately needs dollars, he writes. It needs them first to buy food. For "if it cannot live, it cannot earn its living." It also needs dollars to buy the machinery of reconstruction, to replace war-exhausted productive capacity. It can get dollars only if the United States lends them or gives them, or if Americans will buy what foreigners can produce.

Although Mr. Fairfax does not say so, it will at best be years before the world can produce enough to buy the dollars it needs. Thus, higher imports do not provide the whole answer. But they are one thing that is needed. We say, therefore, that for the United States to reduce the ability of foreigners to sell to this country, at the very time when the United States has taken the initiative in promoting an international conference to increase world trade, is unbelievably short-sighted. Before American representatives went to Geneva, the State Department put wool on the list of articles to be considered for a tariff reduction up to 50 percent. These representatives are now seeing their efforts torpedoed by a bill to raise instead of lower the tariff.

The wool-growing industry in the United States is small. It has needed price supports, as well as high tariffs to survive. The wool growers themselves treat wool as a kind of by-product. In 1946 the income from wool for all United States sheep growers was only \$126,000,000, less even than the duties levied on foreign wool in the same year and a mere nothing in relation to the national economy. How, then, other than on the basis of the narrowest form of catering to special interests, can a bill be justified which imperils relations with one of America's best neighbors, Australia; which jeopardizes the success of American foreign policy, and which is an economic monstrosity, raising the price of wool to American consumers and depriving foreigners of the dollars with which they could buy the products of American industry? It cannot be justified. The Congress should defeat it and save the President the necessity of vetoing it.

[From the New York Herald Tribune of June 13, 1946]

#### VITAL ROLE OF AMERICAN DOLLAR—AUSTRALIAN EDITOR APPEALS TO UNITED STATES ECONOMIC VISION IN WORLD REORGANIZATION

(By Warwick O. Fairfax, managing director, the Sydney, Australia, Morning Herald)

America dominates world economy today. With the rest of us she is only now beginning the struggle at Geneva to find a sound basis for world trade, yet she has provided and is providing for Britain and many other countries dollar funds vitally necessary to their political and economic stability. Will the funds be exhausted before the machinery of world trade starts moving?

The recipients of these loans do not want charity—they want the right to work. The British Commonwealth in particular dislikes having to take such help because it is forced into the position either of accepting an intolerable interest burden or of becoming a defaulter. A great part of the world, including even ex-enemy countries, is accepting American help in one way or another, which does credit to the humanity and the idealism of America.

Why is this necessary? Emphatically not because the countries concerned were incapable of standing on their own feet, or because they could not provide themselves with a sound and stable government or an adequate economic system. The reasons were two—one greater and the other lesser.

The greater reason is, of course, that nearly all Europe and the British Commonwealth had their economy torn to pieces by 10 years of warfare out of the 40 years that began with the Kaiser's ultimatum to Belgium. The second reason was that the 20 years of peace were marked by a number of factors which made any satisfactory basis of world trade utterly impossible.

First of these factors was the unbalanced internal control of most nations. They pursued unduly deflationary policies in bad times, thus accentuating the boom of the late twenties and the slump of the early thirties. The second factor was the tendency, steadily increasing throughout this period, to economic nationalism and isolationism.

It is not the business of the Geneva Conference to say which nation is responsible and how much so for any of the short-sightedness, the blunders, the crimes that have brought us to this pass. No one can escape responsibility for what has happened during the last 30 years, and the greater the nation the greater the responsibility.

But the plain question before the Geneva Conference and all such conferences is what is to be done and who is best able to do it?

It is scarcely an exaggeration to say that the world cannot live without American dollars. More accurately, the least fortunate nations will be half starved and bankrupt if they cannot get dollars; with others, such as Britain, dollars can make the difference between a grim and precarious livelihood which will not for long improve beyond the privations of wartime conditions, and a decent livelihood. With more happily placed countries like Australia it makes the difference between living a rather isolated and pinch-penny existence and coming well into the world picture as an extensive buyer and trader.

Why does the world want dollars?

First, to supply itself with the commonest type of consumer goods without which it literally cannot live—that is, food, clothing, and shelter. If it cannot live, it cannot earn its living.

Second, to accumulate, buy, and construct capital goods without which it cannot earn its living. It needs factories, machinery, tools, and capital.

The German householder, the English mill-hand, the Australian farmer, the Greek peasant, the Chinese and Indian coolies are all alike, desperately dependent upon what happens in the United States. They are dependent obviously upon its external political and trading policy. They are dependent upon its internal policy because since American prices have risen while the dollar exchange has remained stable, it makes it yet harder for them to buy and more expensive for the Americans to lend or give. Great as is the political power of America today, her economic power is even more staggering, since for purposes of world trade Russia, in proportion to her size, is a negligible quantity.

What, then, will America do? Broadly speaking, she has three possible courses of action:

1. She may try to earn her living within her own borders and trade outside where trading is possible. In that case the world will remain in a state of economic chaos for a very long time, long enough to accumulate slowly the means of earning a living which has been destroyed. There would be suffering and starvation on a colossal scale as well as incalculable political consequences.

2. The United States may help, as she has been doing, by lending or otherwise making available funds to selected countries which are considered worthy of support or which are suffering so much as to require charity. But unless the rest of the world is eventually able to earn its own living the effect of such help will be purely temporary and the dollars can never be repaid. They can probably not be repaid in any case.

3. Instead of giving away dollars for nothing, America can buy something with them.

It is not enough to say that unless she does this she will be undermining her own export market and preventing world recovery, bringing about a first-class world depression which may for a number of reasons be even more violent in America than elsewhere in its swing from great prosperity, just as in 1930.

The boom of the last 2 years has been based on a number of temporarily operating factors and has no firm foundation. In all countries, but most particularly in America, there has been a sudden release of great spending power.

That period obviously cannot last. In fact, the tide is already turning. The height of the price structure in America is being widely recognized as the principal obstacle to the continuance of a prosperity which is already admitted to be threatened.

It is, therefore, inevitable that when the wave of postwar buying subsides, when the most urgent demands that have to be met at any cost have been satisfied, when the popular feeling of relief at being able to buy again has had its fill, there can be no steady world demand at present world prices. For the world is actually impoverished, despite the fact that it can absorb all the automobiles that can be turned out at much higher than the prewar price.

If the world were all equally impoverished the problem would in a way be simpler. But the greatest economic power—the United States—has its means of production untouched by enemy attack, its manpower resources not decimated by war, its financial structure sound and its taxes relatively low. In other words, it can meet the market in a superlatively good position—both to export heavily and to import heavily.

Let us take as a concrete example Australia, a fairly prosperous country which suffered less than others during the war and which before the war was a heavy buyer of automobiles, films, newsprint, petroleum products, clothing, and many other things from the United States.

Australia today has an overseas sterling balance of more than £200,000,000 (more than \$800,000,000)—the highest in her history.

The primary products which she exports are at a very high price level. Yet America's expectation of selling to Australia is low today and is growing steadily less. Why? The first reason is rising prices, the second, and dominating reason, is absence of dollars.

Selling all her wool to England, France, or Belgium makes Australia prosperous but it does not enable her to buy 1 cent's worth of American goods. That can only be done with dollars and the possession of all the francs or sterling in the world will not give Australia dollars. All the dollars spent by the British Commonwealth come from a pool which is filled from two sources only: One is the proceeds of the American loan to Great Britain, which is rapidly being exhausted; the other comes from whatever Great Britain or Australia or other British countries contrive to sell to America.

For every car that the Ford Motor Co. wants to sell abroad it is up to Ford to see that some American buys the equivalent amount in foreign goods. That is, of course, unless Ford prefers America to go on lending dollars without being paid back. It is understandable that no matter what it is proposed that America import, whether it is wool or wine, someone will get up and say that there is an industry in America that needs protection.

It is for other nations simply to point out that if she does not import, certain results will follow. The rest of the world will suffer but it will not be ruined. To the extent that Australian women cannot get locally made or European-made stockings they will go without—as most of them did during the war. To the extent that Fords or Chevrolets cannot be got, we shall either manufacture ourselves (which we are already preparing to do), or get along with less suitable models and make old ones last longer.

The first result of American refusal to import will be an enormous stimulation of competitive industries throughout the world. It will not be necessary for anyone consciously to organize a sterling bloc. The bloc will just be there through force of circumstances. The articles to be manufactured may or may not be as good and as cheap as American ones, but if the purchaser has no dollars he either takes them or goes without.

The present Australian labor administration has gone further than any other in our history to work closely and to form a close friendship with the United States. It is not good to hear the Australian Prime Minister express himself as being confounded and astonished to find that America—the country which had originated the Geneva trade negotiations—had taken action of an almost internationally provocative nature in proposing to increase the wool tariff; but it is hard to disagree with him.

We must have the support of the American people. Communism is unlikely to thrive in any country that is prosperous and fully employed.

[From the Washington Post of June 19, 1947]

#### SHEEP'S CLOTHING

House and Senate conferees have agreed on a mongrel measure for looking after our puny wool industry which would gouge the American consumer and promote corruption in the customs administration. Evidently the conferees were impressed by the objection that an import fee added to the present tariff would violate the letter of our existing trade agreements with a group of nations. Accordingly they adopted an alternative course of keeping out foreign wool, namely, the imposition of import quotas. Strange as it may seem, there is no specific ban on import quotas in any of our commercial pacts with foreign nations, though they would clearly violate their spirit. Doubtless nobody ever thought that the time would come when such a method of fighting the foreigner would be taken seriously. That this device has come out of the Eightieth Congress is no compliment to its sense of morality.

Let us think what might be expected to follow this novel method of propping up our wool growers at the consumers' expense. Congress would authorize the administration to exclude 50 percent of an import trade that is now four times our domestic clip. What yardstick would the administrators pick? The easiest and doubtless the only practicable way would be to shut the ports to foreign wool as soon as the quota had been attained. That would start a race on the part of foreign suppliers to get their stuff into America. Clearly the factor of distance alone would promote discrimination and ill will. But it is the opening for graft on a grand scale that is the most dismaying thing about an import quota system. Wool is such an important item in the economy of Australia, New Zealand, Argentina, and Uruguay that they would do everything they could to obtain import permits. It is irresponsible of Congress to subject the customs administration to this temptation.

One import quota, of course, would deserve another. If this new method of fleecing the consumer succeeds, then we would have a line of sick and uneconomic industries buttonholing Congress for similar protection. The prospective hold-up should arouse the consumer. Already he is paying through the nose for his woolen goods. This new bill would subject him to another steal of monstrous proportions. It might seem surprising that the industry which finds such favor in the eyes of Congress is wool. Its product is worth only \$120,000,000, or much less than one-thousandth of the national income. But wool, like silver, is well distributed, and 23 States (or, better put, 46 Senators) have a vested interest in it. And other States might not be averse to going along with the wool States in the hope that with the introduction of this new type of windfall from the public trough they might get theirs. One good turn always has earned another in tariff politics.

We have not discussed the international implications of this opening gun in the congressional declaration of economic war. The Geneva conference on trade agreements might as well close up shop if the wool bill should be enacted. What our representatives are trying to do there is to establish economic peace. But the wool bill means economic war. It is a new technique in import restrictions which would persuade other nations to copy our example, with disastrous results on world and American trade. Our representatives also are trying to find ways and means of helping foreigners earn the dollars wherewith to buy our goods. The problem of the dollar shortage has now become a crisis of the first magnitude engaging the full-time attention of Secretary Marshall. But the wool bill would close an avenue for earning dollars and at the same time for aiding the American consumer. It thus files in the face of our national interest. Cannot the national well-being make any dent at all upon men obsessed with selfish interests? The wool bill is the year's prize example of lunatic exploitation of the American consumer and the foreign supplier.

The PRESIDENT pro tempore. The time of the Senator from Kentucky has expired, except for 2 minutes.

Mr. BARKLEY. I yield the remainder of my time to the Senator from Massachusetts [Mr. LODGE].

The PRESIDENT pro tempore. The Senator from Massachusetts is recognized for 2 minutes.

Mr. LODGE. Admitting, as I do, that a wool-support price program is desirable, I nevertheless feel that the method or the philosophy which is set forth in the conference report is not a prudent or a wise way to do it, particularly at the present time. It comes at a moment

when our foreign relations are in a tense condition, and at a time when we are doing our best to revive the economies of foreign countries and to place trade on a healthful footing, not so much because of our interest in foreign countries, as because we believe the development of such a trade is good for us. Certainly the setting up of the system which is contemplated in this piece of legislation, runs counter to those hopes.

Then, Mr. President, we confront the fact that large numbers of our citizens who may not actually be groaning under the high cost of living, yet are certainly feeling it very keenly, and that if the provisions of the pending bill are invoked, it will certainly tend to increase the cost of living for a great many people in this country. Those are the reasons why I intend to vote against the adoption of the conference report.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. AIKEN. I now yield 10 minutes to the Senator from Ohio [Mr. TAFT].

The PRESIDENT pro tempore. The Senator from Ohio is recognized for 10 minutes.

Mr. TAFT. Mr. President, the problem we face here is not a new one, and it is one we are going to face with increasing force and strength for the next 2 years, particularly when we finish the agricultural-support program in 1947 and have to decide a new agricultural policy. There are three methods of protecting American industry, and I think nearly everyone who has spoken has expressed his desire to protect the wool industry. One method is by subsidy; another method is by tariff; and a third method is by quotas. We have adopted all methods as to different commodities. We have placed quotas on sugar, to protect sugar; we have, in effect, subsidies to protect silver; and we have a general tariff policy, which is the traditional policy of the country, as a method of protecting American industry.

All the pending bill does is to say that, in addition to using the subsidy method, which is what the Senate approved, the President may also use the method of increasing the tariff, or he may use the method of developing a quota system. Personally, I like a tariff system better than I do either of the other two. I went along with the subsidy plan, because, after all, we have an agricultural-price guaranty, to which we are pledged for 1947 and 1948, that necessarily implies in many cases a subsidy; and it seemed to me the wool growers were entitled to the same protection as any other industry; so that I was satisfied to go along with the subsidy. But I do not think that those who provided the other two methods, which are traditional in the United States, were inspired by political motives. In fact, the Senator from Vermont has shown that the scheme was suggested by the Assistant Secretary of Agriculture, not by the Republicans in the House of Representatives.

Mr. President, the proposed action does not represent a tremendous departure from the policy now prevailing, in fact, it is no departure at all. I think it might have been better had the House not placed the amendment in the bill,

but under the existing law, as the Senator from Maine [Mr. BREWSTER] has shown, the President already can raise the tariff 50 percent under the provisions of section 1336 relating to the equalization of the cost of production. In that case the Tariff Commission acts if it finds that the cost of production at home is in excess of the cost of production abroad plus the fixed tariff.

Moreover, in case of discrimination by other nations the President is given the arbitrary power to raise the tariff by 50 percent. Today, under present world conditions, there is not a nation in the world that is not discriminating to some extent against American commerce. So I believe that under existing law the President can raise the figure 50 percent.

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

Mr. TAFT. I yield.

Mr. SALTONSTALL. I called up a member of the Tariff Commission yesterday on that subject and, as I understood from him the only raw wool that is not now subject to reciprocal-trade agreements is raw wool below 44 percent in quality. Where there is a reciprocal trade treaty involved, section 1336 of the code does not apply.

Mr. TAFT. However, the other section, section 338 of the code, relating to discrimination, does apply. Under that provision I think we can find that discrimination exists today in nearly every nation. They have been forced to discriminate against American imports in many respects because they cannot afford to take American imports. Of course, the section already applies to every other agricultural commodity. Why on earth should it not apply to wool?

Action is entirely discretionary with the President. As a matter of permanent law I would be opposed to giving the President the wide discretion given in the bill, but he can apply one of three methods, the tariff, the subsidy, or the quota method. When we come to decide the question ourselves I think we will have to decide what method shall be used. But during the next year and one-half during the maintenance of the agricultural support program I am willing to waive the right of Congress to act, and give discretion to the President as to which of these three methods should be adopted.

Mr. President, I can see no reason why the Australians or any others should think we are changing our policy or doing anything except carrying out the traditional policy which every Senator favors, of placing in the hands of the President some method of protecting American industry. Wool is no petty industry. For a long time American producers provided more than one-half the total consumption of wool in the United States. Today, because of the tremendous increase in consumption, American production is down to about one-third of the total American consumption. But in a number of States it is one of the leading industries, and I see no reason why it should not have exactly the same protection that every other industry has and every other agricultural product has, and that is all the bill does.

I voted for the Senate bill, and I should have been glad if it had come back to the Senate in the form in which we passed it. It seems to me, however, that the objections to this particular amendment are utterly unfounded, that there is absolutely no reason why any foreign nation or any American should be concerned about this proposal involving a great change in policy, or in any way abridging the reciprocal trade program or doing anything else which will interfere at all with our foreign trade.

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

Mr. TAFT. I yield.

Mr. HATCH. The Senator mentioned the increase of consumption of wool in the United States. Is he not also aware that there is a dangerous decrease in production?

Mr. TAFT. Yes, the production has decreased, too, I think, 360,000,000 pounds. Wool is a strategic material. Apart from tariff questions, I think it is very important from a national standpoint that we should be prepared to produce at least as much wool as we are now producing, and of course if there is not some protection the production will decrease much further, and it will become a mere byproduct of another industry.

Mr. President, I hope very much that the conference report will be agreed to. I do not think there is any politics in it. I think the gentleman who is protesting in Geneva is sincere, but I think he is completely mistaken. I believe he and his colleagues should be able to show the people with whom they are meeting that this proposal does not represent any change in the policy of the United States.

Mr. AIKEN. Mr. President, I yield 1 minute to the Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG. Mr. President, in that 1 minute I should like to discuss the attitude of the conferees on the bill. There was no sentiment in the conference committee to put the President on the spot. I cannot understand why Mr. Clayton, or New Zealand, or Australia, should be concerned about import fees and quotas which are explained by the President unless they want to increase their imports into this country far and above what they are importing now or unless they were looking toward reduced tariffs.

At the present time our imports are about 80 percent of the wool that is used in the United States. It would seem to me that the President should welcome this provision, and that also foreign countries should welcome it, because it would provide a means of controlling the market. Otherwise there might be a wide-scale dumping and a depressing of prices. So in my opinion, if the foreign countries are interested only in the program now in effect there should be no objection to the amendment.

Mr. AIKEN. Mr. President, I yield myself a couple of minutes.

When we vote on the conference report let us not lose track of the main objective which is to put a floor under the price of wool in this country for the next 18 months, so as to give the sheep farmers a comparable position to that

enjoyed by the producers of the other farm commodities.

I regret very much that the House saw fit to put any amendment on the bill after it left the Senate. I do not think the amendment was necessary. It does not give the wool grower any protection which was not afforded him by the Tariff Act of 1930, and it does not give him any additional protection. Moreover, it does not give the President or anyone else a new or additional power in dealing with international commerce unless the President is minded to use it. Any President so minded could use the provisions of this amendment or the provisions of the Tariff Act of 1930 in the international commerce of the world if he saw fit. This amendment does not give the President any power which he does not already possess. But I do not believe the President of the United States has any intention whatsoever of misusing the amendment, and I say again, I think the provision is absolutely unnecessary.

What we have got to consider now is that the bill is undoubtedly the only chance we have during the present Congress to put a floor under the price of wool for the next 18 months. It has been charged that the amendment was placed in the bill by the House so as to put the President on the spot. I do not attempt to interpret or analyze the purposes of the House leadership. But when it comes to a question of letting the President get on the spot or destroying the income of a million farmers of the United States, and that means the economy of 11 of the Western States then I am satisfied that it is better to take the chance with the President, because I do not think he is on any spot anyway, and can certainly find a way off should he be on one.

I want to point out one thing more. It has been said that this is the first step toward a high-protection policy of the United States. Let me say that there is no surer way to international trade barriers or a high-tariff wall than to destroy the economy of 1,000,000 farmers in 11 of the 48 States of the Union, because in 11 States the economy is dependent largely on the price of wool.

So, Mr. President, I say again, I regret the House put the amendment on the bill, but the only thing for us to do now, if we want to protect the 11 States and the 1,000,000 farmers in the United States who produce wool is to accept the conference report; and that is all we can do.

The PRESIDENT pro tempore. All time for debate on the pending report has expired.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. SALTONSTALL. Did I correctly understand the ruling of the Chair yesterday in answer to a parliamentary inquiry by the Senator from Virginia [Mr. ROBERTSON] that if the conference report is defeated a motion will be in order to send Senate bill 814 back to conference, with instructions to the Senate conferees?

The PRESIDENT pro tempore. The Senator is correct.

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

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

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

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

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

The question is on agreeing to the conference report.

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

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the junior Senator from Tennessee [Mr. STEWART] who is absent on public business, and who would vote as I am about to vote. I vote "yea." I am advised that if present the Senator from New York would vote "nay."

The roll call was concluded.

Mr. WHERRY. I announce that the Senator from Vermont [Mr. FLANDERS] is absent because of illness. If present and voting he would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness in his family. If present and voting he would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES] is unavoidably detained on committee business.

Mr. LUCAS. I announce that the Senator from Alabama [Mr. HILL], and the Senator from Connecticut [Mr. McMahan], who are absent on public business, would vote "nay," if present.

The Senator from Oklahoma [Mr. THOMAS] is absent by leave of the Senate.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER], who is necessarily absent has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Tennessee [Mr. STEWART], who is absent on public business, has been previously announced by the Senator from Kansas. If present

and voting, the Senator from New York would vote "nay," and the Senator from Tennessee would vote "yea."

The result was announced—yeas 48, nays 38, as follows:

## YEAS—48

Aiken	Ecton	Martin
Brewster	Ellender	Millikin
Bricker	Gurney	Morse
Brooks	Hatch	Murray
Buck	Hawkes	O'Daniel
Bushfield	Hickenlooper	O'Mahoney
Butler	Jenner	Reed
Cain	Johnson, Colo.	Revercomb
Capehart	Kem	Robertson, Wyo.
Capper	Knowland	Taft
Chavez	Langer	Thye
Connally	McCarran	Watkins
Cordon	McCarthy	Wherry
Donnell	McFarland	White
Downey	Magnuson	Wiley
Dworshak	Malone	Young

## NAYS—38

Baldwin	Ives	Pepper
Ball	Johnston, S. C.	Robertson, Va.
Barkley	Kilgore	Russell
Byrd	Lodge	Saltonstall
Cooper	Lucas	Smith
Eastland	McClellan	Sparkman
Ferguson	McGrath	Taylor
Fulbright	McKellar	Tydings
George	Maybank	Umstead
Green	Moore	Vandenberg
Hayden	Myers	Williams
Hoey	O'Connor	Wilson
Holland	Overton	

## NOT VOTING—9

Bridges	McMahon	Thomas, Utah
Flanders	Stewart	Tobey
Hill	Thomas, Okla.	Wagner

So the conference report was agreed to.

## TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

## EXECUTIVE COMMUNICATIONS, ETC.

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

## TRANSFER BY NAVY DEPARTMENT OF MOTORBOATS TO JUNIOR MIDSHIPMEN OF AMERICA, INC.

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the Junior Midshipmen of America, Inc., New London, Conn., had requested the Navy Department to transfer three motorboats for use of that organization in training boys in seamanship, navigation, and related subjects; to the Committee on Armed Services.

## AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

## CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Under Secretary of Agriculture, transmitting, pursuant to law, a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease, for the 30-day period ended May 29, 1947 (with accompanying papers); to the Committee on Agriculture and Forestry.

## DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Commit-

tee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. LANGER and Mr. CHAVEZ members of the committee on the part of the Senate.

ADMINISTRATION OF GUAM, SAMOA, AND THE PACIFIC ISLANDS (H. DOC. NO. 333)

The PRESIDENT pro tempore laid before the Senate a communication from the President of the United States, which, with the accompanying report, was ordered to lie on the table and to be printed in the RECORD, as follows:

THE WHITE HOUSE,  
Washington, June 19, 1947.

HON. ARTHUR H. VANDENBERG,  
President of the Senate pro tempore,  
United States Senate.

MY DEAR MR. PRESIDENT: There is enclosed a copy of a report from the Secretary of State indicating a course of action which the Secretaries of State, War, Navy, and Interior have agreed should be followed with respect to the administration of Guam, Samoa, and the Pacific islands to be placed under United States trusteeship.

On October 20, 1945, I appointed a committee consisting of the Secretaries of these four departments to make recommendations concerning this matter. After preliminary consideration it seemed inadvisable to formulate a final recommendation until a determination had been made of the status of certain islands formerly under Japanese control. In the meantime, the departments represented on the committee continued to give study to the problems involved.

After the United Nations Security Council approved a trusteeship agreement designating the United States as the administering authority for the former Japanese mandated islands, I requested that the members of the committee again give joint consideration to problems relating to the administration of the Pacific islands. The enclosed report has been submitted pursuant to that request.

I am sure that the agreement reached by the four Secretaries will be of interest to the Congress in connection with its consideration of legislation to provide civilian government for these islands, and that the information obtained by the departments in studying this question will also be helpful in the consideration of such legislation.

It has long been my view that the inhabitants of Guam and Samoa should enjoy those fundamental human rights and that democratic form of government which are the rich heritage of the people of the United States. We have already extended those rights and that form of government to other possessions of the United States, such as Puerto Rico and the Virgin Islands, and with respect to the inhabitants of the trust territory have given solemn assurance to the United Nations of our intention to grant these inhabitants a full measure of individual rights and liberties.

I hope that the Congress will approve legislation for the purposes indicated in the enclosed report and that such legislation will provide for the full enjoyment of civil rights and for the greatest practicable measure of self-government.

Very sincerely yours,

HARRY S. TRUMAN.

DEPARTMENT OF STATE,  
Washington, D. C., June 18, 1947.

THE PRESIDENT,  
The White House.

DEAR MR. PRESIDENT: Pursuant to your request, the Secretaries of State, War, Navy, and Interior have held several meetings and have agreed upon the following course of action:

1. Separate organic legislation for Guam to provide civil government and to grant citizenship, a bill of rights, and legislative powers to Guamanians should be enacted this session. In recent hearings on such organic legislation the Departments have recommended the transfer of administration from the Navy Department to a civilian agency designated by the President at the earliest practicable date, the exact date to be determined by the President.

2. Organic legislation for American Samoa, providing civil government and granting citizenship, a bill of rights, and legislative powers should be prepared by the Navy and Interior Departments and presented to the next session of Congress.

3. Suggestions for organic legislation for those Pacific islands placed under United States trusteeship are in preparation by the Department of State for presentation to Congress, provided favorable congressional action is taken on the trusteeship agreement to be shortly presented for approval.

4. The Navy Department should continue to have administrative responsibility for Guam and American Samoa on an interim basis pending the transfer to a civilian agency of the Government at the earliest practicable date, such date to be determined by the President. With respect to the trust territory, a similar transfer should be effected by the President at the earliest practicable date.

5. Provided Congress acts favorably on the trusteeship agreement, an Executive order should be issued when the agreement enters into force terminating military government in the trust territory and delegating civil administration to the Navy Department on an interim basis, subject to the conditions set forth in paragraph 4.

Faithfully yours,

G. C. MARSHALL.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BRICKER (for Mr. TOBEY), from the Committee on Banking and Currency: S. 829. A bill to provide for control and regulation of bank holding companies, and for other purposes; with amendments (Rept. No. 300).

By Mr. CAPEHART, from the Committee on Banking and Currency:

S. 1070. A bill to provide for the cancellation of the capital stock of the Federal Deposit Insurance Corporation and the refund of moneys received for such stock, and for other purposes; with amendments (Rept. No. 301).

By Mr. WILEY, from the Committee on the Judiciary:

S. 305. A bill for the relief of Mrs. Hilda Margaret McGrew; without amendment (Rept. No. 292);

S. 706. A bill for the relief of William D. McCormick; without amendment (Rept. No. 293);

H. R. 381. A bill for the relief of Allen T. Feamster, Jr.; without amendment (Rept. No. 296);

H. R. 407. A bill for the relief of Claude R. Hall and Florence V. Hall; without amendment (Rept. No. 298);

H. R. 617. A bill for the relief of James Harry Martin; without amendment (Rept. No. 294);

H. R. 1067. A bill for the relief of S. C. Spradling and R. T. Morris; without amendment (Rept. No. 312);

H. R. 1144. A bill for the relief of Samuel W. Davis, Jr.; Mrs. Samuel W. Davis, Jr., and Betty Jane Davis; without amendment (Rept. No. 313);

H. R. 1318. A bill for the relief of Mrs. Fuku Kurokawa Thurn; without amendment (Rept. No. 299);

H. R. 2915. A bill for the relief of Mrs. Frederick Faber Wesche (formerly Ann Maureen Bell); without amendment (Rept. No. 297); and

H. R. 3769. A bill to amend the Bankruptcy Act with respect to qualifications of part-time referees in bankruptcy; with amendments (Rept. No. 295).

By Mr. WILSON, from the Committee on Armed Services:

H. R. 2339. A bill to amend the act entitled "An act authorizing the designation of Army mail clerks and assistant Army mail clerks," approved August 21, 1941 (55 Stat. 656), and for other purposes; without amendment (Rept. No. 302).

By Mr. BALDWIN, from the Committee on Armed Services:

H. R. 1807. A bill to authorize the Secretary of the Navy to grant to the county of Pittsburg, Okla., a perpetual easement for the construction, maintenance, and operation of a public highway over a portion of the United States naval ammunition depot, McAlester, Okla.; without amendment (Rept. No. 303).

By Mr. MAYBANK, from the Committee on Armed Services:

H. R. 371. A bill to authorize the Secretary of the Navy to appoint, for supply duty only, officers of the line of the Marine Corps, and for other purposes; with amendments (Rept. No. 304); and

H. J. Res. 92. Joint resolution authorizing the presentation of the Distinguished Flying Cross to Rear Adm. Charles E. Rosendahl, United States Navy; without amendment (Rept. No. 305).

By Mr. KILGORE, from the Committee on Armed Services:

H. R. 1362. A bill to permit certain naval personnel to count all active service rendered under temporary appointment as warrant or commissioned officers in the United States Navy and the United States Naval Reserve, or in the United States Marine Corps and the United States Marine Corps Reserve, for purposes of promotion to commissioned warrant officer in the United States Navy or the United States Marine Corps, respectively; without amendment (Rept. No. 306).

By Mr. TYDINGS, from the Committee on Armed Services:

H. R. 1376. A bill to amend the acts of October 14, 1942 (56 Stat. 786), as amended, and November 28, 1943 (57 Stat. 593), as amended, so as to authorize transportation of dependents and household effects of personnel of the Navy, Marine Corps, and Coast Guard to overseas bases; without amendment (Rept. No. 307).

By Mr. GURNEY, from the Committee on Armed Services:

H. J. Res. 167. Joint resolution to recognize uncompensated services rendered the Nation under the Selective Training and Service Act of 1940, as amended, and for other purposes; without amendment (Rept. No. 308).

By Mr. ROBERTSON of Wyoming, from the Committee on Armed Services:

S. 229. A bill to authorize the Secretary of the Navy to construct a postgraduate school at Monterey, Calif.; with amendments (Rept. No. 309);

H. R. 1379. A bill to establish the United States Naval Postgraduate School, and for other purposes; without amendment (Rept. No. 310); and

H. J. Res. 96. Joint resolution authorizing the President to issue posthumously to the late Roy Stanley Geiger, lieutenant general, United States Marine Corps, a commission as general, United States Marine Corps, and for other purposes; without amendment (Rept. No. 311).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

Jed Johnson, of Oklahoma, to be judge of the United States Customs Court, vice William J. Keefe, resigned;

Otto Schoen, of Missouri, to be United States marshal for the eastern district of







# DIGEST OF CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
 Division of Legislative Reports  
 (For Department staff only)

Issued June 27, 1947  
 For actions of June 26, 1947  
 80th-1st, No. 122

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**HIGHLIGHTS:** Senate received veto message on wool bill and passed new bill without import-control provision. Senate committees reported bills to place crop insurance on limited basis, transfer Remount Service to USDA, authorize research and eradication of cattle grubs, provide for REA refinancing of TVA loans to cities, consolidate appropriation bills, create joint committee to investigate agriculture. House passed bill to continue certain allocations, priorities, and export-control powers. H. Rules cleared bill to continue export controls. House passed bill to create Commission on Organization of Executive Branch. House committees reported CCC-continuation and legislative-appropriation bills and approved veterans' Alaska settlement bill. Rep. Harrison criticized USDA's foreign food-purchase policies. House received conference report on RFO extension bill.

### SENATE

1. **WOOL-PRICE SUPPORTS.** Received from the President a veto message on S. 814, the wool bill (pp. 7847-8)(S. Doc. 68). The President objected to the import-control provision.  
 Later passed without amendment S. 1498, a new bill, which provides for wool-price supports at 1946 levels until Dec. 31, 1948, and permits CCC to dispose of its wool stocks below parity (pp. 7866-70). Rejected a McGrath amendment to limit the support period to June 30, 1948 (pp. 7869-70).
2. **CROP INSURANCE.** The Agriculture and Forestry Committee reported with amendment S. 1326, to place the crop insurance program on a limited basis (S. Rept. 378) (p. 7840).
3. **REMOUNT SERVICE.** The Armed Services Committee reported without amendment H. R. 3484, to transfer the Remount Service from the War Department to this Department (S. Rept. 357)(p. 7840).
4. **CATTLE GRUBS.** The Agriculture and Forestry Committee reported without amendment S. 1249, to authorize research and eradication of cattle grubs (S. Rept. 363) (p. 7840).
5. **RURAL ELECTRIFICATION.** The Agriculture and Forestry Committee reported without amendment S. 1087, which authorizes REA to refinance obligations of certain cities to TVA to the extent that such indebtedness was incurred with respect to rural-electrification systems (S. Rept. 362)(p. 7840).
6. **RESEARCH LAND.** The Agriculture and Forestry Committee reported without amendment

- H. R. 195, to authorize this Department to sell to Sitka, Alaska, a small tract formerly used as a site for agricultural research and weather service (S. Rept. 364)(p. 7840).
7. APPROPRIATIONS. The Rules and Administration Committee reported with amendments S. Con. Res. 6, to include all general appropriation bills in one consolidated general appropriation bill (S. Rept. 391)(p. 7840).
  8. AGRICULTURAL INVESTIGATION. The Rules and Administration Committee reported with amendments S. Con. Res. 11, creating a joint committee to investigate certain matters affecting agriculture (S. Rept. not listed)(p. 7840).
  9. CORPORATIONS. Received from the President a proposed amendment to the "general provisions" in the Government corporations budget for 1948 (S. Doc. 67); to Appropriations Committee (p. 7838). (Summary of this item will be in next Digest.)
  10. FORESTRY. Received a Fla. Legislature resolution commending Forest Service for the manner in which it has activated and maintained the Apalachicola National Forest in Liberty County, Fla. (p. 7839).
  11. RECONSTRUCTION FINANCE CORPORATION. Senate conferees were appointed on S. J. Res. 135, to continue RFC (pp. 7842-5).
  12. AGRICULTURAL APPROPRIATION BILL. Sen. Umstead, N. C., criticized cuts in items for ACP, SCS, research, FS, REA, THA, and school lunches in the House bill (pp. 7874-7).
  13. FOOT-AND-MOUTH DISEASE. Sen. Hatch, N. Mex., inserted a telegram from the N. Mex. Cattle Growers' Association favoring additional funds for the campaign against this disease (p. 7877).
  14. APPROPRIATIONS INVESTIGATIONS. Agreed to S. Res. 130 and 129, which, as amended, provide a total of \$60,000 additional for the Senate Appropriations Committee's investigations (p. 7877).
  15. FLOOD CONTROL. Sen. Murray, Mont., spoke in favor of additional flood-control appropriations, mentioning the corn-crop situation as a result of floods and stating that flood damage thus interferes with foreign relief and contributes to high prices (pp. 7879-81).

HOUSE

16. LEGISLATIVE APPROPRIATION BILL. The Appropriations Committee reported this bill, H. R. 3993 (H. Rept. 717)(p. 7929). The bill includes funds for GPO, Library of Congress, Botanic Garden, Legislative Counsel, committee staffs, etc. The Committee report (1) indicates an intention of filling all committee-staff positions authorized by the Legislative Reorganization Act but not necessarily at the maximum salaries; (2) says the Coordinator of Information is "to provide the House with a nonpartisan, unprejudiced operation of digesting the mass of information which comes in to Members"; (3) questions the desirability of further increases in Library of Congress pending congressional decision as to whether the Library is to serve only Congress and the Government agencies or is to operate as a national library; (4) asks the Library to make a closer check of use of study rooms and tables by "scholars and researchers, including representatives of government agencies";

(5) explains that the Committee reduced Legislative Reference Service to \$300,000 (Budget estimate, \$650,000; 1947 appropriation, \$475,000) on the basis that the committee staffs would be increased, that many of the committees are not utilizing the LRS specialists to any great extent, and that the House Coordinator of Information is in the same general field of work; (6) states that the Library of Congress project for storing and distributing Government motion-picture films "will cost an amount of money out of all proportion to its value" and raised a question as to whether the Library was the appropriate agency for this function in any event; (7) partially explained a \$10,000,000 cut in GPO's working fund by stating that "there is some difficulty in securing prompt payment by departments and agencies," that the Committee "sees no valid reason why departments and agencies should not pay their printing bills within 30 days," and that GPO "could undoubtedly shorten the collection period by the simple expedient of refusing to accept requisitions for printing unless the department or agency concerned pays its bills promptly"; and (8) questioned the advisability of spending Federal funds for the Library of Congress' current legislative reference service on State legislation.

HOUSE

17. C.C.C. CONTINUATION. The Banking and Currency Committee reported without amendment S. 350, to continue CCC as a U.S. agency until June 30, 1948 (H.Rept. 719) (p. 7929).
18. EXPORT CONTROLS. The Rules Committee reported a resolution for the consideration of H.R. 3049, to continue the Export Control Act and direct the President to ascertain on or before Dec. 31, 1947, whether export controls should or should not be continued, such determination to be certified to Congress; to provide that upon the President's determination to discontinue, such controls should terminate within 15 days from the date of determination, except as to offences committed or rights or liabilities incurred; and to provide that in no event should controls extend beyond June 30, 1948 (p. 7929).
19. WAR POWERS; TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendment H.R. 3152, to extend to June 30, 1948, title III of the Second War Powers Act relating to the allocation of transportation equipment (H.Rept. 710) (pp. 7883, 7929).
20. SOCIAL SECURITY; FARM LABOR. The Ways and Means Committee reported without amendment S. 1072, to extend until July 1, 1949, the period during which income from agricultural labor may be disregarded by States in making old-age assistance payments without prejudicing their rights to grants-in-aid under the Social Security Act (H.Rept. 713) (p. 7929).
21. COMMUNICATIONS. The Interstate and Foreign Commerce Committee reported without amendment S. 816, to repeal the mandatory special rate for Government telegrams; authorize the Federal Communications Commission under the Communications Act of 1934, to prescribe charges, classifications, regulations and practices, including priorities, applicable to Government telegrams; the effective date being the 10th day following the date of enactment (H.Rept. 715) (p. 7929).
22. RECONSTRUCTION FINANCE CORPORATION. Received the conference report on S.J.Res. 135, to continue RFC (pp. 7915-8). The conferees adopted the 1-year extension, as provided in the Senate version, but retained in general the House provisions extending only certain lending powers and functions of RFC. The House version contained several provisions regarding FCA; and conference report (as explained by the House conferees), "in lieu of repealing those provisions of law in their entirety, modifies them to eliminate their application to the

Reconstruction Finance Corporation but to retain their application to the Farm Credit Administration."

- 23. WAR POWERS. Passed with amendment H.R. 3647, to extend certain powers under Title III of the Second War Powers Act (including priorities, allocations, and certain export controls (pp. 7889-901). During the debate there was considerable discussion on the need for the export controls provided for in this bill and, in addition, the continuation of the Export Control Act as provided for in H.R. 3049. Rep. Murray, Wis., offered and withdrew an amendment to authorize import and export control for wheat, flour, corn, oats, and barley (pp. 7900-1). Reps. Springer (Ind.) and Michener (Mich.) discussed Mr. Dodd's testimony before the Judiciary Committee in regard to the continuation of controls on fibre and cordage (pp. 7890-1).
- 24. EXECUTIVE ORGANIZATION. Passed without amendment H.R. 775, to establish a Commission on Organization of the Executive Branch of the Government (pp. 7918-21).
- 25. ALASKA SETTLEMENT. The "Daily Digest" states that a subcommittee of the Public Lands Committee ordered\* reported H.R. 868, to provide for homesteading in Alaska by veterans (p. D446).  
\*Copies of the bill and report will not be available until the bill is actually reported, when this Digest will include a statement to that effect.
- 26. LANDS. The Agriculture Committee ordered\* reported H.R. 2511, to authorize the Department to quitclaim 2 acres of land near Muirkirk, Md., to the Queens Chapel Methodist Church (p. D445).  
\*Copies of the bill and report will not be available until the bill is actually reported, when this Digest will include a statement to that effect.
- 27. FOREIGN RELIEF; FOOD PURCHASES. Rep. Harrison, Va., criticized USDA's policy on the purchase of food for foreign relief, referring particularly to surplus canned poultry and other canned goods, stating, "I was not able to interest Government authorities in the purchase of any of this surplus for foreign relief" (pp. 7886-7).
- 28. TREASURY-POST OFFICE APPROPRIATION BILL; 1948. Received the conference report on this bill, H.R. 2436 (pp. 7921-2).
- 29. FOREIGN AFFAIRS. Passed with amendments S. J. Res. 77, providing for membership and participation by the U.S. in the International Refugee Organization and authorizing an appropriation therefor (pp. 7901-15). As passed the measure contains the language of the House measure, H.J. Res. 207 (pp. 7915-5).
- 30. RECLAMATION. Rep. Phillips, Calif., discussed the appropriations for reclamation projects, stating that he hoped the House "would help the conferees work out a final appropriation bill for the Department of the Interior which will permit the economy of the West to be developed" (pp. 7923-8).
- 31. RUBBER. Rep. Crawford, Mich., spoke in favor of retaining the synthetic rubber industry (p. 7886).
- 32. WOOL. During the debate on H.J. Res. 207, Rep. Kersten, Wis., criticized the President's veto of S. 814, the wool price-support bill (pp. 7912-3).

BILLS INTRODUCED

- 33. FLOOD CONTROL; SURPLUS PROPERTY. S. 1515, by Sen. Aiken, Vt. (for himself and others), to make surplus property available for the alleviation of damage

paragraph (h) as the Corporation may deem advisable."

And insert a new section 3, as follows:

SEC. 3. Section 12B (b) of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 264 (b)), is amended by striking out "\$10,000" and inserting in lieu thereof "\$12,500."

The amendment was agreed to.

The next amendment was to strike out all of section 4, as follows:

SEC. 4. The first sentence of section 12B (o) (1) of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 264 (o) (1)), is amended to read as follows:

"The Corporation is authorized and empowered to issue and to have outstanding its notes, debentures, bonds, or other such obligations, in a par amount aggregating not more than three times the sum of (A) the amount of the capital stock of the Corporation outstanding on January 1, 1947, and (B) the amount received by the Corporation in payment of the assessments upon insured banks for the year 1936."

And to insert a new section 4, as follows:

SEC. 4. Section 12B (o) of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 264 (o)), is amended to read as follows:

"(o) The Corporation is authorized to borrow from the Treasury, and the Secretary of the Treasury is authorized and directed to loan to the Corporation on such terms as may be fixed by the Corporation and the Secretary, such funds as in the judgment of the Board of Directors of the Corporation are from time to time required for insurance purposes, not exceeding in the aggregate \$3,000,000,000. For such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include such loans. Any such loan shall be used by the Corporation solely in carrying out its functions with respect to such insurance. All loans and repayments under this section shall be treated as public-debt transactions of the United States."

The amendment was agreed to.

The next amendment was to insert a new section 5, as follows:

SEC. 5. Subsections (b) and (c) of section 5e of the Reconstruction Finance Corporation Act, as amended (U. S. C., title 15, secs. 606a (b) and (c)), are hereby repealed.

The amendment was agreed to.

The next amendment was to insert a new section 6, as follows:

SEC. 6. The Government Corporation Control Act is amended by—

(a) inserting in section 101 after "Panama Railroad Company" a semicolon and "Federal Deposit Insurance Corporation";

(b) inserting at the end of section 102 the following new sentence: "The budget program of the Federal Deposit Insurance Corporation, however, shall not be required to contain estimates of (1) amounts to be used to pay insurance claims or to purchase, or make loans on, assets of insured banks, (2) expenses in connection with receiverships for banks becoming insolvent after the preparation of such budget program, or (3) borrowings for the purposes specified in (1) and (2)."; and

(c) striking out of section 201 the following: "and (4) Federal Deposit Insurance Corporation."

Mr. VANDENBERG. Mr. President, this is the amendment which I ask be rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment inserting a new section 6 in the bill.

The amendment was rejected.

Mr. ELLENDER. Mr. President, I should like to inquire of the Senator from Indiana whether or not the rates or the charges for auditing the various banks have been changed in the bill.

Mr. CAPEHART. They have not been changed in the bill. The rates in the bill remain as they were formerly.

Mr. ELLENDER. I thank the Senator.

The PRESIDING OFFICER. If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 1070) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Federal Deposit Insurance Corporation is directed to retire its capital stock by paying the amount received therefor (whether received from the Secretary of the Treasury or the Federal Reserve banks), to the Secretary of the Treasury as hereinafter provided, to be covered into the Treasury as miscellaneous receipts. As soon as practicable after the enactment of this act, the Corporation shall pay to the Secretary so much of its capital and surplus as is in excess of \$1,000,000,000. The balance of the amount to be paid to the Secretary shall be paid in units of \$10,000,000 except that the last unit to be paid may be less than \$10,000,000. Each unit shall be paid as soon as it may be paid without reducing the capital and surplus of the Corporation below \$1,000,000,000. As each payment is made a corresponding amount of the capital stock of the Corporation shall be retired and canceled and the receipt or certificate therefor shall be surrendered or endorsed to show such cancellation. The stock subscribed by the various Federal Reserve banks shall be retired and canceled, pro rata, before the stock subscribed by the Secretary is retired and canceled.

SEC. 2. Section 12B (d) of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 264 (d)), is hereby repealed.

SEC. 3. Section 12B (b) of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 264 (b)), is amended by striking out "\$10,000" and inserting in lieu thereof "\$12,500."

SEC. 4. Section 12B (o) of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 264 (o)), is amended to read as follows:

"(o) The Corporation is authorized to borrow from the Treasury, and the Secretary of the Treasury is authorized and directed to loan to the Corporation on such terms as may be fixed by the Corporation and the Secretary, such funds as in the judgment of the Board of Directors of the Corporation are from time to time required for insurance purposes, not exceeding in the aggregate \$3,000,000,000. For such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act,

as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include such loans. Any such loan shall be used by the Corporation solely in carrying out its functions with respect to such insurance. All loans and repayments under this section shall be treated as public-debt transactions of the United States."

SEC. 5. Subsections (b) and (c) of section 5e of the Reconstruction Finance Corporation Act, as amended (U. S. C., title 15, secs. 606a (b) and (c)), are hereby repealed.

SUPPORT FOR WOOL—VETO MESSAGE  
(S. DOC. NO. 68)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States, which the clerk will read.

The Chief Clerk read as follows:

*To the Senate of the United States:*

I return herewith, without my approval, S. 814, entitled "The Wool Act of 1947."

This bill contains features which would have an adverse effect on our international relations and which are not necessary for the support of our domestic wool growers.

As originally passed by the Senate, the bill directed the Commodity Credit Corporation to continue until the end of 1948 to support prices to domestic producers of wool at not less than 1946 levels. It further authorized the Commodity Credit Corporation to sell wool held by it at market prices. I have no objection to these provisions.

As passed by the House, the bill carried an amendment intended to increase the tariff on wool through the imposition of import fees. This was done to provide a means of increasing the domestic market price for wool to approximately the support price, thus shifting the cost of the support from the Treasury to the consumers of wool products. The prices of these products are already high.

The conferees of the two Houses agreed upon a measure closely following the House bill, but empowering me to impose import quotas as well as import fees.

The enactment of a law providing for additional barriers to the importation of wool at the very moment when this Government is taking the leading part in a United Nations Conference at Geneva called for the purpose of reducing trade barriers and of drafting a charter for an International Trade Organization, in an effort to restore the world to economic peace, would be a tragic mistake. It would be a blow to our leadership in world affairs. It would be interpreted around the world as a first step on that same road to economic isolationism down which we and other countries traveled after the First World War with such disastrous consequences.

I cannot approve such an action.

The wool growers of this country are entitled to receive support. There is

still ample time for this Congress to pass wool legislation consistent with our international responsibilities and the interests of our economy as a whole. I urge that the Congress do so promptly.

A bill based on the general principles and policy of the original Senate bill would be acceptable to me, although I would prefer a more permanent wool program, as suggested in my memorandum which was made public on March 12, 1946.

For these reasons I am returning S. 814 without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, June 26, 1947.

The PRESIDENT pro tempore. The question is, Shall the bill pass, the objections of the President to the contrary notwithstanding?

Mr. AIKEN. Mr. President, I ask unanimous consent that the veto message of the President together with the bill be printed and referred to the Committee on Agriculture and Forestry.

The PRESIDENT pro tempore. Without objection, the veto message together with the bill will be printed and referred to the Committee on Agriculture and Forestry. The Chair hears no objection.

COMMITTEE MEETING DURING SENATE SESSION

Mr. AIKEN. Mr. President, I further ask unanimous consent that the Committee on Agriculture and Forestry be permitted to meet at 2:30 o'clock this afternoon.

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

ADMISSION INTO THE UNITED STATES OF CERTAIN ALIEN FIANCÉES OR FIANCÉS

Mr. WILEY. Mr. President, I ask unanimous consent for the present consideration of House bill 3398, order No. 358, to extend the period of validity of the act to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill H. R. 3398, an act to extend the period of validity of the act to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States, was considered, ordered to a third reading, read the third time, and passed.

STRIKES FOLLOWING THE PASSAGE OF LABOR-MANAGEMENT RELATIONS ACT

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

Mr. WHERRY. I yield to the Senator from Pennsylvania.

Mr. MARTIN. Mr. President, something ugly has developed since the new labor bill became law last Monday, something in violation of the American spirit of majority rule. In my own State of Pennsylvania and in other States some 200,000 men have marched out of the coalmines.

They have laid down their tools and have declared they will not work because they do not like the law.

Elsewhere, in some sections of the labor movement, there have been threats against the Congress and against the Government by men who think themselves bigger than our laws and our Constitution. These leaders see themselves as an invisible government within the Government. They have grown defiant and arrogant by reason of the immunities thrown about them by a one-sided labor law.

This is not the American way. I hope the rank and file of labor will not permit itself to be led down this blind alley by these blind so-called labor leaders. Such defiance of the law could set back the cause of labor 50 years. If continued, such conduct will arouse resentment in the minds of millions of American citizens, hurting not only the real leaders of labor, but also the fine Americans who constitute its rank and file. I hope that they will act as sane citizens, and obey the law. I would remind these people of the American tradition of accepting the decision of the majority.

Mr. President, I would remind them also that for more than a decade, when the New Deal was riding high, there were millions of Americans who were unalterably opposed to its philosophy. But since that party was then in power, because it reflected the expressed will of the majority of Americans, the verdict was accepted in the true American spirit. We did not stage a sit-down strike against our Country; we worked for a change through the orderly processes prescribed by the Constitution. That was sound citizenship.

Last Monday, the great majority of the American people spoke through their elected Representatives. This verdict should be accepted in the same spirit.

There have been threats to dig in and organize a last-ditch fight to defy and obstruct the operation of this law. The kind of labor leaders who talk that language are unscrupulous men. They cannot speak for the rank and file of loyal Americans. Defiance of the law is not the way of our people.

I regret that the labor union whose stronghold is in my State—and to which I have been so close—has elected to flout the law with a walk-out. It is significant that there have not been such walk-outs by other unions. But they have been widespread by this union.

Mr. President, that kind of development does not mean spontaneous action by the workers. It means one thing, and one shameful thing only: In this union, of all the unions of the Nation, the leadership elected to lead its people off the job and into defiance of the law and the will of the majority. This so-called spontaneous walk-out has obviously been inspired and carefully planned. This is what I mean by "invisible government."

The labor bill was no partisan bill. Nearly 50 percent of the Democrats in the Senate joined the Republican majority to override the President's veto by a 2½-to-1 margin. At the other end of the Capitol, some 60 percent of the Democrats helped to override the veto by 4 to 1. There is no doubt that Congress acted in accord with the wishes of the majority of our population.

In view of this impressive vote, and of the desire for labor legislation by the country as a whole, it is simply good citizenship and the duty of all to accept the new law and to give it a fair trial. I know that with such an opportunity this law can substantially benefit every element of labor and management except the unscrupulous labor leader who seeks to boost himself to labor dictatorship by riding the shoulders of the men who work, sweat, and pay dues.

But let me say now, if the process of trial and error should show that one or more provisions of the law will not operate as desired, even under proper conditions, then I shall vote for a change. I am sure that all of Congress feels as I do, and will act to correct the law whenever it may fail. In the meantime, it is the duty of all Members of Congress—those who have supported this law and those who have opposed it—to remind their people back home that this is the law of the land passed overwhelmingly—and that it must be given an honest opportunity to prove itself.

I would feel much better if I were certain it would get such a chance. Unfortunately, there are those in the labor movement who will set booby-traps in its path. There are those in the Administration who, for political purposes, will go all out to discredit it. The law cannot get a fair chance if the National Labor Relations Board sets out to sabotage it and make it fail.

All of Congress and much of the country know that some members and employees of the National Labor Relations Board, the very men who are to administer the law, declared their opposition to it long before it was passed. They worked to poison the President's mind against it. All Congress and much of the Nation know that the Secretary of Labor opposed this measure privately and publicly. We know that two Assistant Secretaries of Labor have been out on the stump for months, rabble rousing against this legislation.

They did not see it in final form—they did not give it a chance. These people just flatly declared the bill unworkable. They roused labor against it, and they indicated how they intend to treat it when they get their hands on it.

Mr. President, they are not the proper people to administer this law. It seems to me that the President's first move should be to remove them and to replace them with people whose minds are not turned against the law. Impartial, middle-of-the-road men should be brought in to give the law a fair start in life. Such action is necessary as confirmation of the President's recent statement that he intends to enforce the law.

This is an important law. The future of labor relations for years to come hangs upon its administration.

It depends also upon getting to the workingman the truth about the provisions of the law and upon dispelling the malicious untruths which have been spread by enemies of the legislation. Whether we are to go on to greater production and to greater harmony between management and labor depends upon these two things.

as the emergency is over—and I will leave it to the distinguished Senator—we shall forget it; we shall not change it; and then it will go on and on, and nothing will be done about it. The next time perhaps the situation will be reversed. But certainly no one can dispute the fact that the Speaker of the House of Representatives is closer to the people than is any other elective officer. I believe we could get an agreement on that. Whether he has the ability some other person has is another question; but his long service of apprenticeship, the fact that he is elected every 2 years, the fact that he is elected by the entire membership of the Congress, ought to be convincing evidence that there is no other elected officer that is closer to the people. Certainly he is closer than an appointed officer, than the Secretary of State, or the Secretary of the Treasury, or whoever might be named.

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

Mr. WHERRY. I will yield to the minority leader.

Mr. BARKLEY. The Speaker of the House may be closer to the Members of the House than any other officer in the Government, but he cannot be any closer to the people, because he represents only one district, just as any other Representative does.

Mr. WHERRY. I have covered that.

Mr. BARKLEY. The Senator covered that?

Mr. WHERRY. Yes.

Mr. BARKLEY. I do not know whether the Senator covered it correctly or not. I was called out of the Chamber at the time the Senator covered it. I may uncover it when I come to my remarks. Has the Senator discussed, or has anybody argued, whether the pending bill solves this problem: The Constitution of the United States requires the President of the United States to be native born and 35 years of age. The Constitution does not require the Speaker of the House either to be native born or 35 years of age. The Constitution does not even require him to be a Member of the House.

Mr. WHERRY. If the Senator will yield, it is unnecessary to go into that argument. On page 6, line 18, in the first subsection, it is provided that he must be qualified to be President of the United States.

Mr. BARKLEY. In other words, if the Speaker of the House is not 35, and is not native born, then the bill is a nullity so far as he is concerned?

Mr. WHERRY. Yes; the office then passes on to the next in line, the President pro tempore.

Mr. BARKLEY. The President pro tempore can come into the Senate at the age of 30, and he does not have to be native born. He is required to be 30 years of age. It is provided in the bill that he must be qualified. So, if the House should elect an unqualified Speaker, and if the Senate should elect an unqualified President pro tempore, neither of them could become President?

Mr. WHERRY. It would then go to the Secretary of State. This is exactly correct.

Mr. BARKLEY. Then the succession would finally pass to the Secretary of State, as the third in line?

Mr. WHERRY. The situation described by the minority leader would never happen.

Mr. BARKLEY. Perhaps that is so; but, under the Constitution, it could happen?

Mr. WHERRY. Yes; it could happen temporarily, only, because it would take but a very few minutes for the House to elect a new Speaker if the Speaker did not qualify or if he resigned. The Senate could do the same thing with the President pro tempore; or, if he did not qualify, then the Secretary of State could continue to act as President until the President pro tempore qualified.

Mr. BARKLEY. During those few minutes, when the House would have to discharge its Speaker and reelect one, who would be President?

Mr. WHERRY. The Secretary of State.

Mr. BARKLEY. He could be President, then, for a few minutes, and then the House would unhorse him?

Mr. WHERRY. He would serve only for the emergency. The bill provides that there shall be no time when there will not be an officer eligible to become President of the United States, and we are having difficulty now with that very provision.

The bill provides that whenever a Speaker becomes qualified, he is the first in the line of succession. If he cannot qualify according to the terms of the Constitution, the people would not want him as President of the United States, even though he were a Member of the House of Representatives.

Mr. BARKLEY. They absolutely would not. I would not want him as President, anyhow.

Mr. WHERRY. If he were unable to qualify, then the next in line would be the President pro tempore. I cannot conceive of either a Speaker or a President pro tempore serving in that office who would not qualify as President of the United States. But if he did not qualify, then the Secretary of State would be called upon to serve during the emergency, or until either the Speaker or the President pro tempore could qualify to act as President of the United States.

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

Mr. WHERRY. I yield to the Senator from Connecticut.

Mr. BALDWIN. Mr. President, I would like to ask a question, as a matter of interest. As I understand, under the Constitution there are certain age requirements and residence requirements for both Senators and Members of the House of Representatives. Is there any law whatever that makes provision for any requirements as to the qualifications of the Secretary of State, who is an appointee of the President?

Mr. WHERRY. None whatever.

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

Mr. WHERRY. I will answer the question: none whatever.

Mr. HATCH. I did not want to answer that question.

Mr. WHERRY. If the Senator will pardon me, I wanted to answer the question asked by the Senator from Connecticut, and I would like to say, with all the force that is in me, that there is none whatever. I want to thank the Senator for bringing that to my attention. One more thing, the Secretary of State and the Secretary of the Treasury, and the Cabinet officers are not elected by the people; they are appointed. How anyone can say that there is a defect in the line of succession suggested in the bill, I just cannot understand, because the Speaker is closer to the people today than any other official.

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

Mr. WHERRY. The Speaker is closer to the people, he is elected by the people, he is an elective officer, and the Secretary of State is not an elective officer. He is appointed, and he does not have any different qualifications than has the Speaker.

Mr. BARKLEY. Mr. President, may I interrupt the Senator, to ask one other question?

Mr. WHERRY. Yes; I am always glad to yield to the minority leader.

Mr. BARKLEY. In the event the President-elect and the Vice-President-elect should both die, after they have been elected by the electoral college, and before assuming the duties of office, in January, what would happen? There is no law that authorizes the reassembling of the electoral college. They are like the salmon, to which I referred the other day; they spawn, and they die. The electoral college elects a President, and then it dies, and nobody has power to reconvene it. If both the President-elect and the Vice-President-elect should die, what would happen?

Mr. WHERRY. The provision in the bill, which I think answers the question, will be found on page 4, beginning with line 19, that, in the event a President fails to qualify, or a Vice President fails to qualify, then the succession goes to the Speaker. It goes to the Speaker, then to the President pro tempore, then to the Secretary of State.

Mr. BARKLEY. Suppose the Congress has expired.

Mr. WHERRY. If the Congress had expired, and if there were no Speaker, and if it should happen that there were no President pro tempore of the Senate, then under the provisions of the bill the Secretary of State would become the acting President until such disability or disqualification was removed.

Mr. BARKLEY. The bill provides that the position of acting President shall finally come to the Secretary of State, but it makes it just as hard as possible for the Secretary of State to become acting President. Everyone else has to die before the succession comes to him.

Mr. WHERRY. The Senator from Kentucky raises technical points which may never arise. The bill provides for protection against every emergency that can be conceived of so that organized civil government shall continue.

Mr. BARKLEY. I am not asking these questions facetiously. I am asking them because I believe there are many gaps in the whole situation which, fortu-

nately, we have never had to bridge, but which ought to be considered, so that all the holes and all the gaps to a legitimate succession to the Presidency may be closed, either before an individual takes his office or after he takes his office, and it seems to me that instead of bringing before the Senate a bill which contains piecemeal legislation, the whole question ought to be gone into and investigated by the committees of the Senate in order that we may fill every gap that may conceivably exist in respect to an emergency or exigency such as exist at present.

Mr. WHERRY. Mr. President, I have the highest regard for the Minority Leader, and I believe I have several times this afternoon answered the points raised by him. I agree that there is no perfect piece of legislation. I suppose there may be some gaps which are not provided for by the pending bill. I want the distinguished Senator to know, however, that the bill does not represent piecemeal legislation. To begin with, the bill contains the legislation recommended by the President of the United States.

Mr. BARKLEY. I may say at that point that I was opposed to the proposal when the Democrats were in power. I was opposed to it when the gentleman from Texas [Mr. RAYBURN] was Speaker of the House, and when the Senator from Tennessee [Mr. McKELLAR] was President pro tempore of the Senate. I was opposed to the proposal then just as I am opposed to it now. So no one can accuse me of having any political bias in regard to it.

Mr. WHERRY. I have not accused the distinguished minority leader of anything.

Mr. BARKLEY. The Senator is getting ready to. [Laughter.]

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

Mr. WHERRY. I yield.

Mr. HATCH. I see the Senator from Vermont is in his seat. I know what he wants to propose. I have a matter which I am anxious to speak of, but I would rather the Senator from Vermont were allowed to proceed now. I can take up my matter later.

Mr. WHERRY. Very well. I shall be glad to yield to the Senator from Vermont, providing the legislation he wishes to propose is not controversial. I have been very lenient, I will say, in connection with my presentation respecting the succession bill. I want to accommodate every Senator. I deeply appreciate the questions that have been asked respecting the succession bill, of which I have made a considerable study. If in any respects the legislation can be improved, we shall be very glad to attempt to do so. I am satisfied that the legislation has been carefully analyzed and studied. We have carefully analyzed the exhaustive study and work done by the Senate Committee on the Judiciary in 1856; we have carefully analyzed the work of the committee in 1886. Our research men and our counsel and the committee members have carefully analyzed the changes that have resulted from the adoption of the lame-duck amendment, which changes com-

pletely the status of the office of the Speaker and President pro tempore during the years for which they are elected.

I think the bill provides a complete answer to the question as to what line of succession is needed in order to continue an orderly Government, with a possible definition of disability. The matter of disability was not contained in the provisions of the law of 1792, was not contained in the law of 1886. Until someone can satisfactorily define what a disability is, and draft provisions to compel a person having a disability to vacate an office to which he is elected, even though he thinks he is not suffering from any disability, I think a constitutional question will exist, one which has not been solved. But I am satisfied that aside from the question of disability, the matter is handled fairly well in the bill before us, that is, that a Speaker does not have to resign, or that a President pro tempore does not have to resign, if he feels in his own mind that the disability is only temporary. I think that making the decision optional with the Speaker and the President pro tempore practically solves the question of disability.

As I said before, never in the history of the country have we had to make a decision of that kind. The matter of disability is not a part of this particular legislation in connection with Presidential succession. I agree, however, with the distinguished Senator from New Mexico that it is a perplexing problem.

I shall be glad to yield to the distinguished Senator from Vermont with the understanding that the matter which he proposes to bring up will not be controversial and consume any considerable length of time.

#### SUPPORT FOR WOOL

Mr. AIKEN. Mr. President, from the Committee on Agriculture and Forestry, I ask unanimous consent to report Senate bill 1498, to provide support for wool, and for other purposes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the report is received.

Mr. AIKEN. Mr. President, this new bill, ordered by the committee to be favorably reported, provides for support for wool at the 1946 support price. It gives the Commodity Credit Corporation authority to dispose of the accumulated wool stocks, amounting to some 450,000,000 pounds, at less than parity, if it is found necessary to do so.

The President's veto message on the wool bill was referred to the Committee on Agriculture and Forestry. The committee met at 2:30 by permission of the Senate. It was decided it would be futile to attempt to pass the legislation over the President's veto. Therefore, no action was taken on the veto. Instead the committee voted unanimously to report favorably Senate bill 1498, introduced by the Senator from Wyoming [Mr. ROBERTSON].

The bill contains just two provisions. It puts a support price on wool equal to the 1946 support price, until December 31, 1948, and permits the Commodity Credit Corporation to dispose of the stocks on hand at whatever price they

have to sell them for in order to get rid of them.

Mr. President, I ask unanimous consent for the immediate consideration of the bill.

The PRESIDING OFFICER (Mr. CAIN in the chair). The bill will be reported by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1498) to provide support for wool, and for other purposes.

Mr. ROBERTSON of Wyoming. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ROBERTSON of Wyoming. Senate bill 1498 is a bill to provide support for wool. The President today vetoed the wool bill, which was the result of the conference between certain members of the Senate Committee on Agriculture and Forestry and certain members of the House Committee on Agriculture, and agreed to by both the House and the Senate recently. The new bill, S. 1498, is the same as the conference report with one exception, that is, that section 4 of the conference report bill has been omitted from Senate bill 1498. The new bill accepts the House amendment to the support price provision of the Senate bill. The Senate bill carried a support price of not less than the price paid in 1946. The House amended that by striking out the words "not less than" and merely inserting the price of 1946.

The only other provision in which there is any change from the original Senate bill, which was amended slightly by the House, is in section 3 of Senate bill 1498. The original Senate bill provided that:

The Commodity Credit Corporation may, without regard to restrictions imposed upon it by any law, dispose of any wool produced prior to January 1, 1949, at prices which will permit such wool to be sold in competition with imported wool. The disposition of any accumulated stock under the provisions of this section, however, shall be made at such rate and in such manner as will avoid disruption of the domestic market.

That was in the original Senate bill 814. Section 3 of the new bill is the House amendment, which reads:

The Commodity Credit Corporation may, until December 31, 1948, dispose of wool owned by it without regard to any restrictions imposed upon it by law.

Those are the only differences between the new bill and the original Senate bill 814.

Section 4 has been omitted. It was because of that section, Mr. President, that the President of the United States said, in his veto message, he was forced to veto the bill. That was a provision giving the President the option to impose import fees or quotas on the importation of wool.

I do not think there is any need for me to say anything more. I hope the Senate will accept the bill, as some such bill is most urgently required. The shearing of the 1947 wool clip is already 80 percent completed. Most of the wool is lying sacked in warehouses all over the country. In many instances the small producer has been forced to sell his clip at some 10 to 15 cents below the price he would receive under this meas-



ure. It is an urgent measure, and I again remind the Senate that wool is a critical material. That was brought home to me forcibly this morning when I was sitting as a member of the subcommittee considering the War Department appropriation bill, and we heard the representatives of the National Guard crying for new uniforms. They said they needed 300,000 woolen uniforms for the troops. I could not help thinking that if our domestic wool producers were put out of business, as they might well be unless we have some legislation to keep them in business, the result, in case of war, might be disastrous.

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

Mr. AIKEN. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The chairman of the Committee on Agriculture and Forestry and the Senator from Wyoming have discussed this bill with me. I shall not object to its consideration at this time. However, I should like to point out that there are several factors concerning the bill which I believe do not make for the best type of legislation.

As the Senator from Wyoming has stated, the bill does three things. First, it sets the price of domestic wool at the minimum of the prices obtained in the year 1946. Second, it permits the Commodity Credit Corporation to buy wool at this price until December 31, 1948—

Mr. ROBERTSON of Wyoming. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. ROBERTSON of Wyoming. The Senator from Massachusetts said "at the minimum of the prices obtained in the year 1946." It is at the 1946 prices.

Mr. SALTONSTALL. That is what I intended to say.

Second, it permits the Commodity Credit Corporation to buy wool until December 31, 1948, at the 1946 prices. Third, it permits the Commodity Credit Corporation to sell the wool it has on hand at less than it cost the Commodity Credit Corporation.

I respectfully point out that the bill in effect does three things. First, it puts and keeps the Government in the domestic wool market. In reality, it makes the Government the sole buyer of the domestic wool crop unless the price exceeds the price of 1946. Secondly, it is the only commodity, I believe, which the Government buys at a price greater than parity. That is a new formula for Government purchases of commodities. Third, I wish to point out that it puts the cost of clothing, so far as wool is concerned, at a high price, and will maintain it there.

It is fair to say that the prices of wool today are high. It is fair to say that the price of wool is substantially above the 1946 levels. But this bill means that that price will be obtained until December 1948 and that if the prices fall off at all, the Government must stay in the wool market and become the purchaser of wool which is produced domestically. It will then sell such wool at a loss in order to compete with the foreign market.

For these reasons we who come from Massachusetts, where the wool trade is

to a large extent concentrated, and where there are large textile mills, certainly do not like this bill. But the Senate has debated it in full in the past. We have stated our objections. The bill is substantially the bill which the Senate originally passed. That bill was amended in the House to include the tariff provision, and with the tariff provision the bill has now been vetoed.

For these reasons I shall not object to unanimous consent for the present consideration of the bill. However, I still say that if I had my way the bill would not become law in its present form.

Mr. ROBERTSON of Wyoming. Mr. President, will the Senator from Vermont yield?

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

Mr. ROBERTSON of Wyoming. There is one thing which I should like to mention in connection with the remarks of the distinguished Senator from Massachusetts [Mr. SALTONSTALL]. He referred to the high prices of wool clothing. I wonder if the Senator realizes how little wool there is in a suit of clothes. Take, for example, a three-piece suit of clothes of the finest wool, heavy weight, winter clothing. At the outside, the total weight of wool in that suit is 2½ pounds. If the support price were doubled and the manufacturers had to pay double the price they pay today, it could not increase the price of the Senator's suit more than \$1.

Mr. AIKEN. Mr. President, there is nothing in the bill but what has been considered and overwhelmingly approved by the Senate earlier in the session. For that reason I ask unanimous consent for the present consideration of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont?

Mr. WILLIAMS. Mr. President, reserving the right to object, I should like to point out that when we pass this bill it is not so much a question of the cost of this particular piece of legislation as it is a question of establishing the precedent of guaranteeing to one group of farmers for 2 years the highest prices which they received for their commodities during wartime. We now have on the statute books laws guaranteeing prices on certain basic commodities, according to a parity formula. This proposal exceeds that. Other groups of farmers now under the parity formula have just as much right to ask the Government to guarantee 125 or 150 percent of parity as do the wool producers.

Also, at least one-third of our agriculture is not under any support program at all, but is on a free market. To me it is not fair to pick out one small group of farmers and try to enact legislation to take care of them at the expense of the rest of the country.

During recent years much has been said on both sides of the aisle about returning to a free-enterprise system. If we pass this bill, we shall be entirely eliminating all the wool buyers of the country and placing the purchase of wool entirely in the hands of the Government, as was pointed out by the Sen-

ator from Massachusetts. Therefore, at this time I object to unanimous consent for the present consideration of the bill.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. Do I correctly understand that objection was made?

The PRESIDING OFFICER. The Chair understands that the Senator from Delaware registered an objection.

Mr. HATCH. Mr. President, I was hopeful that no objection would be made. I wish now to express my thanks to the Senator from Vermont and other members of the Committee on Agriculture and Forestry for the sympathy with which they have treated this subject, and the promptness with which they have acted. I trust that the distinguished Senator from Vermont [Mr. AIKEN] will make a motion at the earliest possible moment to take up this bill and dispose of it.

Mr. AIKEN. I can assure the Senator from New Mexico that I would make such a motion, but I do not care to impose upon the Senator from Nebraska [Mr. WHERRY] and ask him to yield for that purpose.

Mr. WHERRY. Mr. President, I should like to comply with the Senator's request.

Mr. AIKEN. The small wool growers of the West will have to continue to be at the mercy of the speculators.

The Government has supported other commodities at higher-than-parity prices. All during the war it supported poultry at higher-than-parity prices. It has supported dairy products at higher-than-parity prices. It has supported other commodities. We are not singling out wool.

Mr. O'MAHOONEY. Mr. President, will the Senator yield?

Mr. AIKEN. Mr. President, I understand that the Senator from Nebraska [Mr. WHERRY] is willing to yield to me at this time for the purpose of making a motion to proceed to the consideration of Senate bill 1498.

Mr. WHERRY. Mr. President, I do not wish to be in the position of holding up the wool growers of western Nebraska; I think I have been as lenient as anyone could be with my time. I have yielded time and again for more than 10 days. I have permitted other legislation to displace the unfinished business.

We have a unanimous-consent agreement to vote tomorrow afternoon at 2 o'clock. I feel that Members of the Senate ought to be able to read my speech in the RECORD. I am convinced that we should enact the pending legislation. I do not wish to be placed in the position tomorrow afternoon at 2 o'clock of having Senators say, "We have not had ample time to discuss this question." I am perfectly agreeable to permitting the Senate to do what it wishes to do, but I do not want Members of the Senate to be under any misapprehension when the vote comes tomorrow. I do not want the impression to be gained that I have in any way delayed consideration of the succession bill.

Mr. O'MAHOONEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. O'MAHONEY. I suggest that if the motion is made now, in all probability it will be agreed to. There seems to be a disposition on the part of all Senators except the Senator who objected to allow the bill to be considered. I hope the Senator from Nebraska will yield.

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

Mr. AIKEN. The Senator from Nebraska has the floor.

Mr. SALTONSTALL. Mr. President, will the Senator from Nebraska yield to me for a question?

Mr. WHERRY. I am glad to yield.

Mr. SALTONSTALL. Mr. President, I wish to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SALTONSTALL. As I understand, the only question pending is a unanimous-consent request for the present consideration of the bill. My question is this: If the wool bill is taken up by unanimous consent, will those of us who do not like it have an opportunity to vote "no" on the passage of the bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. AIKEN obtained the floor.

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

Mr. AIKEN. Mr. President, if I have the floor, before yielding to the Senator from Delaware I wish to say that when it comes to a matter of saving money, the United States Government has probably \$170,000,000 tied up in 460,000,000 pounds of wool. That wool could be released and made available for use if we could only pass this bill.

Mr. WILLIAMS. Mr. President, I have no objection whatever to the Senate considering the bill. However, I do not want it done under a unanimous-consent agreement for a vote on the passage of the bill. If the Senate wishes to consider the bill at this time, I am not planning to delay its passage, if the Senator will make a motion to bring the bill before the Senate.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. There is a unanimous-consent request to take up this particular bill. I should like to ask the distinguished Senator from Vermont if it involves final passage of the bill this afternoon?

Mr. AIKEN. It does.

Mr. WHERRY. Then am I correct in thinking it would require a quorum call before unanimous consent is made?

The PRESIDING OFFICER. The Chair is informed that a quorum call will be required if final passage to the bill is intended this afternoon.

Mr. AIKEN. Then, Mr. President, I move that the pending business be temporarily laid aside and the Senate proceed to the immediate consideration of Senate bill 1498.

Mr. BARKLEY. It seems to me that the ruling of the Chair is a little different from what it should have been. If unanimous consent is given for consideration of the bill by unanimous con-

sent it does not thereafter require a roll call to pass it, or even a quorum call, unless some Senator makes the point.

The PRESIDING OFFICER. The Chair understands that the Senator from Vermont [Mr. AIKEN] incorporated in his unanimous-consent request a declaration of intention to pass the bill today.

Mr. BARKLEY. It was a mere declaration of intention, but it was not a part of the unanimous-consent request, as I understand it.

The PRESIDING OFFICER. The Chair understood that it was a part of the unanimous-consent request.

Mr. BARKLEY. That would be fixing a definite time for a vote, which would require a quorum call, unless it were waived.

The PRESIDING OFFICER. The Senator from Vermont, as the Chair understands, can withdraw the unanimous-consent request in the form in which he entered it.

Mr. AIKEN. Mr. President, inasmuch as the unanimous-consent request was not granted, anyway, I subsequently made the motion that the pending business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 1498. I do not know of any protracted speeches which are to be made for or against the bill. It seems to me that we can get a vote on it so that those who want to keep their record of opposition clear would have a chance to make that record in a very short time.

Mr. BARKLEY. Mr. President, it seems to me that we might vote on it without any further discussion, and it can probably be passed, as it was passed before, without much delay.

A parliamentary inquiry. If it is done by way of motion, will it or will it not set aside, not temporarily, but set aside, the pending business?

The PRESIDING OFFICER. It would set aside the pending business until 12 o'clock tomorrow. But there is nothing to prevent the pending business, which then would be set aside, from being taken up again this afternoon.

Mr. WHERRY. Mr. President, as I understand the parliamentary situation, the motion made by the Senator from Vermont would only displace the pending business?

The PRESIDING OFFICER. That is the Chair's understanding.

Mr. WHERRY. And when it is concluded the Senate will return to the pending business.

Mr. BARKLEY. Why can we not vote on it now?

The PRESIDING OFFICER. The Chair understands the motion of the Senator from Vermont to be that the Senate proceed to the consideration of Senate bill 1498.

The motion was agreed to, and the Senate proceeded to consider the bill (S. 1498) to provide support for wool, and for other purposes.

Mr. WILLIAMS. Mr. President, there is one statement which I should like to correct, and that is the statement of the Senator from Vermont [Mr. AIKEN] in relation to the support price enjoyed by poultry farmers. I should like to call to his attention the fact that poultry farm-

ers do not enjoy a support price at all on broilers. The support price on other poultry is the lowest of any support price on any of the basic commodities. In the western States farmers enjoy some support price on their fowls, but in the East there is no support price on poultry, or turkeys, nor has it ever been requested. Wool is the only agricultural product to my knowledge which has ever had a support price so far in excess of parity level. In other words, we are asked to establish a precedent if we pass the wool bill.

Mr. THYE. Mr. President, will the Senator from Delaware yield for a question on that point?

Mr. WILLIAMS. I yield.

Mr. THYE. Is not this an aftermath of the war condition?

Mr. WILLIAMS. That is true.

Mr. THYE. It is a situation brought about by the war?

Mr. WILLIAMS. That is true but the same situation exists as to other agricultural products.

Mr. THYE. It is a situation brought about by the fact that the waters around Great Britain were blocked because of the war, and the wool coming from Australia had to come to the United States. Then, because there was need for a high inventory of wool, Great Britain as well as the United States built a large inventory. With the ending of the war we commenced to market that wool. Great Britain's high inventory came to the United States just a few cents under our own domestic wool price, with the result that the Commodity Credit Corporation's holding of domestic wool was left on the shelf, and the imported wool took the market day by day, month by month. We must either pass legislation like this or we shall have a situation in which we have 460,000,000 pounds of wool going on the market at the level at which it is today, and as the market becomes depressed because of that huge volume, the Federal Government will be holding indefinitely the wool which the Commodity Credit Corporation now has.

So I say again to the Senator that it is an aftermath of the war, and we might as well pass the legislation now. We do not want to break every man in the sheep business. Unless we want to break them we should pass this legislation.

Mr. WILLIAMS. I thank the Senator from Minnesota. He has said that the situation is an aftermath of the war. But the war was a world-wide affair and all of the farmers in the United States participated in it. I cannot understand why he should suggest that we select one group of farmers and propose to extend to them for two more years wartime prices for their crop, when we are not supporting this other group of farmers either at parity or at cost of production. Under this bill we would be supporting the price of wool at the highest price in the history of the wool industry.

Mr. THYE. If the Senator will yield for another question—

Mr. WILLIAMS. I yield.

Mr. THYE. The Senator will admit that the price is not an unjust or unfair price because it happens to be parity. We find ourselves, after the ending of the

war, with a situation which the war brought about, when we had to have a high inventory of wool on tap. Because of the condition in which Great Britain found itself at the conclusion of the war, with approximately 2,000,000,000 pounds of wool on hand, it placed that wool on our market, which compelled our producers to go to the Commodity Credit Corporation, and the Commodity Credit Corporation had to buy the wool and maintain parity for the wool producer. That is why the Commodity Credit Corporation has the 460,000,000 pounds of wool today.

Mr. WILLIAMS. The Senator is perfectly right. The reason that we have 460,000,000 pounds of wool is because the Commodity Credit Corporation was buying wool at an artificially high price, and as the Senator pointed out also, Australia was putting wool on this market at just a few cents below the price which was fixed, and as a result most of the woolen mills in the country, instead of using American wool, were using British wool, which we were buying at 1 or 2 cents below the high price established. The result is that we have 400,000,000 or 500,000,000 pounds of wool, or enough to last us almost a year, and we are still using British wools, to a large extent. To correct this situation, as I see it, it is proposed that we continue for 18 months in the same direction, hoping that something will happen in the meantime whereby we can correct a situation which was brought about by the same piece of legislation which it is now proposed we extend.

Mr. ROBERTSON of Wyoming. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ROBERTSON of Wyoming. The Senator has stated that there is a stock pile of approximately 1 year's consumption in the United States. The consumption in the United States this year is around 1,000,000,000 pounds, and it was approximately that last year. Of that 1,000,000,000 pounds, 800,000,000 pounds is being shipped in from foreign countries.

Mr. WILLIAMS. But a large proportion of that which is included in consumption is reexported.

Mr. ROBERTSON of Wyoming. No; that is the consumption in this country.

Mr. WILLIAMS. The Senator from Minnesota [Mr. THYE] quoted the figures from the Department of Agriculture last week when we discussed the bill. At that time I placed in the RECORD figures showing that we were importing and consuming foreign wool at inflated prices while our own wool was backing up in storage. That condition is economically unsound.

Mr. ROBERTSON of Wyoming. The consumption of domestic wool and imported wool in the United States had for many years not been below 600,000,000 pounds. We ourselves were producing 450,000,000 pounds before the war, but owing to the conditions which exist and which this bill is designed to remedy, the wool-producing industry in this country dropped from 450,000,000 pounds to approximately 300,000,000 pounds. This

bill is designed to try to bring about the figure which prevailed in prewar days.

Mr. WILLIAMS. Does the Senator from Wyoming feel that we can offer a reasonable explanation to the other farmers as to why we cannot guarantee to them a price similar to that?

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. WILLIAMS. I am ready to yield the floor in a few minutes.

Mr. O'MAHONEY. The Senator from Delaware asked a question as to what explanation could be given to the other farmers of the United States. The explanation is entirely simple. With respect to no other agricultural product have we the situation which exists with respect to wool. The British Government has established a state monopoly for the sale of British-produced wool in the United States, and unless this bill is passed we shall be condemning the individual wool producers of the United States to competition with the British state monopoly, a selling monopoly that exists with respect to no other agricultural commodity. It is a complete justification for the action which we ask.

Mr. WILLIAMS. I want to ask the Senator from Wyoming this question. When the President vetoed the legislation which was sent to him recently, did he not veto the instrument by which we might prevent the situation which the Senator is discussing?

Mr. O'MAHONEY. When the President vetoed the bill he said that if it were in the form in which it had been introduced by my colleague, he would have signed it. So we hope the Senator will permit the Senate to proceed on that basis.

Mr. WILLIAMS. Mr. President, I have no intention of blocking the consideration of the bill at this time. I shall vote against the bill because I think it would have a highly undesirable effect, for it does establish a precedent of taking care of one group of farmers at wartime prices for their product, while at the same time other groups of farmers would be operating in a free market.

Mr. SALTONSTALL. Mr. President, I shall not delay the Senate for more than 2 minutes further. I merely wish to say that I oppose this bill and shall vote against it for the reasons I have already stated, and for the additional reason that I believe it will result, as the Senator from Delaware has pointed out, in a very substantial cost to the Government. How many millions of dollars it will cost the Government no one can say at the present time, because no one knows what will be the price of wool in the next year and a half. But presumably the 460,000,000-plus pounds of domestic wool which is in the hands of the Government will have to be sold, and a substantial amount will have to be sold at a loss.

Mr. McGRATH. Mr. President, on behalf of my colleague [Mr. GREEN] and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In line 4, it is proposed to strike out "December 31, 1948", and insert "June 30, 1948."

Mr. McGRATH. Mr. President, it seems to me that this bill, which again is hurriedly brought before us, is at best a matter of extreme controversy between two forces that are materially affected by it, namely, the producers of wool, on the one hand, and the manufacturers who use wool, on the other hand. I come from a section of the country where the product of the wool growers is used in manufacturing. We are advised by our folks that this support legislation is unnecessary and undesirable. The Senator from Massachusetts has expressed his opinion regarding his constituents, and I may say that ours are similarly situated.

It seems to me that since we are dealing with something that is of an emergency nature, we would be dealing quite fairly if we were to pass support legislation which would take care of the wool growers until June 30, 1948. The Congress will be in session again beginning in January 1948, and it will then have ample time to look into the supply situation, the price situation, the views of the growers, and the views of the manufacturers.

So it seems to me that it would be only a fair compromise of an issue which is highly controversial, to say the least, for us to set the date of termination of this support price measure as of June 30, 1948, instead of December 31, 1948. Therefore, I have offered the amendment.

Mr. O'MAHONEY. Mr. President, I desire to say, briefly, that I am fearful that the Senator from Rhode Island [Mr. McGRATH] and his colleague [Mr. GREEN] have not read the bill. The amendment will not in the slightest degree affect the price at which the manufacturers of Rhode Island may purchase wool, because one of the principal portions of this measure is to be found in section 3, reading as follows:

The Commodity Credit Corporation may, until December 31, 1948, dispose of wool owned by it without regard to any restriction imposed upon it by law.

The effect of that provision is that the Commodity Credit Corporation may sell this wool competitively with foreign wool, so that the price of the foreign wool will govern the price at which the Commodity Credit Corporation disposes of the domestic wool, and the manufacturers of New England will not be injured in that respect at all.

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

Mr. O'MAHONEY. Certainly.

Mr. SALTONSTALL. I should like to point out to the Senator the statement he made just a few minutes ago about the English trading corporation. I most respectfully disagree with what the Senator has just said; and I do so for the following reason, and I should like to ask the Senator whether there is merit in it: If the domestic price of wool is held up to the 1946 value, and if one foreign corporation controlled by the English authorities is trading with us, obviously

they will keep their price higher than they would if there were a free market, and if the domestic supply sold at a lower price.

We do not want to take a floor away from the domestic producers of wool. We in New England believe that certainly they should have a floor, but we do not believe that it should be so high that the prices of foreign products, as well as our own products, will be kept at an artificial level.

Mr. O'MAHONEY. I say to the Senator from Massachusetts that there cannot be a free market as long as the British selling monopoly exists, so that portion of the Senator's argument is out.

With respect to the second portion of his argument, as I see it, let me say that the British selling monopoly will reduce its price in order to take whatever portion of the domestic market it can take; and under this bill the Commodity Credit Corporation will proceed to meet the reduction of the British selling monopoly, with the effect, in my judgment, that the manufacturers will receive a much better price than the one they are entitled to.

Mr. AIKEN. Mr. President, I wish to oppose the amendment offered by the Senator from Rhode Island. Its effect would be to give the Texas sheep growers the support price for 1948, but to deny it to the Montana sheep growers, because the Texas sheep growers would get their sheep sheared in time to get the wool to market before June 30, which is the date proposed by the amendment of the Senator from Rhode Island, but the Montana and Wyoming and the other Rocky Mountain wool growers, who do not finish shearing until June, would be denied the support price which the amendment would grant to growers in the more southern States. Therefore, I shall oppose the amendment.

Mr. THYE. Mr. President, I oppose the amendment offered by the Senator from Rhode Island. It seems to me that the entire question of the support program must be reviewed in 1948. The Steagall amendments, which provide parity for not only one commodity but many agricultural commodities, expire in 1948, so at that time that question must be reviewed. The Commodity Credit Corporation will expire in 1948, and at that time the entire question of the renewal of that Corporation, as well as the period of time during which its life shall be extended, must be examined and studied, and at that time we must reestablish it, if there is to be such legislation after the year 1948.

For that reason, it seems to me inconsistent to establish the date of termination of this particular support price as of June 30, when all the other support prices of the agricultural program are now established under different dates.

In view of the question which the able junior Senator from Delaware [Mr. WILLIAMS] raised once before about the support price on wool, let me say that there are support prices on many agricultural commodities. The Senator has in mind the more recent potato-support price, but in the near future he will hear much about the peanut-support price, and it concerns the Eastern States.

So I suggest that the amendment offered by the junior Senator from Rhode Island would be somewhat inconsistent with the entire agricultural program as now provided by the Steagall amendments.

Mr. WILLIAMS. I should like to say this about the amendment, that in the pending bill it is proposed to confer upon the Commodity Credit Corporation power to carry out the supporting of this product during all the next year. I should like to call attention to the fact that the Commodity Credit Corporation ceases to exist on June 30, 1948. I wonder what position we would be in with these conflicting dates.

Mr. THYE. It was extended to December 31.

Mr. WILLIAMS. I think that should be checked. I understood it was possibly June 30. Anyway, I considered what position we would be in if we were to extend this law until December, and, at the same time, the Commodity Credit Corporation ceases to exist on June 30. Could the Senator from Vermont answer that question?

Mr. THYE. If the Senator would care to have me answer that question, relative to the Commodity Credit Corporation, the Senate has passed the bill, and the House Banking Committee has reported it favorably today, so that there is no question that the bill will be passed, extending the life of the Commodity Credit Corporation until December 31, to comply with the provisions of the Steagall amendment.

Mr. WILLIAMS. The truth of the matter is, we are conferring upon an agency which does not exist power to carry out the proposed law; is not that correct?

Mr. THYE. It would be hardly conceivable for me, as a Member of the Senate, that the Congress, having passed a measure under which the producer geared himself to the high production he attained in order to meet the war demands upon him, would fail to make possible a continuance of the provision of the Steagall amendment, that would assure Congress carrying out that which Congress undertook in previous acts.

Mr. WILLIAMS. I am not suggesting that we would fail to do it, but I am merely suggesting that legislation is being proposed before that has been done. We have the cart before the horse.

Mr. AIKEN. The reason the life of the Commodity Credit Corporation was extended 1 year instead of 2 was that, under the law passed by Congress last year, the Commodity Credit Corporation is required to write and take out a Federal charter before July 1, 1948, and therefore it was impossible to extend it for more than 1 year.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island.

The amendment was rejected.

The PRESIDING OFFICER. The bill is still open for amendment. If there be no amendment, the question is on the engrossment and third reading of the bill.

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

Mr. WHERRY. Mr. President, before the so-called wool legislation was taken up I was engaged in a discussion of the succession bill.

The PRESIDING OFFICER. The Chair would like to suggest to the Senator from Nebraska that, because of the action that has just been taken, there is no pending business, and it is suggested to the Chair that the Senator from Nebraska should move to consider the succession bill.

#### PRESIDENTIAL SUCCESSION

Mr. WHERRY. Mr. President, I move that the Senate now resume the consideration of Senate bill 564, the succession bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska.

The motion was agreed to, and the Senate resumed the consideration of the bill (S. 564) to provide for the performance of the duties of the office of President, in case of the removal, resignation, or inability both of the President and Vice President.

Mr. WHERRY. Mr. President, prior to the consideration of the so-called wool bill, the minority leader propounded to me a question. During my attempt to answer the question, the Senator made a statement that I was about to accuse him of something. I am not sure what. I should like to say, as genially as possible, that I was not accusing the minority leader of anything, and that I protest the fact that he feels that he can read my mind. I was about to complete the answer to the question. I am sorry the Senator is not on the floor.

As I recall the Senator's question, it was this: If a President-elect and a Vice President-elect died, how would the Congress be convened? How would a Speaker and a President pro tempore be obtained to fill the office of President? I should like to point out to the distinguished Senator from Kentucky that, having considered the changes in the Constitution since 1886, eliminating those hurdles, I have in my prepared speech the answer to his question. But, because the Senator asked it at this point, I should like to answer, briefly.

Section 2 of the twentieth amendment to the Constitution provides:

The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d of January, unless they shall by law appoint a different day.

So that Congress now assembles on the 3d day of January. The Senate would be in session. Another thing that I want to state as a premise, before answering the Senator's question, is that a President would be serving as of January 3; because the Senator's query runs only to what would happen if a President elect and a Vice President elect should die before qualifying, before taking office, but after their election.

A President performs the duties of the Presidency until when? Until January 20. So that, in the intervening time from January 3, when the Congress is assembled, the Senate, by rule of the Senate, under the twentieth amendment, on January 3, would become organized, and a President pro tempore would be elected.

very difficult to support this bill. As a practical matter, it looks as if we may have to support it in order to save some money. If we do not vote the \$73,000,000 they say the Army will spend \$128,000,000. Now, if that is our choice, we are in a rotten spot there. On the facts this is a very bad showing.

We have over a million persons on relief in Europe. Compared to our own country that is a good showing assuming that the flotsam and jetsam are in that million—and we must assume that, Members of the House. Let us compare it with our own situation. I just called the Library of Congress and found that we have 910,000 general industrial workers unemployed on unemployment compensation; the kind that do not want to work. We have 828,397 veterans unemployed. We have 450,000 private charity cases and public assistance cases, that is State assistance. That is nearly 2,000,000 people of our own. We know the kind they are. We must know what kind they are in Europe.

The disturbing thing about it is that we Americans and, I fear, the Committee on Foreign Affairs, have reached the point of view that we must be responsible for the sins and the wars of other people; that we have got to do something about the fact that communism leaves them in this bad situation and that the wars of their false gods and dictators left this group in a bad situation, so we have got to come to their rescue.

Members of the House, one of the best speeches made recently was made by one of our southern colleagues, who said that "We did not spend 5 cents redeeming the devastated people of the South after the Civil War." They redeemed themselves. They tied their empty shirt sleeves to the plow handles and worked it out themselves. That is what men and women have to do when they commit sins or follow false gods anywhere in the world. Let us quit fooling ourselves.

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

Mr. GWINN of New York. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Purely from the point of view of our servicemen over there in the occupied areas, does the gentleman not think that that group of a million people that might be starving to death in that area would add a lot to the unrest unless we tried to help feed them and take care of them partially, because the other part of the burden is on the Germans? Does the gentleman not think it would help our servicemen to get this thing through?

Mr. GWINN of New York. I gather from the servicemen who are coming back that is not a help; that it is a discouragement that we can be such saps as not to learn the truth about the people; that we are weeping today when they are no different than the people of any other country in the world who do not want to work and who are filthy and diseased, and for whom there is not much help that can be given.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. KEATING].

(Mr. KEATING asked and was given permission to revise and extend his remarks.)

Mr. KEATING. Mr. Chairman, every argument, appealing both to the mind and to the heart, favors this legislation.

An appropriation of \$73,500,000 is authorized as this country's allocated share of the expenses of operation of the International Refugee Organization for the fiscal year beginning July 1. During this past year, our share of UNRRA expenditures, together with the amount expended by our occupying forces for the care of displaced persons, has amounted to \$130,000,000, so that the authorization in this bill represents a saving over the expenditures of the past year of \$58,500,000.

Certainly we cannot abandon the task which we have undertaken to help care for these unfortunate people, most of whom cannot or dare not return to the country of their origin. This is clearly an international problem, to be met by the combined and cooperative effort of all those nations whose interests are so closely linked with ours, as envisioned by the terms of this bill.

There are those, both in and out of Congress, who say: "Why don't we go back home and wash our hands of this distasteful task? These people are no concern or direct responsibility of ours. Let them return to their homes or shift for themselves the best they can." Although I realize that those who advance this thesis do so in the sincere belief that such course is in the best interests of this country, I cannot share the view that this callous disregard for physical and mental suffering and this un-Samaritan approach will do anything but injury to the long-term interests of the very nation which the exponents of this theory seek to serve.

Nearly two-thirds of this hard core of a million unrepatriables is now under the American flag. To allow them, or, in fact, the remaining one-third to be dispersed to wander about as lost souls without a country and without hope, many to perish of starvation and exposure, solely because our country does not act in this emergency, is unthinkable, not alone in terms of humanitarianism, but definitely also, in the enlightened self-interest of ourselves and of the preservation as a world force of those ideals and principles in which we believe, and the overthrow of which is threatened by the ideologies of those countries which have held themselves aloof from participation in this organization. We all know that subversion thrives amid want and suffering. To invite that result would be the product of unfavorable action on this measure.

If the United States should not participate, the organization would be doomed to failure. As a result, the only alternative to the chaos resulting from total abandonment by us of any participation in caring for these displaced persons, refugees and persecutees would be some plan whereby various organizations of diverse nationalities, together with different governments acting separately in an uncoordinated fashion, represented in our case by the War, and probably State Department, would try to do this job. The result would be not only extravagance, but inefficiency, waste, duplication, and confusion.

There is another definite, tangible, long-term advantage in committing the responsibility for the care of these displaced unfortunates to an international organization of which we are a member. We must not lose sight of the ultimate goal, which is a permanent solution of the problem, by a resettlement in other countries of those who cannot return to their native lands. Although the bill expressly provides that no agreement can be made and no action taken under its terms whereby any person shall be admitted to the United States without prior approval by Congress, or which will in any way abrogate, modify, or supersede our immigration laws, and although it is important in our consideration of this measure that we do not confuse it with the controversial legislation to provide for the active participation by this country in the solution of the displaced-persons question, yet it cannot be gainsaid that we are, and should be, vitally interested in this world problem.

Several of the smaller nations which have already signified their willingness, indeed, desire, to receive their fair share are already members of the organization. Apart from the justifiable criticism which would be directed at us were we to shirk our responsibility for participation in IRO, in my judgment it would be shortsighted indeed to attempt to isolate ourselves from the joint effort, involving as it necessarily will, not alone the day-to-day care of these unfortunates and the alleviation of human want and misery, but also the very much broader question of what eventually is to be done in the matter of finding permanent homes for them.

Whether we favor or oppose permitting a limited number to be admitted to this country, or whether or not we have yet made up our minds on this admittedly controversial issue, we must all recognize the global character of a problem of such magnitude and, it seems to me, should unanimously agree that we should at least be represented at the council table where discussions are held and decisions made of such transcendent importance to all nations.

The immutable stand which our Government has taken against involuntary repatriation has my wholehearted support. The alternative is slavery or death for a million souls. If I appraise correctly the consciences of the American people when they know the naked truth they would expect us, as their chosen representatives, to prevent the hideous results flowing from our failure to participate in this humanitarian undertaking.

The defeat of this legislation would be a signal to the world that this great and prosperous country, so richly endowed with the good things of life, no longer entertains any concern for the plight of the suffering, the homeless, and the oppressed. That is not, in my judgment, the American spirit or the American tradition. We must not let it happen.

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

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

Mr. JAVITS. The gentleman is a highly competent lawyer. The gentleman has read this bill. Does the gentle-

man feel that it is made adequately clear in this bill that this represents no commitment of any kind or character, legal or moral, with respect to the immigration policy of the United States?

Mr. KEATING. I think there is no question but that it is entirely separate and apart from the problem we are here considering, except that I feel we should be at the table where this other question is considered internationally.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, as most of you people know, I opposed UNRRA when it was set up and I voted against every appropriation for UNRRA. I am opposed to this bill for the same reason, because the same principle is involved in this bill as was involved in UNRRA, in my estimation. At that time I said, "I do not want to duck our responsibility for handing out relief but if we hand it out we should hand it out under an American organization and see that it goes to the proper place."

You know the history of UNRRA. A lot of you men voted for UNRRA with your fingers crossed. We have heard today that you are going to vote for this bill with your fingers crossed. You have not learned from the mess that UNRRA made that this organization is going to take over and carry on. Temporary, it says. Let me tell you something. Whenever we turn over to an international organization our affairs and place in the hands of an international board of directors our responsibility and our job, I think we are not voting American.

In 1934 this Congress voted for the reciprocal trade agreements. They placed in the hands of the President the power to raise or lower the tariff. They resigned that power to the President. The President delegated it to the Secretary of State. The Secretary of State delegated it to some people in his group, and they are now in Geneva for the purpose of delegating the power that belongs to this Congress to an ITO, as that is called, an International Trade Organization. That is how great oaks from little acorns grow.

I am opposed to this bill because it proposes to set up and become a part of this international refugee organization. Let us do our own refugee work. Let us provide our own money through an American organization. Let us take our share of these refugees here and let us screen them as the Stratton bill proposes. Let us screen them according to our own laws.

I am accused, maybe, of being inconsistent because I am for that bill and I am opposed to this bill. That bill is a voluntary organization, that bill is voluntary on our part. This bill says we will become a part of an organization over which we will have no control whatever afterward.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. OWENS].

Mr. OWENS. Mr. Chairman, I should like to clear up one point with respect to this bill. At page 68 of the hearings, in the definitions, it mentions "Persons who

will not be the concern of the organization." The definition includes war criminals, Quislings, and traitors, persons who assisted the enemy in time of war, ordinary criminals, and so forth. Then the definition includes these words:

Persons of German ethnic origin, whether German nationals or members of German minorities in other countries, who:

(a) have been or may be transferred to Germany from other countries.

There is a (b) also in that which says, "have been during the Second World War evacuated from Germany to other countries." Under the Stratton bill, H. R. 2910, while it does not clearly show that those persons cannot emigrate to this country as displaced persons, the statement given by Mr. Stratton when he testified would indicate that they cannot. It is my understanding also that they are not being included in the care which is given to the German people. If they are not being included in this bill, they are really displaced persons because they are people who have lived, for instance, 100, 200, and 300 years in some of the nations adjoining Germany and were sent from those countries into Germany during the war. There they now are with no one to take care of them.

I would like to have the chairman explain, if he would, just what is the situation regarding these innocent people.

Mr. VORYS. There is no question but what these ethnic Germans who have been moved out of Sudetenland and out of Silesia are unfortunate. On the other hand, they are in Germany among people of their own race who speak their language and who are not their enemies. They are the recipients of part of this \$700,000,000 which goes to support Germany. It would seem unnecessary to extend the IRO and to increase the burden of the American taxpayer by including the millions of these persons in IRO. If, however, IRO desires to change its constitution that can be done by a proposal from our American representative. We cannot, of course, change the constitution of the IRO on the floor of Congress.

Mr. OWENS. I would like to have that point urged for this reason. It is my understanding, from reading the hearings, that there is no statement which would safeguard those people in the hearings nor in the report nor in the bill. From reports that I have had from people who have come from Germany they state that these people are not being accepted by the German people, and they are not being treated by us as German people, nor as displaced persons, although they are really displaced persons.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. OWENS. I yield.

Mr. KERSTEN of Wisconsin. I am glad the gentleman brought that out because, as the gentleman stated, there are many innocent people who are being discriminated against by the language of the IRO constitution. Does not the gentleman think that the IRO constitution instead of using the phrase "people of ethnic German origin" might use the phrase "ex-enemy Germans"

and would that not be better so as to take care of these innocent people?

Mr. OWENS. I do not think they have to do that because in this statement of definitions they have included everybody of the type you have mentioned that would be adverse to our country during the war. For that reason, they should have left those words out completely. I believe those people should be helped, and that is the one thing that makes me hesitate with respect to this bill, just that one point.

(Mr. MASON asked and was given permission to revise and extend his remarks.)

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I ask unanimous consent that my time may be given to the gentleman from Pennsylvania [Mr. RICH].

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

There was no objection.

(Mr. RICH asked and was given permission to revise and extend his remarks.)

Mr. RICH. Mr. Chairman, I thank the gentleman from Mississippi for yielding me this time. I made the request of him to do that because I want to speak a word about this bill and what it means to this country.

Mr. Chairman, I quite agree with the gentleman from Illinois [Mr. MASON], in the statement that he made. But I am also interested in the things that we are doing internationally, I do not want to wreck America for Europe, Asia, or Africa—but I am afraid you are more for those hemispheres than for America and our people.

The President just this afternoon sent back to the Senate the veto message on the wool bill. He is just trying to pull the wool over the eyes of the American people and he is doing it to perfection. He objects to the wool bill because of the fact that we want to let the people who use the wool pay the expense and prices to American wool growers and he says he wants the farmers in the West to receive the right prices for the wool, and he is going to take the money out of the Treasury of the United States in the form of subsidies in order to do it. One hundred to one hundred and fifty millions of dollars in subsidies to wool growers. Where will you get the money to pay these subsidies? I want a tariff to protect the prices in this country for all commodities. I am more interested in America than foreign countries and I want everybody to know that.

If you people want to let the President of the United States pull the wool over the eyes of the American people any longer, it is about time that you wake up. I am afraid that the bill you are passing here today is doing just that very thing. Do you not know it is time that the American people looked to their own future? Do you not know that the American people are clamoring now for something stable in order that we might

take care of the people of this country without wrecking our own country. Do you not know that the Treasury of the United States now has a debt of \$257,000,000,000? Where will you get the money to pay that debt? You cannot do it and follow the President in his spending spree.

The President of the United States wants to go into the Treasury deeper and deeper in order that we might go further and further into debt. If we do not stabilize the country, how are we going to be able to take care of all the people of all the world if you do not look after the American people? Do you not think it is about time that we did that? We must have a sound economy if we want a sound Treasury and good government.

Read the President's veto message. It will be published, no doubt, in the RECORD of the Senate today. You are not even going to get a chance to vote to override the veto. The Senate has already sent the bill back to committee and they are not going to vote on it. What has happened? The Senate is now bringing out a bill and you are going to be asked to pass that. Giving the wool growers the highest prices they received for wool in 27 years and having the Government buy all the wool at those prices and then sell it at any price they can get for it in competition with foreign wool even to the extent of permitting the State Department to reduce the tariff now on wool. Oh, such procedure is dangerous to our stability; such shortsightedness on the part of the President is pathetic to American security.

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

Mr. RICH. I yield to the distinguished gentleman from Illinois.

Mr. ARENDS. I understand the Senate has already passed the bill.

Mr. RICH. They have already passed the bill similar to the bill the Senate passed before giving the growers the highest price in 27 years for wool, and they are going to ask the House of Representatives to swallow it—paying one hundred and fifty millions in subsidies.

You want to wake up pretty soon because there will be nothing left in this country if we continue joining these international organizations and sending our substance abroad, if we continue trying to see how fast we can give away everything we have got in this country to the detriment of our own people.

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

Mr. RICH. I yield to the distinguished gentleman from Pennsylvania.

Mr. GAVIN. I want to congratulate the gentleman on his remarks and I want to call to the attention of the membership the fact that the committee tells us that our share of this is going to be 38 percent. With the other countries of the world busted and our having to lend them money to pay their share, in the final analysis we are going to pay 100 percent right down the line and the American taxpayer is paying the bill. We are not saving the taxpayer anything.

Mr. RICH. It looks to me like we have got a bunch of sleepy Congressmen. We

ought to tell the American people what is happening to them, but the majority of the Congressmen do not realize it. They are just about asleep at the switch. It is time that they woke up. Before we are broke, before we are wrecked, before we are unable to finance ourselves, and are completely busted. Oh, wake up Congress before it is too late.

Mr. GAVIN. I want to compliment the gentleman on a very fine statement.

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

The gentleman from California [Mr. JOHNSON] is recognized for 3½ minutes.

(Mr. JOHNSON of California asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON of California. Mr. Chairman, I do not think I am a sleepy Congressman although I am thoroughly in favor of this bill.

It was my privilege in 1945 to go to Europe on an official trip and study the displaced persons problem. At that time there were 9,000,000 displaced persons wandering across the face of Europe in the American and British zones. We asked General Lee how many there were and he said that on the other side of Germany and through the Balkans he estimated that the total number of all DP's in Europe to be about 30,000,000.

Today we have about 1,000,000 left. Do you not realize that we cannot just get up and wash our hands of them and say, "Let these poor people stew in their own juice. They made their own bed." Before we got into the war, Germany ran over them, robbed them, raped them, killed them, displaced them, did everything inhuman in the world to them. Then we came along in our drive against the German powers and overran them and they were displaced and moved hither and yon all through Europe. We also destroyed the productive capacity of all of Western Europe.

When I came back in the summer of 1945 I told my people, especially the businessmen in my district: "You can sit here, you men, and say it is none of our business to meddle in the affairs of Europe, it is none of our business to take care of these starving and ignorant people, but I say to you if you would go over and look at the problem, if you would study the problem, if you would analyze the problem, you would understand, as I think I understand, that we must be interested in the plight of these poor people. As a pure matter of Americanism, it is our business to help take care of these people. To do this job is what I call enlightened selfishness. It may cost some money. I can think of a great many criticisms of this plan, but considering the over-all picture it seems to me there is only one way that we can get a stabilized western Europe which we must have in order to have a stabilized world, and that is through trying to feed and help these poor homeless starving people until they can get on their feet.

We cannot handle this alone. We are in the United Nations. Whether we want to be in or not, we are in there and we are the only power that has the capacity and the wealth to make a real

substantial contribution to this problem. I say, therefore, that the thing to do for our own self-interest as a pure matter of good American policy, as an antidote to trouble in the future, as a step to getting into a more peaceful world, as a step toward world peace, is to take care of these people at this time. As I say, we cannot do this alone. We have joined the other nations of the world to try to bring about some stability, some peace, and some happiness in this world, and I believe that this is one of the means to that end, one of the best steps and a humanitarian step leading toward the peace of the world. America can and must furnish the leadership to help these starving people till they can help themselves. This bill should be passed overwhelmingly.

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

The gentleman from Ohio [Mr. VORYS], chairman of the subcommittee, is recognized for 4 minutes to close the debate.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all Members who so desire may have the privilege of extending their remarks at this point in the RECORD on this matter.

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

There was no objection.

Mr. MURDOCK. Mr. Chairman, when I heard my good friend from Nebraska say that he proposed to vote for this bill, but with his fingers crossed, it occurred to me that that was almost my feeling at this moment in regard to the measure. Yes, I shall vote for it, too, but I have some reservations in mind and I owe it to myself, if not to others, to state those reservations.

I, too, like so many others am somewhat worried about the vast sums that we are expending to try to bind up the wounds of war. While I am anxious to do this act of mercy, I do hope that it will gain us good will instead of the scorn and contempt which other efforts in the past have yielded our generosity.

I, too, am concerned about any possible connection between this bill and one which may follow it concerning relief for and settlement of displaced persons from the distressed lands of Europe. We have been assured that there is no connection between this bill and the other proposal. We are told that by voting this bill we do not make any commitments—legal, moral, or otherwise—for the second proposal which will be before us soon. I want it distinctly understood that my vote in favor of the present bill is not to be construed as favoring any subsequent legislation that would open our doors to any displaced persons in Europe.

I feel that we must do our uttermost to furnish relief to the victims of war and that we ought to join other nations in this organized way to do it most effectively. It is because I am unwilling to disregard our immigration laws and opposed to throwing our doors open to these displaced persons, that I feel we must pass this bill and give aid most effectively abroad.

Mr. VORYS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BREHM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Joint Resolution 207, providing for membership and participation by the United States in the International Refugee Organization and authorizing an appropriation therefor, pursuant to House Resolution 225, he reported the same back to the House.

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

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

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

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

The question was taken; and on a division (demanded by Mr. BUCK) there were—ayes 124, noes 43.

So the bill was passed.

A motion to reconsider was laid on the table.

Mr. VORYS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk Senate Joint Resolution 77, providing for membership and participation by the United States in the International Refugee Organization, and authorizing an appropriation therefor, and its immediate consideration.

The Clerk read the title of the Senate joint resolution.

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

There was no objection.

The Clerk read the Senate joint resolution, as follows:

*Resolved, etc.,* That the President is hereby authorized to accept membership for the United States in the International Refugee Organization (hereinafter referred to as the "Organization"), the constitution of which was approved in New York on December 15, 1946, by the General Assembly of the United Nations, and deposited in the archives of the United Nations: *Provided, however,* That this authority is granted and the approval of the Congress of the acceptance of membership of the United States in the International Refugee Organization is given upon condition and with the reservation that no agreement shall be concluded on behalf of the United States and no action shall be taken by any officer, agency, or any other person and acceptance of the constitution of the Organization by or on behalf of the Government of the United States, shall not constitute or authorize action (1) whereby any person shall be admitted to or settled or resettled in the United States or any of its Territories or possessions without prior approval thereof by the Congress, and this joint resolution shall not be construed as such prior approval, or (2) which will have the effect of abrogating, suspending, modifying, adding to, or superseding any of the immigration laws or any other laws of the United States.

Sec. 2. The President shall designate from time to time a representative of the United States and not to exceed two alternates to attend a specified session or specified sessions of the general council of the Organization. Whenever the United States is elected to membership on the executive committee, the President shall designate from

time to time, either from among the aforesaid representative and alternates or otherwise, a representative of the United States and not to exceed one alternate to attend sessions of the executive committee. Such representative or representatives shall each be entitled to receive compensation at a rate not to exceed \$12,000 per annum for such period or periods as the President may specify, except that no member of the Senate or House of Representatives or officer of the United States who is designated as such a representative shall be entitled to receive such compensation.

Sec. 3. There is hereby authorized to be appropriated to the Department of State such sums not to exceed \$75,000,000 for the fiscal year beginning June 30, 1947, as may be necessary—

(a) for the payment of United States contributions to the Organization (consisting of supplies, services, or funds and all necessary expenses related thereto) as determined in accordance with article 10 of the constitution of the Organization; and

(b) for additional expenses incident to participation by the United States in the activities of the Organization, including: (1) salaries of the representative or representatives and alternates provided for in section 2 hereof, and appropriate staff, including personal services in the District of Columbia and elsewhere, without regard to the civil-service laws and the Classification Act of 1923, as amended; (2) travel expenses without regard to the Standardized Government Travel Regulations, as amended, the Subsistence Expense Act of 1926, as amended, and section 10 of the act of March 3, 1933, as amended (U. S. C., 1940 edition, title 5, sec. 73b), and, under such rules and regulations as the Secretary of State may prescribe, travel expenses of families and transportation of effects of United States representatives and other personnel in going to and returning from their post of duty; (3) allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., 1940 edition, title 5, sec. 118a), and similar allowances for persons temporarily stationed abroad; (4) cost-of-living allowances under such rules and regulations as the Secretary of State may prescribe, including allowances to persons temporarily stationed abroad; (5) services as authorized by section 15 of Public Law 600, Seventy-ninth Congress; (6) official entertainment; (7) local transportation; and (8) printing and binding without regard to section 11 of the act of March 1, 1919 (U. S. C., 1940 edition, title 44, sec. 111) or section 3709 of the Revised Statutes, as amended (U. S. C., 1940 edition, title 41, sec. 5).

Sec. 4. (a) Sums from the appropriations made pursuant to paragraph (a) of section 3 may be transferred to any department, agency, or independent establishment of the Government to carry out the purposes of such paragraph, and such sums shall be available for obligation and expenditure in accordance with the laws governing obligations and expenditures of the department, agency, independent establishment, or organizational unit thereof concerned, and without regard to sections 3709 and 3648 of the Revised Statutes, as amended (U. S. C., 1940 edition, title 41, sec. 5, and title 31, sec. 529).

(b) Upon request of the Organization, any department, agency, or independent establishment of the Government (upon receipt of advancements or reimbursements for the cost and necessary expenses) may furnish supplies, or if advancements are made may procure and furnish supplies, and may furnish or procure and furnish services, to the Organization. When reimbursement is made it shall be credited, at the option of the department, agency, or independent establishment concerned, either to the appropriation, fund, or account utilized in incurring the

obligation, or to an appropriate appropriation, fund, or account which is current at the time of such reimbursement.

Mr. VORYS. Mr. Speaker, I offer as an amendment the provisions of House Joint Resolution 207 as just passed by the House.

The Clerk read as follows:

Amendment offered by Mr. VORYS: Strike out all after the enacting clause and insert the following:

"That the President is hereby authorized to accept membership for the United States in the International Refugee Organization (hereinafter referred to as the "Organization"), the constitution of which was approved in New York on December 15, 1946, by the General Assembly of the United Nations, and deposited in the archives of the United Nations: *Provided, however,* That this authority is granted and the approval of the Congress of the acceptance of membership of the United States in the International Refugee Organization is given upon condition and with the reservation that no agreement shall be concluded on behalf of the United States and no action shall be taken by any officer, agency, or any other person and acceptance of the constitution of the Organization by or on behalf of the Government of the United States shall not constitute or authorize action (1) whereby any person shall be admitted to or settled or resettled in the United States or any of its Territories or possessions without prior approval thereof by the Congress, and this joint resolution shall not be construed as such prior approval, or (2) which will have the effect of abrogating, suspending, modifying, adding to, or superseding any of the immigration laws or any other laws of the United States.

Sec. 2. The President shall designate from time to time a representative of the United States and not to exceed two alternates to attend a specified session or specified sessions of the general council of the Organization. Whenever the United States is elected to membership on the executive committee, the President shall designate from time to time, either from among the aforesaid representative and alternates or otherwise, a representative of the United States and not to exceed one alternate to attend sessions of the executive committee. Such representative or representatives shall each be entitled to receive compensation at a rate not to exceed \$12,000 per annum, and any such alternate shall be entitled to receive compensation at a rate not to exceed \$10,000 per annum, for such period or periods as the President may specify, except that no Member of the Senate or House of Representatives or officer of the United States who is designated as such a representative shall be entitled to receive such compensation.

Sec. 3. There is hereby authorized to be appropriated annually to the Department of State—

(a) such sums, not to exceed \$73,325,000 for the fiscal year beginning June 30, 1947, as may be necessary for the payment of United States contributions to the Organization (consisting of supplies, services, or funds and all necessary expenses related thereto) as determined in accordance with article 10 of the constitution of the Organization; and

(b) such sums, not to exceed \$175,000 for the fiscal year beginning June 30, 1947, as may be necessary for the payment of—

(1) salaries of the representative or representatives and alternates provided for in section 2 hereof, and appropriate staff, including personal services in the District of Columbia and elsewhere, without regard to the civil-service laws and the Classification Act of 1923, as amended; and

(2) such other expenses as the Secretary of State deems necessary to participation





