

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. GEORGE. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc. Without objection, the President will be immediately notified of all nominations confirmed this day. That concludes the calendar.

RECESS TO MONDAY

Mr. GEORGE. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 3 o'clock and 35 minutes p. m.) the Senate took a recess until Monday, June 18, 1945, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 15 (legislative day of June 4), 1945:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named officers for promotion in the Regular Corps of the United States Public Health Service:

ASSISTANT SURGEONS TO BE PASSED ASSISTANT SURGEONS EFFECTIVE DATES INDICATED

Harry Leafner, December 2, 1944.
Roland K. Iverson, December 18, 1944.
Harry J. Schweigert, June 5, 1944.
Paul V. Joliet, April 13, 1945.

SENIOR SURGEON TO BE MEDICAL DIRECTOR EFFECTIVE APRIL 15, 1945

William L. Smith

SURGEON TO BE SENIOR SURGEON EFFECTIVE APRIL 10, 1945

Raymond A. Vonderlehr

SURGEONS TO BE TEMPORARY SENIOR SURGEONS EFFECTIVE DATES INDICATED

Donald J. Hunt, March 1, 1945.
Harry Eagle, April 1, 1945.
Richard C. Arnold, April 1, 1945.
John W. Oliphant, April 1, 1945.
Norman H. Topping, April 1, 1945.
Mason V. Hargett, April 1, 1945.

SENIOR SURGEONS TO BE TEMPORARY MEDICAL DIRECTORS EFFECTIVE APRIL 1, 1945

Ralph D. Lillie
Milton V. Veldee
Paul A. Neal

PASSED ASSISTANT SURGEON TO BE TEMPORARY SURGEON EFFECTIVE FEBRUARY 13, 1945

Will H. Aufranc

ASSISTANT SURGEONS TO BE TEMPORARY PASSED ASSISTANT SURGEONS EFFECTIVE DATES INDICATED

Harold S. Barrett, February 13, 1945.
James L. Hart, February 13, 1945.
John C. Sheehan, February 24, 1945.
C. Merle Bundy, March 1, 1945.
Willoughby J. Rothrock, Jr., March 14, 1945.
Vernon G. Guenther, March 5, 1945.

TEMPORARY DENTAL SURGEON TO BE TEMPORARY SENIOR DENTAL SURGEON EFFECTIVE APRIL 1, 1945

John W. Knutson

SENIOR DENTAL SURGEON TO BE TEMPORARY DENTAL DIRECTOR EFFECTIVE APRIL 1, 1945

H. Trendley Dean

SENIOR SANITARY ENGINEER TO BE TEMPORARY SANITARY ENGINEER DIRECTOR EFFECTIVE MARCH 1, 1945

Mark D. Hollis

CONFIRMATIONS

Executive nominations confirmed by the Senate June 15 (legislative day of June 4), 1945:

NATIONAL LABOR RELATIONS BOARD

Paul M. Herzog to be a member of the National Labor Relations Board for the unexpired term of 5 years from August 27, 1940.

Paul M. Herzog to be a member of the National Labor Relations Board for a term of 5 years from August 27, 1945.

POSTMASTERS

ALABAMA

Hulon McGraw, Anderson.
Charles W. Jordan, Roanoke.

NEW YORK

Florence R. Danowski, East Setauket.
James M. Shay, Kings Park.
William D. Gallagher, Willard.

TENNESSEE

Richard M. Morelock, Persia.
Emma Anderson, Unicol.

SENATE

MONDAY, JUNE 18, 1945

(Legislative day of Monday, June 4, 1945)

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

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, we give Thee thanks that, in spite of the blindness and blundering of Thy wayward children, in every crisis Thou dost raise up leaders to match hours of destiny. Our exultant hearts acclaim the great captain of the hosts of freedom who this day comes in humble triumph to receive the plaudits of the land which gave him to the common cause. We raise our jubilate that by Thy favor the valorous legions which his harmonizing genius helped weld into one irresistible phalanx have battered down the fortress of evil designs and of loathsome brutalities, and that he returns today in glorious victory, leaving behind a refuge of lies in dust and ashes and the arrow of freemen piercing the dragon's heart. It is Thy divine might which has made the glory of humanity's foe to cease and cast his throne down to the ground. May we learn the lesson that our sons and brothers who will never come back fain would teach us, lest we win the fight in the field and lose the peace in the forum. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, June 15, 1945, was dispensed with, and the Journal was approved.

INTERIOR DEPARTMENT
APPROPRIATIONS

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 3024) making appropriations for the Department of the Interior for the fiscal year ending

June 30, 1946, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HAYDEN. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, 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. HAYDEN, Mr. MCKELLAR, Mr. THOMAS of Oklahoma, Mr. O'MAHONEY, Mr. GREEN, Mr. GURNEY, Mr. BURTON, and Mr. WHERRY conferees on the part of the Senate.

ADDITIONAL COPIES OF HOUSE COMMITTEE HEARINGS ON INVESTIGATION OF FOOD SHORTAGES

The PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 63, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That, in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Special Committee of the House of Representatives Designated to Investigate Food Shortages be, and is hereby, authorized and empowered to have printed for its use 5,000 additional copies of parts 1 and 2 of the hearings held before said committee during the current session.

Mr. WHITE. Mr. President, will not the Senator from Arizona tell us what this concurrent resolution provides?

Mr. HAYDEN. The concurrent resolution provides for printing 5,000 additional copies of parts 1 and 2 of the hearings held before the Special Committee of the House of Representatives Designated to Investigate Food Shortages. The House wants 5,000 additional copies, and adoption of the concurrent resolution will be a courtesy to the House.

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

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

CALL OF THE ROLL

Mr. BARKLEY. 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	Guffey	O'Mahoney
Austin	Gurney	Overton
Ball	Hatch	Pepper
Barkley	Hawkes	Radcliffe
Bilbo	Hayden	Reed
Brewster	Hicey	Revercomb
Bridges	Johnson, Calif.	Robertson
Briggs	Johnson, Colo.	Saltonstall
Brooks	Johnston, S. C.	Shipstead
Buck	Kilgore	Smith
Burton	La Follette	Stewart
Bushfield	Langer	Taft
Butler	Lucas	Taylor
Byrd	McCarran	Thomas, Okla.
Capehart	McClellan	Thomas, Utah
Capper	McFarland	Tobey
Chandler	McKellar	Tunnell
Chavez	McMahon	Tydings
Donnell	Mead	Wagner
Downey	Millikin	Walsh
Eastland	Mitchell	Wherry
Ellender	Moore	White
Ferguson	Morse	Wiley
Fulbright	Murdock	Wilson
George	Murray	Young
Gerry	Myers	
Green	O'Daniel	

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS], the Senator from Nevada [Mr. SCRUGHAM], and the Senator from Montana [Mr. WHEELER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are necessarily absent.

The Senator from Alabama [Mr. BANKHEAD] and the Senator from Washington [Mr. MAGNUSON] are absent on public business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a delegate to the International Conference in San Francisco.

The Senator from Alabama [Mr. HILL] is absent because of illness in his family.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Georgia [Mr. RUSSELL] are absent in Europe visiting battlefields.

Mr. WHERRY. The Senator from Oregon [Mr. CORDON] is absent on official business of the Committee on Public Lands and Surveys.

The Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Indiana [Mr. WILLIS] are necessarily absent by leave of the Senate.

The Senator from Idaho [Mr. THOMAS] is absent because of illness.

The Senator from Michigan [Mr. VANDENBERG] is absent on official business as a delegate to the International Conference at San Francisco.

The Senator from Connecticut [Mr. HART] is absent because of the death of his son.

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

JOINT MEETING OF THE TWO HOUSES—VISIT OF GEN. DWIGHT D. EISENHOWER

Mr. BARKLEY. Mr. President, in view of the fact that the House of Representatives has invited the Senate to join them today to do honor to General Eisenhower, and that they want us to be on the floor of the House at quarter after 12, I ask Senators to wait until we return from the House before presenting matters in which they are interested, so that we may proceed immediately to the Chamber of the House of Representatives.

Mr. President, I now move that the Senate stand in recess until the conclusion of the ceremonies in the House Chamber.

The motion was agreed to; and accordingly (at 12 o'clock and 12 minutes p. m.) the Senate took a recess.

During the recess, the Senate, preceded by the Secretary (Leslie L. Biffle), the Sergeant at Arms (Wall Doxey), and headed by the President pro tempore, proceeded to the Hall of the House of Representatives for the purpose of attending the ceremony in connection with the visit and address by Gen. Dwight D. Eisenhower.

(The proceedings in the House of Representatives and the address delivered by General Eisenhower at the joint meeting of the two Houses of Congress appear beginning on p. 6243 of the House proceedings in today's CONGRESSIONAL RECORD.)

The Senate reassembled in its Chamber at 1 o'clock and 4 minutes p. m., the recess having expired and the President pro tempore resumed the chair.

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.

EXECUTIVE COMMUNICATIONS, ETC.

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

USE OF PUBLIC DOMAIN LANDS BY KANOSH BAND OF INDIANS, UTAH

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to reserve certain land on the public domain in Utah for addition to the Kanosh Indian Reservation (with an accompanying paper); to the Committee on Indian Affairs.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting 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 Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A telegram in the nature of a petition from Ulric Bell, for Americans United for World Organization; Charles Bolte, for American Veterans' Committee; Rex Stout, for Writers' War Board; Mrs. Norman Der Whitehouse, for Women's Action Committee for Victory and Lasting Peace; Sidney Hillman, for CIO Political Action Committee; Elmer A. Benson, acting chairman, National Citizens' Political Action Committee; and Hannah Dorner, Independent Citizens' Committee of the Arts, Sciences, and Professions, New York City, N. Y., praying that prompt action be taken on the San Francisco postwar peace conference; to the Committee on Foreign Relations.

By Mr. TAFT:

Petitions of sundry citizens of Cincinnati and Hamilton County, Ohio, praying for a fair and just distribution of meat and sugar to the civilian population; to the Committee on Banking and Currency.

By Mr. SALTONSTALL (for himself and Mr. WALSH):

Resolutions of the General Court of the State of Massachusetts; to the Committee on Finance:

"Resolution memorializing the Congress of the United States in favor of the transfer to the several States of the administration of the Federal social-security law so far as it relates to old-age benefits and survivors' insurance

"Resolved, That the General Court of Massachusetts respectfully and earnestly urges the Congress of the United States to take appropriate steps toward transferring to the several States the administration of the Federal social-security law so far as it relates to old-age benefits and survivors' insurance; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the State secretary to the Presiding Officer of each branch of Congress and to the Members thereof from this commonwealth."

UNIVERSAL MILITARY TRAINING

Mr. REED. Mr. President, I ask unanimous consent to present for printing in the RECORD, as a part of my remarks, and to have appropriately referred, a resolution adopted by the American Legion Auxiliary, Department of Kansas, in convention assembled at Beloit, Kans., on June 7, 1945, favoring the enactment of legislation providing for universal military training.

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

Whereas the American Legion Auxiliary has since its inception believed in preparedness and adequate national defense, and has advocated as the only effective method of making these ideals operative under our form of government, the adoption of a system of universal military training in the United States; and

Whereas there is now pending in Congress proper legislation to bring about this result: Now, therefore, be it

Resolved, That the American Legion Auxiliary, Department of Kansas, in convention assembled at Beloit, Kans., on this 7th day of June 1945, that we do hereby reaffirm our previous pronouncements upon this matter; that through our national organization and by our own personal efforts we employ every energy to the early passage of this legislation so that universal military training be established in the United States; and be it further

Resolved, That a copy of this resolution be sent to our Kansas Congressmen and Senators at Washington, D. C.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

S. 715. A bill to provide more efficient dental care for the personnel of the United States Navy; with an amendment (Rept. No. 378).

SECOND PROGRESS REPORT ON WAR PLANTS DISPOSAL (PT. 3 OF REPT. NO. 199)

Mr. O'MAHONEY. Mr. President, on behalf of the Committee on Military Affairs I ask unanimous consent to submit the second progress report of the work which is being carried on by a subcommittee of the Special Senate Committee on Postwar Economic Policy and Planning and the subcommittee on Military Affairs Committee on War Contracts with respect to iron and steel plants.

I ask unanimous consent that the report be printed with illustrations, and that the full text of the introduction to the report be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and the report will be received and printed, with illustrations, and the introduction to the report will be printed in the RECORD.

The introduction to the report submitted by Mr. O'MAHONEY is as follows:

WAR PLANTS DISPOSAL: IRON AND STEEL PLANTS

On April 23 the War Contracts Subcommittee submitted its first progress report on

the preparation of joint hearings with the Industrial Reorganization Subcommittee of the Special Committee on Postwar Economic Policy and Planning, on the disposal of Government-owned iron and steel plants. On the basis of the best information then available, the continued operation of the huge Government-owned Geneva plant seemed assured until at least autumn of this year. Only a few days ago, however, the War Production Board announced that the structural mill of the Geneva plant would be compelled to close down early in June, and that the plate mill had orders on hand to continue operations only until some time in August.

Owing to various circumstances, the report of the Surplus Property Board to Congress, pursuant to section 19 of the Surplus Property Act, outlining the Board's disposal plan for iron and steel plants, has not as yet been received.

If plants become surplus before the submission of the required reports, the development of comprehensive industry-by-industry disposal plans as comprehended by the act will be endangered. Piecemeal disposal of large plant units, even on a temporary lease basis, is likely to result in complete disregard of the long-run objectives of the act.

The committees are not unmindful of the difficulties which have hampered the Surplus Property Board, but they are also aware of the purpose Congress had in mind in passing the Surplus Property Act, of leaving nothing undone to effect the best possible utilization of Government-owned plants for the advancement of a prosperous, free economy. It has been the objective of the committees to gather, so far as possible, all available basic data so that the nature of the issues involved in the disposal of these plants would be clear to the Congress and the public.

This has been particularly true with respect to Government-owned iron and steel plants. The report now being made has been prepared by the staff of the War Contract Subcommittee in cooperation with the staff of the Special Committee on Postwar Economy Policy and Planning.

The maps, charts, and figures included in this statement, unless otherwise indicated, were selected from a report¹ submitted by the Bureau of Foreign and Domestic Commerce, Department of Commerce, in answer to a request of the War Contracts Subcommittee.

BASIC DATA

The significant basic data derived from the reports of the Departments of Commerce and the Interior,² and other reports and publications, may be summarized as follows:

RELATIVE IMPORTANCE OF THE STEEL INDUSTRY IN THE NATIONAL ECONOMY

1. In 1944 steel was the most important of all processed metallic and nonmetallic basic materials used by manufacturing industries in the United States, accounting on a tonnage basis for about 85 percent of the total, while light metals accounted for only about 1.8 percent.

2. In comparison with other manufacturing industries, the iron and steel industry is first in terms of assets and value added by manufacture, and second to food only in terms of value of product and sales and receipts. Except during the war when planes, ships, and other transportation equipment overtook the steel industry, it

¹The report entitled "The United States Iron and Steel Industry: Wartime Expansion and Postwar Disposal of Government-owned Facilities" was prepared in the Division of Industrial Economy (H. B. McCoy, Chief) by R. M. Weidenhammer, Assistant Chief of the Metals and Minerals Unit, with the assistance of E. Brooks, Jacob Levin, and D. B. Stough of the Commerce Department.

²Bureau of Mines, A Pattern for Western Steel Production, March 1945.

employed more workers and paid more wages than any other industry.

3. The United States is by far the largest steel producer in the world, and its pre-dominance has increased vastly during the war.

WARTIME CHANGES IN THE STEEL INDUSTRY

4. Since 1938 steel-ingot capacity has increased between 16 and 17 percent from approximately 82,000,000 net tons to approximately 96,000,000 net tons.

5. The cost of this increase amounted to more than \$2,500,000, of which Government-owned facilities account for slightly over 50 percent.

6. Except for extensive conversions from continuous strip mills to the rolling of plates for war demand (easily convertible to former products), there has been no marked change in relative product capacity.

CONSUMPTION OF FINISHED STEEL PRODUCTS

7. Over the last 20 years the peacetime demand for steel has shifted from heavy steel products, such as rails, plates, and beams, to light flat-rolled products required by the makers of automobiles, refrigerators, and containers.

USE OF CAPACITY AND GROSS NATIONAL PRODUCT

8. Except for close-to-capacity operations during the two World Wars, the steel industry has operated far below capacity. During the 1930's average utilization of capacity was approximately 50 percent.

9. The volume of steel production has borne a close relationship to the level of the gross national product. Assuming a continuation of this relationship, a gross national product of almost \$200,000,000,000 in terms of the 1945 dollar value would be required, according to the Commerce Department calculations, for full utilization of present steel capacity.

ALLOY STEELS AND ELECTRIC FURNACE CAPACITY

10. Alloy-steel production for special war needs increased almost 800 percent between 1933 and 1943, and the capacity of electric furnaces required for high-quality alloy steel rose 287.5 percent. In 1943 alloy-steel output amounted to 15 percent of total steel output in comparison with 5 percent in 1938.

WESTERN STEEL

11. While the over-all ingot capacity of the United States increased by 16.8 percent, the capacity in the 11 Western States increased by about 130 percent. West of the Rocky Mountains, the increase was almost twice as great.

12. The newly constructed western plants were designed to produce steel products needed for shipbuilding, such as plates and structural products. Considering the different demands of a peacetime western economy, the West appears to have excessive capacity to produce plates and structural products while there is little or no rolling capacity in the far West to fill a large demand for light flat-rolled, and tubular products.

13. Before the war, the 3 west coast States consumed over 80 percent of the steel consumed in the 11 Western States. California alone accounted for about 70 percent.

14. A large part of the steel consumed at or near Pacific ports where the major western markets are located, was shipped there by water. This fact indicates that in-bound water shipments will be a major factor in assessing the competitive prospects in these markets of the postwar western steel industry.

15. The present high level of commercial freight rates for steel products from Geneva, Utah, will seriously affect that plant's competitive position in the western markets.

NATURE OF THE ISSUES

In the light of these basic data and the objectives of the Surplus Property Act, a number of questions have been prepared con-

cerning the policy to be developed with respect to the disposal of Government-owned iron and steel plants, which the subcommittees desire to direct to the executive agencies responsible for the administration of the Surplus Property Act.

1. What disposal policy, if any, can achieve fuller utilization of our productive steel capacity?

This issue goes to the heart of the disposal problem.

The following basic data are relevant to its discussion:

(a) During the 10-year period from 1930 to 1940, the utilization of our then-existing capacity averaged about 50 percent, varying from a low of 22 percent in 1932 to a high of 74 percent in 1937.

(b) During the war our capacity has increased by 16.8 percent, or from approximately 82,000,000 to 96,000,000 net tons.

(c) The demand for finished steel products is a derived demand. That means it is derived from the markets which exist for the finished products of numerous steel-consuming industries.

(d) According to Department of Commerce calculations based on a mathematical relationship between the volume of steel production and the level of the gross national product, a gross national product of almost \$200,000,000,000 would be required for full utilization of present steel capacity.

What does this imply concerning the effectiveness of any particular disposal policy? Can disposal be made to contribute effectively to a fuller utilization of our present capacity?

2. If any existing trade practices in the industry have prevented such fuller utilization, what disposal policy, if any, will be able to overcome the adverse effects of such practices?

While it must be recognized that the demand for finished steel products depends largely on our general economic well-being, have trade practices in the industry contributed to the industry's history of low-level utilization of its productive capacity? If any practices are found to do so, can any particular disposal policy overcome the adverse effects of such practices?

3. If it develops that our present capacity exceeds the probable postwar demand for steel, what disposal policy shall be adopted with respect to Government-owned steel plants?

4. Notwithstanding possible excess steel capacity, what shall be the disposal policy if it is found that some Government-owned plants can produce steel at a lower cost than industry-owned plants?

Would public policy require that low-cost plants be continued in operation? Should it be a part of disposal policy to assure passing on to the consumers the benefits of such low-cost production? If Government plants are found to be noncompetitive solely because of high wartime capital costs, should the Government in formulating a disposal policy take any compensatory action?

5. What should be the disposal policy if these benefits of lower prices (referred to in the previous question) can be made available only after alterations have been made in any given Government-owned plant?

This issue is closely related to the previous one. If alterations are required for postwar operation of Government-owned plants, what effect should this factor have on Government disposal policy? In order to discuss intelligently the policy with respect to plant alterations, is it not imperative to have specific knowledge of the facilities which are required, the structural alterations necessary, their cost, and the operating cost of the facilities after alterations as compared with the operating cost of competing companies?

6. What disposal policy will carry out most effectively the mandate of the act (1) to discourage monopolistic practices; (2) to foster the development of new independent enterprise; and (3) to strengthen and pre-

serve the competitive position of small business concerns?

7. If in particular marketing areas the expansion of steel-consuming industries is dependent upon the assurance of availability of steel products at low prices, what disposal policy, if any, should be adopted in that regard?

8. In the light of the findings to the above questions, what should be the appropriate instrument of disposal for each particular property?

Will the traditional legal forms of sale or lease fit the needs of each particular case or will special innovations be required in order to achieve our postwar objectives?

CONCLUSIONS

It is apparent that the iron and steel industry occupies a position of great importance in the Nation's economy. Because of its importance it is imperative that a careful analysis be made of the causes of its history of far below capacity operations. On the basis of this analysis it must be determined whether and how the disposal of Government-owned iron and steel plants can contribute to the fuller utilization of the industry's productive capacity.

It is furthermore apparent from the statement of the issues that a great deal more specific information will be required before the problem of fuller utilization can be properly resolved. The first progress report pointed to the imperative need for market studies. We must know much more about likely postwar demand for steel and the relative efficiency of Government-owned plants. Specifically required is information as to the types of steel products required for domestic consumption, for exports, and in particular domestic marketing areas; the need for alterations in particular Government-owned plants to meet postwar demands; the cost of such alterations, the cost of assembled raw materials, cost of operations, and cost of distribution of particular Government-owned plants, as compared with privately owned plants, and the possibility of lowering such costs where necessary in order to be competitive.

If the objectives of the Surplus Property Act are to be achieved, this information, which is costly to secure and which is confined now to the knowledge of several Government agencies and a small number of companies which have first-hand knowledge on the basis of past operations, must be made accessible to all those who might possibly be interested in the utilization of these plants. The securing of this information is the joint responsibility of the Surplus Property Board and the Defense Plant Corporation.

On the basis of such information, it should be possible to formulate a disposal plan for Government-owned iron and steel plants designed to achieve the long-run objectives of the act. This plan must set forth with definiteness what disposal of the key Government-owned plants is recommended. The plan must be prepared in advance of disposal and on the basis of the objectives of the act. It must not be confined to a mere listing of bids which may have been received and then suggest in each instance a choice of the lesser evil.

In order to stimulate the formulation of such plan, the subcommittees are glad to publish some of the basic information not hitherto generally available. It is hoped that this information will facilitate the specific studies designed to point up more adequately the basic issues and to contribute to their early solution.

BILLS INTRODUCED

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

By Mr. SALTONSTALL:

S. 1157. A bill for the relief of Charles A. Parmiter, Jr.; and

S. 1158. A bill for the relief of Winter Bros. Co.; to the Committee on Claims.

By Mr. STEWART (for himself and Mr. MAYBANK):

S. 1159. A bill to require that military personnel who have served 12 months or more in the European area be returned to the United States for a furlough before being sent to the Pacific or Asiatic area; to the Committee on Military Affairs.

(Mr. PEPPER (for himself, Mr. THOMAS of Utah, Mr. TUNNELL, Mr. HILL, Mr. MURRAY, Mr. LA FOLLETTE, and Mr. AIKEN) introduced Senate bill 1160, which was referred to the Committee on Commerce, and appears under a separate heading.)

By Mr. EASTLAND:

S. 1161. A bill authorizing the conveyance of all right, title, and interest of the United States in and to certain space in the Jackson, Miss., City Hall; to the Committee on Public Buildings and Grounds.

By Mr. O'MAHONEY:

S. 1162. A bill to convey certain lands to the State of Wyoming; to the Committee on Public Lands and Surveys.

NATIONAL NEUROPSYCHIATRIC INSTITUTE

Mr. PEPPER. Mr. President, on behalf of myself, the Senator from Utah [Mr. THOMAS], the Senator from Delaware [Mr. TUNNELL], the Senator from Alabama [Mr. HILL], the Senator from Montana [Mr. MURRAY], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Vermont [Mr. AIKEN], I ask unanimous consent to introduce for appropriate reference a bill to provide for, foster, and aid in coordinating research relating to neuropsychiatric disorders; to provide for more effective methods of prevention, diagnosis, and treatment of such disorders; to establish the National Neuropsychiatric Institute; and for other purposes, and I ask unanimous consent that an editorial from the Washington (D. C.) Post of June 17, 1945, dealing with the subject of the bill be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and the editorial will be printed in the RECORD.

The bill (S. 1160) to provide for, foster, and aid in coordinating research relating to neuropsychiatric disorders; to provide for more effective methods of prevention, diagnosis, and treatment of such disorders; to establish the National Neuropsychiatric Institute; and for other purposes, introduced by Mr. PEPPER (for himself, Mr. THOMAS of Utah, Mr. TUNNELL, Mr. HILL, Mr. MURRAY, Mr. LA FOLLETTE, and Mr. AIKEN), was read twice by its title and referred to the Committee on Commerce.

The editorial presented by Mr. PEPPER is as follows:

PSYCHIATRIC INSTITUTE

The war has had a damaging impact upon the minds as well as upon the bodies of many men who have participated in it. The medical authorities of the armed services have recognized the seriousness of these wounds, classifying them as neuropsychiatric disorders. But they are unable to cope with them on an adequate scale because of a deficiency of trained medical personnel. Similarly, among the civilian population, neuropsychiatric disabilities of varying gravity are no doubt extremely widespread, while

the medical specialists qualified to treat them are far too few. The situation creates for the Nation a formidable health problem. In a constructive effort to meet it, Congressman J. PERRY PRIEST, of Tennessee, has introduced in the House a bill to establish a National Neuropsychiatric Institute.

Mr. PRIEST's bill aims at fostering research relating to neuropsychiatric disorders and at the provision of more effective methods of preventing, diagnosing, and treating such disorders. The prime need in this connection, of course, is to increase the number of qualified psychiatrists. It is a lamentable fact that there are at the present time fewer than 4,000 members of the American Psychiatric Association. A majority of these are now in the armed forces. To supplement their services, the Army has given specialized training to a number of doctors with an aptitude for psychiatric work. But fully trained psychiatrists cannot be developed quickly. We can see no long-range remedy for the problem save a major effort to encourage young medical men to enter this relatively new branch of their profession in considerable numbers.

The National Neuropsychiatric Institute proposed by Mr. PRIEST would have this function, operating under the direction of the Surgeon General as a part of the Public Health Service. Its work would have to be supplemented by education at the community level, both as to the nature of neuropsychiatric disorders and as to the community's responsibilities in rehabilitating men whose nervous systems have been wounded in the war. As Mr. PRIEST put it, "I think it is highly important that we realize that a mental or nervous disorder is nothing more or less than a wound that can, with proper treatment, be healed just as surely as an injury left by a bullet in an arm or leg." For the sake of the future mental health of the country, as well as in justice to its veterans, Representative PRIEST's bill deserves prompt congressional consideration.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENT

Mr. O'MAHONEY and Mr. McFARLAND each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 3240) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

WASHINGTON PLANNING AND HOUSING NEEDS—ADDRESS BY SENATOR ELLENDER AND EDITORIAL FROM WASHINGTON POST

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address entitled "Suggestions for Washington's Planning and Housing Needs," delivered by Senator ELLENDER under the auspices of the Citizens Council for Community Planning in Washington, D. C., June 15, 1945, and an editorial from the Washington Post on the same subject, which appear in the Appendix.]

ADDRESS BY SENATOR PEPPER BEFORE FLORIDA LEGISLATURE AT MEMORIAL EXERCISES FOR THE LATE PRESIDENT ROOSEVELT

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address delivered by him before a joint session of the Florida legislature holding memorial exercises for the late President Franklin D. Roosevelt, on April 25, 1945, at Tallahassee, Fla., which appears in the Appendix.]

THE EQUAL RIGHTS AMENDMENT—LETTER BY SENATOR GUFFEY

[Mr. TUNNELL asked and obtained leave to have printed in the RECORD a letter of

June 13, 1945, addressed by Senator GUFFEY to Mrs. Thomas F. McAllister, chairman of the National Committee to Defeat the Unequal Rights Amendment, which appears in the Appendix.]

COMPULSORY MILITARY TRAINING— LETTER TO GENERAL EISENHOWER

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a letter addressed by the District of Columbia Department of the Disabled American Veterans to Gen. Dwight D. Eisenhower, relative to compulsory military training in time of peace, which appears in the Appendix.]

THE SOLDIER'S FRANC—EDITORIAL FROM THE STARS AND STRIPES

[Mr. WILSON asked and obtained leave to have printed in the RECORD an editorial entitled "The Soldier's Franc," from the Stars and Stripes of June 10, 1945, which appears in the Appendix.]

THE ROOSEVELT LOAN—EDITORIAL FROM THE STATE

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD an editorial entitled "The Roosevelt Loan," published in the State, of Columbia, S. C., of the issue of June 15, 1945, which appears in the Appendix.]

UNIVERSAL MILITARY TRAINING— STATEMENT BY NORMAN THOMAS

[Mr. LANGER asked and obtained leave to have printed in the RECORD a statement on universal military training made by Norman Thomas before the Woodrum committee on June 8, 1945, which appears in the Appendix.]

ALLIED AID TO ITALIAN TRANSPORTATION

[Mr. LANGER asked and obtained leave to have printed in the RECORD a letter and attached clipping received by him from an American soldier in Italy, which appear in the Appendix.]

ITHACA COLLEGE COMMENCEMENT AD- DRESS BY GEORGE E. STRINGFELLOW AND CITATION TO MR. STRINGFELLOW

[Mr. MORSE asked and obtained leave to have printed in the RECORD a commencement address delivered by George E. Stringfellow, vice president of the Thomas A. Edison Co., at commencement exercises held at Ithaca College on June 1, 1945, and also a citation given to Mr. Stringfellow, which appear in the Appendix.]

OFFICE OF WAR INFORMATION POLICIES IN GERMANY

[Mr. MORSE asked and obtained leave to have printed in the RECORD a release issued by the Office of War Information relative to information in occupied Germany, which appears in the Appendix.]

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 3240) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

Mr. THOMAS of Utah obtained the floor.

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

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Ohio?

Mr. THOMAS of Utah. Mr. President, I would rather not yield.

Mr. TAFT. I withdraw my request because of the time limit.

Mr. THOMAS of Utah. Mr. President, at least this once in the history of the Senate for 156 years a Senator finds himself in a position where he does not understand a unanimous-consent agree-

ment. In order that I may know how to proceed and what to do in regard to interruptions, and in order to avoid the appearance of being rude, if I may use that expression, I shall have to make an inquiry of the Chair. This address was prepared to be delivered at a time when there was no agreement about a limitation of debate, and the address is longer than can be delivered within the time allowed, unless, Mr. President, the agreement is interpreted in such a way that I may count 15 minutes on each of the amendments. I ask the Chair how much time I have?

The PRESIDENT pro tempore. The Senator has 15 minutes on the pending amendment and 15 minutes on the bill, half an hour in all.

Mr. THOMAS of Utah. Mr. President, since I have only 30 minutes and I want to discuss all the amendments which have been presented so far, I will ask not to be interrupted. I also ask unanimous consent that when my time is up, that portion of my address which has been prepared but which I may not be able to deliver may be inserted as a part of my remarks in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. THOMAS of Utah. Mr. President, I know that it is in the heart of every Senator present to speak out if he could, as it is in my heart to speak out if I could and say that it is going to be extremely difficult to overcome the feelings inspired by the memorable event which has just taken place in the joint meeting of the two Houses. We who have taken the oath to support the Constitution of the United States, as he has, have learned from the lips of General Eisenhower how well the Constitution is understood by the people of the United States. To me every word which the General uttered was entitled to great respect and attention, but I was particularly impressed to hear from the lips of a great general, who was introduced to the Congress of the United States and to all the people of the United States as the supreme commander of the Allied forces in the field, the simplest lesson taught to every schoolboy and every schoolgirl who studies American history and the American form of government, that, after all their experience, great American generals who win incomparable victories realize that the philosophy of the American democracy is of supreme worth to all and especially of great worth to all other peoples of the world struggling, as they are, to find a place for the individual man and the dignity of the individual man in the great scheme of things.

Mr. President, the general near the end of his address, probably without consciously knowing it, put forth a thought which carried my mind back to a great wail of one of Sophocles' heroines. The general urged that we unite for peace as we have for war. The Greek heroine wailed, "Oh, why do men unite so well for war and destruction, and refuse to unite for peace and construction."

That, Mr. President, is not a literal translation, but it is a translation of the thought which was understood and was deep-seated in the minds of the great thinkers in ancient times. It is still one

of the strivings in the minds and the hearts of men today.

If General Eisenhower's prayer can be attained, and if the unity of peace can be brought about as a result of and coincident with the unity of war, then, indeed, mankind can look forward with enthusiasm and with renewed faith to the coming of the better day and to the consummation of the desire of the common people of all nations since the beginning of time.

Mr. President, I deem that I am not speaking out of bounds when I call attention to the fact that the reciprocal trade agreements have had some little part in the theory and in the fact of making it possible for men and nations to unite for peace. The technique of the trade agreements practiced now and tried for more than 10 years is a technique in which two nations, and then more, unite, not to do hurt to one another as a result of special privilege asked for each, but to discover where each can help the other, and agreement is brought about under the theory and under the ideal which General Eisenhower mentioned and called attention to.

RECIPROCAL TRADE AGREEMENTS ACT SHOULD BE EXTENDED ANOTHER 3 YEARS

Therefore, Mr. President, I think I am justified in saying that the Reciprocal Trade Agreements Act, with some important modifications, which is again before the Senate for extension for another 3 years, should be extended in accordance with the bill now pending, which should be passed as it came from the House, without amendment.

This makes the fifth time that act has been before the Congress for consideration. The act was passed in 1934, extended in 1937, 1940, 1943, and is again before us with a request from the President that it be extended another 3 years. The House has passed the bill, and it is before the Senate for approval. It seems to me that the Senate should without quibbling approve it.

This matter is above party politics. It involves our foreign relations. It is fundamental to the Nation's foreign economic policy of enlightened self-interest based on international cooperation and expanding world trade. Prosperity is naturally desired by all nations of the earth. We can have such world-wide prosperity only by cooperation. This is more evident today than ever before. Wise and liberal trade policies create the basis of friendship and prosperity. Trade barriers and trade discrimination create and encourage hostility and destroy the nations' confidence in each other.

What is needed now, as never before, perhaps, in the history of the world, is that nations find ways to remove prohibitions to trade, to reduce barriers, to prevent the growth of new prohibitions and restrictions, and to agree on standards of fair competition.

The late President Roosevelt and Mr. Cordell Hull, until recently our Secretary of State, have been the leaders of the world in the past 11 years in striving to bring about these very desirable ends in order to promote the prosperity of our own country and of the world. President Truman and Secretary of State

Stettinius have expressed their strong support of these doctrines. From the standpoint of right and sound common sense, as well as loyalty to these great leaders, we should pass this bill extending to the President the authority to continue to negotiate these reciprocal trade agreements with foreign countries.

Since 1934 this instrument of adjusting tariffs to encourage world trade and to promote the prosperity of the people of the United States has been carefully administered by the President and the Secretary of State. Trade has been increased as a result of the reductions that have been made in the United States tariff rates and the concessions that have been won from foreign countries. Few, if any, domestic industries have been injured by the concessions granted by the United States, and many have been greatly benefited.

There have been 28 trade agreements negotiated and put into effect. Two have been suspended—those with Nicaragua and Czechoslovakia, the latter when that country was overrun by Germany. There are in effect agreements with 26 countries, as follows:

Reciprocal trade agreements made—country and effective date

Argentina.....	Nov. 15, 1941
Belgium (and Luxemburg).....	May 1, 1935
Brazil.....	Jan. 1, 1936
Canada.....	Jan. 1, 1936
Canada.....	Jan. 1, 1939
Supplemental.....	Jan. 1, 1940
Supplemental.....	Dec. 20, 1940
Colombia.....	May 20, 1936
Costa Rica.....	Aug. 2, 1937
Cuba.....	Sept. 2, 1934
Supplemental.....	Dec. 23, 1939
Supplemental.....	Jan. 5, 1942
Czechoslovakia ¹	Apr. 16, 1938
El Salvador.....	May 31, 1937
Ecuador.....	Oct. 23, 1938
Finland.....	Nov. 2, 1936
France.....	June 15, 1936
Guatemala.....	June 15, 1936
Haiti.....	June 3, 1935
Honduras.....	Mar. 2, 1936
Iceland.....	Nov. 19, 1943
Iran.....	June 28, 1944
Mexico.....	Jan. 30, 1943
Netherlands.....	Feb. 1, 1936
Nicaragua ¹	Oct. 1, 1936
Peru.....	July 29, 1942
Sweden.....	Aug. 5, 1935
Switzerland.....	Feb. 15, 1936
Turkey.....	May 5, 1939
United Kingdom.....	Jan. 1, 1939
Uruguay.....	Jan. 1, 1943
Venezuela.....	Dec. 16, 1939

¹The duty concessions in the agreements with Nicaragua and Czechoslovakia terminated Mar. 10, 1938, and Apr. 22, 1939, respectively.

NUMBER OF TARIFF REDUCTIONS MADE

On January 1, 1945, there were in effect 1,190 reduced tariff rates in the 26 trade agreements. The agreement with the United Kingdom reduced about 430 of these rates, or about a third. One hundred and seventy-three rates were reduced in the Canadian agreement, 91 in the agreement with France; 90 in the agreement with Mexico; 74 in the agreement with Switzerland; 70 in the agreement with Belgium; 54 in the agreement with the Netherlands; 47 in the agreement with Argentina; 41 each in the agreements with Cuba and Sweden; 16 in the agreement with Iran; 15 in the agreement with Peru; and 10 each in the agree-

ments with Iceland and Turkey. These figures are arrived at by counting only once a rate which may have been reduced in different trade agreements. The reduction is credited to the country with which an agreement was made first. For example, rates reduced the same amount in the second Canadian and the United Kingdom agreements, both effective January 1, 1939, have been counted as Canadian reductions. A rate reduced in one agreement and reduced further in a later agreement with another country is counted only once, and credited to the second country to which was granted the greater reduction.

There were 62 rates bound against increases, 28 of which, or about half, being in the agreement with the United Kingdom.

VOLUME OF IMPORTS SUBJECT TO THE LOWER TARIFFS, REDUCED IN TRADE AGREEMENTS

These trade agreements became effective at different dates in the years 1934 and 1944. Consequently, it is not possible to show the effects of all these reductions in any given prewar year. However, we can take some base year like 1939, the last prewar year of about normal trade, and apply to the trade in that year the pre-agreement rates and the post-agreement rates, and thereby approximate the changes that have taken place since the trade agreements became effective. Total imports into the United States in 1939 were valued at \$2,276,000,000; of this amount \$879,000,000 was the value of dutiable imports. Of the dutiable imports, \$552,000,000, or 63 percent, would have been subject to the reduced trade agreement rates in effect January 1, 1945. In other words, the duties have been reduced by trade agreements on 63 percent of total dutiable imports; the duties have been reduced on 74 percent of all dutiable agricultural imports and 55 percent on all dutiable non-agricultural imports. On dutiable finished manufactures duties have been reduced on 42 percent of total imports—see report of United States Tariff Commission on trade agreements April 16, 1945.

AVERAGE PERCENTAGE REDUCTION IN TARIFF RATES

Making such adaptations as are necessary for the calculation, the average ad valorem equivalent of the dutiable rates on imports subject to reduced duties before the trade-agreement rates came into effect would have been about 55 percent, and after the trade-agreement rates became effective the average ad valorem equivalent would have been about 32 percent, which is an average reduction of about 23 percent ad valorem or an apparent reduction of 43 percent in the rates as they existed before the agreements were negotiated. To determine the effect on the tariff level of all dutiable imports would require that they be calculated on a different basis including those dutiable imports on which no rates were changed. If no reduced rates of duty had been in effect, the average ad valorem equivalent on all dutiable imports valued at \$879,000,000 would have been 48 percent; giving effect to the reduced rates as of January 1, 1943, the average ad valorem equivalent would have been 33 percent, an average difference of 15 percent ad valorem, or an ap-

parent reduction of 31 percent in the average of all rates existing before any trade agreements were negotiated.

These reductions in rates of duty have been effected without any serious injury to domestic industries and with many industries having profited greatly by the extension of their foreign market through the concessions won from the foreign countries on our exports to those countries.

The PRESIDING OFFICER. The Chair informs the Senator from Utah that his time on the amendment has expired.

Mr. THOMAS of Utah. I will take my time on the bill, Mr. President, and without repeating the unanimous-consent request already agreed, I will stop whenever the Chair informs me that my time has expired.

Chairman Oscar B. Ryder, of the Tariff Commission, in his testimony before the Ways and Means Committee of the House, said that in only about 5 cases were strong objections urged by domestic industries against the reduced tariff concessions granted to imports into the United States.

Mr. President, I cannot help but remark that surely this technique is worthy of consideration when we contrast the fact that in but five cases were strong objections urged by domestic industries against reducing tariff rates with the fact that when tariff bills were handled by the Congress numerous lobbies and pressure groups were active in trying to attain their ends. Surely, this one fact alone—and there are many others to consider—should cause us to rejoice that America has moved forward in its way of handling the subject and in its technique, without the pressure groups being aroused and without the advantage-taker pressing his individual claim at all times.

In only two of these five cases was the trade agreements committee convinced, after hearings held, that there had been any injury to domestic industry.

There again, Mr. President, I cannot help but remark that that would seem to be a justification of the technique practiced and a great compliment to the energy, the zeal, and the care which our representatives have taken in negotiating these agreements.

In both cases adjustments were made as provided for in the respective trade agreements. In the case of silver-fox furs a supplemental agreement with Canada was negotiated to relieve that situation and quotas were placed on imports. Mr. Ryder advised the committee that in future agreements, as in the most recent agreements negotiated, it would be an easy matter to provide for the correction of such mistakes by the insertion of clauses for that purpose in any new agreements negotiated.

Thus the technique develops, Mr. President, and thus we learn better by the doing how to continue that which we have started.

This seems a sensible procedure and undoubtedly will be carried out in the future when this act is extended.

How much better it is to make these adjustments in consultation and agreement with our foreign neighbors than it

is to do so unilaterally and have them hate us for it ever afterward. In such negotiations as this we have found foreign countries to be reasonable, and they expect us to be reasonable. If they treat us fairly we ought to be in a position to treat them fairly.

In that connection it may be pointed out that in these agreements with foreign countries they have granted the United States concessions on 54.44 per cent of the agreement countries' total imports from the United States, based on 1937 figures.

The evidence therefore is clear that we have been given great benefits to our exports by the concessions we have won from foreign countries in these trade agreements, and we have won such benefits without serious injury to a single American industry. Not only that but because of these concessions on imports to the United States the American consumers have had the advantage of a greater variety of products because of those imports and also undoubtedly have been able to purchase such products and like products of domestic origin at more reasonable prices. In other words, more goods have been available to domestic consumers at lower prices and more of our products have found outlets in foreign markets than would have been true if there had been no trade agreements.

THE AUTHORITY TO CUT PRESENT TARIFFS AN ADDITIONAL 50 PERCENT IS ESSENTIAL TO THE PROGRAM

It is apparent from the number of rates that have been reduced up to now under the reciprocal trade agreements in effect at the present time and from the high percentage of the dutiable imports into this country on which the rates have already been reduced, that it is necessary to grant to the administration the authority for further reductions in the duties, if this reciprocal method of adjusting our foreign commerce is to be of any use and effect in bringing about the kind of conditions in world trade which the administration is firmly convinced are necessary to encourage the prosperity of this country and of the world.

We must trust the administration to utilize this further extension of power with wisdom and caution as it has used the power in the past. No one in this country wants to see domestic industries injured in any way, and certainly everyone wants our own people to be fully employed. We realize that in order for them to be employed our industries must be continued in a high state of productivity. The testimony before the committees of Congress of those who have responsibility for administering the trade-agreement program shows clearly that they are sensible of their responsibility in maintaining this high degree of employment of domestic labor in domestic industries. The Congress may rest assured, therefore, that this further authority extended to President Truman and the Secretary of State will be carefully, wisely, and broadly administered so as to promote full employment in this country at the highest possible wages and in such a way as to maintain the high standard of living that we are accustomed to in this country and that is

commensurate with our industrial ability and resources.

TRADE AGREEMENTS WILL BE NECESSARY AFTER THE WAR

During this war international trade, where permitted at all, has been absolutely controlled. Trade with enemy nations has been stopped by the blockade. Trade of enemy nations with neutrals has been controlled as far as possible by the United Nations by preclusive buying, by agreements and special arrangements of all kinds. Trading of United Nations with allies has been controlled by the unusual emergency of war conditions. Both imports and exports have been permitted to move only in such directions and with respect to such commodities, in such quantities, as would contribute to victory for the United Nations, or such as was dictated by the absolute necessity for maintenance of the economy of the cooperating nations.

Now that the war in Europe has come to a close, some of these control measures will undoubtedly be relaxed. In fact, they are now being relaxed. For several years, however, it will be necessary to maintain many of these controls. Certainly as long as the war with Japan lasts all these controls which are essential to carrying on the conflict in the Pacific should and probably will be maintained.

When the war in the Pacific is ended, we will be confronted immediately with the problem of how to relax these extreme emergency controls which have been exerted over foreign trade. The administration should be given this instrument and authority of reciprocal trade agreements to employ in its dealings with other nations to win as far as possible freedom from restrictions on United States exports to all countries of the world. In exchange for obtaining from foreign countries this release of controls on our exports we shall, naturally, have to grant some concessions on our imports from those countries—on their exports to us. This reciprocal trade-agreements program is an especially effective instrument designed almost exactly to meet just such situations as will exist after this war. The Congress, therefore, should by all means give the administration this instrument in order that they might meet the conditions which we are certain to face in international trade in the postwar period.

FOUR REASONS RESULTING FROM THE WAR WHY RECIPROCAL TRADE AGREEMENTS ACT SHOULD BE EXTENDED

There are at least four good specific reasons resulting from the war why we should extend the authority to the President to negotiate reciprocal trade agreements:

First. Because it will be necessary in many cases to act quickly to protect the interests of American exporters in foreign markets to offset or prevent other countries who may discriminate against American export products by changes in their tariffs by Executive decree. The greater the bargaining authority our Executive is given, the stronger his bargaining position will be.

Second. Because American exporters, due to war conditions, have not been able to fully supply their foreign markets, manufacturers abroad in those countries where our prewar products were marketed have built factories to supply their domestic markets. Strong reciprocal trade bargain power is required by the President to prevent further tariff protection for those foreign war industries rising against export of American goods.

Third. Great Britain will, after this war, need to export tremendous quantities of goods in order to finance her requirements of enormous imports. She is likely to do everything in her power therefore to further extend her preference agreements for markets for British goods in other countries, enlarging the so-called sterling area at the expense of American exporting manufacturers. The President needs strong bargaining power to prevent Great Britain and the countries of the sterling bloc from discriminating against American exports to those countries.

Fourth. Many German industrialists have begun operating outside Germany, notably in Spain. It seems certain that many others will be driven from Germany and will start enterprises in other markets. After the war they undoubtedly will demand tariff protection from the United States products exported in competition. This reciprocal trade bargaining power should be granted in order that the President might be in a strong position to prevent such increased protection of foreign countries and such foreign tariff barriers being erected against United States exports.

The PRESIDING OFFICER. The Senator's time has expired. The remainder of his address will be incorporated in the RECORD, as requested.

The remainder of the address of Mr. THOMAS of Utah is as follows:

RECIPROCAL TRADE AGREEMENTS AID PEACE

Much has been said lately about the reciprocal trade agreements in respect to the peace after the war and in regard to their effect upon the making and control of that peace. I do not entertain an exaggerated notion about the importance of reciprocal trade agreements in the making of peace. I do not think such agreements are of paramount importance. I think there are other factors greater and very much more important. However, I wish to point out the fact that in international relations when there comes an era of depreciated currencies, chaos in international affairs, subsidies, dumping, and all the other elements that follow in the wake of controlled currency and totalitarian economics—the bartering system, all the types of national competition which we shall have to meet, but which we shall not be in a position to combat if the world organizes against us, except by using the same techniques as used by others, which we will not use and cannot use because we cannot stoop to that level of international trade—I say when we know from the experience after the last war what we shall have to face because of the resurgence again of peaceful trade and ambition and competition, with dis-

order in practically all countries as the aftermath of a war and the aftermath of a great defeat, we shall find that the greatest thing the United States can do for the world and for itself will be to put forth a restraining hand, for that which makes for stability in the world will in very fact contribute to a better and a lasting peace.

Mr. President, in regard to postwar planning and what we are doing in relation to it, I can only repeat what I have said before on the floor of the Senate, that the time to settle differences between allies is while we are at war and while we are interested in one another, and that every difference we settle between ourselves while we are in the war makes the peace that much easier. We should never get into our minds the thought that in a state of war we have one world and that the next day, when the peace comes, we have another world. It is the same world. Of course, it is true, and everyone who has read the old Greek classics knows it to be true, and it has become proverbial as a part of the literature of mankind, that men unite for war and destruction, but divide for peace and construction. That was wailed back in the days of Greek drama, and it has proved to be true.

When we note those things, Mr. President, it seems to me we should take every opportunity we can to make sure that when there is one element of stability it should be developed, not only for our own sake but for the sake of the world, and it should not be destroyed.

Mr. President, much has been said and will be said to the effect that by this trade-agreements program we are giving the executive department of our Government too much authority and that the President has too much power already and is gaining more additional power all the time.

Mr. President, Congress has not given up its power in regard to reciprocal trade agreements. Congress can repeal the original act. Congress never legislated for all time. The present Congress cannot bind the next Congress. No type of amendment will in any way make it more difficult or less certain that if Congress makes up its mind, and if the people make up their minds, to bring this tariff technique to an end, they can bring it to an end. If we are frightened of our President, we should look back at history. We should remember that the reciprocal trade agreements have not frightened the people of the United States to the extent that one single case has gone to the Supreme Court. Yet, the flexible tariff arrangement and the need for a Tariff Commission came in the evolution and growth of the tariff problem, and caused no misgivings on the part of the American people.

For 11 years we have had this act before us. Three times before it has been reviewed, in addition to the original action by the Congress of the United States. The American people have had an opportunity to judge of that which has been done. They have judged of it, and they have called it good. Since they have called it good, the technique should be continued.

Mr. President, as to the concept of recognizing tariff control—for that is what a tariff act is; it is a control of foreign commerce—throughout the history of the United States the fact of the control of commerce has been predominant in the reasoning of the cases about the tariff which have gone to the Supreme Court. Tariff for revenue only has never been anything but a slogan, which sometimes has been effective, but in practice and in the making of law in actuality never was effective. The tariff has its origin and its end in the control of foreign commerce, and that is the only way in which it should be interpreted. Since it is interpreted in that way and since it is a control of trade, to what fairer, better, or more desirable way can we turn than the way of negotiation and the building up of agreements with foreign nations in such a way that the agreements can be mutually helpful to the countries which enter into them, and can be controlled in such a way that neither country will be hurt by them? Incidentally, under the reciprocal trade agreements the whole world received benefits by the liberal or the unconditional use of the most-favored-nation clause technique.

If after 11 years, when we have had changing conditions, it develops that we have proved a technique which is advantageous to ourselves and which has brought about good feeling on the part of other nations toward us, it seems to me that it is something to which we ought to say "Amen" and ought to continue.

THE RECIPROCAL TRADE AGREEMENTS ARE CONSTITUTIONAL AGREEMENTS AND NOT TREATIES

As I have said before, in 1930 and 1943, these reciprocal trade agreements are not treaties, and their negotiation without Senate approval of each specific agreement is constitutional and according to well-established precedent and procedure. On a previous occasion I said:

There is another point which arises constantly, and that is the viewpoint which considers the international trade agreements as treaties. Mr. President, I do not consider such agreements as treaties. I do not think they are treaties. Furthermore, I do not want them to be considered as treaties. I should not like to see the time in the United States when an agreement between the United States and Cuba, for example, in regard to control of trade, would become the supreme law of the land. I think we must not lose sight of the fact that while there is a provision in our Constitution in regard to the ratification of treaties, we have not insisted upon using that provision. We have not decided that that is the only way by which we can bring about the equivalent of treaty understanding with nations. We have used other techniques. For us to turn our backs upon them means that we turn our backs upon history.

It will be remembered that back in Polk's time three great international questions faced the Nation—the Oregon question, the Texas question, and the ambition or desire to annex California. President Polk used the technique of coming to the Senate and asking what Washington asked, which should be asked occasionally. He did not come to the Senate for advice and consent in the negotiation of an arrangement with Great Britain in regard to the Oregon Territory. He came to the Senate and asked for advice,

and the question of the continuation of negotiations was discussed on the floor of the Senate; and a proper technique, out of the ordinary technique of our constitutional arrangement, was used, to the tremendous advantage of our country.

Mr. President, I do not like to see our Constitution bound in its possibilities. We would never have had peace with Germany after the last war if we had had to go through the ratification of the treaty. The Senate refused to ratify the treaty and peace came by joint resolution. If I remember correctly, the annexation of Texas came not by treaty arrangement but by joint resolution.

For more than 100 years the Supreme Court of the United States has recognized the fact that agreements, treaties, and conventions are different things. From the inception of our present constitutional government the Congress, the courts, and the Executive have recognized that there are several types of international agreements which are not treaties in the constitutional sense. This, of course, is understood by all Senators. I do not wish to enter into an argument about it, because it would be like arguing a case in court, where neither attorney ever convinces the other, and the decision is left to a third party. These distinctions were well pointed out by Chief Justice Taney in *Holmes v. Jennison* (1840) (14 Pet. 540, 571):

"The words 'agreement' and 'compact' cannot be * * * held to mean the same thing as the word 'treaty.'"

A treaty was defined as—

"A compact made with a view to the public welfare by the superior power, either for perpetuity or for a considerable time."

The Court further said that—

"The compacts which have temporary matters for their object are called agreements, conventions, and pactions."

Everyone knows that there is a 3-year limit upon the trade treaties, and that they are considered as agreements. The technique which we have allowed to develop follows that line.

It seems almost sure that the writers of the act of 1934 actually had before them this decision, because they put in the time limitation to meet the opinion of a great Supreme Court Justice. This decision may aptly be applied to the Trade Agreements Act, which has been enacted as an emergency measure and which requires that agreements be subject to termination not more than 3 years after they take effect.

That there are compacts not possessing the dignity of a treaty in the constitutional sense which may be authorized by Congress and negotiated and proclaimed by the President was recognized by the Supreme Court in the case of *B. Altman & Co. v. United States* (224 U. S. 583, 601), involving an agreement made under the authority of section 3 of the Tariff Act of 1897. And in the case of *United States v. Curtiss-Wright* ((1936) 299 U. S. 304), which was cited by the Senator from Georgia [Mr. GEORGE], the Supreme Court made it clear that the Federal Government has as an essential part of its sovereignty "the power to make such international agreements as to not constitute treaties in the constitutional sense."

In *Field v. Clark* ((1892) 143 U. S. 649, 694), the contention was made that section 3 of the Tariff Act of 1890 delegated to the President treaty-making power. The Court disposed of this point by holding that the trade agreements authorized by the act were not treaties requiring ratifications.

In that act we have the background for our reciprocal trade technique of today. It was objected to on the ground that the President was given too much power, but the Supreme Court said "No."

The contention of alleged delegation of legislative authority, which has been mentioned several times, may be summed up by citing legal authority.

It has been charged that prior to the enactment of the Trade Agreements Act there were no precedents for changing import duties by Executive action pursuant to international agreement. This position is predicted upon confusion of differences in detail with differences in principle.

The Dingley Tariff Act of 1897, section 3, recognized the appropriateness of changing tariff duties by Executive proclamation pursuant to international agreement entered into under congressional authority. The fact that this law was limited to specified articles, whereas the Trade Agreements Act is not so limited, is a matter of detail rather than of principle. Section 315 of the Tariff Act of 1922 authorized the President to select the articles upon which duties were to be changed. The fact that the initial proceedings under the flexible tariff concerned a cost investigation rather than a trade-agreement negotiation is likewise a difference only in detail and not in principle. Combining the two laws, section 3 of the Dingley Act and the flexible tariff provision, we clearly have precedents for changing duties by Executive agreement and selecting the articles upon which changes are to be made.

The contention has been presented that the case of Field against Clark is no precedent for the Trade Agreements Act. It must be remembered, however, that under the act of 1890 the President did have discretion to find that duties were imposed by foreign countries which were reciprocally unequal and unreasonable, and under the Trade Agreements Act the President is authorized to find that the duties of the United States and of foreign countries are unduly burdening the foreign trade of the United States. Here, again, the difference is one of detail and not of principle.

The fact that during the past 11 years the Court has not been asked to pass upon this question, the fact that treaties or agreements have been negotiated, entered into, and have become a part of our custom, and the fact that in the great general evolution of this idea we have not turned our backs upon it, all seem to me to be an argument—in spite of the argument to the contrary—which can be made in favor of the technique as we have followed it through.

The ruling of the Supreme Court in *Panama Refining Co. v. Ryan* (293 U. S. 388) has been presented as authority for requiring a definite standard to be followed by the Executive in carrying out the legislative will. In the *Curtiss-Wright case* (299 U. S. 304), the Panama Refining Co. case was relied on as support for the contention that the arms-embargo law was invalid as a delegation of legislative power; but the Supreme Court rejected the contention, holding that in delegating power to control foreign affairs Congress was not limited to the same degree of exactness as in domestic affairs. On page 320 the following language appears:

"It is quite apparent that if, in the maintenance of our international relations, embarrassment—perhaps serious embarrassment—is to be avoided and success for our aims achieved, congressional legislation which is to be made effective through negotiation and inquiry within the international field must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved."

That the tariff act is primarily a regulation of foreign commerce and only, incidentally, a revenue measure, is a point which I have already made, and a point which I think we should keep constantly in mind. It seems to me we should never forget, Mr. President, that the United States customs tariff has been historically a means of commercial trade rather than primarily a source of revenue. That is the first point I have sought to make so far; and that it has been necessary in its historical development to

place in the Executive increased Executive control of the tariff.

These are the practical aspects of the situation, Mr. President, and I have given the reasons why we have advanced in our tariff history to the place where we find ourselves today.

Mr. President, the Reciprocal Trade Agreements Act should be extended. The Congress and the President have already approved the act four times, in the original act of 1934, and the two 3-year extensions, in 1937 and 1940, and the 2-year extension in 1943. In my opinion—and it is only my opinion—the Congress should now make this legislation permanent. Of course, that is not what the pending joint resolution provides for, so I am going outside of the sphere of the resolution in saying that, in the history of the evolution of the tariff, we have arrived at the place where we ought to make the legislation permanent.

Mr. President, the record made by the administration during the past 11 years in negotiating reciprocal agreements has proved this method of dealing with the tariff and international trade problems to be fair and practical. It is also, even during the war, a workable method of handling some current foreign-trade problems and will be needed to solve the new and complex conditions of industries and international trade that will certainly exist at the end of the war.

This method should in time, and the sooner the better, become a permanent part of United States foreign-trade policy. It ought not to be a political question any longer. This way of handling some of our foreign-trade problems has come to stay because it is worth keeping.

The reciprocal-trade agreement is a good instrument, and should not be discarded merely because some of us may not agree with every act of the administration under the law. We do not discard hoes for weeding gardens merely because we occasionally hit a tomato or beet plant when we aim at a weed. What we do instead is to be more careful with the hoe—develop more skill in its use as we gain experience. That is what we ought to do with the Trade Agreements Act. We ought to perfect our use of it to the end that it will more effectively promote the general welfare and prosperity, not only of our country but of the world.

EXTENSION OF CONCESSIONS TO ALL NATIONS DOES NOT DESTROY UNITED STATES BARGAINING POWER

Generalizing concessions under most-favored-nation clause does destroy some United States bargaining power but only to a limited extent. This is shown by a report by the United States Tariff Commission dated April 1943 entitled "Analysis of Trade Agreement Concessions."

This report shows that imports into the United States from the particular country or countries to which the concessions were granted amounted to 73.1 percent of the total imports from all countries of those particular items on which the concessions were granted. Furthermore, only 10.9 percent of the imports into the United States of products on which concessions were granted by this country came from other countries with which the United States had negotiated reciprocal trade agreements; and only 16 percent of the imports on which concessions had been granted in any and all of the trade agreements in effect up to that time came from countries with which the United States had not yet at that time negotiated a reciprocal trade agreement; 1.8 percent of this 16 percent came from Germany and 14.2 percent came from other nonagreement coun-

tries. In other words, 16 percent of the imports in 1939 of articles on which the United States had granted concessions in trade agreements got the benefit of the concessions granted without giving any quid pro quo concessions whatsoever; but 84 percent of the imports came from countries with which we had reciprocal trade agreements. It is incorrect, therefore, to say that this country does not give away gratis some of its bargaining power by extending to all countries most-favored-nation treatment by generalizing the concession rates to all countries; on the other hand, such claims as have been made of the destruction of the bargaining power of the United States by such generalization of concession rates has been greatly exaggerated.

Without debating the issue or attempting to argue about the fine points to be nicely drawn from arguments pro and con, it is apparent to an ordinary person that the present method of negotiating these trade agreements and generalizing the rates under the most-favored-nation principle—as used by the administration—has proved to be a very practical and sensible method of adjusting tariff rates to meet world situations and that the conservative way in which the concessions have been granted in these negotiations, reserving, as they have, 84 percent of the trade in concession items to trade-agreement countries, has conserved the bargaining power of the United States for the purpose of making good "Yankee trades" in the best interpretation of that phrase.

The administration has not attempted to squeeze the last penny out of these trade agreements. They have attempted to promote good will and cooperation among the nations of the world in foreign trade and economic relations. The evidence indicates that they have been successful in accomplishing this desirable objective.

One other observation in this connection seems pertinent. Of the total United States imports in 1939 on which concessions had been granted in agreements up to and in effect in April 1943, except those from Cuba, 91.1 percent of the imports on the free list that were bound free of duty came from countries with which we had reciprocal trade agreements, 74.2 percent of those imports came from the specified country in the agreement with which the concession was made and 16.9 percent came from countries other than that in the agreement with which the concession was granted. This shows that the binding of imports on the free list lost less bargaining power than did the treatment of items on the dutiable list, as might be reasonably expected.

OTHER COMMON-SENSE HISTORICAL REASONS FOR THE TRADE AGREEMENTS PROGRAM

During this debate you have heard many excellent reasons for the extension of the trade agreements. At the present time I desire to add to this strong body of affirmative arguments certain considerations which are not frequently emphasized but which I regard as of the utmost importance. These considerations relate to the organization of our foreign trade on a rational and common-sense basis. True it is that we de-

sire a strong current of foreign trade. We recognize that the level of foreign trade is one of the indexes of prosperity. But we do not propose to achieve a high level of foreign trade at any cost. We do not wish to repeat the program of the 1920's when heavy exports were attained by upsetting the world's financial equilibrium. No! We want our foreign trade active and expanding, it is true, but, above all, we want it to rest upon secure foundations.

It is our contention that the reciprocal trade agreements make it possible for our foreign trade to be built upon a basis of constructive intelligence. Now, let me hasten to add, I do not have in mind a planned economy here. I think the American people are opposed to such a system. But the success of our arms in Europe has shown us the advantage of a carefully thought out attack on these problems. Our military victory has demonstrated to us that the way of success is a thorough study of our problems by the best ability available and the application to these problems of rational principles and organization. The trade agreements, we assert, permit us to apply to the problem of our foreign trade the same methods that have proved successful in our supreme military victories.

This comparison may sound fanciful to some, but if you will bear with me for a brief period, I believe I can offer convincing proof of the assertion.

Let us for a few moments cast aside our prejudices, whatever they may be, and examine this question of our foreign trade in a dispassionate mood. This we can best do by casting our eyes over a period of time, say, from the First World War. Let us dispassionately examine the course of international trade during the interwar period, that time when were sown the seeds of so many fateful movements for the human race. A study of the trends in that period should show us some of the great difficulties met, and, we believe, will serve to show how the methods of the trade program were the most rational way to meet these difficulties.

Looking, then, at the interwar period, the first striking fact that engages the attention of the investigator is the relative decline of Europe in the world's economy and the rise of the so-called backward countries. The old Victorian era that seemed to rest so nicely upon the so-called economic laws had passed and a new era had dawned, full of dynamic conflicts that failed to settle themselves if only let alone.

According to the League of Nations' world economic survey of 1932, between 1913 and 1925 the industrial production of Europe rose only 2 percent, while the production of the rest of the world rose 25 percent. What did this mean? It meant that during the war Canada, Latin America, South Africa, Oceania, and Asia, long raw-material suppliers of Europe, had made a strong start in the development of their own industries. This, as we shall see later, was only the start of a trend away from the old order. The development of these new industries in outlying countries called for protective tariffs in many cases.

Meanwhile, the peace settlements in Europe could hardly have been better calculated to break up the old economy. Formerly much of the raw material and agricultural products of the world had been absorbed by central Europe, but the war reparations imposed upon these countries destroyed the foreign purchasing power of their currencies, and, after a few years of emergency imports, they were compelled drastically to limit their imports.

Thus, on the one hand we find the outlying countries raising their tariffs against European manufactures, and on the other hand, European countries were raising their tariffs against agricultural products in order to protect their exchange.

What was the result of this mutual tendency? Well, one of the results is shown in a study by the League of Nations published in 1941 and entitled "Europe's Trade." This study shows that between 1925 and 1938, the imports of Continental Europe—excluding Russia—from the outside world shrank from \$11,000,000,000 to \$4,500,000,000 and the corresponding exports shrank from \$7,500,000,000 to \$3,500,000,000.

A highly authoritative Italian economist—Mortara Georgeo, *Prospettive Economiche*, Milano, 1937, page 197—has calculated that between 1913 and 1936, on a constant-price basis, the exports of Germany fell from \$4,000,000,000 to \$3,000,000,000, those of France from \$2,200,000,000 to \$1,400,000,000, and those of Italy from \$970,000,000 to \$628,000,000—with increasing populations, a tremendous fall of trade. Revolutions were being born here.

Now we come to a historic lesson that was given our own country—but not a free lesson by any means. In the twenties we were oblivious of these terrific trends, this revolution of the world's economy. We had our old traditions—Republican traditions, Democratic traditions, instinctive ways of reacting. They were good enough for our fathers. They were good enough for us.

After the German and Austrian and in part French and Italian economies were liquidated in the early twenties by inflation, everything seemed clear. They looked like fine risks for our loans. In the few years prior to 1930, the United States put about \$6,000,000,000 into Europe, lending Germany alone about \$2,500,000,000. With part of these loans Germany rationalized her manufacturing plants looking to greatly expanded markets.

Meanwhile, world agricultural production had greatly increased, but the principal markets in Europe had been largely cut off. The Europeans had to conserve their foreign exchange and so stimulated their own agricultural production. Agricultural prices slumped, we began to realize that Central Europe's short run of moderate prosperity was purely artificial, kept alive only by the oxygen pump of our loans. To save ourselves we began to call in our European lendings and the world depression was precipitated.

What happened then? Well, nations are a good deal like turtles or porcupines.

When danger is near they just withdraw into their shell or roll up into a ball and play dead. That is just what many of the nations of the world did when the crisis struck in 1929. They just drew themselves into a shell of restraints against foreign imports and they not only played dead, but some of them did almost expire in fact so far as economic activity was concerned.

The lesson of all this is that we should endeavor to rise above these instinctive reactions.

We should learn to look upon these problems with a rational mind. How can we attempt to run our own affairs, to say nothing of the business of the world, on old slogans whether they be Democratic or Republican? When Government interest in business was only incidental, when it made little difference what the Government did, it was, indeed, a heart-warming experience, to hear the orators on either side exalt their own traditions and call upon high heaven to witness the iniquities of their opponents. There were no hard feelings. It was all a game.

But now it is different. The welfare of continents hangs upon our decision. Are we not therefore duty bound to use our utmost cool intelligence? To avail ourselves to the utmost of investigation and judgment? To this question I think we will all answer in the affirmative.

Now, what I hereby assert is that the reciprocal trade agreements have offered us and continue to offer us a rational approach to the problems of international trade. In elaborating this point it will again be well to look into recent history.

In 1932 when we were at the bottom of the depression, and millions were without employment, we enjoyed one compensation for our misery. A great many people had time to think. One result of this thinking was the idea that possibly a new approach to the subject of the tariff would be advisable. In the past some folks had thought that the removal of tariffs was the proper panacea, and others had thought that a multiplication of tariffs was the solution. For several years, however, the thought had been growing that weighing of the rates and of their effects was in order. For this kind of study the Tariff Commission had been constituted in 1916 and by 1932 had accumulated a great amount of information. At the direction of Congress the Commission had endeavored to apply a formula of cost equalization, but this formula had not proved very successful.

Giving careful thought to the tariff question, some of the economists of the Commission concluded that, whereas many of the tariff duties were indispensable for the maintenance of American industry, other rates for one reason or another had no bearing upon any domestic industry, were purely nominal, or were much higher than necessary to furnish adequate protection. The thought emerged that a like situation might prevail in foreign tariffs and a mutual reduction or removal of such barriers that had no bearing upon the industry of the country, but only impeded

trade, would be mutually advisable. It was implicit in this view, that industrialization of former backward countries had proceeded far, that a return to the Victorian system of raw-material-country versus industrial-country trade was impossible. But even with a wide extent of industrialization it seemed possible to carry on a tremendous trade in articles whose production was specially favored in particular countries. It cannot be said that this idea was fully worked out in 1932 but it had been growing.

In accordance with a Senate resolution in 1933 introduced by Senator Costigan, the Tariff Commission made an exhaustive analysis of the foreign trade of the United States in relation to the tariff. The investigation showed in the first place a large number of highly dutiable articles that either were not produced in the United States or of which important classes or grades were not produced in this country. It appeared that the duties could certainly be reduced on these without harm to any domestic industry. The study also showed various heavy or bulky materials that could be economically imported to coastal and border points without substantial effect upon domestic producers located inland.

The study also disclosed many dutiable items which were produced with great efficiency in the United States and exported to various parts of the world. A high duty upon these was manifestly unnecessary.

Some dutiable articles were controlled by monopolies in this country and it seemed highly desirable to lower such duties.

Of course, a good number of commodities were found that suffered natural disadvantages in the United States and the production of which was maintained by the tariff only at considerable cost to the consumer. Some raw materials, especially, fell in this category.

While the several classes just mentioned included a fairly wide range of articles, the largest proportion consisted of items wherein it was felt that the foreign producer could share in the domestic market without adversely affecting domestic production. It was believed that the foreign purchasing power for our exports obtained by thus sharing the domestic market would more than counterbalance any losses in the domestic market experienced by domestic producers.

On the basis of the above findings the administration inaugurated the trade-agreements program. We believe it has achieved a considerable rationalization and liberation of United States foreign trade. Moreover, the concessions accorded us by foreign countries, and usually generalized under most-favored-nation treatment, have helped to stem the trend toward trade restriction and have demonstrated to these countries how their foreign trade may be stimulated without impairment of their infant industries.

Those who understand the trade agreements program do not claim miracles for it. Such claims are a disservice to the movement. Furthermore, the unsettled state of the world since

1934 renders very difficult and subject to dispute a statistical appraisal of the trade agreements. Nevertheless, it is plain that they have been moving in the right direction.

In our own tariff many duties have been reduced on articles not produced in this country to any extent and having very little competitive impact upon domestic products. Examples are vanilla beans, coca leaves, natural perfumes, cobalt oxide, bubble glass, phlogopite mica, manganese, many specialty machines and apparatus, various winter vegetables, oriental rugs, hand-made laces, fine linens, linen table damask. The list can be multiplied indefinitely, especially if we include special grades and classes of goods. Because the production of the United States is of such a universal nature the list of commodities not competitive with our products is not nearly as long as for most other countries. But if we include various raw materials such as jute and antimony ore now free, the list is extensive. And foreign countries are usually willing to grant us considerable concessions for a binding on the free list.

The mutual reduction of duties by countries on noncompetitive articles is an important way of opening up foreign trade. As an illustration of this, a 1940 publication of the United States Chamber of Commerce—Foreign Trade Trends in Items Affected by Trade Agreements, Washington, 1940—shows dozens of important duty concessions by foreign governments on articles they have never tried to produce. They were not protective tariffs. They were just barriers to trade and they were removed by the trade agreement negotiations. For example, various Central American countries imposed substantial duties on United States bacon, lard, condensed milk, butter, canned salmon, wheat, apples, pears, prunes. These countries did not produce these articles. Their tariff on them did the exchequer little good. It was the dictate of reason that they should be removed as far as possible. This was accomplished through the trade agreement. To cite another example among the hundreds that might be chosen, various Latin-American countries, having no basic iron or steel industry of their own, imposed duties upon United States exports of steel plates, structural shapes, tubes, storage batteries, electric motors, radios, cash registers, typewriters, and similar manufactures. Under the trade agreements such duties were reduced or removed. Of course, some of the above duties were for revenue. But the trade agreements gave opportunity for the reexamination of many tariff laws to see if they could not be improved in view of the general economic picture.

The above examples show a tremendous field for the rationalization of world trade whereby the economic position of all countries can be bettered while at the same time promoting a general and economic industrialization of backward countries. The trade agreements are an effective instrument.

We have mentioned a type of uneconomic duty such as that on cement,

whose transportation cost is high and which can be supplied in points like Florida more economically from abroad than from central domestic plants. At the same time there is no possibility of the commodity penetrating far inland because of the transportation cost. Examples of duty reductions of articles in this category have been those on brick, lime, low-priced steel, paper clay.

Of course, duties on raw materials are almost universally considered questionable unless necessary for purposes of defense. This is, of course, a consideration of absolute importance under the trade agreements. Duties have been lowered on glass sand, fluor spar, mica, feldspar, zinc, lead, flax, and hemp, to cite a few examples.

One of the ways in which reductions of duties may help the United States economy is by allowing a freer importation into this country of articles subject to monopoly. There has been constant cooperation between the agencies administering this program and the Anti-trust Division of the Department of Justice.

Many of the duty reductions in our tariff have involved articles produced by mass production methods in this country so efficiently that they dominated world trade. Examples of such articles are various types of machinery, refrigerators, washing machines, ranges, vacuum cleaners, felt-base floor covering. At first sight it seems that reductions on such articles have little significance for increased trade. If our superiority in production dominates the world market, how can a reduction in duties have any effect upon imports? In spite of this seeming inconsistency, such duty reductions are of considerable value in promoting trade. In any fairly large class of goods covered by a tariff paragraph there are always various specialties which perhaps we do not make at all but which are covered by the blanket duty. A reduction in the blanket paragraph may, it is true, be of no significance to the bulk of items in that paragraph, but it may give our manufacturers freer access to various machines or goods which we require but do not produce ourselves, and very likely have no desire to produce. Of course, some of these reductions, though not of any extraordinary benefit to our own producers, may be regarded of great importance by foreign countries, for which they are willing to grant considerable concessions.

A very large class of duty reductions includes articles for which the foreign country desires a somewhat greater share of the domestic market, because its present share is extremely small. In many of these cases an investigation of the situation has convinced the negotiators that the increased share of the domestic market may be granted without in any way affecting the domestic output or price level.

In summary, we have endeavored to show that the problems of international trade are now very different from what they were in the Victorian era, when world trade was so much an exchange of raw materials produced by backward countries for manufactures produced by

industrial countries. Then the principle of free trade, with exceptions, seemed to work fairly well. In recent years many former raw material countries have been industrializing and have imposed protective tariffs to stimulate their infant industries. We cannot stop this movement.

The experience of the reciprocal trade agreements has shown, however, that a rational industrialization of many countries is compatible with a high degree of foreign trade. Even with a general progress of industrialization, countries can devote their energies to producing goods for which they are adapted. The trade-agreement program inaugurated by the United States is a method by which a rational development of world-wide industry can be achieved without blocking a normal exchange of goods and services.

Too much should not be expected from this program. It cannot carry the whole burden of world recovery. But it is one of the practical instruments whereby the international economy can be directed toward a fruitful advance.

The trade-agreement program has shown us that we must approach these problems with a comprehensive view; we must weigh the facts dispassionately and work out together with our neighbors the basic elements of a policy that will be good for all.

Mr. O'MAHONEY. Mr. President, I delayed in responding to the glance of the Chair because I thought possibly some other Senator might be moved to address this thronged Chamber on this most important subject. Surely those sitting in the galleries are not oblivious to the fact that at no time during the past half hour, while the distinguished Senator from Utah was addressing the Senate, have there been more than nine Members of the Senate in the Chamber. The Senator from Utah cannot be charged with emptying the Chamber, because the Chamber was empty when he rose, just as it is empty when I rise.

Mr. President, the fact that Democratic and Republican Senators alike have gone about other business while the important subject of reciprocal trade agreements is being discussed is in itself the most emphatic kind of evidence of the terrible pass to which the legislative process has come in this country. We have delegated away our power. We have sacrificed the executive responsibilities which are ours under the Constitution. Therefore, Mr. President, when a Senator rises to speak, there are none to listen.

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

Mr. O'MAHONEY. I yield to the distinguished Senator from California.

Mr. DOWNEY. Does the Senator desire to attempt to remedy the present unhappy situation by yielding to me for the purpose of suggesting the absence of a quorum?

Mr. O'MAHONEY. I am very happy to yield for that purpose.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	O'Mahoney
Austin	Gurney	Overton
Ball	Hatch	Pepper
Barkley	Hawkes	Radcliffe
Bilbo	Hayden	Reed
Brewster	Hoey	Revercomb
Bridges	Johnson, Calif.	Robertson
Briggs	Johnson, Colo.	Saitonstall
Brooks	Johnston, S. C.	Shipstead
Buck	Kilgore	Smith
Burton	La Follette	Stewart
Bushfield	Langer	Taft
Butler	Lucas	Taylor
Byrd	McCarran	Thomas, Okla.
Capehart	McClellan	Thomas, Utah
Capper	McFarland	Tobey
Chandler	McKellar	Tunnell
Chavez	McMahon	Tydings
Donnell	Mead	Wagner
Downey	Millikin	Walsh
Eastland	Mitchell	Wherry
Ellender	Moore	White
Ferguson	Morse	Wiley
Fulbright	Murdoch	Wilson
George	Murray	Young
Gerry	Myers	
Green	O'Daniel	

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

The Senator from Wyoming [Mr. O'MAHONEY] has the floor.

PERSONAL STATEMENT—DREW PEARSON ARTICLE

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

Mr. O'MAHONEY. Mr. President, I understand that the Senator from Maryland has asked to speak on a question of a personal privilege. That being the case, I shall be very glad to yield to him, provided the time he consumes will not be counted as a part of my time.

The PRESIDENT pro tempore. Will the Senator from Wyoming yield the floor? If so, the Chair will recognize him when the Senator from Maryland has concluded his remarks.

Mr. O'MAHONEY. Very well.

Mr. TYDINGS. Mr. President, the Washington Post, which is published in this city, is one of the great newspapers of our country. As a reader of its news and editorial columns, I have found it to be enlightened and fair in this world of hurried events and difficult facts. However, it has, as one of its more or less daily columns, I believe, a column called Washington Merry-Go-Round, which is written by an individual who names himself Drew Pearson, but most persons who are familiar with his utterances on a variety of subjects generally call him "Pew Smearson." The column which appeared in the Washington Post of Sunday, June 17, is entitled "Philippines No Place for Visiting." In it I learned for the first time more about the mission which I made to the Philippines than I had known in any other way, and all of which was most inaccurately presented. The article reads:

Returned members of the Tydings Philippines mission are keeping their mouths tightly shut about the reason for their hurried exit from Manila. They just don't like to talk about it.

When the Maryland Senator arrived in the Philippines he stated publicly that he expected to remain about a month. He planned to make a thorough survey of the entire Philippine economic and political picture for the purpose of making an important report

to Congress. The Senators even indicated that it might take 5 weeks instead of 4 to do the job.

The word "Senator" there is spelled in the plural form.

But after TYDINGS conferred with MacArthur, he suddenly told his commission that they would not need to remain more than a few days. Before a week was up, they departed.

While TYDINGS kept mum as to what MacArthur told him which caused such an abrupt reversal of plans, he did tell some of his advisers about MacArthur's remarks regarding another senatorial mission. TYDINGS had informed MacArthur that another group of Senators, chiefly members of his Insular Affairs Committee, were coming to the Philippines later in the summer—BREWSTER, of Maine; ELLENDER, of Louisiana; CHAVEZ, of New Mexico; BUTLER, of Nebraska; and HART, of Connecticut.

MacArthur looked sour when TYDINGS broke this news, and remarked: "Well, if they want to come, I suppose I can't stop them."

However, MacArthur has not hesitated to stop several high-ranking United States generals from even setting foot on Luzon, including Gen. Norman Kirk, Surgeon General of the Army, who wanted to inspect hospitals and study tropical diseases; and, also, Lt. Gen. Edmund B. Gregory, the Quartermaster General. Both were in nearby Leyte, but MacArthur flatly refused to let them set foot on Luzon.

The article continues with further references to General MacArthur, but with no further reference to my trip to the Philippines.

Normally, I would pay no attention to such garbage, but because it affects a very gallant American, General Douglas MacArthur, one of our really great generals, a man who has distinguished himself in an unbelievable manner in connection with two great wars, I am unwilling by silence to see this deliberate lie passed on to the American people without in a humble way attempting to tell the truth about the whole matter.

First of all, there were no Senators on the mission. There was a Senator, only one. The statement that there were Senators on the mission is the first inaccuracy in the article.

The second inaccuracy is that we did not say at any time that we were going to remain 4 or 5 weeks in Manila, or in any other place. All that we said was that we would remain for such time as we felt it was necessary in order to assemble the facts before we departed.

Now, as to General MacArthur. No man could have been more courteous, or could have gone out of his way on more occasions, or could have been more willing than was General MacArthur to throw open to the mission every facility at his command. I had three visits with him. In each case when I called him on the telephone he asked me if I could come instantly. But the first time I went I remained for more than an hour and then left only because I felt I was imposing upon his time, although he told me that he would give me all the time necessary in order to discuss the matter. Other members of the mission had similar experiences. At no time in the Philippine Islands, by any word, act, innuendo, or circumstance, did General MacArthur convey the slightest impression

that either our mission or any other mission would be unwelcome.

What actually happened in regard to the coming senatorial visit of members of the Territories and Insular Affairs Committee, should they desire to go, is this:

I told General MacArthur that I thought it would be a very fine thing if more Members of Congress could see the conditions which existed in the Philippines. He told me that he also thought so. I told him that a small group of Senators from the Committee on Territories and Insular Affairs was planning to visit the islands. He said, "Fine; let them come"—to use his exact words. "However," he said—I have not been at liberty to state this up until the present time—"I hope they will not come while I am away. On the 3d of June I shall go to Borneo to open up the Borneo campaign with the Australians, and I shall be gone for such and such a time. If they were to come while I was away, I would not be able to meet them and to help them in any way. So, therefore, I hope that when they do come I shall be here."

That is the only thing that General MacArthur had to say about any visit by anyone.

No man could have been more hospitable than was General MacArthur. Without any invitation at all, he came to see us several times and to help us. He asked if he could do anything for us. He is a gallant soldier. He has faced the hazards of the battlefield in two great wars, and has performed one of the greatest military exploits in all history, namely, that of leaping from island to island from Australia all the way to the Philippines on his road to the destruction of the Japanese Army. When this man Drew Pearson casts aspersions on such a gallant figure I fail to find within the limits of parliamentary language words to describe this worm masquerading in the physique and the clothing of a supposed man.

In the last war this scoundrel, although away above the minimum draft age, found asylum in an S. A. T. C., and the only powder he ever smelled was in the presence of ladies who might have adorned the windward side of the parade ground. That is the extent of his contribution in blood and sacrifice to the victories we have achieved in that war and in this one; and today, sitting in a comfortable chair, far removed from any danger, without any scintilla of fact or truth to support the statement, this supposed purveyor of information besmirches the character of one of the most gallant soldiers, one of the most brilliant soldiers, and one of the greatest military leaders who has ever walked beneath the flag of our own or any other country.

President Roosevelt referred to this particular "calumnist" as a "chronic liar;" the present occupant of the chair, the President pro tempore of the Senate, referred to him as a "revolving liar." I hope, Mr. President, I may humbly offer an amendment for the consideration of the Presiding Officer and the Senate. I would call him a perpetual, chronic, revolving liar, and a few other things that I cannot add in the presence of this dis-

tinguished and rather ethical company. This man has engaged, to my personal knowledge, in the gentle art of blackmail, without any success. He has been guilty of attempting to buy public influence. I have the affidavits and the checks in my possession to substantiate what I am saying. He has been affiliated with one of the great gambling rackets of America, according to one who worked for him and was in the know, who likewise voluntarily made a statement. He kept a safe-deposit box containing thousands of dollars of this money, and it was only after the Internal Revenue Department got on his trail that he sent his confederate to New York and told him to lie low, according to his sworn statement, until it all blew over. That is the man who is attempting to keep the American people advised of what is going on in the bathrooms of the Capital and other places.

In the face of this record, which I shall be glad to exhibit to any newspaper owner or editor in America, I do not know how such stuff can be printed to besmirch the pages of an otherwise very reputable and estimable newspaper.

As I have said, I do not need to answer so far as these lies apply to me, for they are nothing but a complete tissue of lies from beginning to end; but I do resent the aspersion of one who cannot speak for himself, who has been out there in the far Pacific carrying our flag to victory, a gallant soldier, a fine gentleman, an outstanding leader of American rights, and because I was unwilling to see this libel against his good record perpetrated and read by those who might not know the facts and might suppose the statement to be true, I have taken this brief instant in order to set the record straight.

General MacArthur, by no stretch of the imagination, ever accorded our mission anything but a hearty welcome. He did not indicate that we should leave, but let us know that we were welcome as long as we wanted to stay there. He only asked if any mission came to the Philippines from the Congress would not I, so far as I had any say about it, try to get it there when he himself would be present to meet them so he could help them in any effort they wanted to make and afford them any information he had which they desired to obtain.

I hope that this will be an end to the silly, unfounded, lying rumor that General MacArthur did anything except give us the heartiest welcome, bid us stay as long as we pleased, and afforded us every opportunity of courtesy and information that he could.

Of course, I do not look to have any correction of this, because some time ago this same columnist charged me in a public radio address with having built a public road with WPA funds on my private estate, to use his exact words. That was in the heat of a campaign, but when the campaign was over I went to the United States district attorney's office to have him indicted for criminal libel under an act of Congress. The district attorney, Mr. Curran, was glad to let me go before the grand jury, but before I could arrive, lo and behold, the Attorney General of the United States,

who now sits on the Supreme Court, Mr. Robert Jackson, wrote in effect that, notwithstanding the law, Mr. Curran was to drop the case. I appeared before this body and aired that matter fully on this floor at the time the nomination of Mr. Jackson to be Associate Justice of the Supreme Court was before the Senate for confirmation.

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

Mr. TYDINGS. Let me finish. That was Mr. Pearson's way of meeting the issue—to use political pull to call off one who was only asking for a day in court to show up his contemptible lies. I told Mr. Jackson to his face in the presence of a good many what I thought of him—words which, I assure the Senate, would not bear repetition in the CONGRESSIONAL RECORD or in this body. I shall not undertake to tell Mr. Pearson what I think of him, because if I should I should perhaps describe him as lower than the lowest form of animal life in the world.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 3240) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

Mr. O'MAHONEY. Mr. President, I rise to speak for a few moments upon the committee amendment to the reciprocal trade agreements extension bill. The Finance Committee has recommended that there be eliminated from the bill the provision contained in the measure as it came from the House which would enable the Department of State, exercising the authority that is conveyed to it, to make reductions and variations of as much as 50 percent from some tariff rates which have already been subjected to reductions.

Mr. President, I sincerely hope that the Senate of the United States will sustain the committee. I realize that in speaking in favor of the committee amendment I am arguing against an imponderable effort which has been made here to convince Members of the Senate that for the purposes of international cooperation they should convey away and into the hands of the State Department this excessive power to reduce by 50 percent tariff rates which have already in some instances been reduced 50 percent.

The argument is made in general terms that if we are to cooperate internationally we must do this; we must trust the President; we must trust the Department of State. Mr. President, I yield to no person in my willingness to trust the President of the United States. I have every confidence in his patriotism, in his ability, in his skill, but I know that there is not sufficient time in the day to enable the President of the United States to begin to exercise the powers which are conveyed away in the pending bill. I know, therefore, that if we grant this power we are granting it, not to the President, but to subordinate officials of the Department of State who will exercise it.

Mr. President, I say in the utmost solemnity, from the deepest convictions, that if we are to cooperate internation-

ally we had better support the committee amendment. If the Government and the people of the United States are to continue the cooperation which they have demonstrated during the last 4 years, as no people in history have ever demonstrated cooperation before, it will be absolutely essential that they maintain the sound financial foundation of this Nation and its people.

We have given of our substance in order to wage this war. We have contributed the manpower; I am not talking about that now. We have suffered more than a million casualties; I am not talking about that sacrifice of blood now. I am talking about the monetary sacrifice we have made.

Before I enter upon that subject, however, let me say to the Members of the Senate of the United States that the aircraft plant which was built at Willow Run by the money of the people of the United States, contributed in bonds and in taxes, is about to close, and thousands of American workmen are going to lose their jobs. The Willow Run plant, Mr. President, was managed by Mr. Ford, of the Ford Motor Co. I ask the Senate to remember that while the Ford plant at Willow Run is closing, the Ford plant in Cologne, Germany, is opening. Already the Ford plant at Cologne, which did not suffer any damage in this war, has orders to manufacture 500 trucks for the Army of the United States. It may be that German veterans of this war will be finding jobs in the Ford factory in Cologne while American veterans, who are now being discharged at the rate of 100,000 a month, may be looking for jobs in America.

What are we going to do about it? Are we going to grant to the State Department an additional power to fix tariff rates?

Mr. President, is this idle talk? I am asking the Senate of the United States to apply its common sense to this issue. Do not be misled by generalities about international cooperation. We cannot cooperate unless we maintain full employment and full production in the United States of America, and that full employment and that full production cannot possibly be maintained if we permit the limitation of little industries, little businesses, agricultural enterprises, in the United States.

I have in my hand a clipping from yesterday's New York Times, a Washington dispatch dated June 16, quoting from the report of the Secretary of Labor:

Employment down in May: Secretary of Labor Frances Perkins reported today total employment in nonagricultural establishments was 37,654,000 during May, a decline of 50,000 from April, or more than 1,000,000 from May 1944.

If we turn to the Bureau of Agricultural Economics, Mr. President, we find it reported that agricultural income is fully 4 percent below such income of last year. Agricultural income for April 1945, according to the Bureau of Agricultural Economics, was 4 percent below the agricultural income of April 1944.

I called up the Bureau of Labor Statistics to ascertain what the relationship was with respect to the income of industrial workers. The Chief of the Bureau

told me that the income of such workers is down from 5 to 6 percent from what it was a year ago.

Mr. President, we are closing up our plants, we are cutting back war orders. The Senators who have been in Germany will testify that German industry is beginning to revive. Not only is it true that the Ford plant at Cologne is now operating, the Krupp plant has already made application for permission to resume operations, and I understand that a contract has been granted to the Krupp Iron Works of Germany to furnish the materials to build or rebuild a bridge which was destroyed during the war.

International Harvester, another American corporation, with its agencies and plants abroad, is reopening in Germany, affording employment to German people. Mr. President, I do not complain about that. I do not suggest that recovery in Germany should be held back, not at all, but I say that the Senate of the United States should not undertake to reverse the action of the Finance Committee, but should say in the proposed extension of the law, "Your power to reduce tariffs shall remain where it has been, at 50 percent."

Why do I say that? Mr. President, the debt limit of the United States is \$300,000,000,000. We are almost at that limit. Will someone tell me what \$300,000,000,000 is? Will the Senators who say, "You must trust the State Department," tell me what \$300,000,000,000 is? It is beyond the imagination. Yet we are here proposing blindly to convey away our constitutional power to protect employment and production in the United States. Should we do it?

Mr. President, no one knows better than the distinguished occupant of the chair [Mr. McKellar], who is the acting chairman of the Committee on Appropriations, the terrific burden that must be carried by the people of the United States to pay off this debt. The report of the Bureau of the Budget, which lies upon the desk of every member of the Appropriations Committee, estimates that it will require \$4,500,000,000 to pay the interest on the public debt in the next fiscal year. Senators do not know what \$300,000,000,000 is. Do they know what \$4,500,000,000 is?

I will tell you, Mr. President. It is almost three times greater than the entire cost of the civil departments and agencies of Government, the Congress of the United States, the courts of the United States, and the executive offices of the President.

How are we going to raise four and one-half billion dollars to apply upon the national debt for the next fiscal year if we pursue a policy which will endanger production and employment in the United States?

Those who advocate restoration of the grant made by the House say "Why, this will create new employment." Mr. President, the testimony of the advocates of the bill proves that it will not. I listened a moment ago to the very scholarly and eloquent words of the senior Senator from Utah [Mr. Thomas]. He pointed out what is the fact, that 55 percent of all nonagricultural commodities in the United States which are subject to duty

have already experienced a cut. He went further. He pointed out that 74 percent of all agricultural commodities in the United States which are subject to duty have already experienced a cut. Why is it that the advocates of restoration of the grant ask for 50 percent more? Assistant Secretary Clayton gave us the reason. The advocates of the act give us the reason. They say our bargaining power has been exhausted. Assistant Secretary Clayton is my authority for the statement that the cuts already made constitute 90 percent of the bargaining power of the United States. And so we are asked to give away the remaining 10 percent. We are asked to say to the farmers in the various States, whether they are raising sugar beets or cotton, whether they are raising cattle or oats or tomatoes, "You have already borne the burden of the reductions during the last 10 years. Now take some more."

Mr. President, can we not think about this question intelligently?

The PRESIDENT pro tempore. The time of the Senator from Wyoming on the amendment has expired.

Mr. O'MAHONEY. I shall proceed on the bill, Mr. President.

Let us consider the case of sugar. The United States of America and the people of the country would have been much worse off with respect to sugar if it had not been for the growers of sugarcane in Florida and Louisiana, if it had not been for the growers of sugar beets in Nebraska, in Utah, in Colorado, and in Wyoming. We have called upon the farmers of the country to produce for the war. They have responded. They have given us the greatest production in all history. Are we to reward them, Mr. President, by granting to the State Department the power to cut away their support?

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

Mr. O'MAHONEY. I yield to the Senator from Arkansas, though the Senator realizes he is taking up my limited time.

Mr. FULBRIGHT. Is the Senator from Wyoming opposing the measure because he feels it is necessary to maintain production in order to prepare for the next war?

Mr. O'MAHONEY. Not at all. That is typical of the argument, the unthinking argument, I may say, that is made by the advocates of this concession. I am standing for the committee amendment because I believe that to prevent another war it is our duty to make it possible for the people of the United States to be fully employed and to produce everything that they can produce. Mr. President, I say to the Senator from Arkansas that adherence to the procedure to which he seems to be dedicated will deprive workers of employment and reduce production, and by every worker deprived of employment, by every pound of cotton, by every ton of sugar, by whatever number of watches, and of all other products production is reduced, there is correspondingly reduced the ability of the people of America to pay the taxes from which will come the four and one-half billion dollars to apply on the national debt.

I am glad the Senator asked me the question because it goes precisely to the

point involved. If America is to lead the world, America must make sure that it is economically sound, that it has full employment, that it will produce more and more and more.

I will say to the Senator that those who have advocated the enactment of the bill with this additional grant come before us and say uneconomic American industries should be allowed to pass out of existence. Let me read to the Senator the testimony given in the committee. I have here the testimony before the Finance Committee of Dr. Caroline F. Ware, speaking for the American Association of University Women. This testimony is typical. It reveals the thinking. Dr. Ware was responding to a question as to what the effect would be upon laboring men who worked in an industry which cannot compete with a foreign industry. The Senator who asked the question, the distinguished junior Senator from South Dakota [Mr. BUSHFIELD], might have pointed out in his question that the populations of the competing countries for the most part are compelled to receive wages far below those paid to our workmen.

This is what Dr. Ware said:

Dr. WARE. What do you do with the laboring men in the hand process in competition with the machine process, when the machine process comes into this country? What do you do with laboring men in a small firm when a large firm which is more efficient, or in an inefficient firm when a more efficient firm, competes successfully?

The problem of mobility of labor from one occupation to another is a general problem of which this is a very, very, very small part. When you consider the amount of labor mobility and the shifting from job to job which is coming with the cut-back of war industries, the amount of adjustment which is likely to be involved here is negligible.

The point is, Mr. President, will the uneconomic American industries be wiped out? Who is to judge what is an uneconomic industry? We have been told that the raising of sugar beets is an uneconomic industry. Farmers who raise sugar beets in my State, in Colorado, in Nebraska, and in Utah, are operators of family-sized farms. They are rearing families of American children whom they send to American schools and universities, and whom they are bringing up on a high standard. It has been the consistent purpose of those who preach the doctrine of economic and uneconomic industries to destroy the sugar-beet industry in order that we may bring in sugar from the exploited masses of Cuba and other islands.

Mr. President, if America is to pay for the war debt which it incurred to save mankind; if America is to lead the world in peace—as I believe it will—it must undertake to raise the standard of living in other countries rather than to reduce the standard of living in America down to the low level of the exploited masses. Is that an idle fear? Consider the machine-tool industry. Last week members of the Surplus Property Board appeared before a subcommittee of the Committee on Military Affairs and pointed out that we have today in the United States more machine tools than were manufactured by the machine-tool industry in many years previously—an utterly fantastic

quantity of machine tools. What are we going to do? We are going to export some of those machine tools. Great Britain is already undertaking to provide a little higher standard for the people of India. We know what has happened to the masses of India. Fortunately and happily, Great Britain is going to pursue a more enlightened policy toward India. But when she does, bear in mind that machine tools will go into India. The textile mills of India will supplant the textiles mills of the South and those of the North. By reducing our tariffs 50 percent more we shall be inviting the output of those exploited masses to come into the United States and add to the unemployment problem.

O Mr. President, let us open our eyes to the facts. There can be no doubt that in the reconversion era it will be necessary for us to find jobs for between 14,000,000 and 18,000,000 people—12,000,000 men in the armed forces and more than 9,000,000 workers in war plants. Of those 9,000,000, the best estimates of the War Manpower Commission indicate that only 3,000,000 will have continuing jobs in civilian industry. With this titanic job of reconversion facing us, we undertake to say to the State Department, "Go ahead and cut 50 percent more off the tariffs."

The distinguished senior Senator from Massachusetts [Mr. WALSH] has always been an outspoken advocate of lower tariffs. I remember very well back in 1922 when the Senator from Massachusetts spoke in my State defending and praising the attitude of the Democratic Party at that time in working for lower tariffs. Let me read his words from his notable address on June 15, a few days ago:

I do not assert this policy—

He means the policy of destroying industry in order to give it away—

would be followed, but, if this theory even remotely prevails among those who will have the power to negotiate trade agreements in secret, without approval by the Congress, it could mean overnight the depletion of the woolen-fabric industry, the cotton-textile industry, the watch industry—which these treaties have already almost completely destroyed—the boot and shoe industry, the fish and jewelry, the paper and plastic industries, the dairy industry—and, in fact, nearly all our industries, except automobile and like major industries.

That is the problem we are confronting. The project of additional reductions in the tariffs will be of great benefit to the huge mass-production industries, such as Ford's, that desire to operate in Cologne, Germany, and elsewhere abroad. It will be of great benefit to the International Harvester Co. While I am referring to the International Harvester Co., let me call attention to the following Associated Press dispatch which came out of Washington yesterday:

To help liberated European countries start raising their own food quickly the United Nations Relief and Rehabilitation Administration announced tonight that it would send 14,500 tractors to be used in planting this fall's crops.

That of course, was perfectly proper. I defend it; I support it; but I point out Mr. President, that if we adopt a policy

which is going to export this industry to Europe, we shall be exporting jobs for our returning veterans who have won the great victory for which we cheered General Eisenhower today. Can there be any denial of it?

O Mr. President, it is a matter of applying common sense. It is a matter of looking at the facts, instead of being drawn away from our senses by the unsupported plea that we must risk the destruction of employment in America in order to cooperate with the world.

Mr. President, there will be no question about cooperation. An employed America, a highly producing America, will be of greater advantage to the world than an America which, consciously or unconsciously, endangers the employment of those who are the backbone of our small industries and of our agricultural production. We cannot afford to risk such a disaster. The greatest need of the world, if we are to build securely for peace, is to have a United States of America which is teeming with industry. I submit that we cannot obtain that objective by preventing the recovery of the watch industry or by destroying the woolen fabric industry.

I have seen illustrations of what I mean. Last October in Wyoming the Wyoming Wool Growers' Association called a meeting of everyone interested in the wool industry. Not only the producers were invited to that session—

The PRESIDENT pro tempore. The time of the Senator from Wyoming has expired.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. If the Chair will recognize me, I shall be glad to extend 15 minutes of my time to the senior Senator from Wyoming.

Mr. GEORGE. Mr. President, I would object; that would be entirely out of order.

Mr. WHERRY. I say that if I am recognized, I shall be glad to extend 15 minutes of my time to the Senator from Wyoming, if that will be in order.

Mr. GEORGE. If the Senator wishes to do so, very well. But we have been debating the amendment for 1 week.

Mr. BALL. Mr. President—

Mr. WHERRY. Mr. President, do I have the floor?

The PRESIDENT pro tempore. The Chair recognized the Senator from Nebraska for a parliamentary inquiry, which has been stated and acted upon.

The Senator from Minnesota [Mr. BALL] is now recognized.

Mr. BALL. Mr. President, I desire to state briefly my reasons for supporting the bill extending the Reciprocal Trade Agreements Act for 3 years, with the President authorized to reduce duties existing on January 1, 1945, 50 percent. I am opposed to the committee amendment, and I am supporting passage of the pending bill (H. R. 3240) in the form in which it passed the other House.

Three reasons impel me to take this position. The first and most important was stated admirably by the chairman of the Finance Committee, the distinguished senior Senator from Georgia, in

opening this debate. All during the 1930's the area of international trade and commerce in which free enterprise and free competition could function completely, free of such artificial restraints as import and export quotas, exchange manipulations, barter deals, and unreasonable tariff barriers, shrank steadily, due to increasing interference of one kind or another by national governments. During the past 6 years of war, the area in which private enterprise and initiative could compete freely with international trade virtually disappeared. It is obvious that as a result of the tremendous destruction and disruption of normal production and distribution caused by the war, all governments will be under strong pressures to maintain strict control of the international trade of their nations.

Reversing that trend and gradually enlarging the area in which private enterprise and free competition operate freely will be a difficult task at the best. The policy adopted by the United States may well determine whether it is successfully accomplished. Many nations look to us for both capital and consumer goods to help them rehabilitate their economies, but they dare not make such purchases here, in good faith, unless they see some reasonable prospect that eventually they can sell us the goods with which to pay for what they buy here.

Passage of the pending measure with the additional bargaining power for the President which would be obtained by defeat of the committee amendment obviously would not guarantee that we would be successful in freeing international trade of artificial restrictions and government control. But, just as clearly, it would give our Government a much better chance to accomplish that result because it would give us much more to offer to those nations which desire, as we do, to return to private initiative and free competition if the economic pressures on them permit it.

If we should fail in accomplishing this objective, and eventually be forced to Government control of our international trade, I think the results would be disastrous. Our economy is so integrated that it would be impossible for the Government to control the segment concerned with international trade without extending a considerable degree of control over the whole economy. At the least, it would make it much more difficult to maintain a really free enterprise system, as we define it in the United States.

I am glad the distinguished senior Senator from Georgia made it clear that passage of this bill will not be any panacea or cure-all guaranteed to increase our foreign trade several-fold. That, it seems to me, will depend much more on other factors, such as the speed with which our own and other national economies recover from the effects of war, rather than the trading possibilities provided for in this bill. But that does not in the least lessen the importance of giving our Government every possible weapon it can use in its

negotiations to free international trade from artificial restrictions and once more make it a field in which private enterprise and initiative can compete freely.

Mr. President, my second reason for opposing the committee amendment and supporting the bill as it passed the House is that I am opposed to a high protective tariff. In a reasonably peaceful and stable world, where nations do not have to resort to dumping to achieve economic self-sufficiency, a protective tariff amounts to nothing more or less than a Government subsidy to industries which are inefficient in comparison with their foreign competitors. The Government does not pay the subsidy, but the Nation's consumers do, in terms of higher prices than they would otherwise pay for what they buy.

All of us know that not all of those who give lip service to the principle of free competition really believe in it. The Congress had to pass antitrust laws to break up conspiracies of businessmen to stifle competition. There are bills introduced here at every session which have as their object the protection of some particular group against competition. Although the protective tariff has become a fetish in certain circles, it is in exactly the same category so far as its essential purpose is concerned. The fact that it is designed to block international rather than domestic competition does not alter the economic facts in the slightest.

If there were no other alternative, I would be in favor of a unilateral reduction in our tariff rates, because I am convinced our economy would benefit from that. However, if by trade agreement deals we can make sure of tariff reductions elsewhere and can reduce other kinds of governmental interference with free competition in the field of international trade, it seems to me a much preferable method.

I have noted in my correspondence that a great many people have the idea that high wage levels in America make a high protective tariff necessary in order to keep out products of low-wage producers abroad. Again the facts are just the reverse. What statistics are available indicate that real wages in the United States are higher than those elsewhere in roughly the same proportion as our production per man-hour is higher than it is elsewhere. The statistics also show that wages here in the United States are substantially lower in the highly protected industries than they are in either the exporting and unprotected industries or those which by their nature are not subject to foreign competition. We would expect that to be the case, because generally the industries which need a tariff subsidy are the most inefficient, either because of geographical location or because of special skills or raw materials available abroad and not here. Our whole economy would be the richer if our production of goods competing in foreign commerce were concentrated on the items which we can produce most efficiently.

I admit that the dumping of foreign-produced surpluses in the United States

at a loss would create a special problem which we would have to meet. However, from what I have seen and heard of the state of production and consumption needs in the rest of the world, I do not believe there is the slightest danger from that source for the next 3 years. In that connection, one of our large glass companies has expressed great fear of competition with glass produced in Czechoslovakia if this bill becomes law. Mr. President, I ask any of the Senators who have seen the devastation in Europe during the past few months if they believe there is any chance whatever that Europe will not need in its reconstruction all the glass it can produce for years to come? I venture the guess that there is not enough glass left intact in the whole Ruhr Valley in Germany to replace that in one fair-sized American city.

My third and final reason for opposing the committee amendment, which would strike out the provision granting authority to the President to negotiate a further 25 percent reduction in many tariff duties, is that I do not want the United States again to play the role of international Santa Claus.

In the next few years, just as in the 1920's, there will be a tremendous demand in both Europe and Asia for American goods. I take it that our industry wants to fill as much of that demand as it can and still meet domestic needs. In the 1920's, we loaned money to Europe to buy our goods, and all we ever got in return was pieces of paper which turned out to be no good.

In the 1930's, a sizable part of our exports were paid for in gold, which we proceeded to bury at Fort Knox.

Personally, I hope this time we get something a little more useful to the American people in return for the goods, which I believe we must supply to Europe and Asia than worthless pieces of paper or gold of which we already have a surplus.

It is true that at first we may have to provide credits to some nations, but eventually the only way by which we can get anything of value for the products which we ship abroad will be to accept goods of one kind or another in payment. Our greatest problem, it seems to me, will be in finding sufficient quantities of goods abroad which we cannot produce more efficiently here at home to import. To continue high tariffs in subsidizing inefficient domestic production in the face of such a situation seems to me the height of folly, and all too likely to lead to a repetition of our experience of the 1920's.

For these reasons, Mr. President, I hope the committee amendment will be defeated and that the bill will be passed by the Senate in the same form as it passed the House.

RELATION OF CORPS OF ARMY ENGINEERS TO CERTAIN GOVERNMENT PROJECTS

Mr. OVERTON. Mr. President, on last Thursday afternoon several distinguished Senators made comments in this Chamber which might be construed as being derogatory to the Corps of Army Engineers. I do not rise for the purpose of criticizing those very able and

distinguished Senators. I merely wish to invite the attention of the Senate to what was said, because I believe that the method of approach was not exactly what it should have been.

The criticism was based on a series of broadcasts by Fulton Lewis, Jr., a well-known commentator. He claimed to have made an investigation into the execution of a contract relating to a portion of the Pan-American Highway. Mr. Lewis supported his criticism with statements of two or three other men who are unknown to me, and probably unknown to the Senators who took occasion to comment upon it.

The statement by Mr. Lewis was an ex parte one. The evidence which he undertook to present in support of his criticism was wholly one-sided. It was not the result of any investigation which had been conducted by any department of our Government, by any committee of Congress, or by any other constituted authority. I do not say this in criticism of Mr. Lewis, although I wish to say en passant that instead of rendering a service to the Federal Government I believe he rendered a distinct disservice.

Mr. Lewis' statement related to the Pan-American Highway, or at least a portion of it. It not only related to the conduct, or supposed conduct, of the engineer or the engineers immediately in charge of that portion of the highway involved, but extended to the entire Corps of Army Engineers, and their complicated activities in furtherance of the war effort. It included all of the Latin-American Highway, the Alaskan Highway, the Canal project, the Pearl Harbor and Hawaiian contracts, and, as he said, a multitude of other contracts as well. It impugns the integrity of the Corps of Army Engineers.

Mr. President, I submit that the proper approach to such a subject would be by an investigation on the part of some accredited authority, which would be fair and full, and in which representatives of the Corps of Engineers and the War Department could be heard, and witnesses on both sides of the question could be subjected to examination and cross-examination.

I do not care to go into the merits of the case. I do not rise for the purpose of making any factual presentation of what took place in respect to the execution of the contracts in connection with the construction of the Pan-American Highway, the Alaskan Highway, the Hawaiian projects, or in connection with the multitudinous other projects to which Mr. Fulton Lewis, Jr., referred. I want—and I am quite sure I voice the sentiment of the Corps of Engineers—a hearing to be held in this matter by the Special Committee to Investigate the National Defense Program. That committee at one time was headed by former Senator Truman, now the President of the United States, in its investigations, according to common repute, and, so far as my knowledge goes, it has always been fair, just, and thorough. That committee is now headed by the junior Senator from New York [Mr. MEAD], in whom we all have implicit confidence. We have implicit confidence in the other members of the committee, as well. Until that committee

has made its investigation, I ask the Members of the Senate, and the people of the United States to withhold their judgment and criticism. I ask them to wait until the committee to which I have referred, or some other committee of the Congress, or at least some constituted authority of the Federal Government has made an investigation, at which an opportunity will be afforded for witnesses to be heard on both sides of the case, and the true facts be ascertained after a full and fair hearing has been held.

A moment ago I said that I thought Mr. Fulton Lewis, Jr., instead of rendering a service to his country had rendered a distinct disservice. Mr. President, we are still in the midst of war. We have finished the European war, but we still have the Pacific war on our hands and will be involved in it for some time to come. In the prosecution of the war thus far much of our success has been due to the ability, zeal, patriotism, and fearlessness of the Army engineers. They aided vastly in the prosecution of the African, Sicilian, and Italian campaigns. I do not think we could have ever effected a landing in Normandy had it not been for the skill of the Army engineers. I do not believe we could have kept up our supply lines after our forces had invaded the continent of Europe had it not been for the magnificent work of the Army engineers who preceded the combat troops and paved the way for their march into the continent of Europe. After they had passed by, the Army engineers maintained the lines of supply, built bridges, and repaired roads. They constructed bridge after bridge in order to facilitate the movement of our forces in crossing streams which separated them from the German forces. They are doing equally as good work in the Pacific.

The Engineer Corps of the Army has been in existence, Mr. President, for 170 years. The Corps of Army Engineers came into being before the War of Independence had been won, before the Declaration of Independence had been proclaimed to the world, and before our Government was formed. It was first organized by Gen. George Washington. At the outset, it was composed of a mere handful of men, but today the Corps of Engineers represents 700,000 men in the uniform of their country fighting and building for America, and some 50,000 civilian employees.

In all their history—and I do not think this can be said of any other department or agency of the Government—there never has been one breath of scandal against them or their conduct with one exception, and that was the misconduct of an engineer some half a century ago in the construction of some public works in the Savannah River harbor. He was court-martialed, and received condign punishment. But, with that exception, there is not a single blot upon their escutcheon. They are patriotic, they are earnest, they are nonpolitical, they are fair, they are just, they undertake to do what is right and proper.

Is such an arm of our Government, is such a division of the War Department, to be subjected to public criticism in spite of its long record and the great and heroic work it is now doing toward

the successful prosecution of this war and because a broadcaster, forsooth, rends the air with ex parte statements garnered from some two or three men here and there. No, Mr. President, that is not the proper approach.

We would like to see an investigation made by a committee of the Congress, be it the Military Affairs Committee or the special committee to which I have just referred. Let it be a fair hearing and a full hearing, but let not the Corps of Army Engineers be condemned because of the statement of a broadcaster who, perhaps—well I will say no more except that I do not think his statements should have been published in the CONGRESSIONAL RECORD. He got enough publicity through his broadcasts. I hope that those Senators who were rather critical of the Corps of Army Engineers on account of the statements and the supposed findings of Mr. Fulton Lewis will join me, as I understood from their remarks the other day they were perfectly willing to join anybody, in asking that an investigation be made—an investigation by a duly constituted and impartial committee of the Congress which will give to both sides of the issue a full, a fair, an impartial hearing. I hope that will be done.

I am making these observations now because, unfortunately, I was absent from the floor of the Senate on last Thursday afternoon when this matter was brought up, and I did not read the CONGRESSIONAL RECORD of the proceedings which then occurred until last Saturday afternoon, when this matter met my eye. I read the statements of able Senators, whom I am not at all criticizing, and I read the full statements of the several broadcasts of Fulton Lewis which have been incorporated in the RECORD. It is my deliberate conclusion—and in it I think I will be joined by Senators who took part in the discussion the other day and by all other Senators—that we should withhold our judgment, ask the American people to withhold their judgment, and request all interested in the matter of the prosecution of these great projects undertaken by the Corps of Engineers to withhold their judgment until there has been a complete and a fair and an unbiased investigation of the subject matter and an official report made thereon.

Mr. McCLELLAN obtained the floor.

Mr. ROBERTSON. Mr. President, will the Senator from Louisiana yield to me?

Mr. OVERTON. I have yielded the floor.

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

Mr. ROBERTSON. I have been much interested in what the distinguished Senator from Louisiana has said. It was I who put the manuscript of the broadcasts of Fulton Lewis into the RECORD. I agree with the Senator that what is needed is a disinterested investigation of the whole matter, and the RECORD will disclose that I suggested that that should be carried out by the Mead committee, or, failing that, by a special committee appointed by the United States Senate.

I differ from the Senator in what he says regarding Mr. Lewis. I consider

that Mr. Lewis has performed a distinct and courageous public service. I hope that the investigation which the Mead committee, I understand, has already started will be nonpartisan, that the hearings will be public, and that the whole matter will be brought to light in a fair manner.

Mr. FERGUSON. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Michigan?

Mr. McCLELLAN. I yield.

Mr. FERGUSON. I wish to agree with the Senator from Louisiana [Mr. OVERTON] insofar as his remarks relate to an investigation of the Pan-American Highway, the Alcan Highway, and the Canol project. I know there was no intention on the part of anyone to criticize the great work of the Engineer Corps of the United States Army. Criticism has been made, and I think there was sufficient prima facie evidence to justify an investigation both of the Pan-American Highway and the other projects, where there were specific contracts, and I think the investigation should be made by the Mead committee. I am informed by the Mead committee that they have started such an investigation.

No one criticizes the work of the members of the Engineer Corps at the front. They have helped to win the war, and they will continue to help win the war, but if certain contracts have been let which should not have been let, and by them someone has made exorbitant profits, the way to win the war is to expose such contracts, because the very thing our men are fighting for is that we have fair dealing in the United States.

On Saturday of last week the Attorney General sent me a letter, which he gave to the press and asked me to insert in the RECORD. I shall do so at this time. I read an excerpt from Mr. Biddle's letter:

A letter dated June 15, 1943, and addressed to the Attorney General, detailing charges of corruption in the construction of the highway was received by the mail room of the Department and routed in normal course to the Assistant Attorney General in charge of the Criminal Division, without coming to my attention at all. The reply was prepared by Mr. Clark's assistant and signed in his name. I saw neither the letter nor the reply and knew nothing about the matter until Mr. Lewis' broadcasts, when I drew it to Mr. Clark's attention, and he undertook to investigate it at once.

At the end of the letter he requests that I put the letter in the RECORD, and I ask permission that it may be printed in the RECORD in its entirety.

The PRESIDENT pro tempore. Is there objection?

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

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., June 16, 1945.

HON. HOMER FERGUSON,
United States Senate,

Washington, D. C.

MY DEAR SENATOR FERGUSON: I have read in CONGRESSIONAL RECORD your remarks and the remarks of Senator MOORE, and others in connection with charges of corruption in the construction of the Pan-American Highway. As you know, the Washington Post and other newspapers treated your statement as an at-

tack upon me for inaction in dealing with charges of graft.

The facts in this matter are as follows:

A letter dated June 15, 1943, and addressed to the Attorney General, detailing charges of corruption in the construction of the highway, was received by the mail room of the Department and routed in normal course to the Assistant Attorney General in charge of the Criminal Division, without coming to my attention at all. The reply was prepared by Mr. Clark's assistant and signed in his name. I saw neither the letter nor the reply and knew nothing about the matter until Mr. Lewis' broadcasts, when I drew it to Mr. Clark's attention, and he undertook to investigate it at once.

In the course of your comments in the Senate you said that "this situation had been called to the attention of the Attorney General," and it is this statement, of course, which led to the interpretation of your remarks as a charge that I was derelict in my duty in the premises as head of the Department of Justice. The letter had never been drawn to my attention, and therefore there is no basis for the inference that I had failed to take appropriate action.

Although we have had differences of opinion in the past, I know that you are too fair to wish any improper conclusion to be drawn from the circumstances which I have outlined.

I should appreciate, therefore, if you would insert this letter in the CONGRESSIONAL RECORD.

Sincerely yours,

FRANCIS BIDDLE,
Attorney General.

Mr. FERGUSON. I wish to say, Mr. President, that I am glad to have Mr. Biddle's letter inserted in the RECORD. I take the statement of Mr. Biddle, the Attorney General, that he did not see the letter dated June 15, 1943, as being the fact, but we, as Senators, and the people of the United States must have in mind that the head of the Department is responsible for the conduct of the Department, and although he did not see the letter at the time of its receipt, since it has been called to his attention the thing we are now interested in is what is being done at the present time by the Department of Justice to investigate the serious charges which have been made against these particular contracts.

I know that I, as well as other Senators, await with interest the result of the complete investigation to be made by the Attorney General of the charges, and we hope to have the benefit of the investigation.

Mr. McCLELLAN. Mr. President, I was not present on the Senate floor at the time this matter was discussed last Thursday. That was the day I returned from abroad, and most of my information about the incident was gathered from newspaper accounts. I have not yet had time to read all the RECORD of Thursday. My only interest in the matter is that it occurred to me, from reports, that there had been a blanket indictment or charge made against the Corps of Army Engineers.

Mr. President, I join with the senior Senator from Louisiana [Mr. OVERTON] in his praise of this branch of the Government. I know of no other agency of Government, save possibly the Post Office Department, which has functioned as effectively and rendered as great service to the Nation in the course of years as has the Corps of Army Engineers. I

do not defend every act or every contract. I am not familiar with all of them. I have no doubt that in some cases there have been waste and extravagance, that in some isolated instances there may have been some fraud or corruption. In the great magnitude of the problems which have confronted them and the job they have had to do, it would be almost miraculous if some irregularities did not occur.

I am very happy to have heard the remarks of the Senator from Wyoming and the Senator from Michigan to the effect that this controversy is to be investigated by the special committee of the Senate constituted for that purpose. I shall join with the Senator from Louisiana in withholding judgment and condemnation until such time as an appropriate investigation shall have been made and the truth ascertained, and those, if any, who have been guilty of misconduct have been identified.

Mr. President, I merely rose to state that I would not want to see the whole Corps of Army Engineers condemned because of any little isolated instances of fraud that may have occurred. This country has been engaged in a tremendous job. We have fought and are still fighting a terrific war. We have fought it thousands of miles across the sea. We had a stupendous task to organize our forces. We had to act in haste. We had to make these contracts and proceed. We could not delay. There was not time for proper and adequate deliberation. I am sure that in some instances extravagance and waste have occurred, but I do say that I have faith and confidence in the Corps of Army Engineers.

I trust that the investigation will be made, and conducted promptly and impartially, and that the truth may be ascertained. Until the investigation shall have been concluded, I shall withhold condemnation of anyone.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 3240) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

Mr. McFARLAND. Mr. President, I send to the desk an amendment to be proposed to the pending bill, and ask that it be printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be received and printed, and lie on the table.

Mr. REVERCOMB. Mr. President, the last discussions heard before this body have somewhat wandered away from the legislative subject at hand, that is, the bill dealing with the legislation upon reciprocal trade agreements, particularly with the power to be placed in the hands of the President to lower the tariffs by 50 percent.

I desire at this time to address my remarks to the pending bill. I realize that any consideration of this subject must be had in the light of existing circumstances, and in the light of the facts which we now face. However, I do not believe it will be harmful to review, in a brief way, the history of tariffs in this country; in fact, I believe it may be

helpful to us when we consider the result of tariffs and the policy of tariffs under our Government.

The trade policy of the United States, as followed since the end of the Napoleonic wars, in 1815, may be described as protection or protectionism in various degrees of stringency. At that time there was a strong demand for tariffs in the United States to protect the so-called infant industries which had sprung up during the Napoleonic wars. Since then the general trend of American foreign trade policy has been protectionist, although the strength of protection sentiment has occasionally declined.

In 1828 the highest tariff prior to the Civil War was adopted. From 1828 to 1861 the general tendency of America trade policy was toward free trade and lower tariffs. But the outbreak of the Civil War, the War Between the States, put an end to this development. During the Civil War tariff rates were raised to the levels of 1828 and remained generally high until the Underwood tariff of 1913, which provided for a downward revision of rates. I call attention to the fact that the Underwood tariff, with its downward revision of rates, just preceded the First World War. However, the general trend toward lower tariffs which the Underwood Act seemed to promise did not materialize because of the outbreak of the World War in 1914 and the ensuing tendency towards economic nationalism. The tariffs after the war, that is the Emergency Tariff of 1921 and the Fordney-McCumber Act of 1922, were consistently and progressively protectionist.

Turning now to the pending measure as passed by the House of Representatives, and which was introduced in the House of Representatives on March 16, 1945, by the Representative from North Carolina [Mr. Doughton], it proposes to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, for a further period of 3 years from June 12, 1945.

The bill further provides that:

No proclamation shall be made increasing or decreasing by more than 50 percent any rate of duty * * * existing on January 1, 1945.

And further, that the duties payable "on such an article shall in no case be increased or decreased by more than 50 percent of the duties" payable as of that date, January 1, 1945.

We know that the Committee on Finance of the Senate reported the bill with an amendment deleting the power to lower tariffs below the percentage provided in the existing Reciprocal Trade Agreements Act.

The four main questions which have been debated are:

First. Is a reduction of American tariffs desirable from the point of view of the economic welfare of our country?

Second. What are the advantages and disadvantages of the particular procedure for affecting tariff concessions provided under the program?

Third. Should concessions granted to a country with which the United States makes an agreement be extended to all other countries?

Fourth. Is the act constitutional?

Mr. President, I shall not enter upon a discussion of all those subjects. I expect to discuss today only the wisdom, from my viewpoint, of the Congress granting the power to make reciprocal trade agreements, and in particular the power to reduce the tariffs against foreign-made goods. My specific purpose is to speak in opposition to the pending bill as passed by the House, and to speak in support of the committee amendment. The bill as passed is offered in the guise of an extension of the Trade Agreements Act of 1934, but it is in fact a great deal more than a mere renewal of the act. The Trade Agreements Act at least had the virtue of staying within the limits of allowable change as provided in the act of 1930. But the bill as passed by the House would authorize changes in the tariff rates much greater than were authorized by Congress either in the Tariff Act of 1930 or in the Trade Agreements Act of 1934.

I have always had grave doubt concerning the Trade Agreements Act, not only as being unlawful—that is, unconstitutional—but as being wrong in principle. The bill as recently passed by the House of Representatives makes the defects in the original law even worse, and for that reason I feel compelled to oppose it.

There is a very fundamental point at stake here in the trend from our representative government toward an autocratic government. The method of autocracy is the very enemy against which we are fighting, and yet this measure asks not only that Congress extend further, after 11 years, its temporary grant of authority, but still further to abdicate its responsibility and its duty by increasing the grant of the authority to the Executive. If the extension of the Trade Agreements Act were necessary as a temporary war measure that would be quite a different consideration. But the pending proposal is offered as a part of planning for the future. It is thus offered to forestall some future emergency under conditions which are impossible to predict.

I respectfully submit that the economic system of the United States, the welfare of its citizens, the international trade in which we engage with the rest of the world, and the prospect for durable peace for which we all hope, are subjects of greater importance and complexity than can be well served by the pending proposal. It is time to give up expedients and to prepare for fundamental solutions, and to meet each case and each question and each problem by specific answer and provision for each.

The formula of free trade, as it affects the people of this country, is based upon what may be called a vicious circle of reasoning. What will happen to maximum employment in this country when an unprecedented volume of imported goods reaches our domestic market?

Can we provide maximum employment in jobs which will be noncompetitive or which will compete successfully in our domestic market with exploited labor and low wages in all the rest of the world?

We have talked a great deal on the subject of reemployment in the postwar

world, and we have worked hard and diligently to bring it about; but it seems to me to be obvious that if there is to be employment, the mills and the places of employment must be kept open for the American people. How may that be done, I ask the Senate, if the products of American industries are to compete with the cheap labor and the cheap products of other countries?

Some say that we need not fear, because many foreign nations will not soon be able to resume production. We cannot accept that statement. We do not know how soon they will be producing. We do not know how soon with their cheap labor they will dump upon the markets of America their products to close the mills and the factories and the mines of this country, and put countless numbers of our people out of employment.

The proposal now under consideration is offered on the theory that our tariffs must be lowered so as to permit imports of competitive goods in order that exaggerated exports may be paid for. If we lead other nations to believe that we can and will accept such a volume of imports we are dangerously misleading them, and such a course is not conducive to good feeling between nations. We know that we cannot accept great volumes of those goods and wares—we cannot do so without closing our mills and mines and throwing our own people out of work.

The bill as passed by the House of Representatives would strike down many lines of production in which there is a possibility of providing much of the maximum employment we need.

In this connection I think first of my own State. It is natural that any Senator should do so, because he knows the problems of his State and of his people perhaps better than he knows the problems and the people of other States. While we must approach the subject as a national question, from the point of view of what is best for the benefit of our whole Nation, yet we can approach it with greater knowledge, perhaps, when we consider its effect upon the people in the particular States which sent us here.

Many of the people of my State are engaged in the production of glassware, pottery, and coal. The bill as passed by the House, by its very nature, would ruin the glassware and pottery industries of my State; and a reduction in the present rate on fuel oil would greatly reduce the market for bituminous coal, thereby causing unemployment in those great industries. Later I shall refer more specifically to those industries.

Between 1934 and 1939, when United States exports increased in physical volume, as did those of all principal nations, they reached only 80 percent of the peak volume of 1928-29. The total physical volume of imports increased to the peak of 1929, but the increase in agricultural products was greater than that in manufactured goods. This was accounted for by the droughts of 1934, 1935, and 1936. Since the net result of our foreign trade during this period of lowering our tariffs was an increase in imports much greater than that in exports, it is obvious

that the trade agreements did nothing to aid employment in this country. As a matter of fact millions of our people remained unemployed.

I call attention to the fact that just prior to our entrance into the war, it was estimated that we had 10,000,000 unemployed. That was while the trade agreements were in effect. That unemployment was taken up in war production; but, Mr. President, I hope the time will never come again when we must resort to the horrors and grief of war to increase employment in this country.

I disagree with the theory which has been voiced in support of the measure as passed by the House, that an industry is inefficient which needs a tariff to enable it to compete fairly with foreign production. What is really protected is the right of our American people to receive good pay and live well from their work.

In the production of automobiles, which I understand has been used as an outstanding example in this argument, there is not the same percentage of skilled labor per unit of production as there is, for example, in the production of pottery and glassware. The higher the percentage of labor the more jobs will be lost by forcing an industry out of this country. Smaller nations can produce at the same efficiency as we can. The labor of foreign countries is equally skilled; and it is only because it is paid less that it can produce cheaper goods. Our automobile industry is highly mechanized, and is considered superior in efficiency. It enjoys a tremendous domestic market, which makes a high degree of mechanization possible. If we reduce the buying power of America, still the greatest in the world, and destroy the domestic market for the products of any American industry, that industry will become less efficient. Its labor cost per unit will become higher, as will its other costs.

The PRESIDENT pro tempore. The time of the Senator on the amendment has expired.

Mr. REVERCOMB. I will take part of my time on the bill, Mr. President.

The PRESIDENT pro tempore. The Senator may speak only once.

Mr. REVERCOMB. I believe I have 15 minutes on the bill.

The PRESIDENT pro tempore. The Senator has 15 minutes on the bill.

Mr. REVERCOMB. As I have said, the State which I have the honor in part to represent is a large producer of hand-made glass, illuminating glassware, table, and ornamental glassware. It is also a large producer of pottery products, such as china. I now propose to discuss the effect of a general reduction in tariffs on those industries. They are two examples. Other industries and places of employment in this country would be affected in like manner. Both industries are vital to the continued prosperity of my State.

A return to the schedule of 1930 is essential in the pottery and glassware industries of the whole country if a large number of skilled workers are to have continuous employment in the postwar period. It must be emphasized that the pottery and some glass industries are still hand-craft industries rather than machine industries. The percentage of skilled workers is much greater than in

other industries. Pottery and glassware workers are artisans rather than cogs in an industrial machine. They have devoted years to learning their skills. They have established themselves in settled communities and have developed their own particular way of living. If this bill is passed and the authority to reduce tariffs is exercised, those industries will go out of existence in this country. I remember, prior to the war, when the stamp of Czechoslovakia or Japan would be found on the bottom of almost any article of glass purchased from the shelves of stores in this country.

I hold in my hand a statement which was prepared by a man who has distinguished himself as an earnest and fair leader of the laboring people of my section of the country. It sets forth so clearly the workingman's viewpoint on this subject that I am going to read it into the RECORD as a part of my remarks. The statement is far clearer, far more to the point, and sets forth more directly the feelings of those who work in that industry than anything I could say. I shall therefore use his statement. It is the statement of Hud S. Campbell, vice president of the Kanawha Valley Central Labor Union. This is the article which he wrote on the pending question, which means so much to the people of my State and of every other State in the Union—not only the working people, but all the people, because their very living depends upon the maintenance of American industry and the protection of American industry against that of any other country:

POSTWAR EMPLOYMENT—JOBS FOR SIXTY MILLION PEOPLE

Being a workingman and an official of a labor organization, I am naturally very much interested in the outlook for the working people after the war has ended. I feel that I am strictly an American; interested in Americans and what I think to be best for them first, last, and all of the time. From a businessman's or capitalist's viewpoint this Nation, the United States of America, started into business as a government in a financial way on (to use a slang expression in common use today), on a shoestring. By adhering to the principles of the famous document, the Constitution of the United States of America, and administering the affairs of our Government in the interests of the people, we in a very short period of time as compared to the age of other nations built up the most wealthy and prosperous nation ever known to the world; our standard of living is so far above that of the people of all other nations that there has been no comparison. The high rate of wages paid to our working people has enabled them to have in their homes luxuries and household appliances which many of the people of the other nations do not even know exist. If we are to continue to live as we have during the past we must be able to purchase such luxuries, necessities, and conveniences as we will need after the war has ended; and if we find jobs for 60,000,000 people we must purchase the luxuries, necessities, and conveniences which have been made here in the United States of America by our own American workmen. Every foreign-made article sold in this country similar to an article which we make here is just so much work lost by our own working people and, while our theorists in Washington claim to be planning to furnish jobs for 60,000,000 people, they are proposing a drastic lowering of our present tariff rates and they now are far below

what they should be for our own protection. In support of this statement I wish to submit the following for your careful consideration. We all know that when Franklin Roosevelt assumed the position as President of the United States of America there was an unheard-of number of people unemployed; he made an appeal to the manufacturers of the country to start up their plants and give employment to as many people as possible. The Libbey-Owens-Ford Glass Co. has a plant here at Charleston, W. Va., in which there are six tanks for making sheet glass, most commonly called window glass; at that time there was but one tank in operation, this operation continues for 24 hours every day and the men were working on three 8-hour shifts. The demand for sheet glass at that time was not very good but in the face of that the company, in compliance with President Roosevelt's request, started operating two more tanks and to further show their spirit of cooperation they placed the operation on four 6-hour shifts, thus giving employment to one-third more workmen than they had been operating with and in addition to the change to 6-hour shifts they even went so far as to pay the workers the same amount of wages for the 6 hours' work as they had been formerly paying for 8 hours' work. I will here let you judge for yourself just to what extent they were complying and cooperating with President Roosevelt's request.

As I stated earlier in this article the demand for sheet glass at this time was not very good; however, the company continued to operate here in this same manner until they had accumulated a stock of 545,000 boxes of glass. This company also operates a plant in Louisiana and there are other plants operated by other companies in Arkansas, Oklahoma, Indiana, Ohio, and Pennsylvania, also plants in Clarksburg, this State. These companies all did practically the same thing as was done here at Charleston. Now, when this large stock of glass had been accumulated what do you think happened? The trade treaties were negotiated with some foreign countries under and by the provisions of which trade treaties sheet glass made in foreign countries was shipped right here to the glass jobbers in Charleston at a price far below what they had to pay for the product manufactured in their own home town and made by their own fellow citizens who were their customers. This same thing of course happened all over the country and if this would have continued for a number of years I leave it to you to form an opinion as to how many of the plants would have had to close down. These trade treaties also permitted glass tableware, novelties, lamps, bottles, etc., to be shipped into this country and it caused a few of the pressed ware and novelty manufacturing plants to close down entirely, a few of which have never been able to resume operations. The raw materials used in the manufacture of glass are sand, salt cake, soda ash and crushed limestone, millions of cubic feet of natural gas is required to melt the raw material, millions of gallons of water is necessary in the cooling systems, much oil and grease, kilowatts of electricity, railroad cars and trucks needed to carry the raw material to the plants and to carry the finished product to market, millions of feet of lumber are necessary to make the boxes or containers for the finished product, nails to make the boxes and containers and a large quantity of paper for packing purposes, so you can see that when a part of the sheet glass industry closes down how far reaching it is as to affecting employment not only in its own industry but other lines as above mentioned. I have before me the report of the United States Tariff Commission comprising eight volumes, the manufactured merchandise shown in these eight volumes

which were permitted to come into this country at prices far below our home manufactured product are entirely too numerous to name in this article and they would all be affected as was the sheet glass industry. The World War started and, of course, that stopped practically all imports and also caused many of our manufacturing plants to be converted to the manufacture of the necessities of war and which, of course, has caused a shortage of many products for which there will be a very great demand once the war has ended—refrigerators, radios, vacuum sweepers, electrical appliances, and others too numerous to mention. I note by the press that our theorists in Washington are proposing a cut in the tariff with these trade treaties of about 75 percent below the rates in effect in 1930. Even if the proposed tariff cut does not become a law and the same rates continued as caused the effect stated above, how can we keep our manufacturing plants in operation and if our plants are not operated to practically full capacity how can we have 60,000,000 jobs and how can the working people purchase the imported products. And remember if the present rates alone are continued such plants as will be able to operate on part time will be forced to reduce the wages of their employees in order to compete with the imported product.

Some of the labor leaders are suggesting that in order to have full-time employment after the war that the worktime week must be reduced to 30 hours; but even should that come about, how could we furnish 60,000,000 jobs with merchandise coming in from foreign countries which could undersell us? Practically every foreign country has some agricultural or fruit product which we do not have in this country, also many raw materials, and I favor the purchase of all of such as we can use and of accumulating a large stock pile of such raw materials so that in another emergency we will not be caught short-handed. If you will take the trouble to look back to the administrations of Grover Cleveland, you will find that the low tariff then put into effect produced just such conditions as I have described and under the administration of Woodrow Wilson the same start in that direction was made, but World War I stopped the imports and saved the day for us, as did this present war. It is true that we now have very prosperous times and plenty of work, but the price is death and injury and crippling of many of our citizens. Now, if any person who reads this article can inform me how we can have prosperous times and jobs for even half of 60,000,000 people under a low tariff, I will be very glad to hear from them.

HERD S. CAMPBELL,
Vice President, the Kanawha Valley
Central Labor Union, and member
of the Window Glass Cutters
League of America.

Mr. President, I hold in my hand a poster published by employees of the Imperial Glass Corp., of Bellaire, Ohio, entitled "Two Little Goblets Went to Market." It affords a simple but striking illustration of the effect of former trade agreements on American pottery and glassware. It will be observed that the poster pictures two identical goblets, one labeled "U. S. made" and the other labeled "Imported." The figures on production cost and sale price are illuminating: Total wages paid to produce American goblet, 60 cents; total wages paid to produce an identical imported goblet, 10½ cents. The American manufacturer got 75 cents for the homemade product, and spent all of the income within the United States. The foreign manufacturer got 13½ cents for his goblet, and a total of only 7½ cents duty was paid to enter the item. The American-

made goblet sold at retail for \$1.50, whereas the imported goblet sold at retail for 49 cents. The retailer used the same percentage of mark-up on both goblets.

Surely this situation proves that even in 1937 the tariff was inadequate to protect American handmade glass. Now it is proposed to further reduce duties. To do so would mean the end of the handmade glass industry in the United States.

Mr. President, the effect of reductions in tariff in bringing about immediate repercussions in other allied industries is clearly illustrated in the proposal in connection with the pending bill to reduce by 50 percent the duties on fuel oil. We have been told repeatedly during this war that American resources of petroleum are being depleted and that in order to obtain necessary fuel for sea, highway, and air transport in the postwar period it is necessary to look to foreign sources. It is apparent that the immediate effect of a reduction in duties on fuel oil would be an increase in unemployment in the coal industry.

The present duty on imported fuel oil, according to the information supplied me, is 21 cents a barrel. A reduction of 50 percent in the present tariff would set the new rate at 10½ cents per barrel. This would naturally increase imports of fuel oil; and that, in turn, in a normal economy, would displace a calculated number of tons of domestic oil and also of American produced coal.

Fuel oil and coal compete in the same market. Four barrels of fuel oil, regardless of where it is produced, displace a ton of American coal. A decrease in production of one ton of coal a day is equal to the loss of one man-day of work.

Mr. President, I have read the Campbell correspondence because, although it applies to only one article of manufacture in this country, the same principle applies to every product obtained from the hands of American workingmen and from American industry. In connection with the pending bill we are face to face with the question whether we will protect and keep intact the great American industries which mean places of work for the people of America or whether we will surrender them for the sake of some idealistic theory of sharing the opportunity of furnishing goods to our markets, so as to permit foreign-made goods to enter our markets.

My course on this question is clear. I wish to deal benevolently with other nations, and I intend to do so, but I will not take a course which I believe will lead us into destruction of industry in this country and destruction of places of work for our own people.

I know that many persons feel that we must level off the whole world economically and industrially. If leveling off the whole world economically and industrially will mean the destruction of the standards of living of the people of the United States, I cannot vote to adopt that course.

Mr. President, at this time, when the rest of the world is coming out of the war and is rebuilding its industries, I say to those who wish to lower the tariffs of this country that to adopt such a plan as that, instead of furnishing places of

work for the American laboring men, would mean that we in America would have to get ready to hand out the dole and to feed those who would be hungry here.

It seems to me that the time has come to face this problem in a practical way, not to let ourselves be carried away in connection with any plan and not to be unduly touched by the strong feeling which is permeating the world about uplifting other countries. Of course, we want to do that, but that feeling has almost reached the point of hysteria. Hysteria strikes the great mass of people almost like any disease of the body.

I wish to say that the time has come to meet this problem head on and in a practical way. For that reason I think we should not vote to give further power to reduce the tariffs. I think we should see to it that our industries and working places continue to be protected, because in the present era of rebuilding in foreign countries we will need that protection more than ever before.

Some have said that if this power is given to the President he will not abuse it. I have no reason to believe that he would abuse it; but if the power is dangerous, let us not give it to anyone. Then we shall know it will not be exercised to the injury of our country.

Let us protect here and now the people to whom we owe the highest duty—our own people.

Mr. DONNELL. Mr. President, I should like to have 15 minutes on the pending amendment and 15 minutes on the bill itself.

Let me say first that it is proposed by House bill 3240 to extend for a further period of 3 years from June 12, 1945, the period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended. I favor the extension for a further period of 3 years from June 12, 1945. My reasons for favoring such extension are three:

First, I give great weight to the presumption that Congress acted wisely in granting to the President, by its act approved June 12, 1934, the authority to enter into such trade agreements.

Second, I give great weight to the action of the Committee on Finance in recommending the proposed 3-year period of extension.

Third, it is, in my judgment, wise from the standpoint of international relationship and friendship to continue in effect for the coming 3 years the power now existing in the President to make trade agreements.

As House bill 3240 reached the Senate of the United States it contained, however, a further provision under the terms of which it would be possible for the President to decrease to the further extent of 50 percent any rate of duty existing on January 1, 1945.

As a result of having already applied to the Smoot-Hawley rates, in hundreds of instances, the reductions which by the reciprocal trade-agreement law, the President was entitled to apply, the average ad valorem rate of duty on dutiable articles in 1944 was 31.6 percent. The corresponding average rate under the

operation of the Payne-Aldrich law was 40.8 percent. Under the operation of the Underwood law it was 27 percent. Under the operation of the Fordney-McCumber law it was 38.5 percent.

From a statement by the junior Senator from Maine [Mr. BREWSTER] it appears also that if the President shall see fit to exercise the authority which would be given him under a simple extension of the act, without there being granted to him additional power to make reductions below those authorized by the 1934 act, he could reduce ad valorem rates to the level of the rates of the Underwood law.

If, however, the power to make the proposed additional decrease should be granted to the President, he could reduce the average rate to approximately 16 percent. This 16-percent average rate is lower than three-fifths of the average ad valorem rate on dutiable articles under the Underwood law.

Speaking on June 12, the senior Senator from Georgia [Mr. GEORGE] stated that the United States is "the only great Nation, with the sympathetic support of many of our Latin-American neighbor nations to be sure, on whom it will devolve to maintain a system of free economic enterprise as applied to international trade and commerce." He then said, "That is why it was sought to give to the President of the United States a little more power." Again, in the same address the Senator referred to "slightly increased power given to the President." I do not agree with the Senator that such increase of power to the President as would enable him to reduce rates from the Underwood tariff level to a plane less than three-fifths of the height of the Underwood tariff level is properly characterized as either "a little more power" or "slightly increased power." To my mind, the proposed increase in power is exceedingly large.

Let us inquire into the results which could reasonably be expected to flow from this proposed additional power of reduction of duties.

It is the view of some that the grant to the President of the power of additional reduction in duties will be an aid to the maintenance of world peace. The thought underlying this view seems to be that by such grant the United States would, on the one hand, create additional good will toward herself, and on the other hand make possible increased wages or employment in other nations through the opening of the doors of our country to certain of their products by reciprocal-trade treaties.

I am doubtful of the permanence of good will which is derived by purchase. Moreover, such purchase of good will is likely to be construed as a precedent obligating our Nation to authorize, thereafter, reductions below those for the grant of which an additional authority is now sought. Furthermore, if such future further grant of even greater reductions be not given it may easily follow that not only will good will be, by such omission, diminished but in addition affirmative antagonism on the part of other nations will be created.

It is by no means certain, furthermore, that increased authority to the President of the United States to grant lower tariffs would produce increased wages in other nations. Domestic economy in the respective nations may contain many factors which enter into the determination of wages in such nations. In the CONGRESSIONAL RECORD of Friday last, beginning on page 6186, will be found an informative address by Wheeler McMillen, editor in chief of the Farm Journal. In the course of the address he points out, in substance, that the opening of the American markets to foreign-produced raw materials (rubber, tropical starches, coffee, vegetable oils, and silk being specifically mentioned), has produced little, if any, improvement in wages in connection with the production of those items.

It is doubtless true that the purchase by customers in the United States of articles produced in Great Britain will, by the very fact of giving employment, aid those in Great Britain who are thus employed. Whether this aid will consist of an increase in wages or a mere increase in employment cannot be answered in advance of the occurrence. It is submitted, however, that to aid such persons by enabling them to produce for themselves the things they need for themselves, would be of greater benefit to them than would be the mere opening of our markets to the products which are produced by them. Mr. Wheeler McMillen in his previously mentioned address recognizes the fact that the "American people are quite generally agreed that their best service to the rest of the world may be to help other populations to help themselves." Mr. McMillen points out, however, that that service "will not be performed merely by opening our markets to the unrestricted delivery of their products." Continuing, he says:

A far wiser and far more effective way to help less fortunate peoples to help themselves will be to aid them to produce for themselves the things they need for themselves. That course will be far more enlightened than to reduce their opportunities by exploiting their labor to produce for us the things that we have reasons to need to produce for ourselves.

It is easy to magnify, unwittingly, the effect which the proposed additional grant of authority would have toward either maintenance of peace or an increase in foreign wages or improvement arising from increased employment. The senior Senator from Georgia very properly said on June 12:

Bear in mind that I have not, and I do not intend to take the position that the whole peace of mankind depends on this legislation. Not at all. I am thinking of this bill as I think of every other bill, namely, from the standpoint of our American economy, what will happen to us and how it will affect us.

Commercial contacts do not always insure peace between the nations which have those contacts. If it were otherwise, Great Britain and Germany would have remained at peace, for they were large customers of each other. The illustrations presented by Mr. McMillen refute an argument that the grant of authority to the President to reduce further our tariff rates will best solve the

problem of producing improved labor conditions in foreign countries.

It is further argued that the grant to the President of the power of reduction in duties below the 50 percent to which he now has the power to reduce them, will decrease the likelihood of the introduction by Great Britain of state control of commerce in substitution for the control by private enterprise of such commerce. It will be recalled that the senior Senator from Georgia quoted the statement by Mr. Churchill that "Britain will not give up its right to safeguard our balance of payments by whatever means are necessary." The Senator stated that "this is the declaration that state control of commerce will be the rule of the future, if it is necessary to go that far to preserve the balance of payments of the British Empire." The Senator's view, as I understand it, is that if the United States reduces its tariff upon commodities produced by Great Britain, the resulting export by Great Britain to the United States of additional quantities of merchandise will contribute toward rendering it possible for Great Britain to maintain its favorable balance of trade, even though British commerce shall be left in the hands of private enterprise.

The argument that there should be made a grant of power to the President of the United States to reduce tariffs further on the ground that such grant will decrease the likelihood of the introduction of state control of commerce in Great Britain, impresses me as unsound. Certainly Great Britain would not, as a part of any trade agreement, contract that its government would not institute state control of commerce. It is possible that a reduction in tariff duties by the United States below the hitherto authorized 50-percent cut would produce a temporary reduction in the pressure in Great Britain for state control of commerce, if such pressure exists or should arise. Clearly, however, such tariff duties could not prevent the coming of state control if political or economic conditions in Great Britain should cause her government to regard such state control to be desirable.

There are two economic advantages which can reasonably be expected by the United States to flow to it from the proposed additional grant of power. They are:

First. Ability on the part of consumers in the United States to purchase some articles at a price lower than if decreased tariff rates had not been established under the proposed additional grant of power.

Second. An increase in exports by the United States.

This increase in exports could be expected, first, because foreign countries, by reason of the fact that the duties required to be paid to the United States by such countries would be lower on some commodities, would be able to sell in the United States commodities which such countries could not otherwise sell in this country; and, second, their additional sales in our Nation would provide such foreign countries with larger credits with which to buy products of the United States.

It is to be noted, however; that the increase in exports should not be estimated to be an exceedingly large percentage of our national income. The Senator from Georgia [Mr. GEORGE] had this to say on that subject:

I shall not make the extravagant statement, and do not intend to be led into any statement that with this measure in force and effect, imports into this country and exports from it may be increased to any arbitrarily high figure. I think I have sufficient judgment to know that the final limitation of imports into this country is fixed by our capacity to receive and to consume them.

The PRESIDENT pro tempore. The Senator's time on the amendment has expired.

Mr. DONNELL. I thank the Chair.

The Senator from Maine [Mr. BREWSTER], on June 14, said:

Assume that our income were our 1939 income. The Tariff Commission estimates that we would have a \$571,000,000 increase in imports. If we had a 75-percent increase in our national income over 1939, the Tariff Commission estimates that we would have a \$778,000,000 increase in our imports.

The Senator from Ohio [Mr. TAFT] said:

One billion more of imports may be involved. The portion of our total production which we are considering, therefore, in a country with \$125,000,000,000 of national income today, is less than 1 percent of our total income. Whether it increases or decreases in the future, it will have a substantially small effect on the actual prosperity of the country.

With an amount of imports involved which bears so small a ratio to aggregate national income, it is clear that the increase in exports will likewise be too small to add materially to the prosperity of the country.

In view of the probable increase in exports, it is of importance, in determining the effect on American labor, to consider what type of commodities it is of which the increased exports would principally consist. Obviously the type of commodities in which an increased export could be reasonably expected from the United States would, in largest part, be commodities in the production of which the labor utilized is comparatively small in quantity. This follows from the fact that, inasmuch as wages are higher in the United States than in other countries, the products which our Nation would be able to sell abroad in competition with the products of other countries would be those into which the labor which has been incorporated is a comparatively small element. Mass production industries, in which the labor which is principally used is machine labor, will be among those in which the additional exports will be largely found, as, for illustration, automobiles and typewriters. The great bulk of commodities which we can successfully export and the quantity of the exports of the United States which will consequently increase most largely from the reduction of tariffs thereon by other nations are those in which labor is comparatively a small element.

Moreover, it is to be noted that Mr. Clayton, of the State Department, especially contemplates that the additional exports will in considerable part consist

of production machinery. Such production machinery will in time, of course, be used to produce commodities which will come directly in competition with those produced by us.

I have mentioned two economic advantages which may be expected to come from the additional proposed grant of tariff-reduction authority. Let us turn now to the other side of the balance sheet. Here we find an injury which, after the artificial trade demands of wartime shall have ceased will inevitably result to our Nation from such additional grant to the President. That injury will result from the fact that further lowering of duties will increase the importation into the United States of those foreign commodities the duties on which shall be reduced. Unless such increase in imports shall occur, there would be no reason why it would be of any advantage to foreign nations to have the United States reduce its duties.

There flows directly from this increase of imports into the United States a clear injury to the United States industries by which those commodities are produced.

In view of the fact that the importation of increased quantities of commodities will inevitably injure the industries which are producing those commodities, it is important to determine what type of commodities it is in which increased imports will be likely to occur if the additional power of tariff reduction be granted to and exercised by the President.

In arriving at this determination we must recall that it is those commodities into which the cheap labor of foreign countries enters as an important element of cost which, if duties are lowered or removed, such countries will be best able to sell in the United States in competition with our merchandise. It is, therefore, on that type of commodities that foreign countries will seek reduced tariffs from the United States. If reciprocity is to help such other countries, it is on that type of commodities, namely, those in which labor is an important element, that the reduced duties must be granted by the United States. It will be this type of commodities, namely, those in which labor is an important element, on which the reductions in tariffs imposed by the United States will primarily occur.

In view of the fact that it is inevitable that the additional reduction of duties by the United States will occur primarily in industries in which labor is a large element of cost, it is clear that a further reduction in duties will injuriously affect American labor.

It is argued that escape clauses will permit the United States to withdraw from trade agreements if the operation of them shall be proving injurious to this Nation. It is submitted that the taking advantage by the United States of an escape clause would be an immediate cause of resentment and hard feelings on the part of the other nation, and would go far to overcome and destroy the good will which had been engendered by the entry into the reduced tariff agreement.

If the additional power be given to the President, the United States will be confronted by the situation that (a) United States industries in which comparatively

small quantities of labor enter will be those which will be able to increase their exports from the United States, while (b) on the other hand, United States industries in the products of which labor constitutes a large component part, will suffer from additional imports.

This situation was well illustrated and portrayed before the Senate Committee on Finance by Mr. C. B. J. Molitor, of the Amalgamated Lace Operatives of America, as follows, on page 338:

The simple fact on which too little emphasis has been placed is just this:

We export, of manufactured products, competitively, to the markets of the world, only such commodities as involve the utilization of a very minimum of American labor.

On the other hand our imports of manufactured products are most generally those employing a maximum amount of labor in their production.

In conclusion, Mr. President, let me say that I do not believe it to be advisable to procure an increase in prosperity on the part of industries in the products of which human, as distinguished from machine, labor is a comparatively small factor at the expense of American industries in which human labor is a large factor.

True it is that a benefit to United States consumers of some articles may result from the additional proposed reduction in tariffs. Such benefit, however, Mr. President, will be of but little value if a material number of those of our consumers who are embraced in the ranks of American laborers shall be deprived of employment.

The alleged aid which the proposed additional reduction will be toward maintenance of world peace is questionable and, to say the least, highly intangible and subject to being destroyed by the multiplicity of economic and political situations which may develop.

The alleged beneficial results which the additional grant of power to the President would bring to workers in foreign countries is problematical and, in point of merit, inferior to other methods of rendering service to such workers.

The argument that the additional power of reduction of duties should be granted as a means of restraining Great Britain from resorting to state control of commerce is not convincing.

Certainly the combined weight of all the arguments, to which I have referred, in support of the power of additional reduction of duties is not sufficient to justify the United States Senate in taking a step which, in my opinion, will surely affect injuriously the wages, and therefore the standard of living, of many American workers.

By reason of the facts which I have detailed, I oppose the grant to the President of the additional power to reduce tariffs by a further 50 percent of the January 1, 1945, level.

Mr. MORSE. Mr. President, I think it is obvious to every Member of the Senate that the issue before us is not black or white. It is not a case in which all the right is on one side and all the wrong on the other.

I find myself in the unhappy position, because of careful study and deep conviction, of being in disagreement

with a large number of my good friends on the Republican side of the aisle. I do not think that one can listen to the distinguished Senator from Ohio [Mr. TAFT] or to the distinguished Senator from Missouri [Mr. DONNELL], who just made, I think, an excellent speech in support of his point of view, and to the other speeches that have been made by my able Republican colleagues in opposition to extending the Trade Agreements Act, including a greater grant of authority to the President without recognizing that there is great merit in their position.

On the other hand, Mr. President, as I have endeavored to weigh the pros and cons of this great issue, I think the preponderance of the evidence, I think the best interests of the country economically are on the other side. Therefore I intend to vote for the extension of the act and also for giving to the President the additional authority which he seeks.

I am aware, Mr. President, that so far as my own individual political interests are concerned, it may not be the most politic vote that I could cast. But I came to the United States Senate on the basis of one pledge to my constituents. I told them that I was going to vote in accordance with the merits of the issues as I found them when I got here, and on the basis of the evidence as I found it, and let them judge whether or not they wanted to retain in the Senate at the end of 6 years a man who insists on the exercise of independence of judgment irrespective of partisan pressures.

Mr. President, I say that I think there are those in the country—but I have not found them in the Senate—I think there are those in the country who would make this a partisan issue. I say I have not found that spirit of partisanship in the Senate over this issue, because I think that each and every man who has spoken on this issue has recognized that it involves a national issue and not a partisan issue. Each Senator has been expressing himself not from the narrow standard of partisanship but from the standard of what he individually believes will be in the best interests of the country.

I come, however, Mr. President, from a State which is predominantly agricultural, and I would be less than frank and honest if I did not point out that the farmers of my section of the country are very much concerned—very much worried—about the extension of power which is sought under the legislation pending before the Senate. Hence from the standpoint of their interests I have gone to great lengths to make a study of the effects—of the potential and probable effects—of the proposed legislation upon the agricultural interests of the country. I have studied this problem from the angle of the farmers, not only because of my own vital interest in farming and the maintaining of a sound and prosperous agricultural economy in America but also because some of the outstanding agricultural leaders in my State have expressed deep concern over the pending legislation.

I would like the Senate to have the benefit of the views of some of these Oregon agricultural leaders who have

written or wired to me about this issue. I know that some Senators are still undecided as to how they are going to vote on this issue, just as I was up until this noon. However, I have finally made up my mind subject to change if, before the close of this debate, some new argument is presented which would justify a reconsideration of my present decision on this legislation.

It is quite possible that some of the following communications which I have received from Oregon may be helpful to other Senators in weighing the pros and cons of this great debate. In any event, I would like to have the communications in the RECORD as a part of my remarks, because although many of them do not support the vote which I presently intend to cast, nevertheless I think they express a very important point of view and one which this administration should give great heed to when it comes to exercising the authority granted to it under the legislation if it passes.

These communications, Mr. President, make very clear that many agricultural groups in my State want some assurances that the President of the United States and the State Department will not so administer the reciprocal trade powers as to destroy or weaken the American agricultural markets for American farmers. I shall have more to say about this problem before I finish my speech, but at this point I wish to emphasize that it is my judgment that the State Department, and indirectly the President, himself, through the State Department, have given assurances to American farmers that under the reciprocal trade policies of the administration this country will not be flooded with cheap agricultural products and livestock products from abroad to the detriment of American agricultural interests. I am satisfied that the President of the United States, Mr. Harry S. Truman, is thoroughly familiar with the State Department's statements on agricultural policies as they relate to the negotiating of trade agreements, and that the State Department representatives appearing before congressional committees on this issue have spoken with the full authority of the President, and that their commitments are also his commitments.

If I thought for one moment, Mr. President, that the State Department and the President of the United States, during the next 3 years would not carry out those agricultural policies, then I would not vote for the extension of the act and the granting of the additional authority to the President. I say I would not vote for the legislation, because if I believed that the State Department and the President would enter into a trade agreement or any series of trade agreements which would destroy the American market for American farmers by means of this legislation, I would fight the passage of the legislation. I say that because I think it is perfectly clear that we cannot have a prosperous America unless each and every major segment of our economy is prosperous. There is no part of our economy more basic to economic stability and prosperity than agriculture. However, I think it is perfectly fantastic to assume

that President Truman and the members of the State Department who will administer this legislation are not just as aware of the importance of maintaining an economically healthy agriculture in this country as are those of us in the Senate.

Nevertheless, I recognize the importance of fear in causing men sometimes to take a certain stand on an issue which they would not take if that fear could be removed. Throughout my study of our foreign trade problems, which has recently centered itself in the reciprocal trade legislation now before the Senate in this historic debate, I have entertained some of the same fears which have been expressed to me by some of my constituents in the communications which I have received from them. The passage of this legislation is not going to quiet those fears. It may, perchance, intensify them. Time alone will tell. I think that those of us who are voting for the legislation are banking on time to prove that our confidence is not misplaced. I, for one, have not eliminated entirely my fears of this legislation, but I have permitted my faith in the good sense of those charged with the great responsibility of administering the legislation to prevail over my fears. I cannot imagine any official of our Government proposing to the President a trade agreement which will damage the economic welfare of American agriculture or any other segment of our economic life.

I am not so naive as to believe that reciprocal trade agreements can be entered into between this country and other nations with all the benefits flowing in our direction. However, I think it is a clear responsibility of the administration to refuse to enter into any trade agreement which places any basic segment of our national economy at a competitive disadvantage as far as American markets are concerned with the producers of any foreign nation. I serve notice now that if the President of the United States and the State Department should administer the legislation now pending in such a manner as to injure American agriculture I shall join forces with what I know will then be a large majority of the Congress to take away from the President the right to exercise further the trade-agreement authority now sought by him.

In other words, I shall follow the principle that what Congress can give in such matters it can take away, if the trust which it has placed in the administration proves to be ill-founded. When I made that point in a conference this morning with a few of my colleagues who do not agree with me on this issue, one of them said that he thought that my argument on that point amounted to locking the barn door after the horse is stolen.

However, as I told him, I do not think that particular figurative argument is at all applicable, first because I do not believe there is any cause for thinking that those who will be charged with the administration of this legislation are thieves. In fact, I give them credit for being just as concerned about the economic welfare of America as those who are opposed to this legislation. Further, I think the figurative argument is a poor

one because these trade agreements after all are not made in stealth. They are not the product of sneaking intrigue and disreputable international bartering by the President of the United States and the State Department. They are very much in the open and my investigation shows that not only the views but the help of the various economic interests in this country concerned with a particular treaty are sought before a treaty is consummated. I have been informed by officials in the State Department that as the procedures for negotiating reciprocal trade agreements have evolved, the Department and the President have sought more and more the views, not only of the particular industries concerned but of other segments of our economy which may be affected by a given treaty. The records show that Members of Congress have been consulted innumerable times in regard to the problems involved in any potential trade agreement. I just do not think it is fair to let the impression go out to the American people that these reciprocal trade agreements are the product of stealthy, secret negotiations, carried on by diplomatic techniques not based upon the general welfare of the country.

However, Mr. President, I try to be a cool-headed realist, and I think that the realities of the situation are such as to justify my using this medium to say to the President of the United States and to the members of the State Department who will be charged with the responsibility of administering this proposed legislation, "if you fail to take into account the fears of many economic groups in America, especially the agricultural groups, which existed on June 18, 1945, when this legislation was under discussion by the Senate, and if you fail to recognize in administering the legislation that those who voted for it did so upon the belief and trust that you would not negotiate and sign any reciprocal trade agreement which is unfair to any segment of our economy, I shall withdraw my support of favoring further exercise of authority by the President of the United States to negotiate reciprocal trade agreements without submitting such agreements to the Senate for approval."

I have made the foregoing statements, Mr. President, preliminary to introducing into the RECORD the communications previously referred to from some of my constituents because I want to clearly indicate that if I had not entirely satisfied myself that the fears of many of my constituents who have urged me to vote against the proposed legislation are ill-founded, I would have decided to cast a vote against the proposed legislation. I believe that my primary duty as a United States Senator is to vote on the basis of the facts as I find them and believe them to be after an investigation and study here on the job. I stand ready always to give my constituents the reasons for my votes and then let them judge for themselves as to whether or not the exercise of such judgment constitutes the type of statesmanship they want to support, even though they may not always agree with the conclusion I reach on a given issue.

The following telegrams and letters, Mr. President, show very clearly that various groups and leaders in my State from the fields of agriculture as well as business and industry are very, very doubtful as to the wisdom of the proposed legislation. They are just as sincere and just as interested in protecting the economic and political interests of the United States and in preserving peaceful international relations as are the most ardent advocates of this legislation. They, just as the Senators who on the floor of this Senate have argued against this legislation, are sincerely disturbed about possible abuses that may creep into the administration of the legislation. I, for one, do not discount the weight and importance of such arguments, and I think that careful consideration should be given to such arguments by those of us who have reached the conclusion that the greatest good of the country will be served by voting for the legislation. I also submit these communications for the additional reason that I want the RECORD to show the viewpoints of those who do not agree with my position, because I think they are entitled, in all fairness, to have their viewpoints expressed by me even though my present decision is to vote for the legislation. I would like to have the communications in the RECORD for the further reason, Mr. President, that I want them there in black and white so that the State Department and the President of the United States will have full notice of the fears and doubts and questionings that existed in the minds of many citizens when this very important legislation was up for a vote in the Senate of the United States. Here are some of the typical communications I have received from my State against the legislation:

PORTLAND, OREG., June 13, 1945.

Senator WAYNE MORSE,

Washington, D. C.:

We are opposed to giving additional authority to the President to cut existing duties; we urge your support against this extension of power.

WILL W. HENRY,

Dairy Cooperative Association.

PACIFIC WOOL GROWERS,

Portland, Oreg., April 12, 1945.

Senator WAYNE L. MORSE,

Washington, D. C.

DEAR SENATOR MORSE: The board of directors of Pacific Wool Growers, at their meeting on April 7, instructed me to write you as follows:

American agriculture and American industry, whose well being is dependent upon reasonable tariff protection, is directly threatened by the pending legislation extending the life of the Reciprocal Trade Act and further adding to the Administration's arbitrary powers. We ask your support in opposing such legislation as contained in H. R. 2652 introduced March 16 by Representative DOUGHTON of North Carolina.

The wool industry of Oregon, Washington, Idaho, California, and Nevada which is served by this association, represents something over 21,000 wool growers. This industry has grown up under a fair degree of tariff protection. For the wool growers, as for thousands of other American producers, the tariff has not served as a barrier against foreign imports but solely as an equalizing agent between production costs based here on American standards of living, and abroad

on standards no American producer can be asked to accept. Wool growers have invested many millions of dollars in sheep, land, and equipment. Today more than 84,000 persons in the area mentioned received a substantial portion of their livelihood from the production of sheep and wool. This is one of the American industries soundly conceived under tariff protection, painstakingly developed to an economic importance for which we require safeguards not provided by the devious language and concealed intentions of the Reciprocal Trade Act. As a military precaution for the well being of the United States, it is the announced policy of the Government to encourage the production of wool, yet in spite of this, at the present time, the industry is declining rapidly.

We oppose the extension of this act in its present form. We believe it is essentially misleading both in title and intent. We contend that the title "Reciprocal Trade Agreement" is deliberately misleading on two counts. First, a defensible reciprocal agreement made with one Nation, when extended under the "most favored nation" clause to a score of other nations who have made no concessions, becomes a travesty on reciprocity; a reflection on our good sense; and a potential blow to the American producers of the articles affected. Secondly, we deplore the use of the term agreement as a means of persuading Congress to surrender its right and duty to act as the representative of the people in considering treaties with foreign nations. Vast powers radically to alter fundamental national policy have thus been removed from channels of democratic decision and handed over to agencies pursuing fantastic theories which they dare not advance for honest discussion.

As to the intent, we maintain that the Reciprocal Trade Act in its present form is a tool in the hands of agencies which—without authority to make so drastic a decision—have stated their intention to finance our postwar industrial exports by large-scale acceptance of foreign farm products on a relatively free exchange basis.

Over 1,200 tariff reductions, including 78 reductions in the wool schedule (although only a few on apparel wool) already made under the Reciprocal Trade Act make this intent clear and point to the need for revisions in the act and for congressional inquiry into the extent of our commitments to a "bars down" policy of free trade.

We hold that the national interest cannot be served by stripping the American farmer of tariff protection and demoralizing the domestic market with a flood of cheap imports. Obsessed with their policy of global appeasement, the proponents of such a program forget that America is her own best customer; that 90 percent of our production is home-consumed; that the American farmer is a tremendous market for the products of industry.

As a measure of protection and a means of assuring full democratic discussion before such theories are arbitrarily announced as American policy, we ask your support on these two specific points:

1. That trade agreements be made subject to review by the Tariff Commission, with full public hearings accorded to the affected industries and subject to the final decision of one or both Houses of Congress.

2. The elimination of the devastating possibilities contained in the "most favored nation" clause.

We hold no brief for restrictive tariffs. The broad policy of reciprocal trade for mutual advantage is beyond question. We demand, however, some measure of protection from irresponsible tariff-tempering by agencies promoting policies approved neither by the people nor their representatives in Congress.

Very truly yours,

R. A. WARD,

Vice President and General Manager.

BAKER, OREG. April 20, 1945.

HON. WAYNE E. MORSE,
Senate Office, Washington, D. C.

DEAR SENATOR: I am writing you at this time on the matter of the extension of the reciprocal trade agreement which is up for renewal the 12th of June.

The Doughton bill would be a disastrous blow to agriculture as well as the laboring class and all who would like to maintain a reasonable standard of living. To extend the reciprocal agreement no doubt would be the last straw to put the remaining sheepmen out of business.

In Oregon we have the lowest sheep population since 1886. The most of the reduction has occurred the past 4 years. Reasons are the administration, through its good-neighbor policy and hold-the-line program, has made it impossible for most sheepmen to operate except at a loss. Sheepmen have gone all out in helping the war effort with the result that the OPA and those responsible for ceilings on wool have forced them out. Don't let anyone tell you the sheepmen are making money. Most of them have an investment of from \$50,000 to \$150,000 in land and equipment, most of which is not suitable for anything except sheep operations. Would they leave their properties lie idle and pay taxes on same if they could break even on the operation?

Had it not been for the war situation and the help which the war caused in prices, matters would be much worse, so let's not get into a postwar period with a program that will ruin our way of life and standards of living. Let's get the house cleaned and get control back into the hands of Congress where it belongs.

The United States, the greatest country in the world, was not built by one-man rule or by Executive orders, but by Congress who are responsible to the people as a whole. If we are to continue to be great let's get back to earth. This is not my personal opinion but the opinion of the masses of people. I hope you may be able to see the matter as we do and fight to the last ditch for our rights, with no thought of compromise. It is something to be whipped when you are right, but much worse to stand by and be trampled on by those who are not responsible to the people or anyone else.

When you break the livestock industry you also break all agriculture in the West as 75 percent of all agricultural products are marketed through livestock and at all times free traders remind them that the largest market the United States has is our home market and must be protected.

With kind personal regards, I remain,
Yours very truly,

F. A. PHILLIPS,
Chairman, Livestock Marketing
Committee for Oregon.

OREGON WOOL GROWERS ASSOCIATION,
Dayville, Oreg., April 11, 1945.

HON. WAYNE L. MORSE,
Washington, D. C.

DEAR SENATOR MORSE: Oregon Stock Growers Associations are deeply concerned over future tariff trends and believe they are one of the major problems facing agriculture today. We recall that following the last war, imports of wool, meat, and farm products were so heavy that Congress passed an emergency tariff to limit them.

The Reciprocal Trade Agreements Act expires on June 12 of this year and the administration-sponsored Doughton bill would not only extend this act for 3 years, but reduce present existing duties another 50 percent on this country's major products.

Your efforts will be greatly appreciated. Jane joins me in sending our best wishes to you and the family.

Sincerely,

WAYNE STEWART.

NYSSA-NAMPA DISTRICT
BEET GROWERS ASSOCIATION,

Nyssa, Oreg.

HON. WAYNE L. MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I wish to call your attention to House bill 2652, known as Doughton bill, which proposes to allow further decreases in tariff rates on certain commodities, including cane sugar. It is readily to be seen that this decrease in tariff rates will seriously injure western agriculture and mining interests.

The effect upon sugar alone is sufficient reason why you should oppose passage of this bill. The duty on Cuban raws was \$2 between June 1930 and June 1934, when it was cut to \$1.50, then later to 90 cents, back to \$1.50 for a few months in 1939 then back to 90 cents to January 4, 1942 and since January 5, 1942 the rate has been 75 cents. I understand that it cannot be cut below this last-named rate, without an act of Congress and this Doughton bill proposes to allow a further cut of 50 percent in the rates.

With the wide differences in wage rates and in standards of living between the United States and our Latin-American neighbors we in the west cannot continue to grow sugar beets without more protection than this proposal would grant.

Our understanding is that hearings on this bill will be held April 15, and our association desires to go on record as opposed to the bill and to earnestly urge upon you and your associates that you do what you can to defeat the measure. Our association represents about 2,000 members, in the territory served by the Nyssa and Nampa factories of the Amalgamated Sugar Co. We have conducted a campaign to increase the acreage to be planted to sugar beets this year with the result that we have under contract for this season a very substantial increase in acreage, and we feel that it would be very inconsistent for the law makers to pass a law that will result in damage to those who by their superhuman efforts are striving to aid the war efforts.

The total damage will not be confined to sugar, as our livestock men, our wool industry and mining interests will suffer as well.

We are depending upon our Members of Congress to protect us in this respect and strongly urge upon you that this bill be defeated. Your comments and favorable action will be sincerely appreciated.

Yours very truly,
A. L. FLETCHER,
Secretary.

OREGON NUT GROWERS, INC.,
Newberg, Oreg., April 16, 1945.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D. C.

MY DEAR MR. MORSE: Your letter of April 9 was very gratifying to me because I had not previously had the opportunity of discussing with you some of the problems of our Northwest filbert and walnut industry. For so many years we always leaned heavily upon Senator McNary when it came to asking for ideas and support in connection with our industry. Senator McNary was a member of this association, and, in fact, the nuts from his estate are still packed and marketed by our organization. The subject of walnuts and filberts was a real pet of Mr. McNary's, and he never lost any opportunity to talk or write about it whenever the occasion presented itself.

When Senator McNary passed on, we, here in the Northwest engaged in the nut industry, felt his loss very keenly. It is for that reason that I am so happy to learn that you are interested in our nut business and willing to give it all thought and consideration.

You and I seem to share very much the same philosophy; namely, that our Nation is

going to have to protect our international security by negotiating economic agreements with other nations. On the other hand, we can see nothing gained when the negotiation of such agreements affects adversely the economic welfare of a large share of our people. I don't know what would be gained by our Government negotiating an agreement which would permit large tonnages of foreign grown nuts to come into this country at prices so low that it would be hopeless for our people here to attempt to compete with them.

We are writing a letter to Congressman DOUGHTON, and are enclosing a number of tables which we believe will give quite a clear and complete picture of both our domestic nut production and what we will have to watch in the way of foreign competition. Feeling that you and Senator CORSON and our four Congressmen from Oregon would like to have this information for reference, we are taking the opportunity of making copies of all this material and enclosing it herewith.

There is a lot of other information concerning our industry which can be made available if it seems necessary or desirable. If there is anything of importance that we have omitted, we will be happy to have you wire or write, and we will do our best to try and get further data into your hands.

Please accept our sincere thanks for telling us that we can count on you to do what you can to protect the filbert and walnut industry in Oregon. By doing that, you will also be helping our laboring people, merchants, and all others who might be indirectly connected.

This brings our kind regards.

Very truly yours,

JOHN E. TRUNK,
Manager.

NORTH PACIFIC NUT GROWERS
COOPERATIVE,

Dundee, Oreg., June 6, 1945.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: Not a few Oregon farm leaders and editors have lately expressed considerable concern over the inspired and one-sided publicity being fed to the press and radio in favor of legislation renewing and extending the provisions of the Reciprocal Trade Agreements Act.

We tend to share their alarm when we see legislation which may alter an entire course of America's economic history railroaded through the House with a very minimum of debate, while political commentators are encouraged to smear the opponents of the measure with the astonishing claim that any intelligent, businesslike inquiry into America's tariff needs would jeopardize the peace and would be tantamount to war mongering.

We appreciate your interest and understanding of the dangerous situation as evidenced by your letters of April 2 and 23, and sincerely hope that you agree at least in part that the following amendments are needed:

1. The administration of the act should be placed in the hands of a qualified agency, possibly a reorganized Tariff Commission, subject to congressional review. Don't you agree that tariffs should be based on economic factors and not on the State Department's changing views of international politics, especially where the livelihood, jobs, and investments of millions of American producers are directly affected?

2. It is only good sense to eliminate the application of the most-favored-nation clause. There is nothing reciprocal in the exchange of concessions with 1 country if 20 countries are to receive the same concessions from us, giving nothing in return. To call such a deal reciprocal is sheer hypocrisy.

Our views as to the details of the needed amendments are not hard and fast, and we would appreciate hearing from you and having your slant on what can be done to protect Oregon farm interest from unwise tariff tampering. We are confident that your analysis of the legislation has already included an appraisal of its defects and some constructive thoughts as to amendments designed to eliminate the danger points. Scores of other Oregon farm groups and hundreds of individuals with whom we have discussed this matter are generally agreed on the necessity for amendments somewhat similar to those roughly indicated above, and we would like to be able to reassure them as to your feelings along these lines.

Sincerely yours,

A. C. JACOBSON,
General Manager.

PITTSBURGH PLATE GLASS CO.,
Portland, Oreg., April 30, 1945.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: I have been discussing with friends here the new proposal which I understand is numbered H. R. 2652, to extend the Reciprocal Tariff Act for 3 more years and to give to the President the right to further reduce tariff duties on the kind of articles we make. We are against this extension, and I hope you will do everything you can to prevent its becoming law.

You know the window glass business in which I am engaged could be very seriously injured by too much foreign competition. They have the same kind of machines in Belgium and Czechoslovakia that we have in the United States, and the workers there do exactly the same job for 20 to 25 cents an hour for which the American workers are paid \$1.25 to \$1.56 an hour. That is difference enough to justify the continuance of our tariff.

Another reason is that the Tariff Commission recently said that there was no substantial difference between the price of foreign-made window glass and American-made window glass when it was sold in our domestic markets. If that be so, there certainly cannot be any reason for further reducing the duty.

Everything in this business is changing and I do not see how anyone can tell what the cost or transportation is going to be in the United States immediately after the war any more than they can tell what the cost and ocean transportation is going to be from Belgium and Czechoslovakia. If these things are unknown, how can anyone make a sensible tariff rate, and why should anyone want to change an existing rate at this time?

I trust you will keep in mind the fact that Czechoslovakia and Belgium together have greater window-glass capacity than we have, to say nothing of the capacities of Russia and Japan.

I again desire to express the hope that you will actively oppose any extension of this Reciprocity Act, particularly if it is for more than 1 year, and if it contains the power to further reduce tariff rates.

Very truly yours,

W. W. BOONE.

P & C HAND FORGED TOOL CO.,
Portland, Oreg., May 28, 1945:

HON. WAYNE L. MORSE,
United States Senate,
Washington, D. C.

DEAR MR. MORSE: As a manufacturer in the hand-tool industry employing an estimated 15,000 wage earners, we respectfully ask that you consider the subject of lower tariff rates as a serious danger to American industry.

We invite your interest in reading the enclosed informative statement prepared by the service-tool industry.

I have every confidence that you will use your best judgment in taking action upon this subject of vital importance to postwar reconversion, the maintenance of high wage standards and general welfare of the American people.

Respectfully yours,

J. EARL JONES,
President.

DANGER TO AMERICAN INDUSTRY OF LOWER TARIFF RATES

As one of your constituents, and being responsible for the welfare of our employees, as well as the carrying on of our business, we wish to enlist your support toward the protection of American industry, through adequate tariff rates, against inroads of low-labor-cost foreign merchandise, which seems likely to flood American markets during the postwar period.

The newspapers and magazines of late have been full of thoughtless ideas advanced by shallow thinkers to the effect that during the postwar period tariff rates should be reduced and we should open our American markets to world-wide unbridled competition. This fantastic theory, unless curbed by action of Congress, may well bring about the most serious depression and greatest amount of unemployment yet known in this country.

The question of continuing the present trade agreements with various foreign nations at the present tariff rates, or even lower by as much as 50 percent, will be before us in the near future. This certainly will require careful study and action by Congress if this country is to avoid an economic catastrophe.

The basic principle in back of tariff duties is to make it possible for American manufacturers to pay wage rates to labor sufficiently adequate to support the present high standard of living in this country. Unfortunately, the State Department agreements with some other countries, such as Sweden, have caused reductions in the tariff rates by as much as 50 percent. This development, unless promptly curbed, threatens the welfare of American industry and of employment.

The differentials which exist in labor costs in the United States and in other countries must be known in order to arrive at an intelligent conclusion regarding this subject. American labor costs today are at their highest levels in history, and no one knows how much they may increase after the war. Certainly wage rates will not decrease. Conversely no one knows at what extremely low rates foreign labor may be willing to work so as to be able to live and rebuild their own countries. Hence American industry and its employees are in a most vulnerable position.

FIFTEEN THOUSAND EMPLOYEES AFFECTED

The Mechanics' Hand Service Tools Industry, of which our company is a member, is composed of some 65 manufacturers from Maine to California, who employ approximately 15,000 people. This industry produces wrenches, pliers, screw drivers, and other metal-working tools. Mass production in this industry, in the true sense of the word, is not possible because of the wide variety in sizes and types. This industry, during the war period, has been producing tools amounting to approximately \$100,000,000 per year. Its normal prewar business was only 25 to 33 1/2 percent of this amount. It is estimated that the postwar demand will be somewhat larger than in the prewar period, but still not sufficiently large to keep busy all of the American tool-making facilities. This foreshadows some unemployment, even without the menace of a flood of low-labor-cost foreign tool imports.

The Mechanics' Hand Service Tools Industry employs tool makers, drop forgers, milling

machine hands, die sinkers, hardeners, grinders, polishers, etc. In any of these trades the foreign workman can produce as much, if not more, per hour than the American workman. Foreign mechanical equipment and methods are at least equivalent to our own.

COMPARATIVE COSTS

Among our principal foreign competitors in the prewar years were such countries as Sweden and Germany. Based upon prewar information, the average pay of labor in the hand-tool industry in those countries was 25 cents per hour, or only 21.5 percent of the American rate of \$1.16 per hour.

We give you herewith a hypothetical case. Let us assume that \$1 is the manufacturing cost of a unit in the United States, divided as follows:

Material and supplies.....	\$0.334
Labor.....	.666

Total..... 1.000

Also, assuming that the foreign materials cost will be the same as that in the United States (it might be lower), the foreign labor cost, being only 21.5 percent of the American labor cost, would amount to \$0.139, as compared with \$0.666, the American labor cost for the same item. Thus the per unit cost would be as follows:

	American cost	Foreign cost
Material and supplies....	\$0.334	\$0.334
Labor.....	.666	.139
Total.....	1.000	.473

Assuming that to the above costs were added 50 percent to provide for overhead, administrative costs, etc., this would result in a total American cost of \$1.50 per unit, as compared with a foreign cost of \$0.71 per unit.

Under the Tariff Act of 1930, based on an ad valorem rate of 60 percent, on an item valued at \$0.71 the duty was \$0.426 per unit. Under the Swedish trade agreement this has been decreased by 50 percent, or \$0.213 per unit.

On the above basis the foreign tool could be sold in the American market, duty paid, for \$0.923 per unit, as compared with the American manufacturers' actual labor and materials cost of \$1 per unit. Leaving out his overhead, administrative costs, profit, etc., how could American manufacturers survive this competition?

We trust you will do everything in your power to see that not only this industry, but all American industry, is given adequate tariff protection in order that the American standards of living may be maintained.

HOOD RIVER, OREG., June 7, 1945.
HON. WAYNE MORSE
United States Senate,
Washington, D. C.:

Here are the views of the Apple Growers' Association with respect to the renewal of the Reciprocal Trade Agreement Act now up for consideration in the Senate. We endorse renewal of the Reciprocal Trade Act in order to reestablish foreign trade on sound and lasting basis. However we think that some provisions should be included which will insure closer attention by negotiations to some of the realities involved. For example a reduction in the import duty of American apples into Czechoslovakia from \$2.50 to \$1.50 per box is eyewash and should be recognized as such by our own negotiators as it will not result in increased importation of American apples by Czechoslovakia. There is also another type of evasion which our negotiators appear to be overlooking, namely the reservations and restrictions of which the Canadian dump duty and the Argentine foreign exchange restrictions are typical examples. They

have the effect of giving the foreign government opportunity to nullify the provisions of the reciprocal trade agreement without giving the United States the same privilege. We realize difficulty of incorporating into legislation protection against faulty negotiation. Perhaps this can best be overcome by including some provision which would make it mandatory for the State Department to give industry adequate opportunities for hearings in advance of the completion of negotiations and not after the treaty is drawn up. It is also our observation that the administration of the treaties by our American State Department can be considerably improved. We endorse reciprocity but want something more than empty words in return for our concessions.

APPLE GROWERS ASSOCIATION,
J. E. KLAHRE, General Manager.

As I previously said, Mr. President, the foregoing telegrams and letters are only typical of the great number of communications which I have received from my State in opposition to the proposed legislation. I have endeavored to select out of the communications received a cross-section point of view of those which are either opposed to the legislation or feel that at least it should be amended in line with their suggestions.

As far as amendments are concerned, it is perfectly clear to all of us that the issue is going to be drawn for a vote upon the basis of the legislation as it is now pending. If it is passed, I sincerely hope that administratively those charged with the reciprocal trade agreement negotiations will give consideration to some of the suggestions made in the foregoing communications. I particularly want to stress the point made in one of the communications that an opportunity should be given for hearings in advance of the completion of negotiations for any particular agreement so that those in this country who are going to be affected by it may at least have an opportunity to present such evidence and data as they would like to have the State Department consider before the agreement is executed.

Of course, Mr. President, I do not wish to give the impression that I have only heard from those in my State who are opposed to the pending legislation. I have received a great many communications from those who have reached the same conclusion as I have reached in regard to this legislation. As is usually the case, those who are for a particular piece of legislation are not as specific in giving reasons which support their views as are the opponents of legislation. However, I have selected out of the communications which I have received in support of the legislation a few typical ones which I here incorporate as part of my remarks:

PORTLAND, OREG., June 14, 1945.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Anticipate that you are supporting House bill 2652. At spring district of the Oregon Federation of Women's Clubs, strong sentiment was expressed by the women for the renewal of this act.

Mrs. GEORGE MOOREHEAD,
President, Oregon Federation
of Women's Clubs.

PORTLAND, OREG., June 13, 1945.

Senator WAYNE L. MORSE,
Senate Office Building:
Urgently request support reciprocal trade agreements with bargaining power to 50 percent present tariff rates.
Mrs. E. W. ST. PIERRE,
President, Portland League
of Women Voters.

PORTLAND, OREG., June 13, 1945.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Urge support reciprocal trade with bargaining power to 50 percent present tariff rates.

Mrs. JOHN STARK EVANS,
President, Oregon League
of Women Voters.

WASHINGTON, D. C., June 13, 1945.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
We strongly favor Reciprocal Trade Agreements Act extension with authority for 50 percent reduction from tariff rates existing on January 1, 1945, and earnestly hope you can so vote.

JAMES G. PATTON,
President, National Farmers Union.

FOREST GROVE, OREG., June 10, 1945.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Urge strong support executive authority 50 percent. Reduction dutiable items. Post-war employment demands high trade level. World cooperation impossible without it. It must pass.

Mrs. WALTER C. GIERSBACH.

FOREST GROVE, OREG., June 10, 1945.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Urge strong support executive authority 50 percent reduction dutiable items. Must have bargaining power to preserve upward trend of trade with best customers.
Dr. and Mrs. REX WILSON.

FOREST GROVE, OREG., June 10, 1945.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Urge strong support executive authority 50 percent reduction dutiable items. San Francisco and Bretton Woods will not prevent war if we hold down foreign trade.
Mrs. ARNOLD E. LUBACH.

FOREST GROVE, OREG., June 10, 1945.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Urge strong support Executive authority 50 percent reduction dutiable items. United Nations cannot function without basic economic prosperity. High United States tariff will be barrier.
Mr. and Mrs. H. E. SHELTON.

SALEM, OREG., May 17, 1945.

Hon. WAYNE MORSE,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: I have been informed that our present Trade Agreements Act expires June 12 and that there is now pending in Congress a bill, H. R. 2652, which extends the Trade Agreements Act for a period of 3 years and allows a 50-percent reduction of the

January 1945 tariff rates in bargaining with other nations.

After this war is over we are looking forward not only to a permanent peace but to a prosperous world order, in which full employment will be assured all able-bodied men. New trade agreements will increase our foreign trade and help provide full employment. I sincerely believe it will likewise help to overcome economic isolationism and extreme nationalism.

Trusting that you will give H. R. 2652 your careful consideration and support, I remain
Cordially yours,

ELSA O. DEVERS
Mrs. J. M. Devers.

THE NATIONAL BOARD OF THE YOUNG
WOMEN'S CHRISTIAN ASSOCIATIONS
OF THE UNITED STATES OF AMERICA,
Portland, Oreg., June 7, 1945.

Hon. WAYNE D. MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: The Senate is going to consider soon, if it is not already before them, the renewal of the Reciprocal Trade Agreement Act, with additional powers to the President.

The YWCA national program supports the new act for the valid reasons that it is the only practical way to handle tariff adjustments; and more important, it puts us on record as acting in world relationships on the principle of reciprocal agreements.

There are other values in the plan, but I do not need to record them for you.

In addition, I would like to call to your attention our deep concern in Senate bill 101, the permanent Fair Employment Practice Commission, with enforcement powers. The YWCA has a record of years of experience in building in the field of better democratic practices in securing economic justice for minority groups. This measure is in line with the thinking gleaned from these years of experience.

In conclusion, I am writing as the State chairman of public affairs of the YWCA in Oregon.

With cordial greetings, I am,
Sincerely,

ELIZABETH H. DUSENBERY
(Mrs. Verne Dusenbery),
State Chairman of Public Affairs.

EUGENE, OREG., May 27, 1945.

Senator WAYNE MORSE,
Senate Offices, Washington, D. C.

DEAR SENATOR MORSE: As chairman of the department of government and its operation for the Lane County League of Women Voters, I should like to express to you our strong conviction of the very great urgency at this time for the Senate to give its approval to H. R. 2652, the bill extending the Reciprocal Trade Agreements Act for 3 years and allowing additional reductions up to 50 percent in those rates established by agreements negotiated since 1934.

The league believes that the trade agreements are a bridge to peace, one of the most important steps we can take at this critical time toward securing full employment and prosperity at home and aiding in world reconstruction abroad in the postwar years. Over the same period the record shows that the increase in our exports to trade agreement countries was more than twice the increase (62.8 percent against 31.2 percent) to non-trade agreement countries. Such a record proves that both enlightened self-interest as well as international good will dictate extension of the trade-agreements program.

The league feels that it is of the utmost moment that the act be extended for a full 3 years rather than for a shorter period, because it takes time to negotiate agreements and because we need to give other countries

some assurance of a steady policy. The league also feels that the allowance of an additional 50 percent reduction in some rates as provided in the bill is of great importance because we need the additional bargaining power such reductions provide and because experience has already demonstrated that reductions on the commodities involved do help our world trade.

We earnestly urge you to support H. R. 2652 without amendment.

Very truly yours,

ELLEN N. BALDINGER
(Mrs. Wallace S. Baldinger),
Lane County League of Women Voters.

PORTLAND, OREG., May 27, 1945.

HON. WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SIR: We were heartened by the support given our President by the House in passing the extension of the Reciprocal Trade Agreements Act and providing for administrative reductions from present tariff levels. We hope that the Senate will also strengthen his hand for international negotiations by approving the extension in the form it was passed by the House, or at least without nullifying amendments.

It is our opinion that anything like the Smoot-Hawley Tariff Acts will bring us both depressions and wars in the future as they have in the past. It seems as unwise to isolate ourselves economically as it is to build a wall about us in a political way. With confidence that you believe in the fact we must be of the world rather than against it, I am
Sincerely,

ALVIN HOBART.

Mr. President, I have read or listened to every word that has been spoken in this debate, and it is my honest conviction that the fear which has been aroused among the agricultural interests of the country is a false fear although an understandable one.

After all, as I said before, I think we need to recognize that the President and his officers in the State Department are as anxious as we are to protect the agricultural interests of the country. I for one am going to take their pledge as their bond until they demonstrate to me that their word is not worth my trust.

So after consultation with leaders in the State Department in regard to the fear arguments that have been used against the proposed legislation, I received a letter from W. L. Clayton, Assistant Secretary of State, which I should like to read into the RECORD at this time. The letter is as follows:

ASSISTANT SECRETARY OF STATE,
Washington, June 15, 1945.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: Assistant Secretary of State Dean Acheson tells me that you have asked about a certain statement which I made in hearings on the extension of the Reciprocal Trade Agreements Act relative to the inclusion in future agreements of an "escape" clause along the lines of that used in the Mexican Agreement.

The House Ways and Means Committee report of May 18, 1945, on H. R. 3240 contains the following statement:

"It is the understanding of the committee that it is the intention of the trade agreements organization to recommend to the President the inclusion of broad safeguarding provisions along the lines of article XI of the Mexican agreement in future trade agreements".

This statement was made on the basis of assurances by Government witnesses in the course of the House hearings. These assurances were relied upon by the House in passing the bill and they were repeated before the Senate Finance Committee.

The policy of the State Department was stated in my testimony before the Senate Finance Committee (page 179, unrevised committee print) where I said: "In order that there be no possible misunderstanding of the position of the State Department in this matter, I just want to make it clear now to this committee that the Ways and Means Committee statement accurately represents the policy which will be followed in the administration of the Trade Agreements Act."

Hoping the above will be satisfactory, I am

Sincerely yours,

W. L. CLAYTON,
Assistant Secretary.

After receiving Mr. Clayton's letter, Mr. President, I talked with other officials in the State Department and I asked for additional data in regard to the situation concerning such great agricultural industries of my State and the West as the filbert and walnut nut industry, the livestock and dairy industry, as well as about wool, grain, and other agricultural products. On the basis of those conferences, I am satisfied that the President of the United States and the State Department can be relied upon to see to it that the agricultural industry of America is not injured by any future reciprocal trade agreements.

I am satisfied further, Mr. President, that no showing has been made to date in this debate sufficient to convince me that the reciprocal trade practices up to this hour have injured American agriculture.

Why do I think that one reason, above all others, should compel me, in carrying out my convictions, to vote for the pending legislation? I will tell the Senate why, Mr. President. It is because the economic forces in the world are changing at such a rapid rate that we must keep those responsible for negotiating international economic agreements in behalf of America in as strong a position as possible during the coming critical months and years. We must do that so that America will meet her full share of obligations and opportunities in setting up the international machinery necessary for the greatest attempt ever made by America to participate in a world order devoted to the maintenance of permanent peace. I believe that giving the powers sought by the President in this legislation will strengthen his hand in this great hour of history; and I believe that the powers sought under the 50-percent reduction provision will be used wisely by him. If not, then God help us. But if that confidence is warranted, if that trust will be kept—and I believe it will be kept—then I believe that my obligation today is to give a vote of confidence to the President, which I am sure he will respect and protect. I feel that this is a national issue in regard to which there is no room for partisan opposition to the President. I am gratified to see that Republicans and Democrats are to be found in considerable numbers on both sides of this issue. Differences among us are sincere and clear cut. I for one feel that the President is entitled to the

strengthening of his hand in international negotiations which this legislation gives to him.

Mr. President, we have heard much in this debate about the effect of the exercise of this power on American wages. It is true that we have been going through a war emergency. It has been suggested that one reason why no one can point to serious injury to any substantial segment of American industry flowing from reciprocal trade policies up to this date may be the fact that the period during which the trade agreements have been in effect has been an abnormal period, and therefore not a good testing period.

I do not know, Mr. President, whether very many of us in the Senate today will live to see the time when this old world will not be going through a very serious emergency period. I think that the adjustments which will have to be made in the international economic scene will be made through a series of emergency periods for many years to come.

The point I wish to make is that, in my judgment, at least those who have advanced the argument that injury will flow to American labor from reciprocal trade agreements have not been able by a preponderance of the evidence to sustain their burden of proof. The evidence on the record to date, based upon the experience which we have had with reciprocal trade agreements, thus far does not show any injury to labor or to farmers as groups. In my judgment, that means that our past President and our Secretary of State constantly kept in mind that the economic interests of America must be given paramount importance in any negotiations over a reciprocal trade agreement. I, for one, have confidence that the same consideration of our national welfare will be given in negotiating future trade agreements.

Personally I think it is unsound to argue that reciprocal trade agreements will result in a lowering of wage standards and the standard of living in this country. On the other hand, I think the reciprocal trade agreement policy points the way to maintaining a decent standard of living in this country for American workers and consumers generally. Why do I say that? I say it because I do not think we can have large sections of the world in economic depression and have America prosperous. Unless we are able to negotiate reciprocal trade agreements which will permit of a correct balance of international trade, which will permit nations to buy and sell, I think the inevitable result will be economic depression in the British Commonwealth of Nations, in Europe, in China, in South America and other parts of the world, with resulting depression in America. Let us not again pave the road to the development of high wages and prosperity in America by way of war.

A prosperity built upon the blood money of war is neither a healthy nor a lasting prosperity. We cannot remain prosperous in this country after the war unless we trade with other Nations on a basis which will make it possible for

them to trade with us and with each other. Economic isolationism is as dangerous for the future security of America as is political isolationism. We cannot fence ourselves in politically, economically, or culturally. We are in fact a part of one world and we are a mighty important part of that world. Economic forces, the movement of world economic depressions, the economic effects of the devastation of war will not be respecters of artificial national economic barriers which we may seek to set up through a policy of economic isolationism. We cannot maintain American wages, American prices, American standards of living through a policy of exploiting the trade markets of the world. We must buy as well as sell. We must empower our reciprocal trade negotiators to enter into multiparty trade agreements whereby they will be in a better bargaining position to balance our foreign trade sheet without taking into this country goods which will destroy the American market for American producers.

Let us not again as a nation be parties to an international situation resulting in economic warfare, and finally resulting in military warfare. Such has been the economic background of war. Those who read their history know that the cycle of wars for centuries back has stemmed from international economic warfare; from economic exploitation of weaker peoples; from the unsound policies of nations who have only wanted to sell but not to buy.

Therefore, Mr. President, I am convinced that in casting the vote which I will cast on this issue, I shall be casting a vote for strengthening international economic relationships and reducing the danger of international war.

I close my remarks by saying that I give to those who disagree with me the same respect for possessing motives on the high plane of nonpartisanship as I know those who know me accord to me in appraising the basis and motivation of my vote. I shall vote for the pending legislation because I think the challenge of nonpartisan statesmanship dictates such a vote. I shall cast my vote in the hope and with a prayer that the legislation once enacted will strengthen the position of our Nation in the councils of the world. If it will contribute ever so little toward world economic stability and to some degree help alleviate the economic causes of war I feel that the confidence which we who favor it have placed in those who will administer it will have been deserved.

Mr. MOORE obtained the floor.

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

Mr. MOORE. I yield.

Mr. GEORGE. I think I should give notice that we will endeavor to reach a vote on the pending committee amendment tonight. I think we can do so, although two or three other Senators have expressed a desire to speak. I do not expect to dispose of the bill tonight; and any argument which is directed to any other feature of the bill, or the bill as a whole, might as well be withheld in the interest—I hope—of obtaining a vote

upon the committee amendment before the Senate takes a recess tonight.

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

Mr. MOORE. I yield.

Mr. TAFT. Mr. President, after this long debate, in my view it would be a great mistake to keep the Senate here later than half past 5. There are still a number of Senators to be heard. I suggest to the Senator that it seems to me that it would be much more orderly procedure to agree to vote definitely, say at 1 o'clock tomorrow, dividing the time between the two sides, so that we may have a final summing up speech on each side. Such an arrangement would certainly not delay final disposition of the bill. From what I know of those who wish to speak, I am very much afraid it will be half past 6 or 7 o'clock before we finish, if we try to vote on the pending amendment this evening.

Mr. GEORGE. Mr. President, I should like to accommodate the Senator if I could, but I am under obligation to dispose of the pending committee amendment tonight if it can possibly be disposed of. Two or three Senators wish to be absent tomorrow. At the moment I can do nothing except pursue the course which I have announced. I simply give notice that I shall endeavor to reach a vote this evening.

Mr. WHITE. Mr. President, let me say a word about the request of the Senator from Georgia or the notification he has given. I share, although perhaps not to the same extent, his desire to have the pending amendment disposed of, but I think the usual practice, when it has been desired to hold Senators in the Chamber for a night session, has been to give notice the day before, so that Senators might accommodate the other demands on their time to the necessities imposed by holding a night session.

I regret the giving of notice at half-past four in the afternoon that it is desired to have the Senate remain in session during the evening until the pending amendment is disposed of. It is obvious that the bill cannot be disposed of tonight, and I cannot see that any great accomplishment would be achieved by pressing for a vote on the amendment tonight, regardless of whether it is adopted or rejected.

I have the highest regard for the Senator from Georgia, but, under the circumstances, I think it is a little unkind to request that the Senate stay here during the evening.

Mr. GEORGE. Mr. President, I thank the Senator for his expression of regard. I must say that I have been rather patient in connection with the pending matter. There have been many digressions and many matters which have been injected into the debate.

Inasmuch as any Senator who may wish to speak on the bill will have an opportunity to do so tomorrow, I cannot see why it is not proper to endeavor to dispose of the amendment today, if it is possible to do so. At any rate, I should like to continue for a while, to see whether it will be possible to dispose of the amendment today.

Mr. DONNELL. Mr. President, will the Senator from Oklahoma yield to me, so that I may suggest the absence of a quorum?

Mr. MOORE. I yield.

Mr. GEORGE. Mr. President, if the Senator is going to pursue such tactics, then I will give notice that I shall feel disposed to continue.

Mr. DONNELL. Mr. President, I do not regard the suggestion of the absence of a quorum as the pursuit of any tactics. I believe it is proper to have a quorum present. Therefore I suggest the absence of a quorum.

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield for the purpose of the suggestion of the absence of a quorum?

Mr. MOORE. I yield.

Mr. TAFT. Mr. President, if the Senator will permit me to say a word at this point, I desire to state that I think it is important to have all Senators informed of the present situation, so that they will be present in the Senate Chamber, and will not leave the Senate before finding out that they are supposed to stay. I think it is most desirable that a quorum be present.

The PRESIDENT pro tempore. The Senator from Oklahoma has yielded to the Senator from Missouri, for the purpose of suggesting the absence of a quorum; and the absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	O'Daniel
Austin	Guffey	O'Mahoney
Ball	Gurney	Overton
Barkley	Hayden	Pepper
Bilbo	Hoey	Radcliffe
Brewster	Johnston, S. C.	Reed
Bridges	Kilgore	Revercomb
Briggs	La Follette	Robertson
Brooks	Langer	Saltonstall
Burton	Lucas	Shipstead
Butler	McCarran	Smith
Byrd	McClellan	Stewart
Capehart	McFarland	Taft
Capper	McKellar	Taylor
Chandler	McMahon	Thomas, Utah
Chavez	Magnuson	Tobey
Donnell	Mead	Tunnell
Downey	Millikin	Walsh
Eastland	Mitchell	Wherry
Ellender	Moore	White
Ferguson	Morse	Wiley
Fulbright	Murdock	Wilson
George	Murray	
Gerry	Myers	

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

The Senator from Oklahoma is recognized.

Mr. MOORE. Mr. President, the pending measure for the further extension of the authority of the President to enter into reciprocal trade agreements with foreign countries embraces one of the most important policies with which we have to deal. Because of its importance in a matter of policy on the part of Congress, I feel impelled to make a brief statement of why I shall vote against it.

Soon after I became a Member of the Senate, more than 2 years ago, this same matter was before us for consideration.

At that time Secretary Hull was vigorously urging the extension of the authority. Secretary Hull was regarded in Congress, and throughout the country, as a great patriot and a great statesman. Other newly elected Senators and myself had several conferences with Secretary Hull, and listened to his persuasive arguments in favor of the extension. I have also listened attentively to the arguments made at this time for and against the treaty. I know Secretary Hull had a deep conviction of the need for such power, just as I know that the distinguished senior Senator from Georgia [Mr. GEORGE] has a deep conviction of its need.

I believe the authority which has been given by the Congress in the matter of reciprocal trade agreements since 1930 has been for periods of 3 years, except in 1943, when it was for a period of 2 years. To begin with, not only is the authority in the law and in subsequent extensions and in the one now requested, but additional authority is asked. Since there has been a limitation in time and authority, Congress must have felt conscious of a need for its reviewing these matters rather than granting an unlimited authority. Congress must have felt, as evidenced by the debates which have occurred in these proceedings from time to time, that it was transgressing its constitutional right in the delegation of these powers.

The economic benefits which may be claimed and disputed as a reason for granting the President the power contained in the law have been discussed, and probably all that has been said, for and against, amply covers the subject. It may be conceded that every reasonable man is in accord with the objective of fostering international trade. The fullest prosperity in our country through sound domestic economy no doubt must be supplemented by a healthy foreign trade policy. The products of our manufacturing States, such as the cotton of the South, the corn and wheat of the Middle West, the natural resources of our mineral-producing areas, the cattle, hogs, wools, and farm products of our Nation, must be afforded an outlet to the markets of the world if America's place in the commercial world of the future is to be assured. Likewise, the great consumptive markets of America must be open to the productive resources of the other nations of the world if a healthy international economy so necessary to the future peace and welfare is to be maintained. Thus, the prosperity of our economy at home, the employment of our people, and the continued advance in the standard of living are dependent in a large measure on world trade. I should be the last, knowingly, to thwart the objective which we seek.

The PRESIDENT pro tempore. The Senator's time has expired on the amendment.

Mr. MOORE. I will take time on the bill.

Mr. President, the brilliant history of American progress has been founded on the Constitution. This great document came into being in large part as an economic charter as well as a charter of human rights. The division of govern-

mental powers so clearly defined within the Constitution was set forth in the light of current experiences of the men who framed the Constitution. The powers, duties and obligations imposed upon the Congress were set forth as exclusive powers, and the right to delegate the legislative power or the treaty-making power was denied our discretion. The first section of the first article vested all legislative powers granted by the Constitution in the Congress of the United States. Section 3 of the first article provided that the Congress shall have power to lay and collect taxes, duties, imports and excises. The measure now under consideration proposes that we continue to empower the President to enter into international trade treaties without requiring them to be ratified by the Senate. The proposal empowers the President to reduce import duties of his own volition. The grant of such authority is unquestionably to my mind a clear delegation of the legislative authority which the Constitution has vested exclusively in the Congress. That Congress may not, under the Constitution, delegate its legislative power to the President is not a debatable question. The Supreme Court of the United States has said:

That Congress cannot delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution.

The National Recovery Act was struck down by the Supreme Court because the act delegated legislative powers to the Executive.

Mr. President, there is another fundamental constitutional objection to the delegation of power proposed by the pending legislation. Reciprocal trade agreements negotiated by the Executive through the offices of the Secretary of State, and in turn by the various divisions and subdivisions of that department of Government, bind this Nation to certain promises and rules of conduct with respect to imports, and likewise bind other nations to certain agreements and rules of conduct with respect to goods exported to those countries. They constitute, in fact, trade treaties between the United States and the contracting nations. The treaty-making power has been vested in the Senate of the United States by the Constitution, and I am unable to bring myself to the view that the obligation and duties incident to this important function of Government may be delegated to the President of the United States, or to any division of the executive department, or to anyone else.

Ordinarily, we conceive of the Constitution as delegating three classes of power, namely, legislative, executive, and judicial. To these three enumerated powers there should be added a fourth and probably the most important power of all, namely, the treaty-making power of the Senate. No greater power exists in government. Under the treaty-making power it would be the prerogative of the Senate even to cede the territory of any State or States to a foreign power. Under the treaty-making power it would be possible to cede the State of Texas back to Mexico.

Under the treaty-making power the Senate could direct or prohibit the shipment or receipts of exports and imports, and limit or otherwise control our international commerce. This power has been so firmly imbedded in the Senate that I, for one, am unwilling to depart from the Constitution as an expediency to the realization of what many claim to be temporary advantages. A treaty has been defined as a "written contract between two governments respecting matters of mutual welfare such as peace, the acquisition of territory, the defining of boundaries, the needs of trade, rights of citizenship, the ownership or inheritance of property, the benefit of copyrights and patents, or any other subject." I know that it will be argued, and the point was forcefully presented by the distinguished Senator from Georgia, that the Congress is not equipped to negotiate the details of a reciprocal-trade agreement, that it would be wholly impractical for the Congress to undertake such details. Certainly this is true. But, the preservation of the constitutional power of the Congress does not require that the Congress impose such obligation upon itself. In fact, the Constitution itself delegates to the President the power to make and negotiate treaties, with the consent and approval of the Senate. Those of us who are resisting this legislation on constitutional grounds are asking only that the constitutional obligation of the Congress in this respect be complied with. I do not believe that any of the Senators who base their objections to the legislation on constitutional grounds feel that the Congress should inject itself into the negotiation of any international trade agreement which the Executive may believe to be proper and advantageous to this Nation. I do not believe that there is any objection to the State Department, the Commerce Department, or any other Department of Government carrying on conversations or negotiations wherever proper with foreign governments. But, as the distinguished Senator from Wyoming [Mr. O'MAHONEY] has pointed out, before such contracts are entered into it is the constitutional duty of the Senate to know the import of the contract; it is the obligation of the representatives of the people to pass upon the efficacy of such agreements. It is proper and right that the people of the States affected, or that segment of our economy which may be subject to the terms of the agreement, be given an opportunity to express their views and point out the advantages or disadvantages of such agreements. In no other way under our democratic form of Government may the people have a voice in their government.

The answer has been made by those who support the legislation and I have no doubt that they speak sincerely and in great earnestness, that the delegation of this power will not result in harmful effects, that the power will be exercised carefully, judiciously, and wisely in the public interest and to our national advantage.

Let us grant, for argument's sake, the truth of this proposition. It follows, then, that there can be no reason why

the Senate should not comply with its constitutional obligation of approving the international contracts negotiated by the Executive. If these agreements were made in the interest of all the people, I feel positive that the Senate would agree with the Executive. One thousand and forty-eight treaties have been submitted to the Senate of the United States for approval. Of that great number of treaties, only 18 have been disapproved. That record, Mr. President, bespeaks a sympathetic attitude of those jointly entrusted with the treaty-making power toward the Executive in the conduct of international negotiations. I cannot believe that there is ground for fear that that attitude will be altered except in the national interest.

The delegation of authority now proposed certainly impairs, and in some cases prohibits, an opportunity of the parties or industry that may be affected to express their views. As a concrete example, I am informed that after months of study of the war's impact on oil and the oil industry's postwar prospects, there is strong sentiment in the Tariff Commission to recommend, first, a restriction upon the export of crude oil and products from the United States; second, removal of all import taxes and the subsidizing of tanker hauls from distant foreign lands as an encouragement to imports; and, third, restriction on domestic production to a quantity only sufficient to supplement imports to meet domestic demands. This program, I am told, has been evolved by the Tariff Commission as a conservation program for the oil industry of the United States.

Without debating the merits of the proposals, with which I am surely not in accord, is it too much to say that the people of Texas, Louisiana, Oklahoma, Kansas, California, Illinois, Pennsylvania, Michigan, Wyoming, and the other oil-producing States of the Nation, be given an opportunity to be heard with respect to such a program? Is it too much to ask that the American petroleum industry be heard? Is it too much to ask that the Senate of the United States be informed before agreements with foreign countries effectuating any such program are entered into?

Mr. President, there seems to be a prevailing psychology, both within and without the Congress, that the people of America are warranted in straining the constitutional powers of government, and in some cases abdicating to a great extent the sovereignty of America, as overtures to the nations of the world in order that a lasting peace may be created. This argument has been made in behalf of the measure which proposes to extend the authority of the President to make reciprocal trade agreements, it has been made in behalf of the Bretton Woods Conference, it was made in behalf of the Mexico Water Treaty, all to the end that the bargaining power of the Executive may be strengthened. It is even now being suggested that whatever plan may come from San Francisco be approved by the Senate without delay, in order that the position of our Government may be strengthened at the coming conference

of the representatives of the United States, Great Britain, and Russia. It is urged that action should not be delayed sufficiently for the people of the country to be informed, and a full and free discussion of the San Francisco Charter to be had. I cannot agree with these suggestions.

Mr. President, our constitutional form of government, and the rights and liberties guaranteed to the people under it, have on several occasions been preserved by the bloodshed of our Army and our Navy. We are today engaged in a world conflict to preserve America under the Constitution, and to make safe the rights and liberties guaranteed by our Constitution. Let us not bargain away in peace the rights and liberties for which we fight in war.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GEORGE. Mr. President, if permission can be had to vote definitely tomorrow, say at 2 o'clock, under the same limitations as have already been agreed to, with an equal division of time between the proponents and opponents—

Mr. LANGER. I wish to object to that for the present.

Mr. GEORGE. Very well.

Mr. TAFT. Mr. President—

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GEORGE. Let us proceed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. WHERRY. Who has the floor, Mr. President?

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. TAFT. The Senator from North Dakota will withdraw his objection, I think, if the Senator from Georgia will renew his request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia?

Mr. TAFT. If I may have the allocation of time on this side.

Mr. McFARLAND. A parliamentary inquiry. Does the unanimous consent request apply only to the amendment?

The PRESIDING OFFICER. The attempt is to obtain an agreement on a time for a vote on the amendment.

Mr. LANGER. Mr. President, I withdraw my objection, in view of the fact that the distinguished Senator from Ohio says I may have half an hour tomorrow.

Mr. TAFT. The time is to be equally divided, I understand.

Mr. GEORGE. I will agree to fix the hour at 2 o'clock. The Senator suggested 1 o'clock, but I thought perhaps other Senators might wish to speak. I should like to supplement the agreement by making it clear that we are to vote finally on the committee amendment at not later than 2 o'clock, and that the time between 12 o'clock and 2 o'clock shall be equally divided between the opponents and proponents, the time on the other side to be controlled by the Senator from Ohio.

The PRESIDING OFFICER. Hearing no objection, the Senate will vote upon

the amendment tomorrow at not later than 2 o'clock, and the time from 12 to 2 o'clock will be equally divided.

Mr. GEORGE. While, of course, I realize that that will not terminate the debate upon the whole bill, I hope that we may have the cooperation of the Senate tomorrow in an effort to bring the bill to a final vote, if possible tomorrow evening, because there are several Senators who are most anxious to be away, for good reasons, and I should like to accommodate them, so far as I am able to do so.

Mr. WHERRY. Mr. President, it was my hope that the distinguished Senator from Wyoming [Mr. O'MAHONEY] would be permitted to address the Senate for a few minutes further relative to the effect the trade agreements already in operation have had on such agricultural products as sugar, and also the effect they have had on wool, and the effect they have had on cattle.

If we permit further reduction of the tariff on sugar beets, it may result in the destruction of large segments of the sugar-beet industry, which is an important economic factor in 14 of the 48 States. Since 1934 there have been four reductions by the executive branch of the Government in the duty on sugar. Today we are suffering for lack of sugar in this country. At this time if a housewife wants to can, she cannot get sugar.

If we examine what has been done by special agreement, we find that already there has been a cut from \$2 a hundredweight down to \$1.50, in 1934, to 90 cents in 1939, and in 1942 down to 75 cents a hundredweight. If the pending bill, without the committee amendment, shall be enacted and go into effect it will mean a further possible reduction of 50 percent additional, which will mean that sugar will be imported into this country practically tariff free.

In the State of Nebraska there are today five great refineries. Only two of them operated last year. There are thousands of acres of land on which sugar beets can be raised, and the sugar-beet tops can be fed to cattle. In Nebraska a large proportion of the population live on family-sized farms. They have taken great interest in their civic responsibilities in the schools, in the homes, and in the churches, and we need to keep those families on the land, on the farms, and if we do there can be produced the sugar needed in this country today. Yet with the tariff which may be imposed, with further reductions, the sugar-beet producer of Nebraska will be at the mercy of the man who produces sugar in Cuba. He will be at the mercy of people whose standards of living cannot be compared with the standard of living we should be proud to give the people of Nebraska, and which they will not have under further tariff reductions.

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

Mr. WHERRY. I yield.

Mr. LANGER. There are about 300,000 acres of land in the Red River Valley where the farmers have been begging for years for a chance to raise sugar

beets, but because of the quota we formerly had that land has been lying idle, so far as sugar beets are concerned.

Mr. WHERRY. I thank the distinguished Senator for his contribution, and, since he has spoken of the quota, I wish to say that today the only assurance the beet-sugar industry of America has concerning its economic future rests upon the quota system, which expires next year. When the quota system expires the sugar-beet producers of the whole country will be subject to tariff regulations, assuming the present statute is extended and the schedule, amounting to another 50-percent cut, is adopted, which will mean the importation into this country of sugar practically free of duty.

If the Trade Agreements Act is not extended the tariff will be the only safeguard upon which this industry can depend in its fight for survival when competing with sugar produced by what amounts to slave labor in foreign countries.

Mr. President, in the 5-year period during which the law has been in operation there has not been opportunity to prove its efficacy. Therefore I feel we should give more consideration to the subject before we vote that further reductions in tariffs be made against American agricultural products. Every Member of the Senate who is a farmer should give the subject serious consideration before voting for further reductions.

Let us consider the effect upon cattle. There are some who may think that the subject of cattle is a pet subject with me. I come from Nebraska, and 80 percent of the industry of Nebraska is farming and the raising and feeding of livestock. That is really what industry we have in Nebraska. We have practically no mineral supplies in that State. We have very few industries in the State. We do have an industrial city in Omaha, it is true, and we do have some industry in other centers in Nebraska, but in the main we must depend on agricultural production.

Let us now consider the matter of cattle. In the past 5 years the tariff on cattle has been reduced 48 percent. A further reduction of only 2 percent will result in decreasing the tariff to the full limit permitted under the Reciprocal Trade Agreements Act now in force.

I should like to bring to the attention of Members of the Senate the fact that today the subsidy on a 1,200-pound steer is \$51.60. I should like to ask members of the Committee on Agriculture and Forestry, who is going to absorb that subsidy when the subsidy is taken off cattle? I should like to ask the milk producer who will assume the subsidy of 3 cents a quart on milk when that subsidy is taken off milk? Of course, the producers will have to absorb the difference with respect to milk. That is exactly what is going to happen in Nebraska when the \$51.60 subsidy is taken off the 1,200-pound steer. It will be the producer of the cattle who will have to assume the subsidy of \$51.60.

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

Mr. WHERRY. I yield.

Mr. AIKEN. Does the Senator advocate taking off the subsidies on milk and cattle?

Mr. WHERRY. Mr. President, in answer to the distinguished Senator's inquiry I will say that that is not at all what I have been talking about. I believe in the profit-motive system, and I will say to the Senator that if I had had my way, instead of increasing the subsidy, as was done a year ago, when Charles Holman, the head of the cooperative dairy organization, the Senator's friend, came before the Committee on Agriculture and Forestry and advocated such action, I would rather have taken action based on the profit motive. I would have raised the price of milk to the point where it ought to be, at a time when people can well afford to pay the price they should pay for it. That stops black marketing. If the administration chooses the incentive plan, however, then all that is left is to take the subsidy route. The administration succeeded in obtaining production. I am really glad of that. I would have taken the profit-motive route, however. So now we have the subsidy plan in effect, paying subsidies for dairy products in the Senator's State. If the subsidy is taken off, who will assume the amount represented by the subsidy? The dairy farmer's of Vermont will have to absorb that subsidy. On top of that, when the Senator votes, as I understand he will, to authorize additional cuts in the tariff on milk products, including cheese, he will have added a double burden on his own dairy farmers in Vermont.

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

Mr. WHERRY. I yield.

Mr. AIKEN. Does the Senator favor taking off the subsidy on cattle and milk?

Mr. WHERRY. I favor taking off the food subsidies just as quickly as it can be done. I am in favor of the profit motive basis, and I am in favor of adopting it as quickly as we can. Does that answer the Senator's question?

Mr. AIKEN. Yes.

Mr. WHERRY. My theory is that if we remove some of the restrictions and do not grant further tariff reductions, we will obtain maximum production, and when we obtain maximum production we will be better able to control inflationary prices than we can now with an economy of scarcity and through subsidies, which have brought into being the black markets.

Recurring to the question of cattle, it is my contention that when the subsidy payments on cattle are removed those who produce the cattle will have to stand the loss as one of the production costs.

The distinguished Senator from Wyoming today spoke of the effect of the operation of the Reciprocal Trade Agreements Act on production of cattle in Wyoming, and what the result to the cattle industry will be if we provide for a further reduction of 50 percent in the tariffs, the subject on which we are asked to vote. Where will the cattlemen be in 2 or 3 years under the proposed plan of a reduction in tariffs of another 50 percent—and at the same time have to

absorb \$51.60 subsidy on a 1,200-pound steer?

What I have said respecting the cattle producer, Mr. President, applies with equal force to the producer of sugar beets. That was made plain today by the senior Senator from Wyoming who told us the situation which confronts the sugar-beet producers of Wyoming. Can Senators blame those of us who come from that section of the United States if we stand on the floor of the United States Senate and battle with all our strength in an endeavor to sustain the American economy, and particularly agriculture, which is the basis of our industry in Nebraska and the Middle West? We have no other forum in which to take our stand. When it is proposed to take our farm markets away from us we must take a determined stand here. If we are placed on the same basis as the Argentine farmer in the production of cattle, how long can we continue to pay toward the support of our Government institutions? Who will pay the \$330,000,000 debt of our country if we do not get agricultural production? Agricultural production is essential, and comes first, and is the basis of everything else. If we do not have a strong agricultural production structure the remainder of our economic structure is not strong. All industry is dependent on agriculture.

If the farmer of the country is penalized, industry of the country is also penalized. Exports must be paid with imports, and if they are paid with agricultural imports, a burden is placed on the farmers which they cannot stand.

Mr. President, I had hoped longer consideration would have been given to this particular matter. What is proposed to be done now would, if done, change the economy of the country. It certainly would change the economy of the State of Nebraska.

Mr. President, during the debate those favoring further reduction in tariff rates on imports have advanced the argument that it would encourage all nations to adopt the peace proposals now being formulated at San Francisco. The Reciprocal Trade Agreements Act was adopted in June 1930. Renewal thereof was proposed in 1934. I remember very distinctly how the proposal was advanced. Renewal of the act was put forward on the representation that it would put 3,000,000 men to work in this country because industries would be able to provide more jobs. Of course it did not result in the employment of 3,000,000 persons, and there is no evidence that it resulted in the employment of anyone at that time.

In 1937, when it was again proposed to renew the act, the employment phase was out the window. Yet the renewal of the act was held up as a great instrument for softening the mind of the world toward peace, and for preserving world peace through world trade. It is not necessary for me to comment on that at this time. We all know what happened in 1937.

In 1940, with a part of the world at war, the renewal of the act was proposed as the one sure method of keeping the United States out of war. Yet, it was said we could keep out of war if we

simply renewed the Reciprocal Trade Agreements Act; that by doing so we could buy our way out. The renewal of the measure failed to keep us out of the greatest war of all time. Our entrance into the war is now history. How can anyone expect it to do any more for the future?

Finally in 1943, when consideration of the measure again came up, its adoption was advocated on the ground that it was one of the best means to achieve a lasting peace. But certainly so far as the act is concerned it failed once again.

The Reciprocal Trade Agreements Act has accomplished none of the things its advocates have said it would accomplish. If I thought rejection of the committee amendment would preserve world peace I would feel entirely different from the way I feel now. I say that from the bottom of my heart. I would feel entirely different concerning renewal of the Trade Agreements Act then. There is no Member of the United States Senate who is more anxious to have a lasting peace than I am. I cannot see, however, how the renewal of the act has anything to do with the peace formula now being framed at San Francisco.

The PRESIDENT pro tempore. The time of the Senator from Nebraska on the amendment has expired.

Mr. WHERRY. I will take time on the bill.

Permit me to say further that whether a peace formula is adopted by the nations of the world or not, and whether the United States Senate accepts that formula or not, it is my humble opinion that the peace and salvation of the nations of the world will depend upon the United States. It rests upon our shoulders to provide leadership; and I believe that leadership can best function by preserving our own American economy. Only through a strong America can we lead the other nations of the world. It could not be more ably put than it was put this afternoon by the distinguished senior Senator from Wyoming [Mr. O'MAHONEY].

Another argument continually advanced on the floor of the Senate is that we shall lose our bargaining power if we do not pass this reciprocal trade-agreements bill. That argument has been ably answered by the distinguished Senator from Ohio [Mr. TAFT]. It was again answered this afternoon by the Senator from Wyoming [Mr. O'MAHONEY]. Those who have made personal visit to the European nations know that today they want American dollars and American goods. Aside from Canada, the other nations of the world would rather have our dollars and our goods than those of any other country. Perhaps that is true even of Canada, because we do business with Canada. Why should we decrease the bargaining power which we already have? As has been so ably stated by other Senators, if by the reciprocal trade agreements we further decrease the bargaining power which we possess, we shall lose bargaining power rather than gain it by such action.

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

Mr. WHERRY. I do not wish to be in the position of yielding to one Senator and not to another. I wish to accommodate my friend from Arkansas, even though my time is growing short.

Mr. FULBRIGHT. How does the Senator think foreign nations are going to pay for our exports?

Mr. WHERRY. All exports are paid for through imports.

Mr. FULBRIGHT. So we shall have to take some imports.

Mr. WHERRY. I think there is no question about that.

Mr. FULBRIGHT. Is it not the purpose of the bill to increase the flow of trade?

Mr. WHERRY. Let me say in answer to the Senator's question that there are plus and minus effects. I am speaking primarily from the agricultural viewpoint. I believe that agriculture has been penalized. I do not believe that we can operate the Reciprocal Trade Agreements Act, with further reduction in our tariff, without further penalizing the agricultural interests of this country. The agricultural interests do not get the benefits which other industries receive.

Mr. FULBRIGHT. Beef is not the only agricultural industry. Cotton is an agricultural industry.

Mr. WHERRY. I have give three or four examples. Time does not permit me to argue separately as to each item. When all the benefits of the entire program are added together, I believe that agriculture represents a minus quantity so far as benefits are concerned.

Mr. FULBRIGHT. The Senator means agriculture in Nebraska, does he not?

Mr. WHERRY. I would go further than Nebraska. I would include approximately 14 States in which agriculture is a main industry, upon which those States depend. I doubt very much whether we can say that throughout all industry there is an indirect benefit which results in a plus benefit throughout the entire country. However, I am not an expert on that question. I doubt whether any Senator can produce the figures to support such an argument. I know that if we continue to operate the Reciprocal Trade Agreements Act on the present basis, even without further reductions against agriculture, agriculture in this country is going to suffer; and it will suffer to such an extent that industry will become unprofitable. We must have agriculture. If we do not have agriculture, we cannot have production. New wealth must come from the soil. It does not come from bonds or from printing money. It must be dug out of the soil; and after it is dug out of the soil it must be processed. Unless it can be dug out of the soil and processed, we are not working for the best interests of the economy of the United States as a whole.

Mr. FULBRIGHT. The Senator will admit, will he not, that industry is a part of the picture? It is like arguing whether the hen or the egg came first.

Mr. WHERRY. I do not agree with the Senator at all. I believe that we must preserve American agriculture. We are asked to do something that constitutes a direct vote against the economy of this country when we are told that we should import a steer from Argentina to

sell in competition in the markets of the United States with a steer from Nebraska. The Senator knows as well as I do that the cost of producing a steer in Nebraska is much greater than the cost of producing a similar animal in Argentina. We are being asked to produce in competition with Argentina.

Mr. FULBRIGHT. In Arkansas we can produce in competition with Argentina. I do not know why Nebraska cannot do the same thing.

Mr. WHERRY. It is wonderful what Arkansas can do. If the Senator will write to any farmer in Arkansas and ask him if he can compete with Argentina beef, I believe the Senator will find that the answer will be in the negative.

Mr. FULBRIGHT. We are very efficient in Arkansas.

Mr. AIKEN. Mr. President—

Mr. WHERRY. And the same statement applies to Vermont.

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

Mr. WHERRY. I yield.

Mr. AIKEN. Can the Senator tell us how many steers could be imported from Argentina under any trade agreements?

Mr. WHERRY. Because of cattle disease, beef comes from Argentina in the form of canned goods. Practically all the beef we have in cans in this country today comes from Argentina. We cannot sell the Government more than a few pounds—approximately 6 percent, I believe.

Mr. AIKEN. Under the agreement with Canada, 83 percent of the total importation of 225,000 head of cattle a year may be imported into this country from Canada.

Mr. WHERRY. I believe that if the Senator will review his figures he will find that cattle from Canada have been coming into this country at the rate of 30,000 a quarter. My own firm has sent cattle from Canada to the Kansas City market, and sold them in direct competition with cattle sent to the same market from Nebraska. We can raise them in Canada much cheaper than we can raise them in Nebraska.

Mr. AIKEN. The figures which have been mentioned are very small in comparison to our needs.

Mr. WHERRY. We have 10,000,000 more cattle than we have ever had before. We have corn on the farms which we cannot feed. Why can we not feed our own cattle and sell them on our own domestic market, instead of giving the best market in the world to the farmers of Canada or the farmers of Argentina?

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

Mr. WHERRY. I yield.

Mr. LANGER. Will the Senator switch from cattle to sugar?

Mr. WHERRY. I have already spoken about sugar.

Mr. LANGER. I call the attention of the distinguished Senator from Vermont to the fact that a large sugar company moved its sugar plant into Canada, and there produces sugar without a quota.

Mr. WHERRY. I thank the Senator. Our normal sugar production in Nebraska requires five refineries. There are five refineries located near Scottsbluff.

Last summer two of them were in operation. This year, if they do not get more help, there might be less than even two operating. But sugar will come from Cuba. We shall be short of sugar, and the shortage will be attributed to some directive. We could have 1,000,000 tons more production in this country if we were permitted to produce the sugar.

Our problems today are not political in a partisan sense. Most of the domestic, and more than a few of the foreign, problems presenting themselves to us today arose during the period when too many Members of both Houses of the Congress confused politics and partisanship. They, as in the dictator countries, became pawns of the Chief Executive, forgetting that they had been elected to office to represent the people and not the bureaucrats, and that their first obligation was to their constituents. That situation has changed. I can say the Senate—and this applies equally to the House—cuts across party and State lines in dozens of problems of vital concern to our American economy. There are plenty of measures on which we divide on partisan lines and that is as it should be.

Our American system of government is based upon the fundamental principle of proposal, disagreement, discussion, and compromise. This is the best system man has yet devised for getting at the truth.

I hope that in the years just ahead we may find a way of alining parties according to their principles so we shall know the fundamentals on which a Democrat or a Republican stands. The Republicans and the Democrats who are not overpersuaded by any outside clique—and they constitute the vast majority in both Houses—are preparing to meet the great problems which will, in rapid sequence, come before us as Americans and not as partisans.

This is of the highest importance because of the tremendous pressure that is under way to change the character of our American economy. That pressure comes not because our American way has failed but because it does not conform to or fit in with the schemes of those who would rule or ruin us.

This country was founded by people who wanted to get away from the oppressions, wars, tyrants, the ruling classes, the socialistic, and other experiments in absolutism going on in Europe from the days of the Roman Empire up to 1776, and which have been recurring in cycles ever since. What is happening in Europe today is just what has happened, with changed scenery and individuals, since the beginning of time. Likewise what is happening in the Orient today is only what has been happening there since the beginning of time. The only new feature is the scale on which we have entangled ourselves in conflicts on both sides of the world.

We are the oldest and by far the most successful Republic in the world. We are not a democracy and we have never wanted to be. Our forefathers were completely aware that tyranny may be set up under the guise of democracy and they chose the representative form of

government. Today the Congress, and only the Congress, stands between you and a form of bureaucratic, dictated, coupon-rationed life which would combine the worst features of all known social systems which, as failures, litter the trails of history.

I am not talking of any specific ism. I am talking about the various plans now afoot in this country, such as the reciprocal trade agreements which are already in effect. They take from the Congress the power to govern the destinies of this Nation and lodge it in the hands of men holding office by virtue of partisan appointment, and who do not hold themselves responsible to serve the electorate.

These movements turn up in all sorts of disguises. They all look respectable. They all pretend, of course, to have worthy motives. Most of them are now labeled as sure-fire means of attaining peace, prosperity, and full employment, and anyone who questions them is tagged as being unpatriotic and un-American.

It is not without a definite plan and purpose that the Congress is being smeared 24 hours a day, 7 days a week, as a useless hangover from the horse-and-buggy era. It is, however, a little difficult to understand why people do not more generally realize that these attacks on the Congress as an institution are attacks on our representative system; and that unmerited attacks on Members of the Congress as mere self-seeking, horse-trading politicians, because they insist on representing the people in our American way, are in reality attacks on our own ability to exercise suffrage. If the right men are not elected to the Congress, that is the responsibility of the electors and not the fault of the Congress.

We who believe the protection of the American market is a primary consideration, because it is at the foundation of our national life, need your help now, and in the days to come. We need your close cooperation; your information assembled by trained men; your expert analyses of bills; and beyond that we need to inform the public, because those who would misinform the public have been very active through several years and they are more active now, and better financed, than ever.

The protection of American industry and jobs is not a problem to be considered apart and alone. It is of the very warp and woof of our economy. It affects every man, woman, and child in the Nation. Therefore, let us examine the State of our economy and see whether some of the measures which are in effect or which are proposed, will straighten out our economy or merely change it, and further let us see if these changes will be for the better or for the worse.

An abundance of cheap money is now in circulation. Money will continue to get cheaper as long as we practice deficit spending. Whether we like it or not, we shall have to continue deficit spending until the war is ended—and the Budget balanced. There is about \$25,000,000,000 of Federal Reserve Bank cur-

rency in circulation. This is more than four times the previous high of \$5,500,000,000 in 1920.

The end is not yet. This circulation has been increasing recently at a rate of about \$600,000,000 per month. In addition, we also have other forms of currency. This total has grown from \$3,500,000,000 to approximately \$21,000,000,000. This makes a total circulation of money today of more than \$46,000,000,000, compared with only \$9,000,000,000 in 1919.

To this must be added credit money. Demand deposits now reach \$79,500,000,000. Time deposits now total \$36,000,000,000. Thus we have in currency and credit money, \$161,000,000,000 as compared with \$41,000,000,000 in 1919—or an increase of 4 to 1 in dollars of potential purchasing power.

It is mandatory that our national income shall remain high to pay the interest on the debt and the vastly expanded costs of government. Expert economists assert it will take from twenty to thirty billion dollars to pay the increased cost of Federal Government and the interest on the debt for the year 1945. This income must come from newly created wealth—all of which comes from the soil:

First. Agricultural products, approximately 65 percent.

Second. Minerals and oils, approximately 35 percent.

Everything else, including transportation, processing, distribution, and manufacturing, depends on this new wealth from the earth which produces our annual national income.

Let us not be fooled by figures projecting this or that national income or this or that number of jobs. The national income is an effect, and not a cause, and some of those who are loudest in demanding a tremendous national income—say, one hundred and forty or one hundred and fifty billion dollars—and the employment of 60,000,000 or more wage earners, are very much more concerned with breaking down free, voluntary enterprise than they are with building up an expanded prosperity. These advocates assert that, if they do not get an income and jobs at figures they set, the Government must step in and take charge. And they mean to be the Government.

Much deliberate misinformation is being spread concerning the necessary size of our national income and the required number of jobs to create a national condition in which the poorest of our people will still be well above the sustenance level. A lot of well-meaning and patriotic people are being fooled by statistics which do not mean at all what they pretend to mean.

The national income figures are made up out of a large number of estimates, some of which are very wide of the mark, but in any event the national income is not at all in the nature of a national wage. It represents only one side of the picture. If the Government prints and spends \$50,000,000,000 in a year, our national money income will be up by that amount or more, when in fact we shall

not have increased our net wealth, because on the other side of the ledger we shall have added to our debt. It would be as though a man took a mortgage on his house and treated the proceeds of the mortgage as money he had earned.

Also let me point out that the national income is expressed in dollars, and thus an increase in prices has exactly the same effect as an increase in the supply of goods. We could have a national money income of \$300,000,000,000 a year and still be starving to death for lack of food. In 1923, just before the mark broke, the German national income was in the trillions, but the people were destitute, for their money would not buy anything.

It is the same way with jobs. Full production and full employment—whatever these phrases may mean—are not synonymous. The old WPA provided a great many jobs but very little production. The jobs as provided did not add to the wealth of the Nation. They were a drain upon its wealth, and if any of the several make-work schemes now proposed go into effect, it is entirely possible for us to have fifty-five or sixty million persons employed and yet have a declining standard of living.

There has been created a vast confusion in the public mind as to who provides jobs and where the jobs are located. It is the customers, not the employers, who provide the jobs. I am afraid some of those businessmen and associations now announcing the responsibility of industry to provide jobs are unwittingly backing plans which will break down our American economy.

The trend has been, as far back as the census figures go, for a continually smaller part of our people to be employed in industry and agriculture, and a larger proportion to be employed in distribution services and in governmental service. According to the figures of the 1940 census, out of 45,000,000 people gainfully employed, less than 11,000,000 were employed in industry; if we add to these the approximately 3,000,000 employed in construction and mining, we find that only 30 percent were employed in what might broadly be called industry. About 27 percent of the employed were in retail and wholesale trade, transportation and the public utilities and finance. So business, as it is called, provided only 57 percent of the total employment. The remaining employment was in agriculture, forestry, and fishing, in Government and in the various kinds of service.

All of this employment depends upon the ability of the people to exchange goods and services with one another and this ultimately rests on the ability of the producer of the primary products, as, for instance, the farmers, to exchange satisfactorily with the other sectors of our economy. If our economy be out of balance, then there will be no mutually advantageous exchange. Therefore, the pressure groups, which are seeking abnormally high incomes for themselves, are throwing monkey wrenches into the only machinery that can produce a real prosperity. They are forcing up prices and making normal exchanges ever more difficult.

This is not so apparent now, with the Government as the chief buyer, but it is going to be our great problem, once we go forward as a free nation with a free economy. Everything points to higher prices in the postwar period. The American Federation of Labor says living costs have already risen by 46 percent. There is already before the Education and Labor Committee of the Senate a bill asking for a minimum wage of 65 cents an hour. The recent drive to pay bonuses to war workers—which originated in the White House and is now being advocated by Julius Krug, head of the War Production Board—is a camouflaged, retroactive wage increase. If this plan be put into effect, the policy will have to extend to all factories and to all farms. And still further wage increases by executive fiat are in the offing. In addition to all this, our higher taxes will eventually find their reflection in higher prices.

Our debt has now reached about \$300,000,000,000 and we are spending \$260,555,000 daily. Farmers, along with other citizens, will have to pay more taxes. Every American child born today comes into the world owing approximately \$2,000. Contrary to the doctrine of some, our public debt—principal as well as interest—will have to be paid. It can be paid only by taxes and other Federal revenue. It cannot be paid by sale of bonds, or the printing of money. This does not reduce the debt, but creates ruinous inflation.

Our whole financial economy is, and must be, based on the fundamental principle that the public debt must be honored, just the same as private debt. And some day, somehow, the Budget will have to be balanced and payments will have to be made on the debt—if we are to have a sound, stabilized economy. That economy governs the baby's bottle of milk and the casket in which the aged goes to his long, last sleep—and all in between.

It is hoped by some the debt may be amortized over a long period, so venture and risk capital may be induced to flow back into private channels.

But, regardless of an amortized debt, and the revision or repeal of certain features of our tax program, the Budget will sometime have to be balanced. The increased costs of Government will have to be met by higher taxation. As President Roosevelt has stated:

Taxes are paid in the sweat of every man who labors.

If we are to stabilize our national economy and continue to pay high wages to organized labor, economic balance must be maintained for agriculture. Lincoln said:

I believe this Government cannot endure permanently half slave and half free.

Neither can it survive half broke and half prosperous.

This means full production and fair prices for that production. Anything which retards full production will retard prosperity.

We have an immense pent-up demand for goods in this country. Just the other

day in Gage County, Nebr., a tractor was offered for sale at the ceiling price of \$800 and each prospective purchaser had to put up a check for that amount. No fewer than 170 farmers put up their checks—which means that \$136,000 was available to buy one tractor. That is evidence of the present potential demand by Americans for American goods. The same condition exists with respect to automobiles, refrigerators, washing machines, and a hundred and one other items. But this is also evidence of what is going to happen if the Government, through taxes and other restrictions, bars the way to full production. If we have less than full production; that is, if American citizens are not permitted to exercise to the full their industry and inventive genius, there will be such a bidding for goods that prices will go through the roof and we shall find ourselves in the chaos of inflation.

I want to emphasize this point with all earnestness, because already there is a well-developed movement to continue far into the postwar future Government controls and rationing under the pretense they are necessary to control inflation.

And there is well under way a movement on the "or else" basis to have the Government direct and create reemployment through appropriate deficit spending, if private enterprise cannot or does not absorb the unemployed. Thus, on the one hand we have the Government constantly increasing the costs of production, so that exchange and employment will be made ever more difficult, and on the other hand we have the Government standing by, holding a bottle of bureaucratic control, which it says will cure the disease it is creating.

The Government cannot provide jobs on a self-sustaining basis. It can only create debt to provide jobs on a temporary basis. If the Government creates debt beyond a certain point and we may be at that point now—it must ration the use of money while pretending to ration goods. The rationing of money is repudiation, for, if a dollar cannot be freely spent, it cannot function as a dollar. Therefore these proposals to continue rationing and restrictions are really proposals to repudiate our money and our debt.

I trust you will note that rationing is outside the jurisdiction of the Congress. These proposals to play with money and the debt also propose a supreme board which will manage the debt and the money outside the jurisdiction of the Congress. That would mean that you as citizens would have nothing to say about what kind of Government you got or how it would be managed.

As a part of this new and fancy economic system which is proposed to supplant our American way of managing—a way of managing that made us strong enough, or at least made us think we were strong enough, to take on the guidance of the whole world—we are being told we must change our whole policy with respect to foreign trade and foreign affairs generally and that we must cease to be nationalists.

It is assumed by the Government-controlled propagandists that at some time

in our history we were isolationists. There are many who have been insolent and brazen enough to insist that our actions after the last war brought on the present one, the implication being, of course, that, since we brought on this war, there is no limit to the sacrifices we should make, not only in this war but thereafter. I want to say I have a profound respect for the diplomatic dexterity of those great British nationalists who are able to convince at least a part of our people that whatever is best for Britain is also best for the United States. But I am completely lacking in respect for those American intellectuals which accept such rubbish and would found American policy upon foreign directives.

We are being told that, if we are to have a full prosperity in this country, we must have a vast export trade. Some of our Government statisticians have figured out that in building up an adequate national income we must have at least \$8,000,000,000 of exports. It is interesting and possibly significant that the greatest boomer for a big export trade is Earl Browder. In his book, *Teheran*, in which he says, in effect, that a new world order was decided on at the meeting in Persia, he wants an export trade of \$40,000,000,000 a year.

The prospect of an immense foreign trade is alluring to those of our citizens who live on foreign trade. I would point out to you, however, that the chief advocates of foreign trade are those people who stand to make money out of it. They are so intent on pursuing their selfish interests that they do not see or care to what ends they go in pretending that what they want for themselves is also in the national interest.

The single fact that we need to remember with respect to foreign trade is that exports must be paid for by imports, else we shall give our goods away and be that much poorer. We cannot lend-lease forever. Even those bleeding hearts who would give the whole United States away in order to raise the standards of living all over the world must realize that, even if we did give the United States away, and all were to get on a basis of equality, our people would go very far down, but the rest of the world would not come far up.

It has been calculated by a competent statistician that the United States has about 6 percent of the world's population and about 36 percent of the world's income. Furthermore, if we level off our income, the average man outside the United States would receive only about \$30 a year, and it is assumed that we could and would go on producing forever for the privilege of giving our money away. It is absurd to think we can be a force for good in the world by giving away our substance. We can commit national suicide, but that is not going to benefit anyone. If we are going to sell abroad, we must buy abroad. And if we buy from abroad what we can grow or make at home, we are committing national suicide. We are hurting ourselves, but we are not helping anybody. Only a sound, solvent, free America can do anything to help the rest of the world to help herself.

And let me say the charge that this country, by its action after the last war, and before the present one, impeded the recovery of the world by its foreign-trade policies, is an absolute falsehood. It is a lie made out of the whole cloth. The National City Bank of New York can hardly be accused of being isolationist. In its December 1944 bulletin it examines the international balances and the charges that our actions impeded world trade and world prosperity. It finds that our creditor position has been gradually whittled down, and it concludes:

In any review of the balance of payments experience between the two wars, the disturbing elements that stand out overwhelmingly have been the sudden movements of capital—both American and foreign—and the instability of our internal economy, with consequent wide fluctuations in our imports and other expenditures abroad. In the face of these sweeping movements the influence of American tariff rates upon our over-all balance of payments and upon the supply of dollar exchange seems clearly subordinate.

Yet, in the face of these facts, it is repeated day after day, and year after year, that the United States has been the great barrier to international progress, and that the hope of the world is free trade. The curious part of this propaganda is that free trade, when used by a foreigner, means only the freedom to trade in the American market and not the freedom of Americans to trade in the foreigner's home market.

Certain countries of the world—notably Great Britain—deliberately sacrificed their farmers and their food production in order to sell more manufactured goods abroad. That was an error for which they have paid dearly. It is proposed that we of the United States now alter our economy to conform with England's economy so England may not have to correct her original error.

The advances of science have broken the line between raw material and manufacturing countries. Most countries can now produce much of what they formerly imported, and with the vast shipments of machinery and even whole plants under lend-lease, the self-containment of the different countries of the world has been vastly promoted.

We have, during this war, made ourselves independent of the world in rubber, vegetable fats, and a number of other commodities which we formerly imported. Any program of vast exports and equally vast imports cannot increase the well-being of our citizens, but it can change this Nation from an independent to a dependent nation. We can do nothing for our prosperity, but we can do a great deal in the way of setting the stage for an economic Pearl Harbor.

As to the effect of imports on our economy, you will be interested in the statement made by the Honorable Tom Linder, commissioner of agriculture of Georgia, before a subcommittee of the House Agriculture Committee, on December 5, 1944. Mr. Linder, whose statement was concurred in by the Association of Southern Commissioners of Agriculture, declared that the \$9,000,000,000 of agricultural imports in the

4 years 1925-29 reduced our national income by \$63,000,000,000 during the same period.

The stock-market crash of 1919—

Said Mr. Linder—

swept away \$15,000,000,000, but during the 4 years prior to the stock-market crash we lost \$63,000,000,000 by importing agricultural products.

And, turning to the Roosevelt administration, Mr. Linder said:

When we imported \$10,000,000,000 in agricultural products from 1934 to 1939, we sustained a loss in national income of \$70,000,000,000. Only the passage of lend-lease and the spending of mammoth sums of Government money prevented a crash in 1940 equally as bad as the crash in 1920.

That brings me to the reciprocal trade agreements that will come up for renewal in June of this year. This is a cleverly named act, for it has nothing to do with reciprocity, very little to do with trade, and the agreements made under it are not agreements but treaties. The misrepresentation in the title of this act, which is an amendment to the Tariff Act of 1930, characterized the birth of the act and its administration ever since. The act was put forward in 1934 on the representation it would put 3,000,000 men to work by September of that year. Of course it did not result in the employment of 3,000,000 men, and there is no evidence that it resulted in the employment of anyone.

By 1937, when the act came up for renewal, the employment phase was out of the window and it was offered as a great instrument "for softening the mind of the world toward peace" and for preserving world peace through world trade. It is unnecessary for me to comment on that. In 1940, with part of the world at war, the act was offered as the one sure method of keeping the United States out of the war. I shall not comment on that. And finally, in 1943, when the act came up again, it was urged on the ground that it was the one best means to achieve a lasting peace. "By their fruits ye shall know them."

The act has been exactly none of the things it has been represented to be. It is quite amazing how few people have taken the trouble to find out what the act is, much less to examine it as a method of bypassing the Congress and establishing an Executive dictatorship over foreign trade.

The act gives to the President the power to negotiate treaties, falsely called agreements, in which he may lower for trading purposes existing tariff rates by 50 percent, or he may raise them if he sees fit. Of course, the President cannot personally administer such an act. Its administration has been in the hands of a crowd of bureaucrats, heading up to the then Secretary of State, who have taken the act as a mandate to change the economy of the United States through lowering the tariffs.

According to the figures which your league has compiled, these bureaucrats have made 1,226 tariff rate reductions in agreements with 27 countries. These reductions have not been made for trading

purposes, for the reduction made in any one agreement is generalized and amounts to a flat cut in the tariff.

We have, entirely outside of the Congress, been subjected to a more violent revision downward of our tariff rates than any Congress ever undertook, at least during the last 50 years. Although the limit of a cut is supposed to be 50 per cent, by some expert finagling, some of the cuts I am informed, are 75 per cent of the rates prevailing under the Tariff Act of 1939. Moreover, the control of Congress has been further limited by the practice of agreeing that certain articles will be bound on the free list or the duties on them not changed.

The full force and effect of the Trade Agreements Act have not as yet been felt in this country, because since 1935 or 1936 the world has been principally concerned in getting ready for war; but our tariff protection is down, and we shall find ourselves at the mercy of the world, unless the Congress either scraps this whole program, or requires that the agreements be ratified by both the Senate and the House.

The Trade Agreements Act is primarily a diversion from Congress that amounts to a diversion from the voters of the right to manage their affairs. If the people desire to manage their affairs, that act must be scrapped or altered.

Mr. President, in conclusion let me say that I feel that the full force and effect of the Trade Agreements Act has not yet been felt in this country. I believe that the advocates of the act would agree that that is true. We do not know what will happen. We have had a war since the Reciprocal Trade Agreements Act went into effect with the existing schedules. We do not know what the future effect will be. The effect of the Reciprocal Trade Agreements Act has not been felt in the United States, because since 1936 the world has been principally concerned in getting ready for war. But our tariff protection is down, and we shall find ourselves at the mercy of the rest of the world unless Congress requires that the agreements be ratified by the Congress of the United States. Why should they not be ratified by the Congress when they involve problems as large as the production of agriculture, or the production of sugar? Why should not the Senate have something to say about the agreements which are made affecting the whole economy of 14 States in the Union?

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

Mr. WHERRY. If the Senator will permit me to finish, I shall be glad to yield.

Mr. AIKEN. The Senator looked at me when he asked the question. I thought perhaps he desired to have me answer it.

Mr. WHERRY. If the shoe fits the Senator, and if he wishes to say something about it, I will yield.

Mr. AIKEN. I was about to ask the Senator if he thought that any agreement covering 50 or 60 items could ever be ratified by the Senate, or would ever be ratified by the Senate.

Mr. WHERRY. That is not the point. I realize that many schedules would not even need the attention of the Senate; but if we were to preserve the right, when we came to a question as important as that of the sugar industry, affecting 14 States, the agreement would come before the Senate, where it ought to come, before being made effective.

Mr. AIKEN. If 50 or 60 articles were covered by an agreement, the difficulty would be 50 or 60 times as great as it is at present.

Mr. WHERRY. I know that the Senator believes that the administration of the act ought to be turned over to the President. He has a perfect right to that opinion. If I felt the same way about it, I would support the act. But I wish to remind the Senator that any act is just as good as its administration. Any law is just as good as the sanction which is given to it. These 76,000 directives are just as good as their enforcement. If we feel that the Executive should have the power to make deals regarding all these items, then of course the Senate has a perfect right to support the grant of such power.

My contention is that in the case of a problem such as that relating to sugar, of which we have a shortage, not because we are not capable of producing sugar, not because we are not capable of producing all the sugar we need, but because under the administration of the directives we have gotten into the present situation, the Senate of the United States should be called upon to ratify any agreement as far-reaching as one which would apply to the whole sugar industry, involving the agricultural economy of 14 of the States of the Union. What agreement could be more important than that? It would change the entire economy of many parts of our country.

The production of sugar has been shifted from Nebraska to Cuba because of the reciprocal trade agreement. Is that what the Senate wishes to do? If it is, let the Senate discuss it; and if the Senate wishes to ratify that sort of a change in production, it is for the Senate to decide.

But I say it is the prerogative of Congress to decide such questions, and the Congress should not give away or delegate that power. The Congress should not allow anyone else to permit Cuba to handle all our sugar production, unless the Congress wishes to do that. American agriculture should not be supplanted and should not go to other parts of the world, unless the Congress itself votes to have that done.

I say it will have a serious effect upon our country and the ability of our people to pay taxes and the ability to keep our economy stabilized. We hear much said about ability to pay taxes. On the basis of what I saw in Europe, I say to the Senate that unless the United States keeps strong, it will not make any difference whether we are inside or outside the international organization. I think the responsibility for maintaining the peace of the world will fall squarely upon the shoulders of the people of the United States. We now have on our shoulders

a \$300,000,000,000 debt. We have an unbalanced budget. No one can tell when it will be balanced. When will we stop deficit spending? Who will pay the taxes of the country? Will the Senate continue to give away to Cuba the source of taxes in Nebraska; will it continue to give away to some other country the industry or occupation which will enable our people to pay taxes? If our people are to pay taxes, they must be able to produce. If we are to have a country which will lead the rest of the world in peace, our country must be strong economically, morally, religiously, and in every other way. If we keep America strong, we will more nearly succeed in keeping the world peaceful. A strong America will make that achievement more nearly possible than anything else on earth.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

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 the Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Maj. Gen. Roy S. Geiger to be a lieutenant general in the Marine Corps for temporary service from June 9, 1945.

By Mr. MCKELLAR, from the Committee on Post Offices and Post Roads:
Sundry postmasters.

NOMINATION OF ADMINISTRATOR OF RURAL ELECTRIFICATION ADMINISTRATION—VIEWS OF THE MINORITY (EXEC. REPT. NO. 5)

Mr. SHIPSTEAD. Mr. President, from the Committee on Agriculture and Forestry, I ask unanimous consent to submit the views of the minority on the nomination of Claude R. Wickard, of Indiana, to be Administrator of the Rural Electrification Administration for a term of 10 years.

In this connection, I request to have the views of the minority together with editorials from the St. Louis Post-Dispatch and the St. Louis Star-Times, printed at this point in the RECORD.

The PRESIDENT pro tempore. Without objection, the views of the minority submitted by the Senator from Minnesota will be received and printed, and printed in the RECORD, together with the editorials.

The views of the minority submitted by Mr. SHIPSTEAD are as follows:

On June 14, 1945, by a vote of 11 to 6, the Committee on Agriculture and Forestry approved the nomination of Mr. Claude R. Wickard to be Administrator of the Rural Electrification Administration, now a bureau of the Department of Agriculture under

Secretary Wickard. This vote is a complete repudiation of the following four actions of the United States Senate and your committee. These actions are as follows:

Pursuant to Senate Resolution 197, for nearly 1 year, a bipartisan subcommittee of this committee studied the administration of the REA by Mr. Wickard when it was under his general direction in the Department of Agriculture. This committee was composed of the following members: E. D. Smith, G. M. Gillette, Theodore G. Bilbo (Democrats); Henrik Shipstead, George D. Aiken (Republicans). Over 2,000 pages of sworn testimony and documentary evidence was taken of Mr. Wickard's supervision of REA. Without a dissenting vote your subcommittee indicted the administration of REA by Mr. Wickard. Without a dissenting vote it voted that Mr. Wickard's maladministration of REA justified making REA an independent branch of the Federal Government, as it was for nearly 4 years in the beginning, and that this should be done at the earliest possible date.

In response to a practically unanimous request of the 813 REA systems to get out from the maladministration of Mr. Wickard's supervision of REA in the Department of Agriculture, the REA independence bill, S. 309, was combined with S. 89, and by a vote of 13 to 6 your committee voted to take REA out from the maladministration of Mr. Wickard and make it an independent agency. S. 309, like the report of your subcommittee under Senate Resolution 197, was a bipartisan bill.

Under Calendar 235 the REA independence bill was reported unanimously by your full Committee on Agriculture and Forestry to the Senate. Here again this committee concluded after exhaustive investigation that the functions of REA could best be performed as an independent administration. That is to say, by its third successive action, this committee, or its representatives, voted to take REA out from under Mr. Wickard's maladministration of REA.

On May 14, 1945, pursuant to a National demand of REA systems, the Senate passed unanimously the REA independence bill. Again the Senate was advised in great detail of the maladministration of REA by Mr. Wickard.

Summarizing these four actions of the Senate and its committees and subcommittee, it is clear that the sole reason why REA was to be made an independent agency was to remove it from under the maladministration to Mr. Wickard.

In the June 11-13 hearings before the Committee on Agriculture and Forestry, the Senators in charge of interrogating witnesses, REA board of directors, president, members, managers, and the former Administrator, Mr. Harry Slattery, admitted they were not fully cognizant of the year's investigation of the maladministration of REA by Mr. Wickard. They were asking protesting witnesses for specific facts about the maladministration of REA at a time when a general counsel, an assistant counsel, and a bipartisan committee of five Senators had presided over nearly 1 year's hearings presenting some 2,000 pages of sworn testimony and documentary evidence of such details. This record of Mr. Wickard's maladministration is specific. It is conclusive. That is why Mr. Wickard's maladministration led to four separate actions, including the last one, the unanimous action of the Senate on May 14, 1945, to take REA out from under the bad administration of Mr. Wickard. All these unanimous actions lead to the conclusion that Mr. Wickard's nomination as Administrator of REA should be rejected.

ARTHUR CAPPER,
HENRIK SHIPSTEAD,
HARLAN J. BUSHFIELD,
GUY CORDON,
GEO. A. WILSON,
HUGH BUTLER.

The editorials presented by Mr. SHIPSTEAD are as follows:

[From the St. Louis Post-Dispatch of June 9, 1945]

NEW CHARGES AGAINST WICKARD

At a time when resignation messages from major Government officials were almost automatically made public, the letter from Harry Slattery, REA Administrator, was not. It was clear even then that the purpose was political face-saving. With the Post-Dispatch's discovery of the partial contents, a strong suspicion that Claude Wickard's face needed saving is sadly confirmed.

"Confusion is piled upon confusion," Mr. Slattery wrote, "politics upon politics, and, I might regretfully add, embezzlement upon embezzlement, and waste of public funds under Secretary Wickard." Those are serious charges. Mr. Slattery supported them with instances. Others who had looked into REA, including a Senate agriculture subcommittee, were familiar with similar instances.

Mr. Wickard's face will not save now. Unless he retires meanwhile, he goes next week before the Senate Agriculture Committee to explain his fitness to become REA Administrator. He goes, in effect, on trial. It is the duty of his accusers to appear so that he may answer them. It is just as much the duty of the Senators—a duty to REA patrons, whose money and welfare are at stake, and to the American people, whose taxes make REA possible—to let no extraneous consideration sway their verdict.

Only one verdict seems possible. If Mr. Wickard can bring the evidence to support any other, the more power to him. The prima facie case already built up puts the burden of proof squarely on him.

[From the St. Louis Post-Dispatch of May 25, 1945]

A NEW REA COMPLICATION

Claude R. Wickard is nominated as REA Administrator. A bill to remove REA from the Department of Agriculture has passed the Senate and will probably pass the House. The immediate occasion of that bill is abundant documented evidence that REA was grossly mismanaged with the knowledge, consent, and direction of Claude Wickard as Secretary of Agriculture. The anomaly speaks for itself.

The REA independence bill should proceed on its plain merits, which have been discussed on this page and elsewhere. By virtue of the enlargement of the manager's discretion it provides, however, the independent REA it sets up will need an Administrator equal to and fit for his job. An ideal organization on paper will fail without wise direction.

The record of Claude Wickard as REA overlord sustains no reasonable hope that he would become the kind of manager the Senate called for in approving the Shipstead bill.

The Senate cannot approve this appointment without gravest risk of undoing its own purpose. President Truman, who has shown admirable care in other major appointments, must somehow have been imperfectly informed on this one. Otherwise, he surely would not have put the Senate on this spot—especially a Senate whose Members are trying to cooperate with their former colleague.

Nevertheless, the unfortunate move is made, and the Senate must act. Its only way off the spot with any grace is to turn Mr. Wickard down. That is also the only way to safeguard the public's interest and investment in REA.

[From the St. Louis Post-Dispatch]

MR. WICKARD'S UNPOPULARITY

Someone had the idea, perhaps, that Claude Wickard, a farmer with almost 5

years' service as Secretary of Agriculture, would be acceptable as REA Administrator to the farmers who constitute the majority of electric cooperative membership. If so, that notion is washed away in the flood of complaints from REA-financed co-ops—from Illinois, from Mr. Wickard's own Indiana, from Tennessee, where REA finances and TVA supplies the electricity; from Iowa, Missouri, and many other quarters.

The burden of opposition is that Mr. Wickard is given to "mismanagement" and "political manipulations." Investigators of REA have seen that. With their own investments and the cost of electricity to their homes at stake, REA's borrowers naturally oppose such a man, and their opposition deserves respect.

With this development, Mr. Wickard should have the grace to remove himself from consideration. If he will not, the Senate, which by confirming his appointment, would perpetuate the bad condition it is trying to correct in voting to sever REA from the Department of Agriculture, should vote him down.

[From the St. Louis Star-Times]

CLAUDE WICKARD ON TRIAL

Claude R. Wickard, as Secretary of Agriculture, cannot escape designation as one of the great mistakes of the Roosevelt administration. He distinguished himself solely by an ability to plod back and forth in the narrow furrows of party politics. For all that he contributed in social and economic advancement, the Department of Agriculture has lain as a fallow field. He neither planted nor harvested, and he allowed the weeds of dissension and distrust to grow profusely.

Thus, it is hard to understand why President Truman saw fit to assign him to the job of Rural Electrification Administrator. It is hard, too, to understand why there is such ready acceptance of the appointment among Senators, except as one considers that Mr. Wickard has toiled faithfully as a party politician and has established himself with congressional cliques which have no truck with progressive ideas.

Of all the bungling which can be charged to Wickard as Secretary of Agriculture the most glaring examples are in the very field to which he is now to devote all his time, barring the very unlikely rejection of his nomination in the final Senate vote which is expected today. Time and again it has been shown that Wickard was at the bottom of distressing conditions in REA.

It is remotely possible that Wickard in his new role may rise above his record of ineptness. It is to be hoped that he will. The REA program is too vital to the welfare of millions of Americans for it to continue as a victim of administrative confusion.

It will be well for Mr. Wickard if he comes to his new office in St. Louis solemnly aware that he is on trial, and that public opinion will not be patient with a continuation of his past mistakes.

[From the St. Louis Star-Times of May 24, 1945]

THE CABINET CHANGES

The three Cabinet changes announced yesterday by President Truman are, by all measures which can be applied at this time, generally good. In the Departments involved, new appointments had been expected, and the President's selection of men to fill them reflects proper appreciation of the qualifications for the particular responsibilities.

One question, however, his decision to keep Claude Wickard in the administration by shifting him to the post of Rural Electrification Administrator. In view of Mr. Wickard's none-too-impressive record as Secretary of Agriculture and his involvement in the distressing troubles which have beset REA as an agency under the jurisdiction of

his Department, it would have seemed advisable that he be retired to his Indiana farm and REA be given a chance to clean the slate.

While Francis Biddle's record as Attorney General is better than some of his critics try to make out, it is probably to Mr. Truman's advantage that he is stepping aside. Biddle's enemies in Congress and elsewhere are numerous, and in many instances extremely bitter. In Tom C. Clark, who will succeed him, the President selected a man with a good record as Assistant Attorney General and one who can be expected to carry on the work of the Department without serious deviation from the policies following during the Roosevelt administration.

Frances Perkins, a member of the original Roosevelt Cabinet, has been a mere figure-head and should have been replaced long ago. The Department has deteriorated to the extent that the new Secretary, former Senator Lewis B. Schwellenbach, of Washington, is faced with the task of overhauling it from top to bottom. Mr. Schwellenbach's friendship for labor and consistent progressivism augur well for his success.

As an authority on agriculture, Representative CLINTON P. ANDERSON, of New Mexico, successor to Wickard, is admittedly something of an unknown. An insurance man in private life, he is recognized as a competent administrator, and in that respect he should avoid some of the errors of his predecessor. In view of the fact that the Department of Agriculture soon is to take over the duties of War Food Administrator Marvin Jones, the new Secretary's recent experience as chairman of the House committee investigating food shortages should stand him in good stead in handling this phase of his new duties. He has been critical of Jones and others who have struggled with the food problem. Now he can show who is right.

What the President's next Cabinet moves will be is a matter of speculation. He declared firmly that he wishes Secretary Morgenthau to stay with the Treasury and denied any immediate plans to replace Secretary of State Stettinius. Obviously, he would not oust Stettinius in the midst of important international deliberations, and it is unlikely that he is desirous of shifting the War and Navy heads at this time. Because of Secretary Ickes' many duties directly related to the war effort, he probably is in no hurry to make a change in Interior. Henry Wallace, just getting started in Commerce, undoubtedly is safe for a while. The country, however, can take yesterday's three Cabinet appointments as another good sign of Mr. Truman's desire to surround himself with strong advisers.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

RURAL ELECTRIFICATION ADMINISTRATION—NOMINATION PASSED OVER

The legislative clerk read the nomination of Claude R. Wickard, of Indiana, to be Administrator of the Rural Electrification Administration, which nomination had previously been passed over.

Mr. WHITE. Mr. President, I think one or more members of the committee from which the nomination was reported desire to discuss it. Therefore, I ask that the nomination go over at this time.

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

Mr. BARKLEY. Mr. President, I hope that at the next executive session the Senate has it may be possible to dispose of the nomination.

REGISTER OF LAND OFFICE

The legislative clerk read the nomination of Harry N. Child to be register of the land office at Spokane, Wash.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the United States Public Health Service.

Mr. BARKLEY. I ask unanimous consent that the nominations in the Public Health Service be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc; and, without objection, the President will be notified forthwith of the confirmation of the nominations.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters are confirmed en bloc; and, without objection, the President will be immediately notified of the confirmations of the nominations.

Mr. BARKLEY. I also ask unanimous consent that the President be notified forthwith of the confirmation of the nomination of Mr. Harry N. Child.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith of the confirmation of the nomination of Mr. Child.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 28 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, June 19, 1945, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 18 (legislative day of June 4), 1945:

LIBRARY OF CONGRESS

Luther H. Evans, of Texas, to be Librarian of Congress.

DEPARTMENT OF THE NAVY

TO BE UNDER SECRETARY

Artemus L. Gates, of New York, to be Under Secretary of the Navy.

TO BE ASSISTANT SECRETARY FOR AIR

John L. Sullivan, of New Hampshire, to be Assistant Secretary of the Navy for Air.

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

To be lieutenant generals

Maj. Gen. Matthew Bunker Ridgway (lieutenant colonel, Infantry), Army of the United States.

Maj. Gen. Alvan Cullom Gillem, Jr. (colonel, Infantry), Army of the United States.

Maj. Gen. Troy Houston Middleton (lieutenant colonel, Infantry), Army of the United States.

Maj. Gen. Willis Dale Crittenger (colonel, Cavalry), Army of the United States.

Maj. Gen. Nathan Farragut Twining (lieutenant colonel, Air Corps; temporary colonel,

Army of the United States, Air Corps), Army of the United States.

Maj. Gen. Charles Philip Hall (colonel, Infantry), Army of the United States.

Maj. Gen. John Reed Hodge (lieutenant colonel, Infantry), Army of the United States.

Maj. Gen. Raymond Stallings McLain (brigadier general, National Guard of the United States), Army of the United States.

Maj. Gen. LeRoy Lutes (lieutenant colonel, Coast Artillery Corps), Army of the United States.

Maj. Gen. Robert Charlwood Richardson, Jr. (brigadier general, U. S. Army), Army of the United States, now invested with rank and title of lieutenant general by virtue of his assignment to command the Hawaiian Department.

Maj. Gen. John Edwin Hull (lieutenant colonel, Infantry), Army of the United States.

Maj. Gen. Ennis Clement Whitehead (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

To be major generals

Brig. Gen. Ewart Gladstone Plank (lieutenant colonel, Corps of Engineers), Army of the United States.

Brig. Gen. Lauris Norstad (captain, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States, Air Corps), Army of the United States.

Brig. Gen. Clovis Ethelbert Byers (lieutenant colonel, Cavalry), Army of the United States.

Brig. Gen. Donald Weldon Brann (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Lawrence Carmel Jaynes (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Ray Tyson Maddocks (lieutenant colonel, Cavalry), Army of the United States.

Brig. Gen. Edward Michael Powers (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Brig. Gen. Stanley Lonzo Scott (colonel, Corps of Engineers), Army of the United States.

Brig. Gen. George Henry Decker (major, Infantry), Army of the United States.

Brig. Gen. Harold Mark McClelland (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Brig. Gen. Edward Peck Curtis (major, Air Corps Reserve; temporary colonel, Army of the United States, Air Corps), Army of the United States.

Brig. Gen. John Merryman Franklin, Army of the United States.

To be brigadier generals

Col. Joseph Pringle Cleland (major, Infantry), Army of the United States.

Col. George Irving Back (lieutenant colonel, Signal Corps), Army of the United States.

Col. Orlando Clarendon Mood (lieutenant colonel, Infantry), Army of the United States.

Col. James Thomas Loomer (major, Field Artillery), Army of the United States.

Col. Francis Hill (captain, Field Artillery), Army of the United States.

Col. Robert Quinney Brown (captain, Field Artillery), Army of the United States.

Col. Rinaldo Van Brunt (major, Infantry), Army of the United States.

Col. George William Rice, Medical Corps.

Col. James Clyde Fry (lieutenant colonel, Infantry), Army of the United States.

Col. George Allan Miller (lieutenant colonel, Infantry), Army of the United States.

Col. Harvey Edward (lieutenant colonel, Quartermaster Corps), Army of the United States.

Col. Carl Amandus Brandt (captain, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States, Air Corps), Army of the United States.

Col. Edward Haviland Lastayo (lieutenant colonel, Field Artillery), Army of the United States.

Col. Armistead Davis Mead, Jr. (major, Infantry), Army of the United States.

Col. Lawrence Joseph Carr (lieutenant colonel, Air Corps; temporary colonel, Army of the United States, Air Corps), Army of the United States.

Col. Laurence Knight Ladue (major, Cavalry), Army of the United States.

Col. Eugene McGinley (lieutenant colonel, Field Artillery), Army of the United States.

Col. Frederic Lord Hayden (lieutenant colonel, Coast Artillery Corps), Army of the United States.

Col. Walter Robertson Agee (captain, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States, Air Corps), Army of the United States.

Col. Louis Wilson Maddox (lieutenant colonel, Finance Department), Army of the United States.

Col. George Stanley Smith (major, Field Artillery), Army of the United States.

Col. Robert Whitney Burns (captain, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States, Air Corps), Army of the United States.

Col. John Henry Woodberry, Ordnance Department.

Col. Vincent Joseph Esposito (major, Corps of Engineers), Army of the United States.

Col. John Forest Goodman, Infantry.

Col. Frank Sayles Bowen, Jr. (major, Infantry), Army of the United States.

Col. Gordon Edmund Textor (major, Corps of Engineers), Army of the United States.

Col. Milton Wylie Arnold (captain, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States, Air Corps), Army of the United States.

Col. Edward Lyman Munson, Jr. (major, Infantry), Army of the United States.

Col. Orlen Nelson Thompson (lieutenant colonel, Adjutant General's Department), Army of the United States.

Col. John Simpson Guthrie (captain, Infantry), Army of the United States.

Col. William Wesley Wanamaker (lieutenant colonel, Corps of Engineers), Army of the United States.

Col. Charles Moore Watson, Medical Corps.

Col. William Preston Corderman (major, Signal Corps), Army of the United States.

Col. Harry McKenzie Roper (major, Field Artillery), Army of the United States.

Col. Edwin William Chamberlain (major, Infantry), Army of the United States.

Col. Yantis Halbert Taylor (major, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States, Air Corps), Army of the United States.

Col. Leonard Dickson Weddington (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Andrew Daniel Hopping (lieutenant colonel, Quartermaster Corps), Army of the United States.

Col. Warren Henry McNaught (lieutenant colonel, Field Artillery), Army of the United States.

Col. Woods King, Cavalry, National Guard of the United States.

Col. F. Trubee Davison, Specialist Reserve.

Col. Hugh Meglone Milton 2d (lieutenant colonel, Chemical Warfare Service Reserve), Army of the United States.

Col. Elliott Carr Cutler (lieutenant colonel, Medical Corps Reserve), Army of the United States.

Col. Frank Richard Denton, Army of the United States.

Col. Harold Ross Harris, Army of the United States.

Col. Edward Reynolds, Army of the United States.

Col. Harry H. Vaughan, Army of the United States.

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

TO FINANCE DEPARTMENT

Capt. Joseph Cobb Stancook, Infantry (temporary lieutenant colonel), with rank from June 12, 1945.

TO SIGNAL CORPS

Lt. Col. Chester Arthur Carlisten, Infantry (temporary colonel), with rank from August 4, 1944.

TO CAVALRY

First Lt. John Fuller Davis, Jr., Infantry (temporary major), with rank from May 29, 1945.

TO INFANTRY

Lt. Col. William Leonard Ritter, Adjutant General's Department (temporary brigadier general), with rank from August 18, 1940.

First Lt. William Robert Hughes, Field Artillery (temporary captain), with rank from May 29, 1945.

First Lt. Joseph Barry Yost, Coast Artillery Corps (temporary lieutenant colonel), with rank from June 12, 1939.

TO AIR CORPS

Second Lt. David Mortimer Falk, Chemical Warfare Service (temporary first lieutenant), with rank from December 1, 1944.

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

To be second lieutenants with rank from June 5, 1945

AIR CORPS

Elmer Resides Haslett
Bernard Moran James

IN THE NAVY

Capt. Norman C. Gillette, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as chief of staff to commander, Philippine Sea Frontier, and until reporting for other permanent duty.

Capt. Jennings B. Dow, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as director of electronics division, Bureau of Ships, and until reporting for other permanent duty.

Capt. Bernard O. Wills, United States Naval Reserve, to be a commodore in the United States Naval Reserve, for temporary service, to continue while serving as port director, Twelfth Naval District.

Capt. Milton C. Jackson, United States Naval Reserve, to be a commodore in the United States Naval Reserve, for temporary service, to continue while serving as field representative and assistant director, Naval Transportation Service.

Civil Engineer William H. Godson, Jr., to be a civil engineer in the United States Naval Reserve, with the rank of commodore, for temporary service, to continue while serving as officer in charge of a naval construction brigade.

Capt. Herbert J. Ray, United States Navy, to be a commodore in the Navy, for temporary service, to continue while serving as deputy director, naval division, United States group control council, Task Force 124, and until reporting for other permanent duty.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 18 (legislative day of June 4), 1945:

REGISTER OF LAND OFFICE

Harry N. Child to be register of the land office at Spokane, Wash.

UNITED STATES PUBLIC HEALTH SERVICE

APPOINTMENTS IN THE REGULAR CORPS

To be surgeons effective date of oath of office

Norvin C. Kiefer Myron D. Miller
George L. Fite Arthur W. Newitt

POSTMASTERS

ILLINOIS

Earl Allen, Oakford.
Henry W. Roehrkasse, Red Bud.

INDIANA

Joseph T. Patrick, Carbon.

OREGON

William G. Courtney, Lafayette.
Hildred M. Rhoades, Odell.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 18, 1945

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty and most merciful Father, in whose wisdom we were created and before whom we bow in adoration, we praise Thee for this memorable hour, in which we pay tribute to a great leader. We rejoice that under the dispensation of Thy providence America has been established at the gateways of the world; we pray Thee that by her leadership and example all nations may be bound together in fellowship and amity. Our whole land is inspired by the great-souled men of God who marked the battlefields by night and day. With unsullied integrity, with a faith sublime, in a spirit of humility, and with prayer on their lips, they administered power as a sacred trust and preserved for us the heritage of our Republic. May we, as a people, hold fast to that which they secured by the travail of their souls.

God, be merciful unto us and bless us, and cause His face to shine upon us, that Thy way may be known upon earth, Thy saving health among all nations. Let the people praise Thee, O God, let all the people praise Thee. O let the nations be glad and sing for joy; for Thou shalt judge the people righteously and govern the nations upon earth. Let the people praise Thee, O God, let all the people praise Thee. Then shall the earth yield her increase, and God, even our own God, shall bless us. God shall bless us, and all the ends of the earth shall fear Him. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Thursday, June 14, 1945, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 3322. An act to amend the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 206. Joint resolution extending the time for the release of powers of ap-

pointment for the purposes of certain provisions of the Internal Revenue Code.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1080. An act to amend Public Law 347, Sixty-fourth Congress, approved February 23, 1917.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 807) entitled "An act to improve salary and wage administration in the Federal service; to provide pay for overtime and for night and holiday work; to amend the Classification Act of 1923, as amended; to bring about a reduction in Federal personnel and to establish personnel ceilings for Federal departments and agencies; to require a quarterly analysis of Federal employment; and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. DOWNEY, Mr. MCKELLAR, Mr. BYRD, Mr. LANGER, and Mr. AIKEN to be the conferees on the part of the Senate.

RECESS

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

JOINT SESSION OF THE HOUSE AND SENATE

At 12 o'clock and 17 minutes p. m., the Doorkeeper, Mr. Ralph Roberts, announced the President pro tempore and the Members of the United States Senate.

The Senate, preceded by the President pro tempore of the Senate and its Secretary and Sergeant at Arms, entered the Hall of the House of Representatives.

The President pro tempore of the Senate took the chair at the right of the Speaker, and the Members of the Senate took the seats reserved for them.

The SPEAKER. The Chair appoints on the part of the House as a committee to escort our distinguished visitor into the Chamber the gentleman from Massachusetts [Mr. McCORMACK], the gentleman from Kentucky [Mr. MAY], and the gentleman from Massachusetts [Mr. MARTIN].

The PRESIDENT pro tempore of the Senate. On behalf of the Senate, the Chair appoints the Senator from Kentucky [Mr. BARKLEY], the Senator from Utah [Mr. THOMAS], and the Senator from Maine [Mr. WHITE] as a committee to escort the distinguished general to the floor of the House.

At 12 o'clock and 22 minutes p. m., the Doorkeeper announced the Chief Justice of the United States and the Associate Justices of the Supreme Court.

The Chief Justice of the United States and the Associate Justices of the Supreme Court entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 12 o'clock and 23 minutes p. m., the Doorkeeper announced the Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 12 o'clock and 28 minutes p. m., the Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 12 o'clock and 31 minutes p. m., the Doorkeeper announced the General of the Army, the Supreme Commander of the Allied Expeditionary Forces, Gen. Dwight D. Eisenhower.

General Eisenhower, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives and stood at the Clerk's desk. [Prolonged applause, the Members rising.]

The SPEAKER. Members of the Congress, it is my great pleasure and my distinct privilege of presenting to you the General of the Army, the Supreme Commander of the Allied Expeditionary Forces, General Eisenhower. [Applause.]

General EISENHOWER. Mr. President, Mr. Speaker, and Members of the Congress, my imagination cannot picture a more dramatic moment than this in the life of an American. I stand before the elected Federal lawmakers of our great Republic, the very core of our political life and the symbol of those things we call the American heritage. To preserve that heritage, 3,000,000 American citizens, at your behest, have faced resolutely every terror the ruthless Nazi could devise. I come before you as the representative of those 3,000,000 people, their commander, because to them you wish this morning to pay the tribute of a grateful America for military victory. In humble realization that they, who earned your commendation, should properly be here to receive it, I am, nevertheless, proud and honored to be your agent in conveying it to them.

This does not seem to be the moment in which to describe the great campaigns by which the victory in Europe was won. They will become the substance of history, and great accounts they will be. But I think you would want from me some brief estimate of the quality of the sons, relatives, and friends you—all America—have sent to war.

I have seen the American proved on battlegrounds of Africa and Europe over which armies have been fighting for 2,000 years of recorded history. None of those battlefields has seen a more worthy soldier than the trained American.

Willingly, he has suffered hardships. Without a whimper he has made heavy sacrifices. He has endured much, but he has never faltered. His aggressiveness, his readiness to close with the enemy, has become a byword in the embattled armies of Europe. You have read many reports of his individual exploits, but not one-tenth of them ever has been or ever will be told. Any one of them is sufficient to fill a true American with

emotion—with an intense pride of his countryman.

Never have soldiers been called upon to endure longer sustained periods of contact with a vicious enemy nor greater punishment from weather and terrain. The American has been harassed by rifle and automatic weapons, pounded by hand grenades, by artillery and rocket shells, attacked by tanks and airplane bombs. He has faced the hazards of countless mines and booby traps and every form of static obstacle. He has conquered them all.

The tempo of battle has increased immeasurably during the span of this conflict. When the Germans launched their blitzkreigs through Poland, the Low Countries, and France, featuring tactical use of air power with mechanized units on the ground, it seemed to a fearful world that at least there had been achieved the ultimate in destructive force—that nothing could stand against the German armies.

When America entered the war arena the arrogant Nazi machine was at the zenith of its power. In 1940 it had overrun practically the whole of western Europe, while, a year later, in the east, it had hammered the great Red Army far back into the reaches of its own territory.

The Allies met this challenge with vision, determination, and a full comprehension of the enormity of the task ahead. America brought forth her effort from every conceivable source. New techniques of war were developed. Of these the most outstanding was the completely coordinated use of ground, air, and sea forces. To his dismay the German found that far from having achieved perfection in the combined employment of all types of destructive power, his skills and methods were daily outmoded and surpassed by the Allies. Through tactical and strategic unification the Allies successfully undertook the greatest amphibious landings yet attempted in warfare. Following each of these, forces were swiftly built on the beaches, and sustained by our naval strength. The next step was always a speedy advance, applying to the astonished enemy an air-ground teamwork that inflicted upon him defeat after defeat. The Services of Supply, by their devotion to duty, performed real miracles in supporting the battle lines. America and her Allies sent finally into Europe such a mighty avalanche of aggressive power of land, by sea, by air, as to make the campaigns of 1939 and 1940 seem tiny in contrast. The result was the unconditional surrender of an arrogant enemy.

All this America and her allies have done.

The real beginning, for us, was in December 1941, when our late great war leader, President Roosevelt, met with his friend and partner, Prime Minister Churchill, and forged a definition of Allied organizational and directional method for the prosecution of the war. During most of my 3 years in Europe these two God-given men were my joint Commanders in Chief. Their insistence on making common cause the key to victory established the keynote of the war

in Europe. To those two all of us recognize our lasting obligation. Because no word of mine could add anything to your appreciation of the man who, until his tragic death, led America in war, I will say nothing other than that from his strength and indomitable spirit I drew constant support and confidence in the solution of my own problems.

In Mr. Churchill, he had a worthy partner, who had led his country through its blackest hour, in 1940. The Prime Minister's rugged determination, his fighting spirit, and his singleness of purpose, were always a spur to action. Never once did he give less than full cooperation in any endeavor necessary to our military objectives. And never did he hesitate to use his magnetic and powerful personality to win cheerful acceptance from his countrymen of the great demands he was forced to make upon them.

It was no small test of the hospitality and generous understanding of the British people to have 2,000,000 strangers moved among their already limited and crowded facilities. The added confusion imposed by the extensive gear of a great army was accepted with a cheerfulness that won the admiration of us Americans. In critical moments Mr. Churchill did not hesitate to cut Britain's already reduced rations to provide more shipping for war purposes. Their overburdened railways had to absorb additional loads until practically all passenger traffic was suspended and even essential goods could be moved only on an emergency basis. For the hospitality the British offered us, for the discomforts they endured on our behalf, for the sacrifices they made for the success of operations, every American acquainted with the facts will always carry for them a warm and grateful place deep within his heart.

Under these two great war leaders were the combined British-American Chiefs of Staff who were my direct military superiors and the channel through whom I received all my orders. Their unwavering support, their expressed and implied confidence, their wise direction, and their friendliness in contact, were things to which I am happy to bear witness. They devised the machinery by which huge Allied forces were put together as a single unit, and through them were implemented the great military purposes that America and Great Britain agreed upon to further the political objectives of the war in Europe.

The spirit of unison that they developed was absorbed by the forces in the field.

In no place was this vital unity more strikingly evidenced than among the individuals that served as my principal commanders and on my staff. British and Americans forgot differences in customs and methods—even national prejudice—in their devotion to a common cause. Often have I thanked a kind providence for these staunch allies, from highest commander to the newest recruit, and for their readiness to serve within the team.

From our first battle associations with the British Air Forces in England, with her Navy in the African invasion, and with the British armies in north Africa,

we have measured their quality through many months of war. We well know and respect the fighting heart of the British, Canadian, and French soldiers and their leaders.

This teamwork was equally strong among the several services, air, ground, navy, and supply. The Navy's task in gaining our first European footholds was a staggering one. Without wearying you with tactical details I ask you to take my word for the truth that in all the brilliant achievements of the American Navy, and of her sister service in Great Britain, there is none to excel the record that was written in the great and successful invasions of Africa, Sicily, Italy, and France. With the Navy was always the merchant marine, in which Americans have served with a devotion to duty and a disregard for danger and hardship that defies any attempt to describe.

To the Air Forces, without whose great services all else would have been futile, I—all of us—owe similar debts of gratitude. Perhaps it is best for me merely to say that in every ship, on every plane, in every regiment, was a readiness to give life itself for the common good. And in this statement, I must include the men that have been responsible for the tactics of the battle itself.

As an Allied commander, I have tried in London and in Paris, to record something of the debt the United Nations owe to war leaders of the British Empire and of France. Today as an American, I would like to give you the names of our own officers that will always rank high in any list of those noted for service to their country. But any enumeration would necessarily be incomplete, so I must content myself by saying that, in great number, these battle leaders of the Army, the Navy, and the Air, have served loyally, devotedly, and brilliantly in my commands in Europe and Africa. Particularly I think you would like to know that without exception, their first concern, their constant care, has been the welfare—spiritual and physical—of their men—your sons, relatives, and friends. You have as much right to swell with pride in the quality of the battle commanders you have sent to Europe and Africa as you have in the conduct of the millions they have led so skillfully and devotedly.

I have spoken mostly of Americans and British, because troops from this country and the British Empire always formed the bulk of my own command. But the campaigns of the Red Army, crushing all resistance in the east, played a decisive part in the defeat of Germany.

The abilities of the Soviet leaders and the courage and fortitude of their fighting men and women stir the emotions of anyone who admires soldierly virtues. The Soviet people have been called upon for terrible sacrifices in their own land, ravished by the bestial excesses of the German. Driven back to Stalingrad, their calm refusal to acknowledge the possibility of any other outcome than victory will be honored in history for all time to come. Finally when the Russian armies and ourselves started the great drives that met on the Elbe the end was merely a matter of days—the Allies, east

and west, linked up and Nazi Germany was no more.

Here at home you played a very special part in the Soviet victory. Large quantities of American equipment, sent over the Arctic route to Murmansk or up from the Persian Gulf, furnished vital matériel of war to assist the Russians in mounting their great drives. The production of our people has won high praise from the Soviet leaders, as it has from other leaders in the Allied Nations. There is not a battle front in Europe where it has not been of decisive importance.

The liberated countries of Europe have also played a part in fashioning the victory.

Following upon our invasion of Normandy the breakthrough last summer permitted the swift liberation of most of France and gave that people an opportunity to begin resumption of normal conduct of their own lives. France's own resistance forces, and some of her combat divisions, took a notable part in driving out the hated enemy.

Every American soldier has seen the toll that war has exacted from France. Towns have been destroyed. Broken bridges make difficult road and river transport. The destruction of rolling stock or its allocation to military needs has denied its use to carry needed civilian goods, particularly food and fuel. Even now, although the guns are silent, the urgent necessities of our redeployment to the Pacific make it impossible to do all that we would wish toward improving the trying conditions in which French people live.

This feeling extends also to Belgium, Holland, and Luxemburg, which endured 4 years of German tyranny, and which supported effective resistance movements. In the Netherlands, during the last few months of conflict, real starvation prevailed in certain sections, where the German garrisons refused assistance. Our sympathy was aroused and tons of food were dropped by parachute to alleviate their suffering. Those countries still need, and deserve, our help.

And now, because this meeting typifies, for me, the spiritual unity of the American home and battle fronts, I address a word to that relationship.

The American fighting man has never failed to recognize his dependence upon you at home. I am grateful for this opportunity to stand before the Congress and express my own and the thanks of every soldier, sailor, and airman to the countrymen who have remained devoted to their tasks. This feeling goes beyond the tangible things—guns, ammunition, tanks, and planes, although in these things you have sent us the most, and the best. It extends to such intangibles as the confidence and sympathetic understanding which have filled the letters written by families and friends to the men up front. For a few moments, simple words of affection and cheer blot out the danger and loneliness and hardship which are the soldier's life. They send him back with renewed vigor and courage to his inexorable task of crushing the enemy.

I hope you realize that all you have done for your soldiers has been truly ap-

preciated. Never have they felt absent from your anxious care and warm affections. The Red Cross—to name just one outstanding organization—stands high in their admiration. The Red Cross with its clubs for recreation, its coffee and doughnuts in the forward areas, its readiness to meet the needs of the well and help minister to the wounded—even more important, the devotion and warm-hearted sympathy of the Red Cross girl. The Red Cross has often seemed to be the friendly hand of this Nation, reaching across the sea to sustain its fighting men.

The battle front and the home front; together we have found the victory. But even the banners of triumph cannot hide from our sight the sacrifices in which victory has been bought. The hard task of a commander is to send men into battle knowing some of them—often many—must be killed or wounded in order that necessary missions may be achieved. It is a soul-killing task. My sorrow is not only for the fine young lives lost or broken, but it is equally for the parents, the wives, and the friends who have been bereaved. The price they pay is possibly the greatest for the victory won. The blackness of their grief can be relieved only by the faith that all this shall not happen again. Because I feel this so deeply I hope you will let me attempt to express a thought that I believe is today imbedded deep in the hearts of all fighting men. It is this: The soldier knows how grim and dark was the outlook for the Allies in 1941 and 1942. He is fully aware of the magnificent way the United Nations responded to the threat. To his mind the problems of peace can be no more difficult than the one you had to solve more than 3 years ago, and which, in one battle area, has now been brought to a successful conclusion. He knows that in war the threat of separate annihilation tends to hold allies together; he hopes we can find in peace a nobler incentive to produce the same unity. He passionately believes that, with the same determination, the same optimistic resolution and the same mutual consideration among allies that marshaled in Europe forces capable of crushing what had been the greatest war machine of history, the problems of peace can and must be met. He sees the United Nations strong but considerate; humane and understanding leaders in the world to preserve the peace he is winning.

The genius and power of America have, with her allies, eliminated one menace to our country's freedom, even her very existence. Still another remains to be crushed in the Pacific before peace will be restored. Speaking for the American men and women I have been so honored to command, would, I know, say this to you today: In our minds and hearts there is no slightest doubt that our people's spirit of determination, which has buoyed us up and driven us forward in Europe, will continue to fire this Nation through the ordeals of battle yet to come. Though we dream of return to our loved ones we are ready, as we have always been, to do our duty to our country, no matter what it may be. In this spirit we renew our pledge of service to our Commander in Chief, President

Truman, under whose strong leadership we know that final victory is certain.

At 12 o'clock and 54 minutes p. m., the General of the Army, Supreme Commander of the Allied Expeditionary Forces, Dwight D. Eisenhower, retired from the Hall of the House of Representatives.

The members of the President's Cabinet retired from the Hall of the House of Representatives.

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments retired from the Hall of the House of Representatives.

The Chief Justice of the United States and the Associate Justices of the Supreme Court retired from the Hall of the House of Representatives.

At 12 o'clock and 56 minutes p. m. the Speaker announced that the joint session was dissolved.

Thereupon the President pro tempore and the Members of the Senate returned to their Chamber.

AFTER RECESS

The recess having expired at 12 o'clock and 58 minutes p. m. the House was called to order by the Speaker.

The SPEAKER. Without objection, the proceedings had during the recess of the House will be printed in the RECORD. There was no objection.

ADJOURNMENT

The SPEAKER. Without objection, the House will stand adjourned until 12 o'clock noon tomorrow.

There was no objection.

Accordingly (at 12 o'clock and 59 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 19, 1945, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WORLD WAR VETERANS

There will be a meeting of the World War Veterans' Legislation Committee, in open session, on Tuesday, June 19, 1945, at 10 a. m., in the committee room 356, Old House Office Building.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will hold a hearing at 10:30 a. m. on Tuesday, June 19, 1945 on H. R. 3263.

COMMITTEE ON THE JUDICIARY

The Committee on the Judiciary will begin hearings at 10 a. m. on Thursday, June 21, 1945, on the following bills with respect to Federal administrative procedure: H. R. 184, H. R. 339, H. R. 1117, H. R. 1203, H. R. 1206, and H. R. 2602. The hearings will be held in the Judiciary Committee room, room 346, Old House Office Building.

The hearing previously scheduled by the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary for Friday, June 15, 1945, will be held on Monday, June 25, 1945, at 10 a. m. The hearing will be on the provisions of the bills (H. R. 33 and H. R. 3338) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto (referees—method of appointing, com-

pensation, etc.), and will be conducted in the Judiciary Committee room 346, Old House Office Building.

There will be a meeting of Subcommittee No. 4 of the Committee on the Judiciary, beginning at 10 a. m. on Wednesday, June 27, 1945, to continue hearings on the bill (H. R. 2788) to amend title 28 of the Judicial Code in regard to the limitation of certain actions, and for other purposes. The hearing will be held in room 346, Old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

573. A communication from the President of the United States, transmitting a proposed appropriation for the Filipino Rehabilitation Commission; to the Committee on Appropriations.

574. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill to reserve certain land on the public domain in Utah for addition to the Kanosh Indian Reservation; to the Committee on Indian Affairs.

575. A letter from the Acting Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

576. A letter from the Chairman, Federal Trade Commission, transmitting the report of the Federal Trade Commission, entitled "Distribution Methods and Costs, Part VI, Milk Distribution, Prices, Spreads, and Profits"; to the Committee on Interstate and Foreign Commerce.

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. RANDOLPH: Committee on the District of Columbia. S. 463. An act to amend section 927 of the Code of Law of the District of Columbia, relating to insane criminals; without amendment (Rept. No. 753). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON of Florida: Committee on the Public Lands. S. 497. An act to amend an act entitled "An act to provide for the purchase of public lands for home and other sites," approved June 1, 1938 (52 Stat. 609); without amendment (Rept. No. 754). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 2995. A bill to amend an act entitled "An act to create a revenue in the District of Columbia by levying a tax upon all dogs therein, to make such dogs personal property, and for other purposes," approved June 19, 1878, as amended; with amendment (Rept. No. 755). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 3201. A bill to amend the District of Columbia Alley Dwelling Act; approved June 12, 1934, as amended; without amendment (Rept. No. 756). Referred to the Committee of the Whole House on the State of the Union.

Mr. RAMSPECK: Committee on the Civil Service. H. R. 3256. A bill to amend the Civil Service Retirement Act approved May 29, 1930, as amended, in order to protect the retirement rights of persons who leave the service to enter the armed forces of the

United States; with amendment (Rept. No. 757). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 3291. A bill to provide for an adjustment of salaries of the Metropolitan Police, the United States Park Police, the White House Police, and the members of the Fire Department of the District of Columbia, to conform with the increased cost of living in the District of Columbia; without amendment (Rept. No. 758). 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. DOUGHTON of North Carolina: H. R. 3487. A bill to facilitate reconversion, and for other purposes; to the Committee on Ways and Means.

By Mr. RAMSPECK: H. R. 3488. A bill to further amend the Classification Act of 1923, as amended; to bring about uniformity and coordination in the allocation of field positions to the grades of the Classification Act of 1923, as amended; and for other purposes; to the Committee on the Civil Service.

By Mr. RANDOLPH: H. R. 3489. A bill to authorize the Federal Works Administrator to advance discretionary apportionment funds to be used for the purpose of making plans for the National Memorial Stadium as a postwar project; to the Committee on Appropriations.

By Mr. SPENCE: H. R. 3490. A bill to provide for increasing the lending authority of the Export-Import Bank of Washington and for other purposes; to the Committee on Banking and Currency.

By Mr. RAMSPECK: H. R. 3491. A bill authorizing the preparation of a medal for presentation to members of the armed forces who participated in the battle for the Philippine Islands in the present war with Japan; to the Committee on Military Affairs.

By Mr. RAMSPECK (by request): H. R. 3492. A bill to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended; to the Committee on the Civil Service.

By Mr. SCRIVNER: H. R. 3493. A bill to amend chapter XV, title VI, Servicemen's Readjustment Act of 1944; to the Committee on World War Veterans' Legislation.

By Mr. McDONOUGH: H. J. Res. 217. Joint resolution to quiet the titles of the respective States and others to lands beneath tidewater and lands beneath navigable waters within the boundaries of such States and to prevent further clouding of such titles; to the Committee on the Judiciary.

By Mr. RANKIN: H. Res. 293. Resolution inviting Gen. George S. Patton to address the Congress; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States, and the agencies charged with the disposal of surplus war goods, equipment, and materials to return to this country all items of equipment and supply that may be useful and that this material so returned, together with all surplus war goods and equipment in this country, be sold or given to the various political subdivisions of the United States of America under some equitable sys-

tem of sale or allocation; to the Committee on Expenditures in the Executive Departments.

Also, memorial of the Legislature of the State of Texas, commending the members of the Interstate Commerce Commission for their decision in behalf of freight-rate equality; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. RAMSPECK: H. R. 3494. A bill for the relief of the J. B. McCrary Co., Inc., and for other purposes; to the Committee on Claims.

By Mr. WILSON: H. R. 3495. A bill for the relief of Mrs. J. Will Prall, of Columbus, Ind.; to the Committee on Claims.

H. R. 3496. A bill for the relief of Hugo Efinger in behalf of his son, William L. Efinger; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

961. By Mr. RICH: Petition of Mr. and Mrs. William J. Noll and sundry other citizens of Williamsport, Pa., urging the passage of House bill 2082; to the Committee on the Judiciary.

962. By the SPEAKER: Petition of the President, the Florida district of the International Walther League, petitioning consideration of their resolution with reference to prayer for victory in the Pacific theater of operations; to the Committee on Foreign Affairs.

SENATE

TUESDAY, JUNE 19, 1945

(Legislative day of Monday, June 4, 1945)

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

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God our Father, we thank Thee for the unquenchable impulse toward Thee Thou hast planted within us. Open our eyes to see Thee, not out on the rim of the universe, in some distant star, but in human love which hallows our own lives, which at its best bears witness to Thee and alone can heal the hurt of the world.

Conscious of Thy overshadowing presence, we pray for fidelity not to shirk the issues of these momentous days. Committing our souls unto Thee who knowest the way we take, bring us forth as gold tried in the fire. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, June 18, 1945, was dispensed with, and the Journal was approved.

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.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 3240) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

The PRESIDENT pro tempore. The Chair will make a statement concerning the procedure today. Yesterday the following agreement was entered into:

It is ordered, by unanimous consent, that at not later than 2 o'clock p. m., on Tuesday, June 19, 1945, the Senate will proceed to vote upon the pending committee amendment, the time for debate to be equally divided between and controlled by the senior Senator from Ohio [Mr. TAFT] for the proponents, and the senior Senator from Georgia [Mr. GEORGE] for the opponents.

The Senator from Georgia [Mr. GEORGE] is entitled to the floor.

Mr. HILL. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator from Alabama.

Mr. HILL. 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	Green	Myers
Austin	Guffey	O'Daniel
Bailey	Gurney	O'Mahoney
Ball	Hatch	Overton
Barkley	Hawkes	Pepper
Bilbo	Hayden	Rsdcliffe
Brewster	Hill	Reed
Bridges	Hoey	Revercomb
Briggs	Johnson, Calif.	Robertson
Brooks	Johnson, Colo.	Saitonstall
Buck	Johnston, S. C.	Shipstead
Burton	Kilgore	Smith
Bushfield	La Follette	Stewart
Butler	Langer	Taft
Byrd	Lucas	Taylor
Capehart	McCarran	Thomas, Okla.
Capper	McClellan	Thomas, Utah
Chandler	McFarland	Tobey
Chavez	McKellar	Tunnell
Donnell	McMahon	Tydings
Downey	Mead	Wagner
Eastland	Millikin	Walsh
Ellender	Mitchell	Wherry
Ferguson	Moore	White
Fulbright	Morse	Wiley
George	Murdoch	Wilson
Gerry	Murray	Young

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS], the Senator from Nevada [Mr. SCRUGHAM], and the Senator from Montana [Mr. WHEELER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Alabama [Mr. BANKHEAD], the Senator from Washington [Mr. MAGNUSON] are absent on public business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a delegate to the International Conference in San Francisco.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Georgia [Mr. RUSSELL] are absent in Europe visiting battlefields.

Mr. WHERRY. The Senator from Oregon [Mr. CORDON] is absent on official business of the Committee on Public Lands and Surveys.

The Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Indiana [Mr. WILLIS] are necessarily absent by leave of the Senate.