

Yugoslavia Mission

UNITED NATIONS  
RELIEF AND REHABILITATION ADMINISTRATION  
WASHINGTON 25, D. C.

CENTRAL REGISTRY

OUT-CHARGE FORM

Date 22 Mar 47

File No. Yuzelara - Vouchakys file

Subject Yuzelara - Relief Requirements  
OFPPA-

Control No. \_\_\_\_\_

Letter, memorandum, telegram, cables, last date \_\_\_\_\_

Requested by Report files Extension \_\_\_\_\_

For \_\_\_\_\_

Division \_\_\_\_\_ Room No. \_\_\_\_\_

Searcher \_\_\_\_\_



UNRRA

INCOMING TELEGRAM

*Call Berlin  
re Chicago*

NUMBER: 7142  
FROM: London  
DATED: 5/12/45  
RECEIVED: 6/12/45 - 8:45 a.m.

Confidential for Howell.

1. DeBrun recently employed in DP operations Austria is being sent back to ERO by Chief of Operations Austria after representations by the U.S. Army in Austria.
2. He is alleged to have made derogatory remarks about the Polish Army.
3. Would be grateful for background of DeBrun. Appears Congress interested.
4. May possibly arrive direct Washington. If he comes through London will send you full details after report received and interview.

DISTRIBUTION

DD - 2  
SDDG - 1  
DDG (Rocks) - 1  
DDG (Gill) - 1  
\*PT - 1 (Howell)  
FILES - 2

(NO BOOKS)  
23

Dist. 9:35 a.m.  
brt 11:58 a.m.

*George  
Kanting  
Howell*



ER013 LDN SHR DEC 7 3.05 PM

MR GRIMMOND HERE NOW GA PSE.

*Grimmond to  
Hacell*

ACCORDING TO CABLE FROM VIENNA ON HIS WAY TO ERO.

ANSWERXXXX

WYNDHAM WHITE ASSISTANT TO GALE JUST BACK FROM AUSTRIA.

STOP WILL GET HIM ON TELEPHONE NOW AS BELIVE HE HAS LATEST NEWS.

CAN YOU WAIT?

REFERENCE TO E BRUN HAVE SPOKEN TO WHITESTOP AS A RESULT OF TACTLESS REMARKS TO POLES IN BRITISH ZONE DE BRUN WAS MOVED INTO U S ZONE STOP MARK CLARK HOWEVER HAD ORDERED INVESTIGATION AND AS A RESULT OF IXX THE INVESTIGATION ASKED PARMINTER TO DISCHARGE TO DE BRUN AND RETURN HIM TO U S A STOP PARMINTER IN RETURN REPLIED THOUGHT THE MATTER HAD BEEN EXAGGERATED BUT IN VIEW OF CLARKS DEMAND HE WOULD WITHDRAW DE BRUN FOR REASSIGNMENT STOP DE BRUN STILL IN AUSTRIA AWAITING TRANSPORT BACK TO ENGLAND STOP IS SAID NOT TO BE AGGRIEVED WITH UNRRA STOP WILL CABLE VIENNA TO INSURE THAT HE RETURNS TO E R O

2. REFERENCE GREECE. WILL CONFIRM THESE POINTS WHEN I HAVE GREEK FILE BUT THINK O K .

IN VIEW OF MARK CLARKS REQUEST DO NOT CONSIDER THAT DE BRUN CAN REMAIN IN AUSTRIA. BUT WILL PLEDGE MYSELF TO REASSIGN HIM SUITABLY STOP BIOGRAPHICAL DETAILS CAN FOLLOW BY CABLE. AM NOT QUITE CLEAR AS TO WHAT YOU XXXXX WHAT THIS REFERS STOP ~~SO~~ YOU MEAN STROMMEN COLONEL IN U S ARMY A F H Q CASERTA ? IF SO PPOINTMENT NOT SETTLED HERE RECRUITMENT NOT DONE THROUGH YOU.

POSITION STANDS THAT CASERTA HAS BEEN ASKED FOR ASSISTANTXXXXXX ASSESSMENT OF STROMMEN AM TOLD TO MAKE HIM OFFER AS ACTING DIRECTOR IF THEY RECOMMEND HIM WILL KEEP YOU FULLY INFORMED. MANY THANKS TO YOU M//// .....  
END.

2.40



*Samuel to  
Grinnell*

TR 15      SHR UNRRA 7 DECEMBER 1007A

UNRRA LONDON

RE YOUR 7142 ON DE BRUN. THIS IS EXTREMELY URGENT MATTER WHICH JACKSON HAS DISCUSSED ON THE PHONE WITH GALE. WHERE IS DE BRUN NOW?

JACKSON HAS ASKED THAT YOU MAKE SURE HE GETS TO ERO AS SOON AS POSSIBLE AND THAT GALE TALK WITH HIM. HE ASKED FURTHER THAT YOU REASSIGN HIM AT LEAST TEMPORARILY. IMPERATIVE HE REMAIN OVERSEAS AND WORKING FOR AT LEAST A MONTH OR SO. DO YOU WANT BIOGRAPHICAL DATA ON HIM NOW?

YES HERE ARE TWO OTHER MATTERS WE CAN TAKE UP NOW.

1. RE ATHENS 1802 TO WASHINGTON REPEATED LONDON 1970 ON JACKSON'S SUGGESTION WE ARE PROCEEDING TO LOOK FOR CANDIDATE FOR POST OF DIRECTOR MANAGEMENT AND BUDGET GRADE 12 GREECE. IS THIS SATISFACTORY? ON YOUR AUTHORITY WE ARE RECRUITING FOR GREECE GRADE 9 ASIXXX ASSISTANT EMPLOYMENT AND TRAINING OFFICER AND ASSISTANT AT GRADE 8.

RE DE BRUN IF HE CAN BE USED IN AUSTRIA OK IF NOT LET ME AGAIN URGE HE BE REASSIGNED. HIS INTEREST AND EXPERIENCE PRIMARILY EASTERN EUROPE OR ITALY. REPUTE AS EXPERT ON COMMERICAL AND TRANSPORTATION MATTERS IN CENTRAL EUROPE CONFIRMED BY NUMEROUS RESPONSIBLE REFERENCES BOTH HERE AND ABROAD. COMMITMENT ON HIS USE IN EUROPE MADE TO CHAIRMAN BLOOM HOUSE FOREIGN AFFAIRS COMMITTEE. THEREFORE YOU CAN APPRECIATE IMPORTANTXXX IMPORTANCE. DO YOU WANT DETAILS OF BIOGRAPHICAL DATA NOW?

THANKS VERY MUCH. ONE MORE POINT. WHAT IS THE NAME AMERICAN ASSIGNED TO ADMINISTRATIVE SERVICES ERO AND DID WE RECRUIT HIM HERE?

~~EX~~ I BELIEVE THAT IS THE MAN. GALE MENTIONED TO JACKSON THAT AN AMERICAN WAS ACTING IN CHARGE OF ADMINISTRATIVE SERVICES BUT JACKSON DID NOT CLEARLY UNDERSTAND NAME. THAT IS ALL I HAVE. MANY THANKS AGAIN RE DE BRUN. REGARDS.





to Rogers

File

UNRRA YUGOSLAV MISSION AT BELGRADE

The first UNRRA ship arrived in Yugoslavia on 17 June.

A freighter of the Yugoslav Merchant Marine -- the S. S. DUBROVNIK -- docked at Split with 3300 tons of food, clothing, medical supplies and heavy agricultural equipment. The DUBROVNIK left England on 22 May, with the first cargo of postwar relief and rehabilitation goods loaded by the United Nations for Yugoslavia.

Allied military relief supplies have been trickling into Yugoslavia since last February. UNRRA took over the army shipping schedule on 15 April and has paid for all relief goods delivered since that date. However, until now, these items, mostly food and medical supplies, have been planned and shipped by Military Liaison. The S. S. DUBROVNIK brings the first truly United Nations shipment -- planned, loaded and dispatched by UNRRA's European Office in response to Yugoslavia's postwar requirements.

The DUBROVNIK was released to UNRRA by the Allied Combined Shipping Board on 25 April and began loading goods for Yugoslavia on 1 May.

Among the items in the 3300-ton cargo, now discharging at Split, are 320 trucks and tractors, 65 completely equipped hospitals, with beds for 5000 patients, and five 5-ton threshing machines. Also included are 1300 tons of other agricultural equipment and veterinary supplies, 700 tons of foodstuffs, 400 tons of clothing, 500 tons of raw wool, and over 100 tons of steel plates.



From Split, the heavy equipment which could be moved by truck was shipped by schooner to Trieste. Trieste is the one port today which has workable rail connections with the interior of Yugoslavia. Until now, with only the small ports of Split and Dubrovnik open, all goods had to be moved by truck, and trucks were scarcer than anything else. Now that Trieste -- natural gateway to Yugoslavia -- is open again, it is expected that many future UNRRA vessels will discharge there directly, to speed the flow of relief and rehabilitation materials to where they are needed most. Other Adriatic ports, such as Rijeka (Fiume), Susek and Bakar, are expected to be ready soon to receive UNRRA cargoes. As the volume of supplies increases, ports in the Black Sea -- already in use for UNRRA shipments to Czechoslovakia and Poland -- will also take cargoes for Yugoslavia, especially for deliveries of agricultural machinery to the rich farmlands of northeastern Yugoslavia. The Soviet government has announced that UNRRA ships of any flag may now enter the Black Sea ports of Varna and Constanta, and Bulgaria has placed through rail service at Yugoslavia's disposal.

Mr. Michail Sergeichin, Chief of UNRRA's Yugoslav Mission, said on the occasion of the DUBROVNIK's arrival:

"These 3300 tons from the S. S. DUBROVNIK are only a token of Yugoslavia's needs and UNRRA's plans. We of the UNRRA Yugoslav Mission have caught a glimpse of Yugoslavia's devastation and know that her people need all the food and clothing, the trucks and tractors, the medicines and machinery, that the United Nations can provide. Given these materials, the Yugoslav government and people can achieve their own recovery from the war.

"In the past when none but the small ports of Split and Dubrovnik were liberated, only relatively small quantities of relief goods could enter Yugoslavia. Now that Trieste and other northern Adriatic ports are free, UNRRA intends to bring in greatly increased tonnages, not only of 'first aid' items, such as food, clothing and medicines, but more and more industrial supplies and equipment, trucks and railroad rolling stock, farm machinery and raw materials.

"Many people have asked members of the UNRRA staff how and when Yugoslavia will be able to pay for all these UNRRA supplies and equipment. As far as the United Nations are concerned, Yugoslavia has already paid for its relief and rehabilitation, by military achievements and national sacrifice in the war. UNRRA shipments to Yugoslavia will continue without charge until the country has recovered sufficiently to finance its own imports. UNRRA's main task is to help Yugoslavia reach that point.

"It is gratifying to all of us that our first UNRRA ship is a Yugoslav ship -- the S. S. DUBROVNIK. It is the first of many United Nations vessels which from now on in steadily increasing number will bring back to Yugoslavia a part of the material goods which -- together with millions of irreplaceable lives -- she willingly spent in the cause of our common freedom."



UNRRA JUGOSLAV MISSION  
BELGRADE

*Beating  
6 copies  
double  
space*

FOR IMMEDIATE RELEASE . . . . . 17 June 1945

*only 17 June*

*Spent 17, it has been*

*from*  
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1  
The S.S. Dubrovnik docked<sup>s</sup> at Split with 3300 tons of food, clothing, medical supplies and agricultural equipment for Yugoslavia - UNRRA's first shipment since taking over the army shipping schedule on April 15.

2  
Unloading UNRRA's first shipment of food, clothing, medical supplies and agricultural equipment at Split.

original Pittsburgh  
material  
6-X-45

## UNRRA RELIEF IN YUGOSLAVIA

### Introduction

Yugoslavia has been a member of the United Nations Relief and Rehabilitation Administration from its inception in the fall of 1943. As there existed a Yugoslav Government in exile and a Yugoslav National Committee of Liberation in the country, the Administration received in April 1944 also an application for membership on the Council and for immediate relief assistance to the already liberated people of Yugoslavia from the National Committee of Liberation in the country. As UNRRA could operate in war zones only at the invitation of the Allied Military in charge of particular areas, and such permission was not obtainable at that time, UNRRA could not extend help to the Yugoslav population in liberated areas. Later establishment of a unified Yugoslav Government made the political side of dealing with Yugoslav authorities simple.

According to the decisions of the Allied Military, the first phase of relief and rehabilitation in any one of the liberated countries was the responsibility of the Allied Military. They operated on the principle of giving relief to prevent unrest and disease in these areas.

The talks between the Allied Military on the one hand, and the representatives of the Yugoslav National Committee of Liberation and the Yugoslav Government in Exile



on the other, with UNRRA officials as observers, began in Bari, Italy, in the first days of October 1944. After lengthy and often difficult discussions an agreement was reached and signed on 19 January 1945. On the basis of this agreement the Allied Military undertook the delivery of relief and rehabilitation supplies to the Yugoslav people until such time as UNRRA would take over these operations. The basic principle on which the NL-Yugoslav agreement was signed was that the imported goods would be turned over to Yugoslav authorities at the ports of entry and that the Yugoslav authorities would distribute these goods as well as domestic supplies to the needy people without discrimination on political or other grounds. To insure equitable distribution, the Allied Military Liaison was empowered by the agreement to have its officials observe the distribution.

Actually, even before the signing of this agreement, a small shipment of 500 tons of supplies was sent to the Yugoslav town of Split on the 31 December 1944 to relieve the starving population of Dalmatia. This was the first shipment of supplies sent to the civilian population of Yugoslavia by the Allies. During the period of military relief, UNRRA cooperated with the Military in furnishing specialists for the observation of the distribution of relief goods.

UNRRA-YUGOSLAVIA Agreement

As UNRRA assistance to every one of its members has to be based on an agreement between the Administration and such a country, discussions with the Yugoslav authorities <sup>started</sup> for an agreement/immediately after the Second Session of the UNRRA Council at Montreal in October 1944. These discussions went on for several weeks in Washington, were later continued in London to a certain extent, and the agreement was finally signed by the representatives of the Yugoslav Government and by the Deputy Director General, Mr. Hendrickson, during his visit in Belgrade on 24 March 1945. This agreement is the basis of the UNRRA operations in Yugoslavia. It states that the Administration is to provide Yugoslavia with relief and rehabilitation supplies; that these supplies are to be turned over to the Yugoslav Government at the ports of entry; that distribution of goods is to be carried out by Yugoslav authorities; that to insure equitable distribution UNRRA will have its observers in the country, free to move and inspect the operations; and that all relief operations would be carried out according to the resolutions adopted by the UNRRA Council. Needless to say that also all the clauses of the Agreement are based on Council Resolutions.

On 2 March 1945, the Director General found, on the basis of Section 17 of Resolution 14 that Yugoslavia was unable, for the time being, to pay for relief supplies



in suitable means of foreign exchange.

It was agreed during March 1945 by UNRRA, the Yugoslav authorities and the Military Liaison, that UNRRA would take over from the Military relief operations as of 15 April 1945, which it actually did. As the organization of a supply and shipping pipeline takes time, and as UNRRA did not have these facilities at that time, while the military had their supplies and shipping allocations, UNRRA continued to supply Yugoslavia from the 15th of April until the end of June using the military supply pipeline and shipping allocations. However, UNRRA paid the Military for these supplies and shipping sources. It was also deemed necessary that some supplementary shipments take place during May and June from the UNRRA supply line and shipping allocations.

#### Administration of Yugoslav Refugee Camps in Egypt

To complete the review of the beginning stage of UNRRA operations in Yugoslavia, one additional fact has to be pointed out, namely, care for about 30,000 Yugoslav refugees in camps in Egypt. These refugees, consisting mostly of women and children, fled from the Dalmatian Coast from Nazi terror. They were first cared for by the British Military and were later taken over by UNRRA. UNRRA did all in its power to help these people, but all its employees working in these camps were greatly impressed by the spirit,

organizational ability, ingenuity and industry of these Yugoslav refugees. It is good to know that more than half of them have already been repatriated and that as soon as shipping becomes available the others will also go to their homes.

#### Accomplishments of UNRRA in Yugoslavia

To appraise the accomplishments of UNRRA in its operations in Yugoslavia, we have to review its various fields of activity and relate this activity to the needs for help that existed in the country. By way of introduction to this discussion, it should not be amiss to recall what the share of Yugoslavia was in fighting the common enemy. At this time when total victory has been achieved it is hard to imagine ourselves in the dark days of March and April 1941 when Hitler was at the pinnacle of his power. But it was in those days that the peoples of Yugoslavia rose against their own quislings and against the invader. The old army and political structure disintegrated but soon afterwards the Yugoslav people began to rise and in the following three and one half years wrote some of the most heroic pages of this war. There is no other yardstick to measure the glorious fight of the peoples of Yugoslavia but by the magnitude of sacrifices that it cost them. The country has lost on the field of battle and through enemy atrocities 1 million 680 thousand people, or 11 percent of its



population which means the same as the United States losing 14 million of its people.

Forgetting completely the sufferings of the people during the war and occupation, but looking at the results of the war for the peoples of Yugoslavia, we see

(1) that approximately 40 percent of their fields remained unplanted this year;

(2) that they lost from 50 to 70 percent of their livestock, especially draft animals;

(3) that some areas, e.g. southern Croatia, eastern Bosnia, parts of Herzegovina, Dalmatia and Montenegro have been literally obliterated so that Yugoslavia has lost beyond repair about 500,000 or one sixth of its houses;

(4) we see its industry wrecked, its schools burned, its hospital and health service destroyed so that in spite of the loss of population there is now in Yugoslavia one physician for every 5000 people as against one physician for every 3000 people before the war;

(5) we see that its harbors have been wrecked, its shipping along the Adriatic coast and in inland waterways destroyed and, above all, its communications shot to pieces;

(6) the clothing and footwear of its population gone to pieces to an extent that 70 to 80 percent of the population had to be fully clad;

Needless to say, the general health condition of the people has greatly deteriorated from tuberculosis, malaria and other diseases rampant. And even nature itself did not give a break to these people. Together with all southeastern European countries, Yugoslavia experienced this summer the worst drought in the last 25 years.

These were the conditions in which the people of Yugoslavia found themselves on the day of victory - this is the background against which we have to judge UNRRA's accomplishments in Yugoslavia. One thing which <sup>sh</sup> would be pointed out, because it is of essential importance, is the spirit of the peoples of Yugoslavia who are showing great ingenuity, persistence and will to get back on their own feet. To use a parallel: it is much easier and more gratifying to help a sick person who tries himself to get well than a person in apathy and fear of life. And the Yugoslavs are doing everything humanly possible to help themselves.

#### Food

Yugoslavia needed and will continue to import food throughout this crop year for several reasons. As far as cereals are concerned, there are three basic reasons: (1) because the acreage that was normally put under winter grains was not seeded as fighting was going on during the seeding period in the most important producing areas, namely Vojvodina and Slavonia. In addition, the people did not



have enough draft power, plows, seeds and fertilizers, which impeded also spring sowing. Thus only about 50 percent of the prewar wheat area and approximately 80 percent of the prewar corn area was seeded. (2) All of southeastern Europe and Italy, as we have already said, experienced this summer the worst drought in 25 years and drought, even in peace time, spelled hunger in many sections in this part of Europe. (3) About three quarters of the whole crop will be produced in the fertile Pannonian Plain. Even if supplies were obtainable, only a small amount could be transported to the deficit areas as communications are gone. During this crop year Yugoslavia will thus need to import between 600,000 and 800,000 metric tons of grains for human consumption. Yugoslavia needs also large imports of fats and oils, meat and milk. The reason for such great need is that livestock has been reduced in relation to 1939 numbers to the following percentages: hogs 58, cattle 44, sheep 50, goats 50, poultry 60. To make things worse a hog cholera epidemic has killed an estimated 100,000 hogs since liberation.

The Yugoslav needs for food imports are best explained by a comparison of the estimated 1945 production with the prewar production.

	1945 Metric tons	1935/38 Metric tons	1945 as a Percentage of 1935/38
Grains available for human consumption	2,620,000	5,100,000	51
Meat	50,000	310,000	26
Fats and Oils	48,000	144,000	33
Milk and milk products	837,000	2,830,000	30
Sugar	20,000	71,000	28

To help feed the Yugoslav people UNRRA has sent to Yugoslavia through August 1945, according to preliminary data, in addition to an estimated 110,000 tons of supplies bought from the Allied Military, most of which was food, 141,197 tons of food of which almost the whole amount came from the Western Hemisphere. Of this food 21,700 tons was wheat, 26,500 tons wheat flour, 5,800 tons canned fish, 5,360 tons lard, 20,200 tons dried peas and beans, 12,130 tons sugar and 53,500 tons other food supplies. In addition, an estimated total of 134,000 tons of supplies was cleared for Yugoslavia during September, most of which was also food. As the former Deputy Chief of UNRRA Mission in Yugoslavia, Rolf Nugent, said in a press conference on 31 August 1945, "UNRRA food has reached upwards of 7,000,000 Yugoslavs and has contributed the principal part of the diet for at least 3,000,000. There can be little doubt that thousands of Yugoslavs would have died of starvation if food supplies from overseas had not been available."



UNRRA is exerting all its power now to ship to Yugoslavia as much food in the shortest possible time and to supply the necessary trucks to transport this food into the interior of the country to prevent starvation this winter.

UNRRA is short of supplies of protective foods, such as fats, meat and milk and it is only by an increase in shipment of these supplies that the ravages of malnutrition, especially among the children of Yugoslavia, can be combatted.

#### Clothing and Footwear

Prior to the war Yugoslavia used to consume roughly 50,000 tons of textiles and textile raw materials of which more than 40,000 tons were imported. Imports ceased early in 1941. The sheep herds which used to give about 8,000 tons of scoured wool were cut in half. A great deal of clothing, especially household textiles like sheets, blankets, etc., has been plundered by the occupying forces. Some of the best textile mills, especially in Slovenia, have been converted by the Germans to the production of airplane parts or to airplane repair shops, others have been sabotaged or destroyed. Similar conditions prevail regarding footwear.

The clothing and footwear situation in Yugoslavia was best shown by the fact that toward the end of 1944 a deficiency coefficient of 70-80 percent was assumed and

that in all early requirements the Yugoslav authorities assigned the highest priority to clothing and footwear.

To relieve the need for clothing and footwear, in addition to shipments from the Military supply line, up to 30 June 1945, UNRRA has shipped to Yugoslavia until the end of August 1945, in all, 17,580 tons of clothing and footwear of which 7337 tons was raw cotton, 3552 tons contributed clothing, 527 tons shoes and 3802 other clothing, textiles and footwear.

One item which the Yugoslavs especially appreciated as it is important under their transport conditions was a shipment of 4 million jute bags from India. There is no doubt that 17,600 tons of clothing, textiles and footwear was not enough to clothe and shoe a beragged and barefoot population of 15 million people, but it was an important contribution toward that goal. And we are programming the shipment of large additional supplies.

#### Agricultural Rehabilitation

To help people get on their feet and to reduce the imports of food at a later date, rehabilitation of agriculture is essential. The greatest loss in agriculture in Yugoslavia was in draft power. The number of tractors in operation was reduced from about 1,800 before the war to about 1,200 at the time of liberation, the number of horses from 1,270,000 to 450,000 (by 65 percent) and the number of cattle from 4,200,000 to about 1,800,000 (by 56 percent).



Fast help could be given only by large imports of tractors, tractor plows, tractor repair shops, various agricultural machinery, implements, fertilizers and seeds, as most of the inventory was either destroyed or worn out.

One of the reasons for large requirements of animal foodstuffs is the natural policy of the government to kill only a small number of animals, especially cattle, to replenish the herds, which is an essential prerequisite of rehabilitation of agriculture in general.

UNRRA has supplied Yugoslavia up to the end of August 39,100 tons of agricultural rehabilitation supplies among them fertilizers, tractors, agricultural implements, pesticides, etc. UNRRA is planning to deliver up to the end of this year ~~2500~~ tractors to Yugoslavia, of which more than half have already been delivered. It is also supplying specialists to instruct the Yugoslavs in assembly, operation and repair of tractors. In the nature of draft power, UNRRA has shipped to Yugoslavia also 4,400 mules, bought from the American and British Army surpluses in Italy. We have been shipping and will continue to ship to Yugoslavia considerable numbers of bred cows and mares to help in replenishing the depleted livestock herds.

#### Industrial Rehabilitation

No complete surveys are available on destruction of the Yugoslav industry during the war. It was completely in German hands and only those branches that contributed to

their own effort were kept in operation as far as raw materials and labor permitted. Many plants have been sabotaged by guerrillas, other converted to production of war materials (e.g. textile plants for airplane repair), and many dismantled. At the time of withdrawing, the Germans sabotaged most of the plants still in operation.

Coal production which is essential for all rehabilitation work has fallen by 60-70 percent in relation to prewar years. Greatest needs are for transmission belting, motors and bearings, as these are the items which were most sabotaged and without which no plants can operate.

Up to the end of August 1945 UNRRA supplied Yugoslavia with 11,593 tons of industrial rehabilitation supplies. Due to the nature of these supplies it took longer for this supply line to get organized than any other, so that the relative share of industrial supplies in the total tonnage is steadily increasing. Thus only in the first 3 weeks of September the Yugoslavs received 7200 tons of industrial supplies. In that respect UNRRA has been helped by the Allied Army supplies declared surplus in Italy. It is very hard to give a short description of industrial rehabilitation supplies as they are of very different character and include bridging, road building machinery, harbor repair machinery, all supplies for railroads and railroad repair work, tools of various descriptions, motors, belting, supplies for water



systems and power plants, all supplies for mines, industrial raw materials, as well as all transportation material such as railway cars, tractors, etc.

#### Transport

For about four years the communication system of Yugoslavia has been a target of the enemy, of the guerrillas, and in the last year of war, also of the Allied Air Forces. It has been destroyed more thoroughly than in any other country in Europe. Perhaps more than 80 percent of all railway rolling stock has been destroyed and the remainder cannot operate efficiently because of breaks in lines, make-shift bridges, lack of repair facilities, etc. Of more than 18,000 motor vehicles before the war, about 1500 were left in operation.

Provision of transport is thus as essential a point in the relief program of Yugoslavia as provision of food, clothing and medical supplies. The essential need is thus for trucks and materials to service them, including oil, road repair material, etc.

The number of trucks in operation in Yugoslavia at the end of the year is estimated at 12,600 of which 1500 will be indigenous, 1100 brought in by the Military Liaison and 10,000 from UNRRA. Of course, more than half of these trucks have been and are being bought from the military surpluses in Italy. UNRRA is supplying also a number of

locomotives, railroad cars, machinery and motor oil for the repair of communications. From November onward UNRRA is also to supply the petroleum products needed in Yugoslavia.

### Health

Due to worsened nutrition, clothing and housing, due to lack of soap, medical supplies and facilities, and the absence of preventive medical work during the war, and finally, due to great physical and mental exertions, the health of the Yugoslav people, very bad even in peace time, has greatly deteriorated. The most pressing problem was prevention of a typhus epidemic as in Yugoslavia this disease has an endemic character and several epidemics broke out in recent years and last winter. The Yugoslav authorities with the supplies and advice from the U.S. Typhus Commission have undertaken the greatest preventive campaign against typhus ever recorded. Until the end of December 1945, 1.5 million people will be vaccinated against typhus and an even larger number will be treated with DDT. Typhoid fever is also a very serious problem but no serious outbreak was recorded last summer. Tuberculosis and malaria have also greatly increased, but all work on reducing the incidence of these diseases will take a long time.

The Yugoslav population, especially children, suffer from nutritional deficiency diseases such as rickets, hunger



edema, etc. The supply of milk and other protective food from UNRRA is contributing to checking of these diseases.

It can be positively stated that the record of UNRRA in supplying Yugoslavia with relief supplies has been better in regard to medical and hospital necessities than in any other field. As is well known, the line of medical supplies is very long and specialized and there is no need to go into details. It suffices, perhaps, to point out that UNRRA is going to supply Yugoslavia with about 35,000 hospital beds, while the prewar Yugoslav hospital capacity was about 29,000 beds. We are also supplying such special items as penicillin. In medical, as in other fields, UNRRA specialists have been put at the disposal of the Yugoslav authorities to furnish advice and guidance; among other things also relating to such matters as water supply and garbage disposal.

Our people are also active in the field surveying the needs for medical supplies, putting up hospitals, advising in children's homes, etc.

UNRRA RELIEF IN YUGOSLAVIAIntroduction

Yugoslavia has been a member of the United Nations Relief and Rehabilitation Administration from its inception in the fall of 1943. As there existed a Yugoslav Government in exile and a Yugoslav National Committee of Liberation in the country, the Administration received in April 1944 also an application for membership on the Council and for immediate relief assistance to the already liberated people of Yugoslavia from the National Committee of Liberation in the country. As UNRRA could operate in war zones only at the invitation of the Allied Military in charge of particular areas, and such permission was not obtainable at that time, UNRRA could not extend help to the Yugoslav population in liberated areas. Later establishment of a unified Yugoslav Government made the political side of dealing with Yugoslav authorities simple.

According to the decisions of the Allied Military, the first phase of relief and rehabilitation in any one of the liberated countries was the responsibility of the Allied Military. They operated on the principle of giving relief to prevent unrest and disease in these areas.

The talks between the Allied Military on the one hand, and the representatives of the Yugoslav National Committee of Liberation and the Yugoslav Government in Exile



on the other, with UNRRA officials as observers, began in Bari, Italy, in the first days of October 1944. After lengthy and often difficult discussions an agreement was reached and signed on 19 January 1945. On the basis of this agreement the Allied Military undertook the delivery of relief and rehabilitation supplies to the Yugoslav people until such time as UNRRA would take over these operations. The basic principle on which the ML-Yugoslav agreement was signed was that the imported goods would be turned over to Yugoslav authorities at the ports of entry and that the Yugoslav authorities would distribute these goods as well as domestic supplies to the needy people without discrimination on political or other grounds. To insure equitable distribution, the Allied Military Liaison was empowered by the agreement to have its officials observe the distribution.

Actually, even before the signing of this agreement, a small shipment of 500 tons of supplies was sent to the Yugoslav town of Split on the 31 December 1944 to relieve the starving population of Dalmatia. This was the first shipment of supplies sent to the civilian population of Yugoslavia by the Allies. During the period of military relief, UNRRA cooperated with the Military in furnishing specialists for the observation of the distribution of relief goods.

UNRRA-YUGOSLAVIA Agreement

As UNRRA assistance to every one of its members has to be based on an agreement between the Administration and such a country, discussions with the Yugoslav authorities <sup>started</sup> for an agreement/immediately after the Second Session of the UNRRA Council at Montreal in October 1944. These discussions went on for several weeks in Washington, were later continued in London to a certain extent, and the agreement was finally signed by the representatives of the Yugoslav Government and by the Deputy Director General, Mr. Hendrickson, during his visit in Belgrade on 24 March 1945. This agreement is the basis of the UNRRA operations in Yugoslavia. It states that the Administration is to provide Yugoslavia with relief and rehabilitation supplies; that these supplies are to be turned over to the Yugoslav Government at the ports of entry; that distribution of goods is to be carried out by Yugoslav authorities; that to insure equitable distribution UNRRA will have its observers in the country, free to move and inspect the operations; and that all relief operations would be carried out according to the resolutions adopted by the UNRRA Council. Needless to say that also all the clauses of the Agreement are based on Council Resolutions.

On 2 March 1945, the Director General found, on the basis of Section 17 of Resolution 14 that Yugoslavia was unable, for the time being, to pay for relief supplies



in suitable means of foreign exchange.

It was agreed during March 1945 by UNRRA, the Yugoslav authorities and the Military Liaison, that UNRRA would take over from the Military relief operations as of 15 April 1945, which it actually did. As the organization of a supply and shipping pipeline takes time, and as UNRRA did not have these facilities at that time, while the military had their supplies and shipping allocations, UNRRA continued to supply Yugoslavia from the 15th of April until the end of June using the military supply pipeline and shipping allocations. However, UNRRA paid the Military for these supplies and shipping sources. It was also deemed necessary that some supplementary shipments take place during May and June from the UNRRA supply line and shipping allocations.

#### Administration of Yugoslav Refugee Camps in Egypt

To complete the review of the beginning stage of UNRRA operations in Yugoslavia, one additional fact has to be pointed out, namely, care for about 30,000 Yugoslav refugees in camps in Egypt. These refugees, consisting mostly of women and children, fled from the Dalmatian Coast from Nazi terror. They were first cared for by the British Military and were later taken over by UNRRA. UNRRA did all in its power to help these people, but all its employees working in these camps were greatly impressed by the spirit,

organizational ability, ingenuity and industry of these Yugoslav refugees. It is good to know that more than half of them have already been repatriated and that as soon as shipping becomes available the others will also go to their homes.

#### Accomplishments of UNRRA in Yugoslavia

To appraise the accomplishments of UNRRA in its operations in Yugoslavia, we have to review its various fields of activity and relate this activity to the needs for help that existed in the country. By way of introduction to this discussion, it should not be amiss to recall what the share of Yugoslavia was in fighting the common enemy. At this time when total victory has been achieved it is hard to imagine ourselves in the dark days of March and April 1941 when Hitler was at the pinnacle of his power. But it was in those days that the peoples of Yugoslavia rose against their own quislings and against the invader. The old army and political structure disintegrated but soon afterwards the Yugoslav people began to rise and in the following three and one half years wrote some of the most heroic pages of this war. There is no other yardstick to measure the glorious fight of the peoples of Yugoslavia but by the magnitude of sacrifices that it cost them. The country has lost on the field of battle and through enemy atrocities 1 million 680 thousand people, or 11 percent of its



population which means the same as the United States losing 14 million of its people.

Forgetting completely the sufferings of the people during the war and occupation, but looking at the results of the war for the peoples of Yugoslavia, we see

(1) that approximately 40 percent of their fields remained unplanted this year;

(2) that they lost from 50 to 70 percent of their livestock, especially draft animals;

(3) that some areas, e.g. southern Croatia, eastern Bosnia, parts of Herzegovina, Dalmatia and Montenegro have been literally obliterated so that Yugoslavia has lost beyond repair about 500,000 or one sixth of its houses;

(4) we see its industry wrecked, its schools burned, its hospital and health service destroyed so that in spite of the loss of population there is now in Yugoslavia one physician for every 5000 people as against one physician for every 3000 people before the war;

(5) we see that its harbors have been wrecked, its shipping along the Adriatic coast and in inland waterways destroyed and, above all, its communications shot to pieces;

(6) the clothing and footwear of its population gone to pieces to an extent that 70 to 80 percent of the population had to be fully clad;

Needless to say, the general health condition of the people has greatly deteriorated from tuberculosis, malaria and other diseases rampant. And even nature itself did not give a break to these people. Together with all southeastern European countries, Yugoslavia experienced this summer the worst drought in the last 25 years.

These were the conditions in which the people of Yugoslavia found themselves on the day of victory - this is the background against which we have to judge UNHRA's accomplishments in Yugoslavia. One thing which <sup>sh</sup>would be pointed out, because it is of essential importance, is the spirit of the peoples of Yugoslavia who are showing great ingenuity, persistence and will to get back on their own feet. To use a parallel: it is much easier and more gratifying to help a sick person who tries himself to get well than a person in apathy and fear of life. And the Yugoslavs are doing everything humanly possible to help themselves.

### Food

Yugoslavia needed and will continue to import food throughout this crop year for several reasons. As far as cereals are concerned, there are three basic reasons:

(1) because the acreage that was normally put under winter grains was not seeded as fighting was going on during the seeding period in the most important producing areas, namely Vojvodina and Slavonia. In addition, the people did not



have enough draft power, plows, seeds and fertilizers, which impeded also spring sowing. Thus only about 50 percent of the prewar wheat area and approximately 80 percent of the prewar corn area was seeded. (2) All of southeastern Europe and Italy, as we have already said, experienced this summer the worst drought in 25 years and drought, even in peace time, spelled hunger in many sections in this part of Europe. (3) About three quarters of the whole crop will be produced in the fertile Pannonian Plain. Even if supplies were obtainable, only a small amount could be transported to the deficit areas as communications are gone. During this crop year Yugoslavia will thus need to import between 600,000 and 800,000 metric tons of grains for human consumption. Yugoslavia needs also large imports of fats and oils, meat and milk. The reason for such great need is that livestock has been reduced in relation to 1939 numbers to the following percentages: hogs 58, cattle 44, sheep 50, goats 50, poultry 60. To make things worse a hog cholera epidemic has killed an estimated 100,000 hogs since liberation.

The Yugoslav needs for food imports are best explained by a comparison of the estimated 1945 production with the prewar production.

	1945 Metric tons	1935/38 Metric tons	1945 as a Percentage of 1935/38
Grains available for human consumption	2,620,000	5,100,000	51
Meat	80,000	310,000	26
Fats and oils	48,000	144,000	33
Milk and milk products	837,000	2,830,000	30
Sugar	20,000	71,000	28

To help feed the Yugoslav people UNRRA has sent to Yugoslavia through August 1945, according to preliminary data, in addition to an estimated 110,000 tons of supplies bought from the Allied Military, most of which was food, 141,197 tons of food of which almost the whole amount came from the Western Hemisphere. Of this food 21,700 tons was wheat, 26,500 tons wheat flour, 5,800 tons canned fish, 3,360 tons lard, 20,200 tons dried peas and beans, 12,130 tons sugar and 53,500 tons other food supplies. In addition, an estimated total of 134,000 tons of supplies was cleared for Yugoslavia during September, most of which was also food. As the former Deputy Chief of UNRRA Mission in Yugoslavia, Rolf Nugent, said in a press conference on 31 August 1945, "UNRRA food has reached upwards of 7,000,000 Yugoslavs and has contributed the principal part of the diet for at least 3,000,000. There can be little doubt that thousands of Yugoslavs would have died of starvation if food supplies from overseas had not been available."



UNRRA is exerting all its power now to ship to Yugoslavia as much food in the shortest possible time and to supply the necessary trucks to transport this food into the interior of the country to prevent starvation this winter.

UNRRA is short of supplies of protective foods, such as fats, meat and milk and it is only by an increase in shipment of these supplies that the ravages of malnutrition, especially among the children of Yugoslavia, can be combatted.

#### Clothing and Footwear

Prior to the war Yugoslavia used to consume roughly 50,000 tons of textiles and textile raw materials of which more than 40,000 tons were imported. Imports ceased early in 1941. The sheep herds which used to give about 8,000 tons of scoured wool were cut in half. A great deal of clothing, especially household textiles like sheets, blankets, etc., has been plundered by the occupying forces. Some of the best textile mills, especially in Slovenia, have been converted by the Germans to the production of airplane parts or to airplane repair shops, others have been sabotaged or destroyed. Similar conditions prevail regarding footwear.

The clothing and footwear situation in Yugoslavia was best shown by the fact that toward the end of 1944 a deficiency coefficient of 70-80 percent was assumed and

that in all early requirements the Yugoslav authorities assigned the highest priority to clothing and footwear.

To relieve the need for clothing and footwear, in addition to shipments from the Military supply line, up to 30 June 1945, UNRRA has shipped to Yugoslavia until the end of August 1945, in all, 17,530 tons of clothing and footwear of which 7337 tons was raw cotton, 3552 tons contributed clothing, 527 tons shoes and 3802 other clothing, textiles and footwear.

One item which the Yugoslavs especially appreciated as it is important under their transport conditions was a shipment of 4 million jute bags from India. There is no doubt that 17,500 tons of clothing, textiles and footwear was not enough to clothe and shoe a beragged and barefoot population of 15 million people, but it was an important contribution toward that goal. And we are programming the shipment of large additional supplies.

#### Agricultural Rehabilitation

To help people get on their feet and to reduce the imports of food at a later date, rehabilitation of agriculture is essential. The greatest loss in agriculture in Yugoslavia was in draft power. The number of tractors in operation was reduced from about 1,800 before the war to about 1,200 at the time of liberation, the number of horses from 1,270,000 to 450,000 (by 65 percent) and the number of cattle from 4,200,000 to about 1,800,000 (by 56 percent).



Fast help could be given only by large imports of tractors, tractor plows, tractor repair shops, various agricultural machinery, implements, fertilizers and seeds, as most of the inventory was either destroyed or worn out.

One of the reasons for large requirements of animal foodstuffs is the natural policy of the government to kill only a small number of animals, especially cattle, to replenish the herds, which is an essential prerequisite of rehabilitation of agriculture in general.

UNRRA has supplied Yugoslavia up to the end of August 39,100 tons of agricultural rehabilitation supplies among them fertilizers, tractors, agricultural implements, pesticides, etc. UNRRA is planning to deliver up to the end of this year *2500* tractors to Yugoslavia, of which more than half have already been delivered. It is also supplying specialists to instruct the Yugoslavs in assembly, operation and repair of tractors. In the nature of draft power, UNRRA has shipped to Yugoslavia also 4,400 mules, bought from the American and British Army surpluses in Italy. We have been shipping and will continue to ship to Yugoslavia considerable numbers of bred cows and mares to help in replenishing the depleted livestock herds.

#### Industrial Rehabilitation

No complete surveys are available on destruction of the Yugoslav industry during the war. It was completely in German hands and only those branches that contributed to

their own effort were kept in operation as far as raw materials and labor permitted. Many plants have been sabotaged by guerrillas, other converted to production of war materials (e.g. textile plants for airplane repair), and many dismantled. At the time of withdrawing, the Germans sabotaged most of the plants still in operation.

Coal production which is essential for all rehabilitation work has fallen by 60-70 percent in relation to prewar years. Greatest needs are for transmission belting, motors and bearings, as these are the items which were most sabotaged and without which no plants can operate.

Up to the end of August 1945 UNRRA supplied Yugoslavia with 11,593 tons of industrial rehabilitation supplies. Due to the nature of these supplies it took longer for this supply line to get organized than any other, so that the relative share of industrial supplies in the total tonnage is steadily increasing. Thus only in the first 3 weeks of September the Yugoslavs received 7200 tons of industrial supplies. In that respect UNRRA has been helped by the Allied Army supplies declared surplus in Italy. It is very hard to give a short description of industrial rehabilitation supplies as they are of very different character and include bridging, road building machinery, harbor repair machinery, all supplies for railroads and railroad repair work, tools of various descriptions, motors, belting, supplies for water



systems and power plants, all supplies for mines, industrial raw materials, as well as all transportation material such as railway cars, tractors, etc.

### Transport

For about four years the communication system of Yugoslavia has been a target of the enemy, of the guerrillas, and in the last year of war, also of the Allied Air Forces. It has been destroyed more thoroughly than in any other country in Europe. Perhaps more than 80 percent of all railway rolling stock has been destroyed and the remainder cannot operate efficiently because of breaks in lines, make-shift bridges, lack of repair facilities, etc. Of more than 18,000 motor vehicles before the war, about 1500 were left in operation.

Provision of transport is thus as essential a point in the relief program of Yugoslavia as provision of food, clothing and medical supplies. The essential need is thus for trucks and materials to service them, including oil, road repair material, etc.

The number of trucks in operation in Yugoslavia at the end of the year is estimated at 12,600 of which 1500 will be indigenous, 1100 brought in by the Military Liaison and 10,000 from UNRRA. Of course, more than half of these trucks have been and are being bought from the military surpluses in Italy. UNRRA is supplying also a number of

locomotives, railroad cars, machinery and motor oil for the repair of communications. From November onward UNRRA is also to supply the petroleum products needed in Yugoslavia.

### Health

Due to worsened nutrition, clothing and housing, due to lack of soap, medical supplies and facilities, and the absence of preventive medical work during the war, and finally, due to great physical and mental exertions, the health of the Yugoslav people, very bad even in peace time, has greatly deteriorated. The most pressing problem was prevention of a typhus epidemic as in Yugoslavia this disease has an endemic character and several epidemics broke out in recent years and last winter. The Yugoslav authorities with the supplies and advice from the U.S. Typhus Commission have undertaken the greatest preventive campaign against typhus ever recorded. Until the end of December 1945, 1.5 million people will be vaccinated against typhus and an even larger number will be treated with DDT. Typhoid fever is also a very serious problem but no serious outbreak was recorded last summer. Tuberculosis and malaria have also greatly increased, but all work on reducing the incidence of these diseases will take a long time.

The Yugoslav population, especially children, suffer from nutritional deficiency diseases such as rickets, hunger



odemea, etc. The supply of milk and other protective food from UNRRA is contributing to checking of these diseases.

It can be positively stated that the record of UNRRA in supplying Yugoslavia with relief supplies has been better in regard to medical and hospital necessities than in any other field. As is well known, the line of medical supplies is very long and specialized and there is no need to go into details. It suffices, perhaps, to point out that UNRRA is going to supply Yugoslavia with about 35,000 hospital beds, while the prewar Yugoslav hospital capacity was about 29,000 beds. We are also supplying such special items as penicillin. In medical, as in other fields, UNRRA specialists have been put at the disposal of the Yugoslav authorities to furnish advice and guidance; among other things also relating to such matters as water supply and garbage disposal.

Our people are also active in the field surveying the needs for medical supplies, putting up hospitals, advising in children's homes, etc.

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An agreement between the Yugoslav Government and the military was finally signed in January of this year. By its terms, the Allied Military undertook the delivery of relief and rehabilitation supplies to the Yugoslav people until such time as UNRRA would take over the operation. It set a pattern which was to be followed by the UNRRA-Yugoslav agreement. The basic principle, and an important one for an understanding of UNRRA operations, was that the imported goods would be turned over to the Yugoslav authorities at the ports of entry and that the Yugoslav authorities would distribute these goods as well as domestic supplies to the needy people without discrimination on political or other grounds.

The UNRRA agreement which was signed on 24 March, further provided for UNRRA observers in Yugoslavia, free to move and inspect the operations. All of the clauses of the Agreement are based on the UNRRA Council Resolutions, of which our American Congress duly approved. It was agreed that UNRRA would take over from military relief operations on 15 April.

B But UNRRA active operations had actually begun before the formal agreement. UNRRA was responsible for the first shipment of supplies to the civilian population of Yugoslavia by the Allies. This was the 500-ton shipment of supplies sent to the seaport town of Split on the last day of 1944 to relieve the starving population of Dalmatia. During the period of military relief, UNRRA cooperated with the military in furnishing specialists for the observation of the distribution of relief goods.

And while we are considering early UNRRA operations in Yugoslavia, let us bear something very fundamental in mind. It takes time to organize a supply and shipping pipeline. Today UNRRA's pipelines stretch clear around the globe. Not so early this year. Remember, the war was in full gear, and V-E Day only a hope for all of us. With shipping tight and military needs taking top priority, UNRRA supplied Yugoslavia from the 15th of April through the end of June through the military supply pipeline shipping allocations. But UNRRA paid the military both for these supplies and shipping sources. In addition, UNRRA sent supplementary shipments in May and June from its own supply line and shipping allocations, which were really permitted to expand after V-E Day.

I do not wish to dwell too much on UNRRA's early operations in Yugoslavia. One activity of this period directly touching the welfare of the Yugoslav people and the humanitarian conscience of all the world cannot be overrated. It is the care of some 30,000 Yugoslav refugees in the UNRRA camps in Egypt. Mostly women and children, these refugees had fled the Nazi terror. Supervision of their health, welfare and communal activities were all in the hands of UNRRA workers. The manner in which these people turned to constructive activities, their spirit of endeavor and social cooperation, their artistic expression are a tribute both to the Yugoslavs and the United Nations who made life possible for them during that period. Today, more than half of them have been repatriated by UNRRA, with the rest on the eve of departure. I can think of few more touching sagas than



theirs, climaxed by their joyful homecoming, the festive welcome by their relatives and townsmen who survive, and the manner in which they are picking up the pieces of lives disrupted for years.

By summertime, UNRRA supplies were really arriving at Yugoslav ports at a noteworthy rate, to be further accelerated by September. Shipping was easier, the port facilities constantly improving, and internal bottlenecks of transport being eased.

To help feed the Yugoslav people, UNRRA has sent through August, 1945, 141,197 tons of food, in addition to 110,000 tons of supplies consisting mostly of food bought from the military. Of this food, 21,700 tons was wheat, 26,500 tons wheat flour, 3,800 tons canned fish, 3,360 tons lard, 20,200 tons dried peas and beans, 12,130 tons sugar and 53,500 tons of other food supplies. Then in September, alone, an estimated total of 134,000 tons of supplies, most of it food, was cleared for Yugoslavia. In October, 8 UNRRA ships will arrive in Yugoslavia with 120,000 tons of wheat.

Former Deputy Chief of the UNRRA Mission in Yugoslavia, Rolf Nugent, revealed at a press conference on August 31st, "UNRRA food has reached upwards of 7,000,000 Yugoslavs and has contributed the principal part of the diet for at least 3,000,000. There can be little doubt that thousands of Yugoslavs would have died of starvation if food supplies from overseas had not been available."

It is one of the ironies of fate, in which war abounds, that to top all of the war losses, Yugoslavia along with the rest of

southeastern Europe should have suffered the worst drought in 25 years this year. This drought assailed fully one third the area of Yugoslavia. In the other areas, however, as I have already mentioned, fighting was in progress both at the time of the fall seeding of winter wheat and rye and of the seeding of the spring crops. The result is that the acreages planted of cereals, potatoes, peas, and beans are quite short compared to the normal acreage.

In Yugoslavia today fields of corn, never before planted in that country, are growing the trenches recently occupied by the Germans and not yet filled. Wrecked guns, cannon and helmets still evident along the roadside and even in the fields present a lurid contrast to the growing grain.

E. R. Henson, Director of Agricultural Rehabilitation for UNRRA, recently returned from Yugoslavia, reports the scene vividly. Some of the corn was planted before the last battle began, he says. Other lands in the battle zone were not planted until later. Often on these lands open battle trenches cross the fields with late planted corn growing right up to the embankments.

Let us not for a moment overlook the tremendous effort on the part of the people and the government to get this land planted again. All available draft animals were used -- but fewer than half of the pre-war number remained -- then men and women hitched themselves to the plows. Some tractors along with parts for harvesting machines were carried into Yugoslavia in airplanes, in response to an emergency call from Belgrade. These tractors were operated 24 hours a day to prepare as much land as possible for corn.



Because of efforts such as these to get in their grain, there should be nearly enough cereal food in that country if the frost stays off. But if the frost comes before the late corn crop, the story will be quite a different and a sadder one, and future grain shipments into the country will have to revise upwards.

Even so, and I cannot overemphasize this, Yugoslavia must have 69,000 tons of foodstuffs monthly from UNRRA for the rest of the year. In addition to grain, it needs large imports of fats and oils, meat and milk. A chicken is indeed a rare bird in Yugoslavia. The Germans effectively did away with almost all poultry. Livestock population has fallen off to the following staggering extent since 1939: hogs, 58%; cattle, 44%; sheep, 50%; goats, 50%. To highlight Yugoslav food needs, let me add another handful of eloquent statistics.

As compared with the 1935-38 period, grains available for human consumption this year total 51%; meat, 26%; fats and oils, 33%; milk and milk products, 30% and sugar, 28%.

Naturally, the task of agricultural rehabilitation has loomed and continues to loom very large. Yugoslavia needs every conceivable kind of farming implement as well as increased stocks of draft power. By the end of August, UNRRA had shipped to Yugoslavia 39,100 tons of agricultural rehabilitation supplies. Major items included were fertilizers, tractors, agricultural implements, pesticides and seeds. Up to the end of the year, UNRRA is planning to ship 2500 tractors to Yugoslavia, of which more than half have already

been delivered. It has shipped 4,400 mules, bought from the American and British Army surpluses in Italy. Bred cows and mares have also been shipped.

The Yugoslavs so bravely helping themselves at this time, the ones eating UNRRA food, using UNRRA farm implements, were in tatters. Nazi plundering, wear and tear, halting of imports and manufacturing since 1941 left almost 80% of the population in need of clothing. So desperate was the need that Yugoslav authorities assigned the highest priority to clothing and footwear in all early equipments. There are whole regions where families had but one garment which was used to clothe the neediest member, while the rest went about naked. In the fields, men and women during the past months often were nothing but a flimsy covering around their hips. But the seeding and ploughing had to be done.

Before the war Yugoslavia had consumed about 50,000 tons of textiles and textile raw materials, of which more than 40,000 tons were imported. The sheep herds which used to yield 8,000 tons of scoured wool were cut in half. Some of the best textile mills, especially in Slovenia, had been converted by the Germans to the production of airplane parts or to airplane repair shops. Others had been sabotaged or destroyed.

To help fill the crucial need for clothing and footwear, UNRRA had shipped to Yugoslavia by the end of August, 17,580 tons of clothing, including 7,337 tons of raw cotton, 3,552 tons of contributed clothing, 527 tons of shoes in addition to shipment from



the military supply line. But these shipments while impressive, are but a beginning. Even minimum adequate clothing of the population of 15 million must await the industrial rehabilitation of the country, toward the Yugoslavs themselves are now working.

During the war years, Yugoslav industry was entirely in German hands. Those factories which were kept in operation were converted to war production. Many were dismantled. Many more were sabotaged by guerillas and later by the retreating Germans. Besides, equipment of every description for the factories themselves, the needs of industrial rehabilitation cover a vast range, from fuel to motors to road building machinery. Mind you, we are not talking to restoring any colossus of industry. No one remotely dreams of Yugoslav industry on an American scale. The Yugoslavs need the minimum essentials required to begin to supply their own needs. Tools, motors, belting, industrial raw materials are urgently required.

Coal production necessary for warmth, power and transport has dropped more than 60%. Mine supplies as well as coal itself, supplies for water systems and power plants are basic to any kind of rehabilitation.

Food, clothing, medicine, agricultural supplies -- juggle them in any order you like. Any one without the others may be meaningless. All of them, however, depend upon some kind of working system of transport and communication. The national body is not too different from the human body. Both must have an effective arterial system. Trucks, railroads, bridges, barges, roads and harbors -- these are

the channels for the lifeblood of a nation. And these have had to be restored to some sort of working condition.

Not by accident was the transport and internal communication of Yugoslavia more thoroughly destroyed than in any country in Europe. For four years it had been an enemy and guerilla target, and in the last year of the war a target for the Allied forces. The mere 40% of the rolling stock remaining after the war was unable to operate efficiently because of breaks in lines, makeshift bridges, lack of repair facilities. Of more than 16,000 motor vehicles before the war, about 1500 were left in operation.

Because of this situation, aggravated by destruction of shipping along the Adriatic coast and inland waterways, transport equipment has ranked in importance with food and clothing in UNRRA operations. By the end of this year, it is estimated that Yugoslavia will have 12,600 trucks, including 1100 brought in by the Military Liaison and 10,000 from UNRRA. More than half of the trucks were obtained by UNRRA from military surpluses in Italy, thus doing both the U.S. Government and taxpayer and the Yugoslav people a good turn at one and the same time.

Furthermore, UNRRA is supplying a number of locomotives, railroad cars, machinery and motor oil for the repair of communications. And beginning next month UNRRA will also supply the petroleum products needed in Yugoslavia.

What have these supplies done? Or rather, shall I say, what have the Yugoslav people done with these supplies? To quote Mr.



Nugent again, and his report has been seconded by any number of disinterested observers: "The restoration of communications is well under way. Many important bridges have been restored at least to passability. Double track railways have been cannibalized to make a single serviceable track. Miles of new track have been laid with ties cut by Partisan detachments while they were hiding in the forests. Some repaired barges have begun to ply the Danube and Sava. Telephone communications have been restored between most important cities."

It requires a bit of imagination to translate electricity and wheels and road building equipment into human terms, though I have tried to indicate why these needs are so desperate. Health, however, is personal. It is so strictly personal, that I continue to wonder that the peoples of Europe have been able to function to the extent they have, and that is one of the major reasons I so fervently believe in the need to continue UNRRA during the coming critical months.

A nation of war veterans who lack food, clothing, housing, soap, medical supplies -- a nation of war veterans whose spirit has been sorely tried by the impact of personal tragedy -- a nation of fighters who rest from their battles by working night and day under conditions of incredible hardship is not apt to be a healthy people. In Belgrade, tuberculosis has jumped 50%. Malaria and other diseases are rampant. Typhoid and typhus are pressing problems.

To prevent a typhus epidemic, the Yugoslavs with UNRRA aid have undertaken the greatest preventive campaign against typhus ever recorded. By the end of this year, one and one third million people will have been vaccinated against typhus, and an even greater number treated with DDT.

The whole population, and particularly the children, suffer from nutritional deficiency diseases such as rickets. In an effort to check these diseases, UNRRA has been supplying milk and other protective foods.

UNRRA is also supplying Yugoslavia with 35,000 hospital beds, with special drugs such as penicillin. UNRRA specialists have given the Yugoslav medical authorities advice and guidance; have rendered invaluable aid in such matters as water supply and garbage disposal; have counseled on the erection of hospitals, the establishment of children's homes.

Is the job done? By no means. Will it ever be? My answer is an unqualified yes, but by the Yugoslavs themselves, for it is the people alone who can help themselves, and they have proved their ability, their vigor, their resourcefulness. But those sterling traits alone cannot do the job without some outside assistance. A man can stand on his own feet, but not if his ankles are broken. A man can build his own house, but not if he lacks all sorts of materials. A man can till the soil, but not without seed.

Such are the needs on an elementary level that UNRRA has been supplying. Today UNRRA trucks are not only carrying relief supplies



to devastated areas but are filling in part of the gap in general transportation requirements; UNRRA tractors are doing the fall plowing; UNRRA cotton and wool are being made into garments in the mills of varazdin, Malibor and Belgarde; and UNRRA medical supplies are making life more comfortable for thousands of sick people.

No, UNRRA aid has not touched every one of 16 million people. It couldn't possibly. But it has touched enough of them, extended over a wide enough area of the country, to give the entire nation a lifeline. And for this reason I say to you, let us not stop now, when such a hopeful beginning has been made. Let us not treat this constructive aid as a sop to be carelessly withdrawn. It is a matter of months for us; of generations for the Yugoslavs. I make no case for limitless aid over a limitless period of time. I do not believe in it. The Yugoslavs do not believe in it. But I do state the case for continued UNRRA aid to Yugoslavia to help tide them over the coming terrible winter. For with this aid, Yugoslavia will have a working start on the huge job of rehabilitation; it will be able to bear the privation and toil that the coming years hold because of all the suffering that UNRRA aid has averted.

and in closing, I do want to make one more point. The UNRRA aid I speak of is not an embellishment; nor is it an indulgence. It is essential. For this reason I repeat -- neither the Yugoslav people nor the UNRRA which renders such aid is expendable.

## UNRRA in Yugoslavia (caps)

Mr. Speaker:

For a dramatic picture of UNRRA operations, we can choose no better country than Yugoslavia. Here we find the whole panorama of war and its aftermath in Europe. There are the overwhelming needs to be fulfilled. There are the steps UNRRA has taken to supply those needs. There is the actual rehabilitation as battle-worn people have rallied to the seemingly hopeless task of helping themselves. And underlying and overshadowing all of these is the incredible record of what the people did and suffered in our common war against the enemy.

More than six months have elapsed since UNRRA first entered Yugoslavia, several more since negotiations for UNRRA aid were begun. Enough time has passed to give us a sense of dynamic interplay of the forces I have mentioned. More important, <sup>there has been</sup> enough time to provide perspective for an evaluation of UNRRA's role <sup>in that devastated country.</sup> ~~there.~~

You are all aware that victory for Yugoslavia, like the other liberated countries in Europe, meant something quite different from victory for us here in America. For us on the home front, the smoke of battle is a figurative expression; it has been a reality only for our fighters. Not so in Yugoslavia. Everyone, from infants to their great grandparents breathed it. In fact, early in 1941, months before Pearl Harbor, Yugoslavs throughout the land were tightly locked in battle with the Nazis. They were confronted with another battle, just as grim, the battle against their own quislings. Added to the turmoil was a crumbling army and political structure.

The ensuing years of heroic fighting left Yugoslavia with all the conceivable ravages of prolonged battle, air bombing, guerilla warfare and scorched tactics. One million, 680 thousand people were lost in battle or through enemy atrocities -- 11% of the country's total population.



Those who survived were barefoot and beragged, with eight out of every ten needing to be fully clad. Starving, shelterless, they were prey to the rampant malaria, tuberculosis, typhus and typhoid.

This is the scene which confronted the decimated population on the day of liberation. ~~Not a~~ ~~Lost beyond repair were about 500,000, or one-sixth of its houses~~ Not a single area of the country had escaped destruction.

Some areas such as southern Croatia, eastern Bosnia, parts of Herzegovina, Dalmatia and Montenegro were literally obliterated. Lost beyond repair were about 500,000, or one-sixth of its houses. Another million were damaged.

The grain-producing fields were ravaged. ~~Fighting had gone~~ The most important grain-producing areas, the Vojvodina and Slavonia, ~~and~~ had been bloody battle-grounds. Draft power, plows, seeds and fertilizer were lacking. Livestock had fallen off from 50% to 70%.

Its industry, entirely in German hands during the war, was wrecked. Its schools were burned, its hospitals and health services destroyed. There was one physician for every 5,000 people as against one for every 3,000 before the war. Hospitals had no anesthetics, and many patients were sleeping two in a bed, frequently without bed linens.

Transportation and communications were shot to pieces. Shipping along the Adriatic coast and inland waterways was destroyed. Sixty percent of the rolling stock was gone. Of the 18,000 motor vehicles before the war, there were fewer than 1500 in operation.

These were the desperate conditions which led the Yugoslavs to appeal for aid from the United Nations. ~~That relief of such conditions is basic to any kind of rehabilitation, no one will question. For it the inception of UNRRA in the fall of 1943, Yugoslavia had been a member. We must realize that to get the wheels of international aid rolling was no easy task in wartime.~~ <sup>13</sup>

The agreement between the Yugoslav Government and the military was finally signed in January of this year. By its terms, the Allied Military undertook the delivery of relief and rehabilitation supplies to the Yugoslav people until such time as UNRRA would take over the operation. It set a pattern which was to be followed by the UNRRA-Yugoslav agreement. The basic principle, and an important one for an understanding of UNRRA operations, was that the imported goods would be turned over to the Yugoslav authorities at the ports of entry and that the Yugoslav authorities would distribute these goods as well as domestic supplies to the needy people without discrimination on political or other grounds.

The UNRRA agreement which was signed on 24 March, further provided for UNRRA observers in Yugoslavia, free to move and inspect the operations. All of the clauses of the Agreement are based on the UNRRA Council Resolutions, of which our American Congress duly approved. It was agreed that UNRRA would take over from military relief operations on 15 April.

But UNRRA active operations had actually begun before the formal agreement. UNRRA was responsible for the first shipment of supplies to the civilian population of Yugoslavia by the Allies. This was the 500-ton shipment of supplies sent to the seaport town of Split on the last day of 1944 to relieve the starving population of Dalmatia. During the period of military relief, UNRRA cooperated with the military in furnishing specialists for the observation of the distribution of relief goods.



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And while we are considering early UNRRA operations in Yugoslavia, let us bear something very fundamental in mind. It takes time to organize a supply and shipping pipeline. -Today UNRRA's pipelines stretch clear around the globe. <sup>This was not the case.</sup> Not so early this year. Remember, the war was <sup>then</sup> in full <sup>swing</sup> gear, and V-E Day only a hope for all of us. With shipping tight and military needs taking top priority, UNRRA supplied Yugoslavia from the 15th of April <sup>until</sup> through the end of June through the military supply pipeline <sup>and</sup> shipping allocations. But UNRRA paid the military both for these supplies and shipping sources. In addition, UNRRA sent supplementary shipments in May and June from its own supply line and shipping allocations, which were really permitted to expand <sup>only</sup> after V-E Day.

I do not wish to dwell too much on <sup>during</sup> UNRRA's early operations in Yugoslavia. One activity of this period directly touched the welfare of the Yugoslav people and the humanitarian conscience of all the world, <sup>9+</sup> cannot be overrated. <sup>This</sup> It is the care of some 30,000 Yugoslav refugees in the UNRRA camps in Egypt. Mostly women and children, these refugees had fled the Nazi terror. Supervision of their health, welfare and communal activities were all in the hands of UNRRA workers. The manner in which these people turned to constructive activities, <sup>and</sup> their spirit of endeavor and social cooperation, ~~their artistic expression~~ are a tribute both to the Yugoslavs and the United Nations who made life possible for them during that period. ¶ Today, more than half of them have been repatriated by UNRRA, with the rest on the eve of departure. I can think of few more touching sagas than

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theirs, climaxed by their joyful homecoming, the festive welcome by their relatives and townsmen who survive, and the manner in which they are picking up the pieces of lives disrupted for years.

By summertime, UNRRA supplies were really arriving at Yugoslav ports at a noteworthy rate, to be further accelerated by September. Shipping was easier, the port facilities constantly improving, and internal bottlenecks of transport being eased.

To help feed the Yugoslav people, UNRRA had sent through August, 1945, 141,197 tons of food, in addition to 110,000 tons of supplies consisting mostly of food bought from the military. Of this food, 21,700 tons was wheat, 26,500 tons wheat flour, 3,800 tons canned fish, 3,360 tons lard, 20,200 tons dried peas and beans, 12,130 tons sugar and 53,500 tons of other food supplies. Then in September, alone, an estimated total of 134,000 tons of supplies, most of it food, was cleared for Yugoslavia. In October, 8 UNRRA ships will arrive in Yugoslavia with 120,000 tons of wheat.

Former Deputy Chief of the UNRRA Mission in Yugoslavia, Rolf Nugent, revealed at a press conference on August 31st, <sup>that</sup> "UNRRA food has reached upwards of 7,000,000 Yugoslavs and has contributed the principal part of the diet for at least 3,000,000. There can be little doubt that thousands of Yugoslavs would have died of starvation if food supplies from overseas had not been available."

It is one of the ironies of fate, in which war abounds, that to top all of the war losses, Yugoslavia along with the rest of



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southeastern Europe should have suffered the worst drought in 25 years this year. This drought assailed fully one third the area of Yugoslavia. In the other areas, however, as I have already mentioned, fighting was in progress both at the time of the fall seeding of winter wheat and rye and of the seeding of the spring crops. The result is that the acreages planted of cereals, potatoes, peas, and beans are quite short compared to the normal acreage.

In Yugoslavia today fields of corn, never before planted in that country, are growing <sup>IN</sup> the trenches recently occupied by the Germans and not yet filled. Wrecked guns, cannon and helmets still evident along the roadside and even in the fields present a lurid contrast to the growing grain.

E. R. Henson, Director of Agricultural Rehabilitation for UNRRA, recently returned from Yugoslavia, reports the scene vividly. Some of the corn was planted before the last battle began, he says. Other lands in the battle zone were not planted until later. Often on these lands open battle trenches cross the fields with late planted corn growing right up to the embankments.

Let us not for a moment overlook the tremendous effort on the part of the people and the government to get this land planted again. All available draft animals were used -- but fewer than half of the pre-war number remained -- then men and women hitched themselves to the plows. Some tractors along with parts for harvesting machines were carried into Yugoslavia in airplanes, in response to an emergency call from Belgrade. These tractors were operated 24 hours a day to prepare as much land as possible for corn.

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Because of efforts such as these to get in the ~~the~~ grain, there should be nearly enough cereal food in that country if the frost stays off. But if the frost comes before the late corn crop, the story will be quite a different and a sadder one, and mature grain shipments into the country will have to <sup>be</sup> revised upwards.

Even so, and I cannot overemphasize this, Yugoslavia must have 69,000 tons of foodstuffs monthly from UNRRA for the rest of the year. In addition to grain, it needs large imports of fats and oils, meat and milk. A chicken is indeed a rare bird in Yugoslavia. The Germans effectively did away with almost all poultry. Livestock population has fallen off to the following staggering extent since 1939: hogs, 58%; cattle, 44%; sheep, 50%; goats, 50%. To highlight Yugoslav food needs, let me add another handful of eloquent statistics.

As compared with the 1935-38 period, grains available for human consumption this year total 51%; meat, 26%; fats and oils, 33%; milk and milk products, 30% and sugar, 28%.

Naturally, the task of agricultural rehabilitation has loomed and continues to loom very large. Yugoslavia needs every conceivable kind of farming implement as well as increased stocks of draft power. By the end of August, UNRRA had shipped to Yugoslavia 39,100 tons of agricultural rehabilitation supplies. Major items included were fertilizers, tractors, agricultural implements, pesticides and seeds. Up to the end of the year, UNRRA is planning to ship 2500 tractors to Yugoslavia, of which more than half have already



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been delivered. It has shipped 4,400 mules, bought from the American and British Army surpluses in Italy. Bred<sup>2</sup><sub>^</sub> cows and mares have also been shipped.

*In addition to all this*  
~~The Yugoslavs so bravely helping themselves at this time, the ones eating UNRRA food, using UNRRA farm implements, were in tatters.~~

Nazi plundering, wear and tear, halting of imports and manufacturing since 1941<sup>had</sup><sub>^</sub> left almost 80% of the population in need of clothing.

So desperate was the need that Yugoslav authorities assigned the highest priority to clothing and footwear in all early equipments. There are whole regions where families had but one garment which was used to clothe the neediest member, while the rest went ~~about~~ naked. In the fields, men and women during the past months often wore nothing but a flimsy covering around their hips. But the seeding and ploughing had to be done.

Before the war Yugoslavia had consumed about 50,000 tons of textiles and textile raw materials, of which more than 40,000 tons were imported. The sheep herds which used to yield 8,000 tons of scoured wool were cut in half. Some of the best textile mills, especially in Slovenia, had been converted by the Germans to the production of airplane parts or to airplane repair shops. Others had been sabotaged or destroyed.

To help fill the crucial need for clothing and footwear, UNRRA had shipped to Yugoslavia by the end of August, 17,580 tons of clothing, including 7,337 tons of raw cotton, 3,552 tons of contributed clothing, 527 tons of shoes in addition to shipment from

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the military supply line. But these shipments while impressive, are but a beginning. Even minimum adequate clothing of the population of 15 million must await the industrial rehabilitation of the country, toward <sup>which</sup> the Yugoslavs themselves are now working.

During the war years, Yugoslav industry was entirely in German hands. Those factories which were kept in operation were converted to war production. Many were dismantled. Many more were sabotaged by guerillas and later by the retreating Germans. Besides, equipment of every description for the factories themselves, the needs of industrial rehabilitation cover a vast range, from fuel to motors to road-building machinery. Mind you, we are not talking to <sup>I the long</sup> ~~restor-~~ <sup>any problems of reconstruction. We are not talking only of</sup> ~~ing any colossus of industry. No one remotely dreams of Yugoslav~~ ~~industry on an American scale.~~ <sup>which the Yugoslavs</sup> The Yugoslavs need the minimum essentials <sup>required</sup> to begin to supply their own needs — <sup>Tools,</sup> <sup>All these</sup> <sup>needed,</sup> motors, belting, industrial raw materials, <sup>are urgently required.</sup>

Coal production necessary for warmth, power and transport has dropped more than 60%. Mine supplies as well as coal itself, supplies for water systems and power plants are basic to any kind of rehabilitation.

Food, clothing, medicine, agricultural supplies -- juggle them in any order you like. Any one without the others may be meaningless. All of them, however, depend upon some kind of working system of transport and communication. The national body is not too different from the human body. Both must have an effective arterial system. Trucks, railroads, bridges, barges, roads and harbors -- these are



the channels for the lifeblood of a nation. And these have had to be restored to some sort of working condition.

Not by accident was the transport and internal communication of Yugoslavia more thoroughly destroyed than in any country in Europe. For four years it had been an enemy and guerilla target, and in the last year of the war a target for the Allied forces. The mere 40% of the rolling stock remaining after the war was unable to operate efficiently because of breaks in lines, makeshift bridges, lack of <sup>repair</sup> ~~repair~~ facilities. Of more than 16,000 motor vehicles before the war, about 1500 were left in operation.

Because of this situation, aggravated by destruction of shipping along the Adriatic coast and inland waterways, transport equipment has ranked in importance with food and clothing in UNRRA operations. By the end of this year, it is estimated that Yugoslavia will have 12,600 trucks, including 1100 brought in by the Military Liaison and 10,000 from UNRRA. More than half of the trucks <sup>will have been</sup> ~~were~~ obtained by UNRRA from military surpluses in Italy, thus doing both the U.S. Government and taxpayer and the Yugoslav people a good turn at one and the same time.

Furthermore, UNRRA is supplying a number of locomotives, railroad cars, machinery and motor oil for the repair of communications. And beginning next month UNRRA will also supply the petroleum products needed in Yugoslavia.

What have these supplies done? Or rather, shall I say, what have the Yugoslav people done with these supplies? To quote Mr.

Nugent again, and his report has been seconded by any number of disinterested observers: "The restoration of communications is well under way. Many important bridges have been restored at least to passability. Double track railways have been cannibalized to make a single serviceable track. Miles of new track have been laid with ties cut by Partisan detachments while they were hiding in the forests. Some repaired barges have begun to ply the Danube and Sava. Telephone communications have been restored between most important cities."

It requires a bit of imagination to translate electricity and wheels and road building equipment into human terms, though I have tried to indicate why these needs are so desperate. Health, however, is personal. It is so strictly personal, that I continue to wonder that the peoples of Europe have been able to function to the extent they have, and that is one of the major reasons I so fervently believe in the need to continue UNRRA during the coming critical months.

A nation of war veterans who lack food, clothing, housing, soap, medical supplies -- a nation of war veterans whose spirit has been sorely tried by the impact of personal tragedy -- a nation of fighters who rest from their battles by working night and day under conditions of incredible hardship is not apt to be a healthy people. In Belgrade, tuberculosis has jumped 50%. Malaria and other diseases are rampant. Typhoid and typhus are pressing problems.



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To prevent a typhus epidemic, the Yugoslavs with UNRRA aid have undertaken the greatest preventive campaign against typhus ever recorded. By the end of this year, one and one third million people will have been vaccinated against typhus, and an even greater number treated with DDT.

The whole population, and particularly the children, suffer from nutritional deficiency diseases such as rickets. In an effort to check these diseases, UNRRA has been supplying milk and other protective foods.

UNRRA is also supplying Yugoslavia with 35,000 hospital beds, with special drugs such as penicillin. UNRRA specialists have given the Yugoslav medical authorities advice and guidance; have rendered invaluable aid in such matters as water supply and garbage disposal; have counseled on the erection of hospitals, the establishment of children's homes.

Is the job done? By no means. Will it ever be? My answer is an unqualified yes, but by the Yugoslavs themselves. For it is the people alone who can help themselves, and they have proved their ability, their vigor, their resourcefulness. But those sterling traits alone cannot do the job without some outside assistance. A man can stand on his own feet, but not if his ankles are broken. A man can build his own house, but not if he lacks all sorts of materials. A man can till the soil, but not without seed.

Such are the needs on an elementary level that UNRRA has been supplying. Today UNRRA trucks are not only carrying relief supplies

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to devastated areas but are filling in part of the gap in general transportation requirements, UNRRA tractors are doing the fall plowing, UNRRA cotton and wool are being made into garments in the mills of varazdin, Malibor and Belgarde, And UNRRA medical supplies are making life more comfortable for thousands of sick people.

No, UNRRA aid has not touched every one of 16 million people. It couldn't possibly. But it has touched enough of them, extended over a wide enough area of the country, to give the entire nation a lifeline. And for this reason I say to you, let us not stop now, when such a hopeful beginning has been made. Let us not treat this constructive aid as a sop to be carelessly withdrawn. It is a matter of months for us; of generations for the Yugoslavs. I make no case for limitless aid over a limitless period of time. I do not believe in it. The Yugoslavs do not believe in it. But I do state the case for continued UNRRA aid to Yugoslavia to help tide them over the coming terrible winter. For with this aid, Yugoslavia will have a working start on the huge job of rehabilitation; it will be able to bear the privation and toil that the coming years hold because of all the suffering that UNRRA aid has averted.

In closing, I ~~am~~ want to make one more point. The UNRRA aid I speak of is not an embellishment; nor is it an indulgence. It is essential. For this reason I repeat -- neither the Yugoslav people nor the UNRRA which renders such aid is expendable.



*Guy Wasson, msc*

Mr. Michail A. Sergeichic, Chief  
Yugoslav Mission, UNRRA  
c/o American Embassy  
Belgrade, Yugoslavia.

Enclosed is a copy of a letter and tables setting forth supply estimates for Yugoslavia which we are transmitting today to the Yugoslav Embassy in Washington. As indicated in our covering letter, this material was supplied in answer to a request from Dr. Bicanic.


We will continue to keep you informed of material sent to the representatives of the Yugoslav Government.

Yours sincerely,

E. Ronald Walker, Chief  
Requirements and Allocations  
Coordination Branch

Encl - 1

GTelley:reb  
28 June 1945



27 June 1945

Mr. M. Miovic  
Yugoslav Embassy  
1520 16th St. N.W.  
Washington, D.C.

Dear Mr. Miovic:

Pursuant to a request from Dr. Biscanic to Mr. Weintraub, we are attaching two tables showing (a) tentative estimates of UNRRA shipments to Yugoslavia from the Western Hemisphere through June 1945 and (b) Preliminary estimate of requirements for shipment from all sources to Yugoslavia during the period July - December 1945.

In addition to the Western Hemisphere supplies shown in Table A, it is estimated that about 100,000 tons of supplies have been purchased from the military for Yugoslavia and will have for the most part been shipped prior to 30 June. Also approximately 20,000 tons will have been shipped by UNRRA to Yugoslavia from Eastern Hemisphere sources.

At this time we have not received information which would enable us to give details of the military and Eastern Hemisphere UNRRA supplies.

In assessing the information shown on Table A, it should be borne in mind that the amounts and types of supplies shown are the best estimates available of what is likely to be shipped, but this does not represent actual shipments as the composition of actual cargoes are determined by conditions at the time of loading.

Insofar as the preliminary estimate of requirements for July - December shipments set forth on Table B is concerned, I should like to point out that this does not represent a commitment on our part to supply the items and quantities shown. As you well know availabilities of both supplies and shipping are constantly changing. In addition we are continuously receiving new requirements information through our Mission in Belgrade which we try to take account of in our shipping programs. All these factors will undoubtedly result in many variations between the supplies actually shipped to Yugoslavia during the 6 month period July - December 1945 and the requirements estimates indicated. However, this data does give you an indication of our supply planning at this date.

Yours sincerely,

Dr. E. Ronald Walker, Chief  
Requirements and Allocations  
Coordination Branch

GTolley:rwb



JUGOSLAVIA  
UNRRA Supplies from Western Hemisphere  
Tentative Estimate of Shipments  
Through June 1945  
(Gross long tons)

Table A

Grand Total	88,626
Food	
Wheat	-
Other grains	11,304
Flour	11,066
Dried beans and peas (including garbanzas)	10,262
Meat	1,513
Fish	1,998
Milk, all types	3,657
Sugar	5,016
Lard	2,661
Other fats and oils (including fatbacks)	-
Soap	2,112
Other foods	4,825
Animal feedstuffs	1,000
Subtotal	55,414
Clothing, Textiles and Footwear	
Clothing, new and used	569
Finished footwear	459
Footwear materials	604
Textiles, cotton and wool	-
Raw cotton	6,057
Raw wool	155
Blankets and comforters	26
Sewing machines	-
Other	-
Subtotal	7,870
Medical and Sanitation Supplies	185
Agricultural Rehabilitation	
Agricultural hand tools	-
Agricultural machinery repair equip.	-
Bags and bagging	-
Tractors	4,068
Other farm machinery	-
Fertilizer	15,271
Pesticides	1,337
Livestock	357
Seeds	525
Other	98
Subtotal	21,656
Industrial Rehabilitation	
Railway cars	1,075
Trucks	2,361
Other transport equipment	-
Public utilities equipment	-
Fuels and lubricants	-
Raw and semi-fabricated materials and chemicals	-
Hand tools	65
Other	-
Subtotal	3,501

JUGOSLAVIA  
 Estimated Requirements for UNRRA Supplies  
 From all Sources for Shipment During  
 The Period July - December 1945  
 (Gross Metric Tons)

Table B

Food, Feed and Soap	<u>370,014</u>
Cereals, grain and grain products	208,582
Dried beans and peas (pulses)	12,039
Animal proteins and fish	19,836
Milk	20,794
Fats and oils	63,830
Sugar	13,132
Other foods	26,507
Soap and raw materials	5,294
Animal feeds	-
Clothing, Textiles and Footwear	<u>44,972</u>
Finished clothing (new and used)	4,788
Finished footwear	3,436
Footwear materials	2,425
Textiles, cotton and wool	4,316
Raw cotton	14,433
Raw wool (greasy)	9,840
Other	5,734
Agricultural Rehabilitation	<u>98,692</u>
Agr. hand tools	1,703
Agr. machinery repair equipment	409
Bags and bagging	516
Farm machinery	9,367
Fertilizer	73,000
Livestock	4,607
Pesticides	3,025
Seeds	-
Other	6,065
Industrial Rehabilitation	<u>198,228</u>
Railway transport equipment	34,295
Road transport equipment	30,940
Public utilities equipment	4,069
Fuels and lubricants	40,800
Raw materials, Ind. chemicals & semi-finished products	80,000
Industrial mach. and equipment	4,600
Misc. consumer goods	3,524
Medical and Sanitation	<u>6,817</u>



Washington  
Memorandum 311  
3328

UNITED NATIONS RELIEF AND  
REHABILITATION ADMINISTRATION

GREECE MISSION

SERIES : ADMINISTRATIVE

No GA-51

SUBJECT : P.X. Facilities for U.S. Personnel

21st May 1945

1. The P.X. will open in Athens on Monday, May 21st 1945, Business Hours will be 10 A.M. to 1 P.M. and 3 P.M. to 7 P.M.
2. Ration Cards for all U.S. Personnel of Mission Headquarters and Athens Region will be issued on presentation of the Greek Identity Card. Ration Cards must be signed in the presence of the issuing officer. Cards will be issued against signature from Finance and Administration Registry, Room 1, 1st Floor, 4 Churchill Street, starting at 12:00 noon Monday, May 21st, 1945. Cards are good for 2 months and the ration week is from Wednesday to Wednesday. Cards previously issued at Eleusis or elsewhere are no longer valid. Personnel of Mission Headquarters and Athens Region may make their own purchases direct from the P.X.
3. The Ration Cards of Regional Personnel will be retained at Mission Headquarters and presented at the P.X. by Administrative Services on behalf of their owners for cancellations as rations are drawn. Payment to P.X. on behalf of Regional Personnel will be made by Mission Headquarters and rations delivered to Regional Directors who will be responsible for issuance to individuals who will sign their invoices as receipts. These receipts will be collected and returned to Administrative Services under arrangements to be made by Regional Directors. Regional Directors will send as soon as possible to Administrative Services a list of the numbers on the Green Identity Cards of all U.S. personnel in their Regions. Personnel in the Regions requiring items not part of the normal ration will write to Director, Administrative Services, signing the letter themselves. This letter will then be produced at the P.X. together with the Ration Card as authority for the purchase.
4. Personnel visiting or transferred to Athens will collect their cards from Administrative Services and make their purchases direct. Personnel posted from Athens to a Region must deposit their cards with Administrative Services before leaving so that their rations may be drawn and sent to them.
5. At present stocks of clothing are very low and the P.X. has been instructed to issue clothing in general only to USPHS personnel.
6. It is pointed out that under U.S. military law only American citizens abroad on war missions are entitled to P.X. privileges. NONE OTHER QUALIFY. U.S. Personnel who have P.X. facilities will no longer be entitled to NAAFI facilities. Both these supply services are extended to UNRRA personnel as a privilege and any abuse by individuals may result in their withdrawal from all.

*Lewis H. Rohrbaugh*  
Lewis H. Rohrbaugh  
Deputy Chief of Mission for  
Finance & Administration

33478



UNITED NATIONS RELIEF AND  
REHABILITATION ADMINISTRATION

3328  
GREECE MISSION

SERIES : OPERATIONAL

No GO-10

SUBJECT : Vehicle Reception

19th May 1945

1. Some confusion has recently arisen over the procedure to be adopted on the arrival of civil relief and UNRRA vehicles called forward. This directive is intended to indicate the procedure to be adopted in future.
2. The Regional Transport Officer will be given as much notice as possible from Mission Headquarters of the number of vehicles shipped and their approximate date of arrival. He will arrange for suitable parking space to be available for them on discharge.
3. The Port Officer will ascertain from the Government Port Authorities the time and place of discharge and give sufficient notice to enable the Transport Officer to arrange for drivers to be waiting at the quayside for the vehicles.
4. On discharge, the vehicles will be driven to the vehicle park for the tools and equipment to be checked and recorded. A copy of the particulars will be forwarded to Mission Headquarters; details being supplied of any deficiencies.
5. If disposal instructions have already been received, the vehicles will be dealt with accordingly and Mission Headquarters informed as soon as this is done.
6. If disposal instructions have not been received Mission Headquarters will be notified immediately that the vehicles are available.
7. The greatest care must be exercised when unaccompanied vehicles are discharged to prevent pilfering of tools and equipment. Steps will be taken to ensure that vehicles are not left without a responsible person in charge of them, from the moment they reach the quay.

*Buell F. Maben*  
Buell F. Maben  
Chief of Mission

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UNITED NATIONS RELIEF AND  
REHABILITATION ADMINISTRATION+

GREECE MISSION

SERIES : INFORMATIONAL

No GI - 18

SUBJECT : Change in Military Office Hours

19th May 1945

On 21 May 45, HQ LF(G) will commence Office Hours as follows :

0830 hrs - 1300 hrs  
1730 hrs - 1930 hrs

'G' and AQ duty Officers will however be available at all times.

The Offices of Allied Headquarters, Greece, and Senior British Naval Officer (Greece) are also conforming to the above Office Hours.

*Lewis H Rohrbaugh*

Lewis H Rohrbaugh  
Deputy Chief of Mission for  
Finance & Administration

33477

REC'D

045 MAY 28 PM 3 50

UNRA MAIL ROOM



## YUGOSLAVIA

### Data on Distribution and Prices

Excerpt from Report of William Morrell, Yugoslav  
Mission, to Morse Salisbury, 9 March 1945.

As of this date, relief distribution is being made from eight centers in Dalmatia -- Drnis, Split, the Islands, Sinj, Sibenik, Biograd, Makarska, and Solin. Today's situation report from advanced HQ at Split deals with distribution on the Island of Solta. It reports many mine fields, little money or food on the Island, but adds that distribution began satisfactorily.

#### Split and Northern Dalmatia

In northern Dalmatia life has been reduced to its essential. The people want needles and thread and buttons to mend their clothes. They need leather and nails and boot laces to make their old pairs of boots serviceable. They still have a number of donkeys, mules and horses but there is a great shortage of fodder, as the pasture is still largely under snow. They need nails for horseshoes, although iron for the shoes themselves is not so scarce. They need nails and screws and glass for repairing their homes. There are a few pots and pans and other household utensils but many more will be needed.

Split and area received a terrific pounding. Railroad yards, bridges, docks, warehouses, public buildings near the waterfront and the cement factory have been badly damaged, also the cranes at Split harbor. The local people are attempting some repair work but have little equipment or material for this purpose. The highways seem usable with detours but the shoulders are mined.

The farmers are plowing their small acreages in good days. They use small stocky horses which are not in very good condition.

Robert Pribram of the Mission reports the following on the arrival of the first large shipload of supplies:

"When the ship came into sight, the whole population of the port and the adjoining villages came to the port to watch her arrival. Then as she drew closer, we saw she was a Yugoslav ship with the flag flying. Enthusiasm knew no bounds. The church bells were ringing and people were cheering. They had had other ships arriving and with supplies but this was the first Yugoslav ship from abroad since the outbreak of the war. It was fitting that she should be our first food ship.

"The unloading of the goods began early next morning and work continued daily from 7 a.m. to 6 p.m. until the last sack and box from the ship were lying neatly stacked in the warehouse. This was a great task for the Yugoslav workers who had had to exist on very small rations for a long period. They started the work with great enthusiasm but in the afternoon their speed slackened due to lack of stamina. They were given food at the dock, consisting of bread and corn beef, but most took their food home to their relatives. All of the workers whom I asked stated without exception that they had not had any breakfast and were holding out till midday for their first meal of the day. Cooperation was extremely agreeable. During the unloading we had the bora, the icy wind that lashes this coast in winter and the underfed and by no means sufficiently clothed workers suffered quite a lot. Nevertheless the speed never slackened seriously and a few hours after the unloading had finished and the ship had left, a number of trucks entered the warehouse and the distribution began. As I write, most of the goods had already been transferred to the various districts and the population will get its first supplies of urgently needed provisions.



The following extract, describing the distribution of food, appeared in Slobodna Dalmacia, 27 February 1945. "In conversation with members of the National Liberation Committee, we have learned that the food supplied by our Allies will begin to be distributed on Wednesday, 28 February. For the town of Split, the following quantities of food had been fixed: 160,337 kg. of white flour; 28,800 kg. of wheat; 12,419 kg. of conserved meat; 2,761 kg. of sugar.

"The food will be distributed on the basis of personal cards by tearing off coupon no. 6. Each person will receive: 5.80 kg. of white flour at 400 kuna per kg; 1 kg. of wheat at 300 kuna per kg; 0.45 kg. of conserved meat at 1,400 kuna per kg; 0.09 kg. of sugar at 1,400 kuna per kg.

"In this way, each person will receive 7.34 kg. of food and will pay for it 3,376 kuna. Those who have not any monetary means will get the food on credit in the following way: They will get a special credit note on the strength of which they will take the food on credit and will be debited with a corresponding sum. Credit notes will be obtained at the shops at which they get the food and for each note they will pay 10 kuna. Citizens are asked to pay if they can because indebtedness through credit notes must be made good as soon as anyone is in a position to pay. Wealthier citizens who give up this food should hand in their personal cards to the district Noo where coupon no. 6 will be extracted."

Mr. Moon of the UNRRA staff in Split reported the following on 23 February 1945:

"Up to date I am confirmed in my original belief that the functions of the technical specialists (distribution observers) will be little more than nominal. Some of them, when they get out into the field by themselves, may be able to make the job into something of value but I do not think that they will find it at all easy to do. Further more, it is quite apparent that we already have over here more than sufficient technical specialists to cover all the country which supplies will reach in the next month or two. I would go further and say that we already have over here as many as we are really likely to need at any time. This is, of course, only a surmise which the experience of the next few weeks will confirm or rebuff. It may, however, be useful for you to know the position as it appears over here, especially in view of the prospect of a number of new arrivals from Cairo."

The following additional information on reduction in prices is available from a report from UNRRA personnel in Dalmatia. Reductions in food prices amounting in some cases to 30% have followed the distribution of Anglo-American relief supplies on the Dalmatian coast. So far, approximately 15,000 tons of supplies have been landed and distribution has been made to eight centers in Dalmatia. Prices in March have fallen markedly compared with February prices. Maize dropped from 900 kuna to 700 kuna. Eggs have fallen 30%. Potatoes 20%. And wheat and bread 15%.

#### Dubrovnik

The ML reports from the Dubrovnik area indicate that reception by the Yugoslavs was a free one and that cooperation has been given freely although accomodation appears to be very crowded and the transport problem is urgent. There is an acute shortage of food and barter is prevalent, money having no value. The Imperial Hotel, formerly much frequented by tourists, is being used as a Partisan hospital and beds and bedding are so scarce that some of the wounded are lying on the floor in their uniforms. In the children's wards, many of the children have been injured through playing with German booby traps, and in some of the men's and children's wards, patients were lying 2 and 3 in a bed due to the lack of blankets.



Delivery of medical supplies in territory still held by the Germans

The following report is not to be quoted:

Urgently needed medical supplies for Yugoslav civilians in territory still held by the Germans have been delivered through the German mines. The supplies were delivered by Yugoslav authorities after they had been brought to Dalmatia by ML. They consisted mainly of surgical instruments, dressings, and drugs. To reach the town the supplies had to be carried in pack sacks over mountain and forest trails nearly 300 miles. All of the hospitals and dispensaries in the area to which these supplies were delivered had been emptied of their stocks by the Germans and hundreds of patients were unable to undergo operations because the doctors had not even the most rudimentary instruments.

Yugoslav Branch  
30 March 1945

452660



TEXT OF UNRRA-YUGOSLAV AGREEMENT

24 MARCH 1945

Whereas the United Nations and Associated Nations have, in the Agreement of 9 November 1943, signed at Washington, D.C., created the United Nations Relief and Rehabilitation Administration, /hereinafter referred to as the Administration/ whose principal purpose is:

"To plan, coordinate, administer or arrange for the administration of measures for the relief of victims of war in any area under the control of any of the United Nations through the provision of food, fuel, clothing, shelter and other basic necessities, medical and other essential services; and to facilitate in such areas, so far as necessary to the adequate provision of relief, the production and transportation of these articles and the furnishing of these services;

and

Whereas, the Government of Yugoslavia /hereinafter referred to as the Government/ is a signatory to the aforementioned Agreement of 9 November 1943, and has expressed its agreement with the Resolutions on Policy of the Council of the Administration, hereinafter referred to as the Resolutions; and

Whereas, Yugoslavia has been subjected to devastation and its people have suffered as a result of hostilities, occupation by the enemy and active resistance in the struggle against the enemy, and

WHEREAS, the Government has requested assistance of the Administration in furnishing relief and rehabilitation supplies and services for the relief of victims of war in Yugoslavia upon the termination of the period of military responsibility for civilian relief; and

WHEREAS, the Administration desires to bring all practicable relief to the victims of war within the territory of Yugoslavia and in accordance with the Agreement of 9 November 1943 and the Resolutions; and

WHEREAS, in accordance with the Resolution 14 of the Council of the Administration, the Director General has determined that due to the extensive loss and damage to its Economy during this war fought in the common cause of the United Nations Yugoslavia is not at this time in a position to pay with suitable means of foreign

*extra copy*



exchange for relief and rehabilitation of Yugoslavia, and WHEREAS, it is desired that the mutual responsibilities of the Government and the Administration with respect to relief and rehabilitation shall be fulfilled in a spirit of friendly cooperation, and that the details of the practical applications of such responsibilities shall be arranged on the basis of mutual understanding;

The Government of Yugoslavia represented by  
Ing. Nikola L. Petrovic, Minister of Commerce and Supply  
and the United Nations Relief and Rehabilitation Administration  
represented by - Mr. Roy F. Hendrickson, Deputy Director  
General, United Nations Relief and Rehabilitation Administration.  
have agreed as follows:

ARTICLE I

Furnishing of supplies and Services

/a/ In accordance with the Agreement of 9 November 1943 and the Resolutions, the Administration will furnish Yugoslavia with relief and rehabilitation supplies and services upon the termination of the period of military responsibility for civilian relief, and the Government will cooperate with the Administration for this purpose. Such supplies and services will be furnished within the limit of the Administration's resources and available supplies and transport and in accordance with Council policies. The supplies and services will be furnished by the Administration for such period of time as it is determined, in accordance with Resolution 14, that Yugoslavia is not in a position to pay therefor with suitable means of foreign exchange. The Administration will make no request, and shall have no claim, for payment in foreign exchange for the supplies and services furnished by it under this Agreement. In the case of certain categories of long-term equipment, the Administration may, pursuant to special agreements between it and the Government, retain ownership but



but furnish the use of such supplies during the life of this Agreement.

/b/ The Government will present schedules of supplies it desires monthly, for periods of at least six months in advance of the time the supplies are desired. These schedules will provide insofar as possible quantities, specifications, and points for the delivery of the supplies. In recognition of many uncertainties including the uncertainty of the volume of shipping the Administration can obtain, the Government will also present priorities covering a period of at least three months with respect to supplies it desires, to guide the Administration in case the full amounts requested by the Government cannot be supplied. In turn, the Administration will state its program of supplies to be delivered in response to the Government's request, giving notice as far in advance as practicable, and if possible at least three months ahead of the probable arrival of the supplies in ports of entry for Yugoslavia. The Administration will be glad, through its authorized representatives, to discuss its plans for supplies and communicate any changes therein at any time and to obtain from the Government its proposals for changes in the plans.

## ARTICLE II

### Administration of Services

The relief and rehabilitation services furnished by the Administration pursuant to Article I above will be administered in accordance with plans agreed upon between the Administration and the Government and in conformity with the policies of the Council, particularly those embodied in Resolutions 2, and 7 through 13. Wherever necessary the Government will take measures to insure that such policies are followed throughout the country. Supplementary agreements will be concluded between the Administration and the Government in regard to the organization of relief and rehabilitation services. In these agreements it will be provided that the Government will administer



the aforementioned services and afford the necessary funds for the execution of services which shall be derived from the proceeds of the sale of relief supplies and the Administration will provide the Government with the personnel and necessary supplies.

### ARTICLE III

#### Transfer and Distribution of Supplies

/a/ The Government, having the responsibility for the distribution within Yugoslavia of relief and rehabilitation supplies furnished by the Administration, will take appropriate measures to assure that such distribution will be governed by the policies of the Council, particularly as embodied in Resolutions 2 and 7.

/b/ The relief and rehabilitation supplies furnished by the Administration, which are destined for Yugoslavia, will be consigned to the Administration mission in the country. The supplies will be transferred and legal title in the property will be passed to the Government or its designee, against appropriate receipts, as soon as they reach such designated ports of entry, or frontier points of Yugoslavia or such other ports designated by the Government of Yugoslavia, as may be agreed upon from time to time by the Administration and the Yugoslav Government. The Government and the Administration will agree upon appropriate procedures for the determination of the quantity and quality of goods delivered to the Government by the Administration.

/c/ To enable the Administration effectively to discharge its responsibilities under this Agreement, the Agreement of 9 November 1943 and the Council Resolutions, the Government will inform the Administration and receive its views regarding the plans for, and operations respecting, the distribution of supplies, including for example the following subjects:

/i/ The agencies and channels of distribution for the supplies furnished by the Administration.

/ii/ The allocation of such supplies by regions and main groups of consumers.



/iii/ Price policies and specific prices for such supplies and their relationship to prices for similar supplies produced domestically.

/iv/ Rationing and price controls by commodity, by region, and by classes of consumers for each of the commodities supplied by the Administration.

/v/ The facilities and methods for handling, moving and storing the supplies furnished by the Administration.

/d/ Further to enable the Administration effectively to discharge its responsibilities under this Agreement, the Agreement of 9 November 1943, and the Council Resolutions, the Government will keep the Administration adequately informed regarding the distribution of supplies within Yugoslavia. The system of distribution of these supplies in Yugoslavia will be based upon the Council Resolutions and the Government will afford representatives of the Administration opportunity to observe at all necessary stages the distribution of supplies furnished by the Administration and to discuss such distribution with the appropriate Governmental authorities.

/e/ The Government will afford the Administration opportunity for, and will cooperate with the Administration in making public information regarding deliveries and distribution of relief and rehabilitation supplies furnished by the Administration and will permit the use of special labels or other designations on supplies and equipment belonging to or furnished by the Administration.

#### ARTICLE IV

##### Financial Provisions

/a/ The Government will, when requested, furnish the Administration with sufficient amounts of local currency to enable the Administration to meet its administrative and operating expenses incurred in Yugoslavia in the execution of relief and



rehabilitation programs undertaken pursuant to Articles I, II and III of this Agreement. Such expenses will include, but not be limited to, payments to personnel and costs of rent, storage, communications, transportation, and public services within the country.

/b/ The Government will provide the Administration quarterly with a record of the net proceeds derived by the Government in the preceding quarter from the sale, lease, or other transfer of relief and rehabilitation supplies and services furnished by the Administration under this Agreement. In lieu of a record of actual net proceeds, a lump sum approximation of proceeds may be mutually agreed upon by the Government and the Administration.

/c/ It will be the policy of the Government to use for relief and rehabilitation purposes, within a reasonable time after the commencement of the Administration's operations in the country, funds equivalent in amount to the sums recorded as net proceeds under paragraph /b/ hereof, less such amounts as are transferred to the Administration for its expenses under paragraph /a/ hereof. Such relief and rehabilitation purposes may include, for example, the following activities:

- /i/ Activities undertaken by or under the direction of the Government with respect to agricultural and industrial rehabilitation, including the public utilities.
- /ii/ Activities undertaken by or under the direction of the Government with respect to health and welfare services.
- /iii/ The care and movement of displaced persons in addition to such activities as have<sup>been</sup> undertaken pursuant to Article II of this Agreement.
- /iv/ Warehousing, handling, and transportation services required by the Administration in connection with relief and rehabilitation operations in other areas.



/v/ Procurement of supplies and services available in Yugoslavia for relief and rehabilitation in other areas, insofar as such procurement is consistent with the economic requirements of Yugoslavia.

The Government will have discretion to determine what sums will be made available to the Administration pursuant to this paragraph.

/d/ The Government will discuss with the Administration its plans for relief and rehabilitation expenditures as provided for in paragraph /c/ above. In addition, the Government will furnish the Administration with periodic reports of the expenditures made and receive the Administration's views regarding such expenditures. In those cases where funds are made available to the Administration for its activities pursuant to paragraph /c/ above they shall be utilized in accordance with programs jointly formulated and agreed to by the Government and the Administration.

/e/ At the end of the first six months of the Administration's operations in Yugoslavia under this Agreement, the parties hereto will review the provisions of this Article in the light of the needs and circumstances at the time.

/f/ All financial operations of the Administration in Yugoslavia including its transactions in foreign currency will be carried out utilizing the services of the National Bank of Yugoslavia or banks designated by it.

#### ARTICLE V

##### Administration Mission and Personnel

/a/ The Administration will establish a mission in Yugoslavia which will include, within the limits of the Administration's resources, the personnel necessary to discharge effectively its responsibilities under this Agreement, the Agreement of 9 November 1943, and the Council Resolutions. The mission



will include personnel necessary to carry out Article I hereof with respect to the determination of relief and rehabilitation requirements and the furnishing of supplies, personnel required for the administration of services pursuant to Article II hereof, personnel required in connection with the distribution of supplies pursuant to Article III hereof, and such other personnel as may be required in connection with the Administration's reporting, accounting and financial activities within Yugoslavia pursuant to this Agreement.

The Headquarters of the Mission will be situated at the seat of the Government.

/b/ The chief of the Administration mission, his deputies and major assistants will be appointed in agreement with the Government. The Administration will communicate to the Government the general authority delegated to the chief of the Administration mission.

/c/ The Government will facilitate the admission and movement of Administration personnel in Yugoslavia pursuant to this Agreement as recommended by Resolution 36.

/d/ The Administration will assure the good conduct, integrity, and moral character of its personnel and will discharge or recall such of its personnel who violate these standards. The Government is entitled to request the Administration to discharge or recall such of the Administration's personnel who violate these standards.

/e/ The term "Administration personnel" as used in this Agreement includes, in addition to employees of the Administration, employees of non-indigenous voluntary relief societies working under the authority of the Administration within the limits of the Resolution 9 /3/.

/f/ In pursuance of paragraph (a) above, the Administration shall be free to employ Yugoslav subjects and permanent



residents of Yugoslavia to the extent necessary to discharge its responsibilities. The Government will furnish all practical assistance to enable the Administration to locate and employ suitable subjects and residents of Yugoslavia for its operations under this Agreement. Permanent residents in Yugoslavia or Yugoslav subjects will be employed by the Administration only provided, the Government's confirmation is obtained.

/g/ All locally engaged personnel will be paid at the prevailing scale of wages for similar employment in Yugoslavia.

#### ARTICLE VI

##### Facilities, Privileges and Immunities

/a/ The Government will take all practicable measures to facilitate the activities of the Administration and to assist the Administration in obtaining such services and facilities as may be required to carry out its operations within Yugoslavia.

/b/ The Government will accord the Administration the following facilities, privileges, immunities and exemptions.

/i/ Immunity from suit and legal process, except with the consent of, or so far as is provided for, in any contract entered into by or behalf of, the Administration,

/ii/ Inviolability of the archives of the Administration and of the premises of its official business headquarters at the seat of the Government.

/iii/ Such exemptions from or facilities in respect of foreign exchange control as are granted to representatives of governments which are members of the Administration.

/c/ The Government will take any steps that may be necessary to enable the Administration to exercise within the jurisdiction of the Government the powers conferred on the Administration by Articles 1, paragraph I, of the Agreement of 9 November 1943.



/d/ The Government will accord to the personnel of the Administration when engaged on the business of the Administration the following privileges and immunities.

/i/ Immunity from legal process of any kind in respect of acts performed by them in their official capacity and falling within their function as such;

/ii/ The same immunities from immigration restrictions, alien registration and military service obligations, and the same facilities as regards exchange restrictions as are accorded to representatives, officials and employees of similar ranks of other member governments;

PROVIDED THAT the foregoing privileges and immunities will not be accorded to nationals or permanent residents of Yugoslavia except to the extent determined by the Government.

/e/ The Government will expedite to the extent possible supplies, and equipment of the Administration in transit, and it will exempt such supplies and equipment of the Administration from adverse legal action or seizure.

/f/ The Government will accord the official correspondence of the Administration the same treatment as is accorded by them to the official correspondence of member governments, including:

/i/ Priorities for telephone and telegraph communications, whether cable or radio, and for mail transmitted by pouch or by courier.

/ii/ Government rebates for official telegrams.

/iii/ Diplomatic status for couriers and pouches of the Administration.

/iv/ Under appropriate safeguards, exemption from censorship of the official correspondence of the Administration.

/v/ Appropriate arrangements for the use of codes and of cable addresses for the telegraphic correspondence of the Chief of the UNRRA Mission at the seat of Government, to



and from points outside of Yugoslavia.

The Government will accord the Administration appropriate postal facilities, including such franking privileges or arrangements for the use of specially printed or over-printed stamps as may be possible.

/g/ The Administration will from time to time present to the Government the names of members of the mission in Yugoslavia who are entitled to the benefits mentioned in Articles V, VI, VII of this Agreement.

/h/ Administration personnel who are nationals of Yugoslavia but who are not permanent residents of Yugoslavia and who have by naturalization or otherwise acquired another nationality, shall be entitled to the same privileges and immunities under this Article and under Article VII as Administration personnel who are not nationals of Yugoslavia or permanent residents thereof. The Government will examine cases relating to those persons who are nationals of Yugoslavia but who are not its permanent residents and who by naturalization or otherwise acquired another nationality.

/i/ The Administration shall have the right, free from export control or other restrictive measures, to transfer to other areas imported relief and rehabilitation supplies owned by the Administration and intended for use in countries other than Yugoslavia but temporarily located in or in transit through Yugoslavia.

#### ARTICLE VII

##### Taxation

/a/ The Administration, its assets, property, income and its operations and transactions of whatsoever nature shall be immune from all taxes, fees, tolls or duties imposed by the Government or any political subdivision thereof or by any other public authority in Yugoslavia. The Administration shall also be immune from liability for the collection or payment of any



tax, fee, toll or duty imposed by the Government or any political subdivision thereof or by any other public authority. Notwithstanding the above the Administration agrees to collect from its officers and employees who are Yugoslav subjects or permanent residents of Yugoslavia, such taxes as are normally in Yugoslavia collected through the medium of employers. Nor shall the provisions of this Article preclude the Yugoslav Government from collecting indirect taxation from the sale of supplies in accordance with current legislation. The Government shall be under no obligation to refund any taxes so collected.

/b/ No tax, fee, toll or duty shall be levied by the Government or any political subdivision thereof or any other public authority on or in respect of salaries or remunerations for personal services paid by the Administration or by non-indigenous voluntary relief societies to its officers, employees or other Administration personnel (as defined in Article V hereof) who are not nationals of Yugoslavia or permanent residents thereof. Exemption from taxation granted to non-Yugoslav officers and employees of the Administration shall not entitle them to claim reimbursement of any indirect taxes and more particularly consumption taxes.

/c/ The Government will take such action as is necessary for the purpose of making effective the foregoing principles. In addition, the Government will take whatever other action may be necessary in accordance with Resolution 16 to insure that relief and rehabilitation supplies and services furnished by the Administration are not subjected to any tax, fee, toll or duty in a manner which reduces the resources of the Administration.

/d/ Should the Government collect any taxes or other duties in contravention of this Article a refund will be made by the Government.



ARTICLE VIII

Reports and Records

/a/ The Government will maintain adequate statistical records on relief and rehabilitation operations necessary to the discharge of the Administration's responsibilities, and will consult with the Administration, at its request, with respect to the maintenance of such records.

/b/ The Government will furnish the Administration with such records, reports, and information as the Administration shall request pertaining to relief and rehabilitation which are necessary to the discharge of the Administration's responsibilities.

ARTICLE IX

Modification of Agreement and

Supplementary Agreements

/a/ The Government and the Administration will give sympathetic consideration to any representations which either may make with regard to modifications of this Agreement. Any such modifications shall be by mutual consent.

/b/ To the extent necessary or desirable, the parties hereto will enter into subsequent agreements and arrangements supplementing the provisions hereof.

ARTICLE X

Period of Agreement

This Agreement shall take effect as from this day's date. It shall remain in force until the expiration of six months from the date upon which either of the parties hereto shall have given notice in writing of its intention to terminate it. Notwithstanding the expiration of this Agreement,

/a/ The relation between the parties shall continue to be governed by the Agreement of 9 November 1943 and the Resolutions of the Council; and



/b/ Articles IV, V, VI, VII and VIII shall remain in force for the purpose of an orderly liquidation until all Administration activities in Yugoslavia are completed.

This Agreement has been made out in five exemplars, of which three are in English and two in Serbo-Croatian. Both the English and Serbo-Croatian texts are equally authentic for the contracting parties.

In effect whereof the undersigned plenipotentiaries, having been duly authorized thereto, have signed the present Agreement.

Done this 24th day of March 1945 in Belgrade in five exemplars.

(Signed) NIKOLA B. PETROVIC.

For the Government of Yugoslavia.

(Signed) ROY F. HENDRICKSON.

For the United Nations Relief and  
Rehabilitation Administration.



Belgrade, March 24, 1945.

Mr. Ing. Nicola B. Petrovic,  
Minister of Commerce and Supply,  
BELGRADE.

Dear Sir,

On the occasion of the signing of the Agreement between the Government of Yugoslavia and the United Nations Relief and Rehabilitation Administration, I am glad to confirm in writing the following explanations relating to the text of the Agreement which have resulted from our discussions.

1. The last sentence of Article I (a) is herewith clarified to refer to equipment such as locomotives, railroad rolling stock, generators and certain types of heavy capital equipment. It is not contemplated that such equipment, once brought into Yugoslavia would be removed from it: but that pending the time that title in such equipment was transferred to the Government, special financial arrangements would be made covering the acquisition cost of such equipment in order that UNRRA would not be required to bear the entire expense.

2. It is understood that:

(a) The Administration's program of supplies to be delivered to Yugoslavia in accordance with Article I (a) may under exceptional circumstances be subject to modification if the Director-General arrives at the conclusion that more urgent needs exist among the nationals of another Allied Country which is one of the signatories to the Agreement of 9 November 1943. The Administration will apply the same policy in all other areas in which it will operate.

(b) If the Administration finds it necessary to divert supplies which are destined for Yugoslavia but have not yet arrived at the agreed port of entry or frontier point, the Administration will, in consultation with the Government, replace insofar as practicable, the supplies so diverted.

(c) If the Administration intends to divert relief and rehabilitation supplies originally consigned to Yugoslavia for the purpose of operations authorized by Resolution 58, such diversions shall take place only in agreement with the Government.

3. In connection with the Article III (c) and (e), it is recognised that Yugoslavia is still engaged in active warfare, within its boundaries, against the common enemy, and consequently

(a) Certain information will not be available, and

(b) Reasons of National Security will require that certain information with respect to internal economic conditions and supply matters shall not be made public for the time being.

4. The term "net proceeds" referred to in Article IV (c) and (d) is understood to mean the proceeds realised less any expenditure incurred by the Government on transportation, warehousing and distribution and exclusive of any fiscal charges collected by the Government in accordance with the current legislation on the sale of supplies.

5. In connection with Article V(b) it is understood that UNRRA is anxious to limit the number of personnel brought into Yugoslavia to serve as members of the Mission: and further that one of the chief functions of the Chief of Mission will be to examine with the representatives of the Government the need for personnel from time to time, with a view to limiting as far as possible, compatible with meeting the Government's desire for assistance, the number of personnel attached to the Mission.



6. Article X which relates to liquidation, sets no time limit. It is understood, of course, that it is the desire of the Administration to liquidate its operations in Yugoslavia as soon as possible after the expiration of the Agreement: and that such process would in all likelihood be limited to a maximum of one year.

Sincerely yours,

(Signed) ROY F. HENDRICKSON.

Deputy Director-General.

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Belgrade, March 24, 1945.

My dear Mr. Hendrickson,

On the occasion of the signing of the Agreement between the Government of Yugoslavia and the United Nations Relief and Rehabilitation Administration, I received your letter of March 24, 1945, copy of which is annexed hereto and made a part hereof.

I am pleased to confirm that I am in agreement with all the points raised in each of the paragraphs of the said letter.

Very sincerely yours,

/ (Signed) NICOLA PETROVIC.

Minister of Commerce and Supply.

Mr. Roy F. Hendrickson,  
Deputy Director-General, UNRRA,  
Hotel Majestic, Belgrade.

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Belgrade, March 24, 1945.

Your Excellency,

As a result of discussions in Belgrade during the past few days, we understand that it has been agreed between the Yugoslav Government and UNRRA, that UNRRA will assume responsibility as from April 15th, 1945, for relief supplies coming into Yugoslavia.

In order to facilitate the transition of responsibility from M.L. and UNRRA, and in order to ensure that the maximum quantity of relief supplies continue to come to Yugoslavia, it is proposed that a small number of British and U.S. Military personnel should remain for a limited period to assist the operations of UNRRA.

The number of military personnel left in Yugoslavia would be mutually agreed from time to time between the Yugoslavian Government and UNRRA.

It is accordingly considered that the agreement between the Yugoslav Government and M.L. dated 19 Jan. 1945, will terminate as from the 15th April, 1945, when UNRRA commences operations, save that clauses 14, 16 and 17 will remain effective until Military personnel are no longer required by UNRRA and are withdrawn from Yugoslavia.

Sincerely yours,

(Signed) IVOR HUGHES, Maj. Gen.

(Signed) W. SADLER, Brig. Gen.

His Excellency  
Nicola Petrovic,  
Minister of Commerce and Supply.



Statement of Minister of Commerce and Supply

Ing. Nicola Petrovic

There is no doubt that the Nations of Yugoslavia will welcome the Agreement which is signed to-day between UNRRA and the Government of Democratic-Federative Yugoslavia. This Agreement ensures their hope that the relief supplies, which are now coming forward in increased quantities from the Allied Military Liaison, will be still further increased, to the extent of meeting the basic needs of the broad masses of our population.

The United Nations and other freedom loving nations acknowledge the heroism, sacrifices and sufferings of our country and its contribution to the common cause of the United Nations. The Nations of Yugoslavia have won a just claim for material aid from the United Nations, and the Agreement signed to-day with the representative of UNRRA, Mr. Roy Hendrickson, forms the basis of collaboration between UNRRA and our country.

The needs of our country are great and varied. Shortage exists in every field. And yet, I must emphasize again, that as well as the quick and effective help in food, the need for transportation trucks, rolling stock, ships - is of greatest importance.

Finally I wish to add that the negotiations with the representatives of UNRRA have been carried out in an atmosphere of mutual understanding and friendly cooperation. The presence of the Generals and Officers of the Allied Military Liaison was of the greatest value during the negotiations. I appreciate particularly the efforts of Mr. Hendrickson, the leader of the UNRRA Delegation, of Commander Jackson, Senior Deputy Director-General of UNRRA, and of General Hughes and General Sadler, who together with the other members of the Delegation contributed so much to the quick and successful results which have been achieved.

Statement of Mr. Hendrickson, Deputy Director-General of UNRRA

The United Nations Relief and Rehabilitation Administration is happy that the time has now come when it can give expression in a material way to the goodwill of the other United Nations towards Yugoslavia in the field of relief and rehabilitation assistance.

It has been a pleasure to work out with Marshal Tito and members of his Government the details of the Agreement which we hope will usher into Yugoslavia substantial aid from distant points.

Associated with me in the negotiations have been three other representatives of UNRRA, Commander Jackson, George Xanthaky and Alan Hall, the latter acting Head of our Mission which will soon have its Headquarters in Belgrade.

There will be many problems to overcome at this time when the continued struggle against the enemy is requiring so much in manpower, ships and supplies. But the needs - the truly emergency needs - for assistance to Yugoslavia will require extra efforts, and those United Nations, fortunate enough to escape invasion and occupation with all its suffering, are anxious and determined to assist and will find a way in the face of any difficulty.



The welcome of the Government, of Marshal Tito and his Ministers, and of the people we have met in Yugoslavia, indicates that true appreciation will greet the efforts to assist. Under the Agreement Yugoslavia will assume, as it should, the responsibility for distribution of supplies, and it agrees that this will be done without discrimination of race, creed or political beliefs of the recipients. This is a cardinal principle of UNRRA aid, and the Yugoslav Government states that this is one of its basic principles.

The problem of getting goods to, and distributed within Yugoslavia, is one of the first magnitude. One cannot help but be impressed with the courage and determination to do a good job which the Government and its people have shown. With the arrival at Dalmatian ports of the first tonnage of relief goods supplied by the Allied Military Liaison, the Government and its people have demonstrated that they are unafraid of work or difficulty, and that they want to do a thoroughly equitable job. They are demonstrating the initiative which will make them admired throughout the world.

Throughout the life of this Agreement, terminable upon notice by either part, the cooperation of the Government and its representatives and UNRRA and its representatives, will be the key to its success. I am confident that this cooperation will be realized in the fullest sense.



Yug Miss - memo  
12 June, 1945

TO: George Xanthaky  
FROM: Jozo Tomasevich *JT*  
SUBJECT: Talk with Mr. Tolley on the 11 June.

I raised with Tolley the following questions: (1) The figures on the June Loading Program, (2) The July Target Programs as sent to Belgrade and Tirana in cables B48 and Ruvo 60, and (3) Keeping the Supply people in the Mission better informed on the prospective availability of various commodities.

(1) June Loading Program for Yugoslavia.

According to Tolly a cable was drafted yesterday and probably already despatched to Belgrade, containing the figures on the June Loading Program thus answering several inquiries on that point coming from the Mission. It looks as if the loadings ex-North America will be somewhat over 70,000 tons. Unfortunately the loading program includes about 6,000 tons of raw cotton and 13,000 tons of fertilizers, but it seems that the originally proposed loading of 5,000 tons of feed grains has been left out. He also told me that most of these figures have been discussed by Mr. Hendrickson and Dr. Bicanic and that it was made clear to the latter that to fill the available ships the Administration has to ship to Yugoslavia at the present time raw cotton and fertilizers. I pointed out to Mr. Tolley that if the fertilizers are sent they ought to be sent to the Black Sea ports as there is no possibility at the present time to transport them from the Adriatic ports to the interior of the country where they can be used.

In addition to the shipment ex-Western Hemisphere the June loadings for Yugoslavia will include two ships of general cargo from the UK, containing about 7,000 tons.

(2) July Target Program

Studying the July Target Programs from the above cables I was very dubious about their realism. Tolly told me that towards the end of the last week a follow-up cable was sent to all Missions, to which July Target Programs were despatched, telling them bluntly that the supply situation has considerably deteriorated and that the target programs could not be met by the Administration. As soon as I receive this follow-up cable I shall draw your attention to it.

(3) Keeping the Mission people informed of the prospective availability of various commodities

This has been an idea with which I have toyed since Mr. Nugent's departure for Belgrade. It seemed to me that keeping the Mission informed about the prospective availability of various commodities would greatly facilitate their tasks in discussing the requirements programs with the Government, suggesting substitutes, etc. It will also make it easier for them to understand why there is usually a great discrepancy between the programs as they submit them and the actual shipments. Tolley told me that he has been working on the idea and something may be done on this in the near future.



JUGOSLAV MISSION

Estimate of Personal Services - Second Quarter, 1945

A. Personal Services

	<u>No. of Pers. Required</u>	<u>Annual Salary</u>	<u>Quarterly Amount</u>	<u>Quarterly Local Currency</u>	<u>Quarterly Foreign Exch. Currency</u>
1. Office of Chief	24	94,700	23,675		
2. Distribution and Transport	45	185,100	46,275		
3. Finance and Administration	41	118,000	29,500		
4. Requirements, Coordination and Supply	21	76,600	19,150		
5. Food and Agricultural Rehabilitation	19	84,900	21,225		
6. Industrial Rehabilitation	28	110,300	27,575		
7. Displaced Persons	8	33,200	8,300		
8. Welfare	27	118,800	29,700		
9. Health	48	176,200	44,050		
10. Camps Supervision	3	12,900	3,225		
11. Regional Offices Staff (Adm.)	30	122,800	30,700		
TOTALS:	294	1,133,600	283,375		
12. Anticipated Local Currency at \$100 per month per person, for 294 persons for second quarter				88,200	
TOTAL Salaries to be paid in Foreign Exchange					195,175
13. Provident and other Retirement Funds (10%)			28,338		28,338
14. Allowance for Salaries above minimum grade (3%)			8,500		8,500
15. Salaries, Temporary and Local Employees - Italy, 80 emp. at \$55 per mo.			13,200	13,200	
16. " " " " " - Yugoslavia, 200 emp. at \$30 per mo. (Rations)			18,000	18,000	
TOTAL Lump Sum allot. Personal Services			351,413	119,400	232,013
Less Lapses - 25%			87,853	29,850	58,003
			263,560	89,550*	174,010

JUGOSLAV MISSION

Estimate of Personnel Services for 2nd Quarter, 1945.

OFFICE OF CHIEF OF MISSION

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
1			Acting Chief of Mission	Uncl.	9,000	
2			Secretary	6	2,800	
3			Senior Deputy Chief of Mission	14	8,000	
4		x	Secretary	5	2,400	
5			Special Assistant	12	6,000	
6		x	Administrative Assistant	8	3,600	
7			Interpreter - Liaison Officer	11	5,000	
8			Secretary	5	2,400	
9			Financial Analyst	11	5,000	
10		x	Chief Reports Officer	11	5,000	
11		x	Deputy Reports Officer	10	4,500	
12		x	Statistician	11	5,000	
13		x	Field Reports Officer	9	4,000	
14		x	Field Reports Officer	9	4,000	
15		x	Chief Clerk	3	2,000	



Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
16		x	Secretary, Stenographer	4	2,400	
17		x	Clerk Typist	2	1,800	
18		x	" "	2	1,800	
19		x	" "	2	1,800	
20			Public Relations Officer	12	6,000	
21		x	Assistant Public Relations Officer	9	4,000	
22			Special Assistant to Pub. Rel. Officer	7	4,000	
23		x	Secretary	5	2,400	
24		x	Clerk - Typist	2	1,800	
No. of Positions 24						
					<hr/>	
					94,700	

BUREAU OF DISTRIBUTION AND TRANSPORT, HEADQUARTERS

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
1			Deputy Chief of Mission	14	8,000	
2			Secretary	5	2,400	
3			Executive Assistant	11	5,000	
4		x	Marketing Specialist (Food)	12	6,000	
5		x	Secretary	5	2,400	
6		x	Price Control and Rationing Specialist	12	6,000	
8		x	Secretary	5	2,400	
<u>Warehousing Division</u>						
11			Chief Warehouseman	11	5,000	
13		x	Supervisor of Warehouse Records	10	4,500	
14		x	Clerk - Stenographer	4	1,800	
<u>Transport Division</u>						
15			Chief Transport Officer	12	6,000	
21		x	Chief Motor Transport Officer	11	5,000	
26			Clerk - Stenographer	4	1,800	
28			Clerk - Typist	4	1,800	
No. of Positions 14					58,100	



Bureau of Distribution and Transport , Headquarters (Cont)

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
<u>Field Staff</u>						
29			Regional Distribution Officer (Slovenia)	11	5,000	
30			Regional Distribution Officer (Slovenia)	11	5,000	
31			Regional Dist. Officer (Bosnia & Herzegovina)	11	5,000	
32			Regional Dist. Officer (Montenegro)	11	5,200	
33		x	Regional Dist. Officer (Macedonia)	11	5,000	
34			Regional Dist. Officer (Serbia)	11	5,000	
35		x	Secretary	5	2,400	
36		x	Secretary	5	2,400	
41			Distribution Officer (Slovenia)	9	4,000	
42			Distribution Officer (Slovenia)	9	4,000	
43			Distribution Officer (Slovenia)	9	4,000	
44		x	Distribution Officer (Slovenia)	9	4,000	
45			Distribution Officer (Croatia)	9	4,000	
46			Distribution Officer (Croatia)	9	4,000	
47		x	Distribution Officer (Croatia)	9	4,000	
48		x	Distribution Officer (Croatia)	9	4,000	
49		x	Distribution Officer (Croatia)	9	4,000	
50		x	Distribution Officer (Croatia)	9	4,000	

Bureau of Distribution and Transport, (Cont)

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
51		x	Distribution Officer (Croatia)	9	4,000	
52		x	Distribution Officer (Croatia)	9	4,000	
53		x	Distribution Officer (Croatia)	9	4,000	
54		x	Distribution Officer (Croatia)	9	4,000	
55		x	Distribution Officer (Bosnia & Herzegovina)	9	4,000	
56		x	Distribution Officer (Bosnia & Herzegovina)	9	4,000	
57		x	Distribution Officer, (Bosnia & Herzegovina)	9	4,000	
76		x	Warehouse Officer (Split)	9	4,000	
77		x	Warehouse Officer (Dubrovnik)	9	4,000	
78		x	Warehouse Officer (Salonika )	9	4,000	
79			Regional Transport Officer	9	4,000	
80		x	Regional Transport Officer	9	4,000	
81		x	Regional Transport Officer	9	4,000	
No. of Positions - 45					185,100	



Bureau of Finance and Administration - Headquarters

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
1			Deputy Chief of Mission	14	8,000	
2			Secretary	6	2,800	
3			Administrative Assistant - Interpreter	8	3,600	
<u>Accounting Division</u>						
4			Chief Accountant	12	6,000	
5		x	Principal Accountant	11	5,000	
6		x	Secretary	5	2,400	
<u>Voucher Audit and Payroll Section</u>						
7			Accounting Clerk	2	1,800	
<u>Accounts Section</u>						
8		x	Assistant Account	8	3,600	
<u>Field Accounting Section</u>						
9			Principal Field Accountant	11	5,000	
10		Loc. Emp.	Field Accountant	-	---	
11		Loc. Emp.	Field Accountant	-	---	
12		Loc. Emp.	Field Accountant	-	---	
<u>Finance Office</u>						
13			Finance Officer	10	4,500	
14		x	Assistant Finance Officer	9	4,000	

Bureau of Finance and Administration - Headquarters (Cont)

Line	Position	New	Title	of	Position	Grade	2nd Quart. Salary	Incumbent
<u>Administrative Services Division</u>								
15			Director of Administrative Services			11	5,000	
16			Administrative Officer			8	3,600	
17			Administrative Assistant			7	3,200	
18		x	Travel Officer			7	3,200	
19			Quartermaster			9	4,000	
20			Assistant Quartermaster			7	3,200	
21		x	"	"		7	3,200	
22			Secretary			5	2,400	
23			Registrar (Communications & Records)			7	3,200	
24			Registry Clerk			5	2,400	
25		x	Registry Clerk			2	1,800	
26			Registry Clerk			2	1,800	
<u>Stenographic Section</u>								
27			5 Clerk - Stenographers			3	9,000	
28			5 Clerk - Typist			2	8,100	
<u>Travel Section</u>								
29		x	Chief Staff Transport			7	3,200	
30			Foreman Mechanic			5	2,400	



Bureau of Finance and Administration - Headquarters (Cont)

Line	Position New	Title of Position	Grade	2nd Quart. Salary	Incumbent
<u>Personnel Division</u>					
31		Personnel Director	11	5,000	
32	x	Secretary	5	2,400	
33		Classification Technician	9	4,200	
No. of Positions 41					
				<hr/> 118,000	

Bureau of Requirements & Supply - Headquarters

Line	Position No.	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
1			Deputy Chief, Supplies	14	8,000	
2			Requirements & Shipping Coordinator		6,000	
3			Secretary (for 1 and 2)	6	2,800	
4			Requirements Specialist	11	5,000	
5			Asst. to - do -		3,200	
6			Secretary	5	2,400	
7			Typist		1,800	
8			Senior Textile Specialist	12	6,000	
9			Junior " "	8	3,600	
10			Junior Leather Specialist	8	3,600	
11			Typist		1,800	
12			Typist		1,800	
13			Shipping Specialist	11	5,000	
14			Asst. to - do -		3,200	
15			Secretary	5	2,400	
16			Typist		1,800	
17			Chief, Food Division	11	5,000	



Bureau of Requirements & Supply - Headquarters

<u>Line</u>	<u>Position No.</u>	<u>New</u>	<u>Title of Position</u>	<u>Grade</u>	<u>2nd</u> <u>Quart. Salary</u>	<u>Incumbent</u>
18			Food Requirements Specialist		5,800	
19			Asst. to - do -	6	3,200	
20			Secretary	5	2,400	
21			Typist		1,800	
				No. of Positions - 21	<u>76,600</u>	

Division Agriculture and Fisheries - Headquarters

Line	Position No.	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
1			Director	12	6,000	
2			Secretary	5	2,400	
3			Agricultural Specialists (Program Planning-Farm Machinery)	11	5,000	
4			" " (Food Processing)	11	4,500	
5			" " (Fruit Growing and Fertilizer)	11	5,000	
6			" " (Veterinary Supplies)	11	5,000	
7			" " (Fishing Specialist)	11	5,000	
8		x	" " (Livestock Specialist)	11	5,000	
9		x	" " (Dairy Manufacturer)	11	5,000	
10		x	" " (Production Requirements; Reconnaissance & Reports)	11	5,000	
11		x	" " (Agricultural Engineer)	11	5,000	
12			Junior Agricultural Specialist (A.O.)	7	3,200	
13			Clerk Stenographer	4	1,800	
<u>Field Staff</u>						
14			Agricultural Officer	10	4,500	
15			" "	10	4,500	
16			" "	10	4,500	



Division Agriculture and Fisheries - Headquarter (Cont)

Line	Position	New	Title	of	Position	Grade	2nd Quart. Salary	Incumbent
17			Agricultural Officer			10	4,500	
18			"	"		10	4,500	
19			"	"		10	4,500	
No. of Positions 19							<hr/>	
							84,900	

Industrial Rehabilitation Division

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
1			Director	12	6,300	
2			Secretary	5	2,400	
3		x	Deputy Director	11	5,000	
4			Architectural Engineer ( Shelter )	11	5,000	
5			Industrial Engineer (Utilities)	11	5,000	
6			Mining and Fuel Engineer	11	5,000	
7			Industrial Engineer (Machine Tools)	11	5,000	
8			Railway Engineer	11	5,000	
9			Civil Engineer	11	5,000	
10			Chemical Engineer	11	5,000	
11			Administrative Assistant (technical)	7	3,200	
12			" " "	7	3,200	
13			" " "	7	3,200	
14			" " "	7	3,200	
15			Clerk - Stenographer	5	2,400	



Industrial Rehabilitation Division (Cont)

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
16			Clerk - Stenographer	5	2,400	
17			Technical Translator	9	4,000	
18			Junior Industrial Engineer (Textiles)	7	3,200	
19			Junior Industrial Engineer	7	3,200	
20			Master Mechanic ( Railway Shop )	10	4,500	
21			" " ( Motor Transport )	10	4,500	
22			" " ( Electrical Utilities )	10	4,500	
23			" " ( Mining and Smelting )	10	4,500	
24			" " ( Coal Mining Equipment )	10	4,500	
25			" " ( Textile Machinery )	10	4,500	
26			Clerk - Stenographer	5	2,400	
27			" "	5	2,400	
28			Clerk - Typist	4	1,800	
No. of Positions 28						
					<hr/> 110,300	

Displaced Persons Division - Headquarters

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
1			Director	12	6,000	
2			Secretary	5	2,400	
3			Displaced Persons Specialist	11	5,000	
4			Displaced Persons Specialist	11	5,000	
5			Displaced Persons Specialist	11	5,000	
6			Displaced Persons Specialist	11	5,000	
7			Registrar	5	2,400	
8			Administrative Assistant	5	2,400	

No. of Positions 8

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33,200



Welfare Division - Headquarters

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
1			Director	12	6,000	
2			Secretary	5	2,400	
3			Deputy Director	11	5,000	
4		x	Administrative Asst,	6	2,800	
5			Welfare Specialist ( Child )	11	5,000	
6			" " ( Camp )	11	5,000	
7			" " ( Emergency Feeding )	11	5,000	
8			" " ( Emergency Shelter )	11	5,000	
9			Clerk - Stenographer	5	2,400	
10			Clerk - Typist	4	1,800	
No. of Positions 10						
					<hr/> 40,400	

Welfare Division (Cont)

FIELD STAFF

Line	Position	New	Title	of	Position	Grade	2nd Quart. Salary	Incumbent
11			Regional Welfare Officer			11	5,000	
12			"	"	"	11	5,000	
13			"	"	"	11	5,000	
14			"	"	"	11	5,000	
15			"	"	"	11	5,000	
16			"	"	"	11	5,000	
17			Field Welfare Officer			10	4,500	
18			"	"	"	10	4,500	
19			"	"	"	10	4,500	
20			"	"	"	10	4,500	
21			"	"	"	10	4,500	
22			"	"	"	10	4,500	
23			"	"	"	10	4,500	
24			"	"	"	10	4,500	
25			"	"	"	9	4,400	



Welfare Division (Cont)

FIELD STAFF

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
26			Field Welfare Officer	9	4,000	
27			" " "	9	4,000	
			No. of Positions 27		<hr/>	
					118,800	

Health Division - Headquarters

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
1			Director	12	7,000	
2			Secretary	5	2,400	
3			Deputy Director	12	6,000	
4			Administr. Assistant	7	w.o.c.	
5			Secretary	5	2,400	
6			Senior Pathologist (M.O.)	12	6,000	
7			Medical Officer	12	6,000	
8			" "	12	6,000	
9			Junior Medical Officer and Interpreter	8	3,600	
10			Clerk - Stenographer	4	1,800	
11			Clerk - Stenographer	4	1,800	
12			Hospital Administrator	-	w.o.c.	
13			Medical Requirements Specialist	11	5,000	
14			Assistant " " (Shipping & Costing)	6	3,000	
15			Chief Sanitary Engineer	12	5,000	
16			Sanitary Engineer	11	5,000	
17			" "	11	5,000	
18			Secretary	5	2,400	
19			Jun. San. Engineer	8	3,600	
20			Chief Nursing Consultant	11	5,000	



Health Division - Headquarters (Cont)

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
21			Secretary	5	2,400	
22			Bacteriologist (Assist.)	8	3,600	
23			Clerk - Typist	4	1,800	
<u>FIELD STAFF</u>						
24			Medical Officer	12	6,000	
25			" "	12	6,000	
26			" "	12	6,000	
27			" "	12	6,000	
28			" "	12	6,000	
29			" "	12	6,000	
30			" "	11	5,000	
31			Clerk - Stenographer	4	1,800	
32			" "	4	1,800	
33			" "	4	1,800	
34			" "	4	1,800	
35			" "	4	1,800	
36			" "	4	1,800	

Health Division - Headquarters (Cont)

FIELD STAFF

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
37			Sanitary Engineer	8	3,600	
38			" "	8	3,600	
39			" "	8	3,600	
40			Regional Nursing Consultant	7	3,200	
41			" " "	7	3,200	
42			" " "	7	3,200	
43			" " "	7	3,200	
44			" " "	7	3,200	
45			" " "	7	3,200	
46			" " "	7	3,200	
47			" " "	7	3,200	
48			Nursing Education Consultant	7	3,200	
No. of Positions 48					<hr/>	
					176,200	



Transient Camp Division - Headquarters

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
1			Director of Transient Centers	12	6,000	
2			Executive Assistant	10	4,500	
3			Secretary	5	2,400	
No. of Positions 3					<hr/> 12,900	

+Note: 6 Field Welfare Officers Grade 9 requested

Regional Offices, Administrative Staff

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
1			Senior Regional Officer	12	6,000	
2			" " "	12	6,000	
3			" " "	12	6,000	
4			" " "	12	6,000	
7			Deputy Regional Officer	11	5,000	
8			" " "	11	5,000	
9			" " "	11	5,000	
10			" " "	11	5,000	
11			" " "	11	5,000	
12			" " "	11	5,000	
13			Field Officer	9	4,000	
14			" "	9	4,000	
15			" "	9	4,000	
16			" "	9	4,000	
17			" "	9	4,000	
18			" "	9	4,000	
19			" "	9	4,000	
20			" "	9	4,000	
31			A. & Q.M. Officers	8	3,600	
32			" "	8	3,600	



Regional Offices, Administrative Staff

Line	Position	New	Title of Position	Grade	2nd Quart. Salary	Incumbent
33		x	A. & Q.M. Officers	8	3,600	
34		x	" " "	8	3,600	
43		x	Administrative Assistant	7	3,200	
44		x	" "	7	3,200	
45		x	" "	7	3,200	
46		x	" "	7	3,200	
49			Secretary	5	2,400	
50			"	5	2,400	
51			"	5	2,400	
52			"	5	2,400	
No. of Positions - 30						
					122,800	

*Yug Mission - Reports*

MINUTES OF MEETING OF DIRECTORS  
UNRRA JUGOSLAV MISSION

Held in Belgrade on 1st June, 1945  
at 3.30 pm.

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Present: Michail Sergeichic (In the Chair)  
Dr. H. S. Banks  
Mr. S. Bruynseraede  
Mr. I. Fasteau  
Mr. Vladimir Gloustine  
Mr. W. E. Johns  
Mr. Dave Leff  
Mr. N. J. Klugmann  
Dr. Lipszyc  
Mr. Rolf Nugent  
Mr. G. Perazich  
Miss Ann Racich  
Mr. B. Reiner  
Mr. D. Stansby  
Mr. M. Strumillo  
Dr. D. Warriner  
Miss B. Zoeller (Secretary)

Mr. Sergeichic stated there was only one question he wished to bring up, and that was the matter of the preparation of reports for May, 1945. He would like all directors who are responsible for reports of their respective divisions to approach the question in a very serious and careful manner. The report should state all that had been done during this first month of work, since the second half of April was merely a beginning. Our work is not yet fully developed, and at this point it is necessary for all directors to bring up questions and suggestions affecting the Mission in general. Since he has been here such a short time it is difficult for him to speak of the work done in May. He personally had done nothing in May, but the rest of the Mission had, of course, done considerable work. That is why he must stress the necessity for all directors to bring up questions on future tasks, not only for their own division but for the work of the whole Mission. This would enable us to generalise these questions correctly for presentation to London and Washington. The 3rd Session of the Council will be held in London on July 24 (Note: since changed to August 7), when we will be able to put forward for discussion the problems which will be set out in this report. Everybody understands that this is our first task and all must be guided accordingly. The suggestions he wished the directors to make would aim at solving these problems. We all understand the difficulties under which we are working - we are short of the most necessary personnel, secretaries and typists, on whom our work very largely depends. Mr. Sergeichic hoped this question would be solved in a few days, as we have already obtained clearances for 24 people from San Spirito.

Mr. Sergeichic stated that when he arrived here he heard statements of the unfriendly attitude of the Yugoslavs towards us, and various explanations were offered as to the cause of this attitude. He did not wish to repeat the complaints since he had no means of estimating how true they were. The article published yesterday in the Yugoslav press shows they were not as unfriendly as it might seem. He has held a number of conferences with the Yugoslav authorities, and they are ready to solve most of the problems. He considered there is a possibility of finding a common language with them. Of course, the question they always bring up is that they want to be kept fully informed of what personnel we have here and the work they intend to do in this country, and this request is fully justified. It is stated in the UNRRA Agreement that we must keep them fully informed of our intentions. In the next few days he hoped we would be able to solve a very important question - that of passes.



The question of control and distribution is also capable of solution and the Yugoslavs have nothing against our controlling distribution on the spot. They say, however, that sometimes members of the Mission exceed the proper limits of contact with the Yugoslav authorities who are their opposite numbers by trying to avoid the organisation which was created for the purpose of facilitating and establishing liaison with the necessary Ministers and going directly to the various representatives. The Yugoslavs maintain that this method only makes it more difficult and causes decisions to take longer. They state that if we proceed through the proper channels we will not be refused passes and permission to see certain things, but if we try to avoid these channels then permission will be delayed. He had been given an example of this incorrect procedure which he did not want to repeat, but had assured the authorities that we would work in full contact with them and that no such mistake would be repeated. Mr. Sergeichic stated that he was bringing up this matter at the meeting in order that the fact that we have been denied passes and our difficulties with the Yugoslav authorities, should not form the main theme of the monthly report, because he did not consider it to be the main problem, and in any case it is one which can be solved here. In the Chief's report to Washington and London these difficulties will, of course, be mentioned, since it is a general question for the whole Mission and if any director thought this was the main problem of his division, he was free to say so.

The main problem which faces us in June is to ensure that the Yugoslavs get as many supplies as possible and that these supplies get into the right hands. He had started to acquaint himself with the report for last month, but there were some difficulties which prevented him from studying in detail the report of each division. He would therefore refrain from commenting on the April report, but he hoped that directors would be able to reflect in their reports all the work which had been done in May. The main result of our work - that is, the amount actually delivered to the Yugoslavs - was small - we have delivered little. All reports dealing with supply programmes should come only through Mr. Nugent. The other divisions were to forward their reports direct to the Chief of Mission. It had been suggested that the reports be typed on stencils and carbon copies forwarded for approval, as it is now necessary to forward a large number of copies to London and Washington and it was hoped by this procedure to make less work for typists.

It was agreed that those division which considered the plan practicable should follow this procedure.

Mr. Sergeichic pointed out that it would be necessary to state in the May reports to what extent the tasks set out in the April reports had been fulfilled.

Mr. Sergeichic then undertook to answer questions.

Mr. Stansby asked if it would not be better to write the report on two parts - a monthly report on what we have done, which could be transmitted if approved by the Chief to London and Washington, and a second part containing suggestions intended only for the Chief of Mission.

Mr. Sergeichic replied that it was unnecessary to make a report to him, and if there were any problems, the directors could attach a small note to the report. During the short period he had been with the Mission he had found the advice and suggestions which had been put forward, to be very useful. They had given him a chance to grasp the full picture of the Mission, and he hoped the additional suggestions in the reports will give him practical material to work on as Chief of Mission.

Mr. Nugent asked if the report was required on any particular date.



Mr. Sergeichic said he had not set a date because he would like to hear the comments of the meeting. We must remember that the programme from Washington might arrive at any time, and will mean a great deal of additional work. For this reason the reports should be ready in order to leave the staff free for the main task. He thought that directors should try to have reports completed by 5th June. This was agreed.

Mr. Nugent thought it was important for him to see draft copies of the report in order to prevent overlapping in his Bureau, but this would not, of course, be necessary in the case of the Displaced Persons and Health Divisions.

Dr. Banks stated he would send in his report already stencilled.

Mr. Klugmann asked directors not to have the copies run off the stencils until advised, but merely to send in a carbon copy.

Mr. Sergeichic stated that in July the 3rd Session of the Council will be held and we have received a cable asking us to present problems to go before the Session. He would like to hear opinions as to whether it was desirable for us to put under discussion the work of the Yugoslav Mission as a whole.

Mr. Perazich thought this depended on what form the agenda of the Council meeting took. It would only create a problem if one Mission made a report while the others did not. From the cable he understood that London is very much interested in the work of the Mission.

Mr. Nugent suggested we postpone the answer to this question.

Mr. Sergeichic agreed it was a difficult problem, and this was why he had not answered the cable. He thought there might be other less general questions we might raise.

Mr. Fasteau mentioned the question of those displaced persons who did not wish to be repatriated to the country in which they held citizenship.

Mr. Sergeichic had already considered this question and considered it one which should be brought up.

Mr. Fasteau asked if a date had been set for suggestions for the agenda.

Mr. Sergeichic said that 10 June was stated in the cable. He thought that a short report on the work of our Mission should be prepared, as those representatives of the Mission who were at the Session must be able to state their opinions and make suggestions. The question concerning displaced persons would be put into a cable.

Mr. Perazich enquired whether it would be proper to put up a question regarding procurement of materials for UNRRA in some other country such as Hungary or Germany.

Mr. Nugent answered that this is defined in the Resolutions and it would be useless to bring up the question unless it was a matter of being severely handicapped.

Mr. Sergeichic agreed that it would be an unreal question to put up since it was already settled.

Miss Racich asked whether we could not establish relations on a high level to facilitate travel and communications which services we were not getting on account of lack of recognition on the part of the authorities.



Mr. Sergeichic stated that E.R.O. would be able to settle this question.

Dr. Banks said that the urgent supply of materials also affected the Health Division and tied in with Miss Racich's suggestion.

Mr. Sergeichic accepted Mr. Nugent's suggestion that we postpone decision as to our request for the inclusion of discussion on the work of the Yugoslav Mission on the Council agenda.

He referred to an Administrative Order from London in which it is recommended that we wear civilian clothing. He did not think it would be necessary to issue specific orders here but would like members of the Mission to wear civilian clothing as far as possible. The trouble is that some of the members do not have civilian clothing, but we are trying to get cloth from London or Washington so that clothing could be made here. Of course, in the same way as our requirements do not arrive, we may be through with our work before the material arrives.

Miss Racich asked if it would be furnished to members plus the cost of tailoring, in lieu of the UNRRA uniforms which have not been received.

Mr. Strumillo replied that if it is foreseen in the budget he will make payment.

Mr. Sergeichic made appropriate remarks as to the competence of accountants to arrange these matters. He then brought up the matter of running a Mess when we move to the new building, and asked Finance and Administration to consider this matter very carefully.

The meeting closed at 1630 hours.

George Xanthakos 612

See long letter (anonymous) from  
GI suppl A5388-90. Might care to send  
it to Yugo mission and ask for facts  
on allegations, especially about UNRWA  
personnel.

M. L.





United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 79<sup>th</sup> CONGRESS, FIRST SESSION

Vol. 91

WASHINGTON, TUESDAY, NOVEMBER 20, 1945

No. 205

## Senate

(Legislative day of Monday, October 29, 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:

O Thou God of our salvation, to Thee we lift our hearts in prayer, bringing nothing but our need and the adoration of our contrite spirits. From Thy hands we have received the gift of life, the blessings of home and of friendship, and the sacrament of beauty; in the fullness of Thy mercy Thou hast given us work to do and the strength wherewith to do it.

Make Thou our consecration a channel for the healing stream of Thy grace, so that having been sustained by Thy patience we may be patient, having freely received Thy bounty we may be bountiful, and having been blessed by Thy love without measure we may obey Thy behest, in an earth which is now one neighborhood, to love our neighbor as ourself. Through riches of grace in Christ Jesus our Lord. Amen.

### THE JOURNAL

On request of Mr. HATCH, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, November 19, 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.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4129) to provide for reorganizing agencies of the Government, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MANASCO, Mr. COCHRAN, Mr. WHITTINGTON, Mr. HOFFMAN, and Mr. BENDER were appointed managers on the part of the House at the conference.

### CALL OF THE ROLL

Mr. HATCH. 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:

Ball	Hatch	Reed
Barkley	Hayden	Revercomb
Bilbo	Hill	Robertson
Brewster	Hoey	Saltonstall
Buck	Huffman	Shipstead
Bushfield	Johnston, S. C.	Smith
Butler	Knowland	Stewart
Capper	La Follette	Taft
Carville	Lucas	Taylor
Chavez	McCarran	Thomas, Okla.
Connally	McClellan	Tobey
Cordon	McFarland	Tunnell
Donnell	McKellar	Tydings
Downey	Maybank	Wagner
Eastland	Mead	Walsh
Ellender	Mitchell	Wheeler
Ferguson	Moore	Wherry
Fulbright	Morse	White
George	Murdock	Wiley
Gerry	Myers	Willis
Green	O'Daniel	Wilson
Guffey	O'Mahoney	Young
Gurney	Radcliffe	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from West Virginia [Mr. KILGORE] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from Alabama [Mr. BANKHEAD], the Senator from Missouri [Mr. BRIGGS], the Senator from Louisiana [Mr. OVERTON], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Florida [Mr. PEPPER] is absent on official business.

The Senator from Washington [Mr. MAGNUSON] is a delegate to the American Legion convention in Chicago, and is therefore necessarily absent.

The Senator from Montana [Mr. MURRAY] is attending the conference in London to consider the creation of an educational and cultural organization of the United Nations.

The Senator from Virginia [Mr. BYRD], the Senator from Colorado [Mr. JOHNSON], the Senator from Connecticut [Mr. McMAHON], and the Senator from Georgia [Mr. RUSSELL] are absent on

official business with the Special Committee on Atomic Energy.

Mr. WHERRY. The Senator from Vermont [Mr. AUSTIN], the Senator from Connecticut [Mr. HART], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Michigan [Mr. VANDENBERG] have been excused. They are members of the Atomic Energy Committee, which is on an inspection trip to Oak Ridge, Tenn.

The Senator from Maine [Mr. BREWSTER] and the Senator from Michigan [Mr. FERGUSON] are detained at a meeting of the Pearl Harbor Investigating Committee.

The Senator from Illinois [Mr. BROOKS] and the Senator from North Dakota [Mr. LANGER] are members of the Senate committee attending the funeral of the late Senator Thomas of Idaho.

The Senator from Indiana [Mr. CAPEHART] is unavoidably absent because of injuries resulting from an accident.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from New Jersey [Mr. HAWKES] are necessarily absent.

The Senator from Vermont [Mr. ANKEN] has been excused and is necessarily absent.

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

### SPECIAL COMMITTEE TO INVESTIGATE PRODUCTION, TRANSPORTATION, AND MARKETING OF WOOL

The PRESIDENT pro tempore. The Chair appoints the Senator from Wyoming [Mr. ROBERTSON] a member of the Special Committee to Investigate the Production, Transportation, and Marketing of Wool, to fill the vacancy caused by the death of Hon. John Thomas, late a Senator from the State of Idaho.

### EXECUTIVE COMMUNICATIONS, ETC.

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

### STATISTICS OF THE GRADE AND STAPLE LENGTH OF COTTON

A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed



legislation to amend section 5 of the act entitled "An act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton" (with accompanying papers); to the Committee on Agriculture and Forestry.

**ADDITIONAL CLAIM FOR DAMAGE CAUSED BY VESSELS OF THE NAVY**

A letter from the Acting Secretary of the Navy, transmitting, pursuant to law, an additional claim for damage by collision between the barge *Annapolis* and the U. S. S. *Moray*; to the Committee on Naval Affairs.

**PETITION RELATING TO TOLL-FREE PRIVILEGES ON SAN FRANCISCO-OAKLAND (CALIF.) BAY BRIDGE**

The PRESIDENT pro tempore laid before the Senate a letter from C. H. Purcell, director of public works of the State of California, Sacramento, Calif., transmitting a resolution adopted by the California Toll Bridge Authority, relating to clarification and restriction of toll-free privileges for Government traffic using the San Francisco-Oakland (Calif.) Bay Bridge, which, with the accompanying resolution, was referred to the Committee on Commerce.

**PEACETIME COMPULSORY MILITARY TRAINING—LETTER FROM CAUTIOUS A. CHOATE**

Mr. CAPPER. Mr. President, I ask unanimous consent to present for printing in the RECORD and appropriate reference a letter from Cautious A. Choate, executive secretary, Central Kansas Conference of the Methodist Church, Wichita, Kans., protesting against the enactment of legislation providing for peacetime compulsory military training.

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

THE CENTRAL KANSAS  
CONFERENCE BOARD OF EDUCATION,  
THE METHODIST CHURCH,  
Wichita, Kans., November 12, 1945.  
The Honorable ARTHUR CAPPER,  
Senate Office Building,  
Washington, D. C.

MY DEAR SENATOR CAPPER: Ninety thousand Methodist people of central and western Kansas do not want universal peacetime conscription of their young men.

I represent the Central Kansas Conference of the Methodist Church and my work takes me over the western two-thirds of the State. On every hand I hear expressed a great fear that universal military peacetime training will be fastened upon America at this time. There is a common feeling that this would be one of the greatest tragedies to come out of the war.

I find general objection to this program, from the humblest member of the church to the bishops, on the following grounds:

1. Military training throws young men, as yet unready for the temptations of military life, into a society which far too often corrupts the moral and spiritual life in which the strength of any nation lies.

2. It creates a military set of mind that can see only force as a vital factor in the settlement of international disputes.

3. It would class our country among the great group of nations which have depended upon universal training and have experienced it as one of the chief factors of their downfall.

4. Our emphasis today should be on the positive factors which create good will, the surest kind of defense.

We should promote and support the machinery being set up for international cooperation. Universal military training is a

slap in the face to other nations and an invitation for them to do likewise, thus condemning everything which is being done for peace.

5. Against whom are we preparing? Japan and Germany are defeated. Only Russia is a possible enemy. A good-neighbor policy toward her would be much more effective than an armament race.

6. The whole program looks too much like an effort of the military group to fasten the system upon America at a time when we are uncertain and afraid. The fact that with peace many officers are facing demotion cannot be a negligible factor in any citizen's thinking on this subject.

These reasons and many others make the defeat of any bill for peacetime military training the No. 1 "Must" for every Christian. Let us give good will and friendliness a chance before we adopt so belligerent a policy.

Sincerely yours,

CAUTIOUS A. CHOATE,  
Executive Secretary.

**RETIREMENT OF CERTAIN OFFICERS OF THE NATIONAL GUARD**

Mr. HATCH. Mr. President, I hold in my hand a letter from Samuel W. Barrow, national commander of the Twenty-ninth Division Association, Washington, D. C., embodying a resolution adopted by the Twenty-ninth Division Association, comprising former officers and enlisted men, including inductees, of the Twenty-ninth Division, United States Army, American Expeditionary Forces, World War I and World War II, at their annual convention held in the city of Baltimore, Md., relative to Senate bill 1239, to provide for retirement of certain officers and former officers of the National Guard, a measure which my colleague [Mr. CHAVEZ] introduced. I ask unanimous consent to present the letter embodying the resolution, and that it be printed in the RECORD and referred to the Committee on Military Affairs.

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

NATIONAL HEADQUARTERS,  
TWENTY-NINTH DIVISION ASSOCIATION,  
November 16, 1945.

HON. CARL A. HATCH,  
United States Senate,  
Washington, D. C.

DEAR SENATOR: The Twenty-ninth Division Association, Inc., at the annual convention which assembled on the 2d day of September 1945 at the Lord Baltimore Hotel, Baltimore, Md., adopted the following resolution:

**"Resolution 5.**

"Resolution to provide for retirement of certain officers and former officers of National Guard—

"Whereas Senate bill 1239, Seventy-ninth Congress, first session, a bill to provide for the retirement of certain officers and former officers of the National Guard of the United States, Territories, and the District of Columbia, has been introduced in the United States Senate: Therefore be it

**Resolved,** That the Twenty-ninth Division Association comprising former officers and enlisted men (including inductees) of the Twenty-ninth Division, United States Army, American Expeditionary Forces, World War I and World War II, at their annual convention held in the city of Baltimore in the State of Maryland, on September 1, 2, and 3, A. D. 1945, are unanimously in favor of such legislation; therefore, be it further

**Resolved,** That this resolution be forwarded to the distinguished Senator from

the State of New Mexico, the Honorable CARL A. HATCH for insertion in the CONGRESSIONAL RECORD at the earliest practicable date."

Sincerely yours,

SAMUEL W. BARROW,  
National Commander.

(Mr. CHAVEZ presented a letter embodying a resolution identical with the foregoing, which was referred to the Committee on Military Affairs.)

**NATIONAL HEALTH INSURANCE**

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a very fine telegram received by me from the Physicians Forum of New York, commending me for introducing yesterday the health bill, which is designed to carry out the recommendations of President Truman.

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

NEW YORK, N. Y., November 19, 1945.  
Hon. ROBERT F. WAGNER,  
United States Senate,  
Washington, D. C.:

The Physicians Forum congratulates and commends you for introducing a new national health insurance bill in accordance with President Truman's message. We heartily agree that such legislation is the only means to proper distribution of good medical care for all Americans. We are also completely in accord with the provisions for Federal support for hospital construction, for expansion of public health, maternal and child-health services, for more adequate professional education and research, and for disability insurance. As practicing physicians, we know that only through such a national measure can the health needs of all the people best be served.

ERNEST P. BOAS, M. D.,  
Chairman.  
MILES ATKINSON, M. D.,  
Vice Chairman.  
SIDNEY M. GREENBERG, M. D.,  
Treasurer.  
GEORGE D. CANNON, M. D.,  
Secretary.  
HENRY B. RICHARDSON, M. D.,  
Editor.

**REPORT OF A COMMITTEE**

Mr. CARVILLE, from the Committee on Mines and Mining, to which was referred the bill (S. 1483) to amend the act entitled "An act providing for the suspension of annual assessment work on mining claims held by location in the United States, including the Territory of Alaska," approved May 3, 1943, reported it without amendment and submitted a report (No. 754) thereon.

**REHABILITATION OF THE PHILIPPINE ISLANDS—REPORT OF A COMMITTEE**

Mr. TYDINGS. Mr. President, from the Committee on Territories and Insular Affairs, I ask unanimous consent to report without amendment the bill (S. 1610) to provide for the rehabilitation of the Philippine Islands, and for other purposes, and I submit a report (No. 755) thereon. The report recommends the passage of the bill.

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

**BILLS INTRODUCED**

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



By Mr. O'MAHONEY:  
S. 1611. A bill authorizing the erection of a monument to Sacajawea; to the Committee on Indian Affairs.

By Mr. MITCHELL (for himself, Mr. FULBRIGHT, Mr. CORDON, and Mr. MORSE):

S. 1612. A bill to amend the act of January 22, 1932, as amended (47 Stat. 5), to authorize and direct the Reconstruction Finance Corporation to purchase aluminum for stock-piling purposes; to the Committee on Banking and Currency.

By Mr. TYDINGS:

S. 1613. A bill extending certain recognition and rights to members of the Voluntary Port Security Forces and members of the Coast Guard Auxiliary who were enrolled as temporary members of the United States Coast Guard Reserve; to the Committee on Naval Affairs.

#### FUNERAL EXPENSES OF THE LATE SENATOR THOMAS OF IDAHO

Mr. TAYLOR submitted the following resolution (S. Res. 193), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the President pro tempore of the Senate in arranging for and attending the funeral of Hon. John Thomas, late a Senator from the State of Idaho, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LUCAS subsequently said: Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I ask unanimous consent to report favorably without amendment Senate Resolution 193, submitted today by the Senator from Idaho [Mr. TAYLOR], providing for payment of funeral expenses of the late Senator John Thomas, of Idaho, who recently passed away, and I request unanimous consent for the present consideration of the resolution.

There being no objection, the resolution (S. Res. 193) was considered by unanimous consent, and agreed to.

#### WHAT'S WRONG WITH CONGRESS?— ARTICLE BY SENATOR BRIDGES

[Mr. LA FOLLETTE asked and obtained leave to have printed in the Record an article entitled "What's Wrong With Congress?" written by Senator BRIDGES and published in the October issue of Pageant magazine, which appears in the Appendix.]

#### ADDRESS BY SENATOR TUNNELL BEFORE CONFERENCE ON ATOMIC POWER AND PUBLIC POLICY

[Mr. HATCH asked and obtained leave to have printed in the Record an address delivered by Senator TUNNELL before the conference on atomic power and public policy held in New York City, on November 17, 1945, which appears in the Appendix.]

#### ABOLITION OF THE POLL TAX—AD- DRESSES BY SENATORS GUFFEY AND ELLENDER

[Mr. HATCH asked and obtained leave to have printed in the Record radio addresses delivered by Senators GUFFEY and ELLENDER on November 19, 1945, on the subject of abolition of the poll tax, which appear in the Appendix.]

#### RELATIONS BETWEEN AMERICA AND RUSSIA—ARTICLE BY SENATOR THOMAS OF UTAH

[Mr. HILL asked and obtained leave to have printed in the Record an article entitled "Can America and Russia Stay Friends?" written by Senator THOMAS of Utah and published in the November 1945 issue of Pageant magazine which appears in the Appendix.]

#### ADDRESS BY SECRETARY OF AGRICUL- TURE TO SOUTHEASTERN AGRICUL- TURAL CONFERENCE

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the Record an address delivered by the Secretary of Agriculture in Anderson, S. C., to the Southeastern Agricultural Conference, which appears in the Appendix.]

#### SURPLUS PROPERTY DISPOSAL AS IT RE- LATES TO VETERANS—LETTER FROM SURPLUS PROPERTY ADMINISTRATOR

[Mr. O'MAHONEY asked and obtained leave to have printed in the Record a letter dated November 9, 1945, from Stuart Symington, Surplus Property Administrator, which appears in the Appendix.]

#### UNIVERSAL MILITARY TRAINING—STATE- MENT BY DEANE W. MALOTT

[Mr. CAPPER asked and obtained leave to have printed in the Record a statement on universal military training, by Deane W. Malott, chancellor of the University of Kansas, which appears in the Appendix.]

#### CONTINUATION OF EMPLOYMENT SERV- ICE UNDER FEDERAL GOVERNMENT

[Mr. WAGNER asked and obtained leave to have printed in the Record a statement prepared by the International Association of Public Employment Services setting forth reasons why the Employment Service should continue as a Federal service, which appears in the Appendix.]

#### GALLUP POLL ON MILITARY TRAINING

[Mr. MAYBANK asked and obtained leave to have printed in the Record the Gallup poll on the subject of peacetime military training, which will appear hereafter in the Appendix.]

#### FIRST SUPPLEMENTAL SURPLUS APPRO- PRIATION RESCISSION ACT, 1946

The Senate resumed the consideration of the bill (H. R. 4407) reducing certain appropriations and contract authorizations available for the fiscal year 1946, and for other purposes.

The PRESIDING OFFICER (Mr. HOEY in the chair). The clerk will state the first committee amendment.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Executive Office of the President, independent offices, and executive departments," on page 2, line 7, after the word "expenses", to strike out "\$5,226,461" and insert "\$3,437,042."

The amendment was agreed to.

Mr. WHITE. Mr. President, before we proceed further with the committee amendments, may we not have a general statement concerning the bill?

Mr. McKELLAR. I shall be very glad to make one.

Mr. WHITE. There are two things in particular in my mind that I should like to have brought out.

Mr. McKELLAR. Of course this is an appropriation rescission bill. We have appropriated very large sums for the en-

tire year for the war. The war ended a short time ago, and recommendations have been made by the President to cancel a great many appropriations. That is the main purpose of the bill.

I will ask the Senator from Maine what were the specific things he wanted to have brought out?

Mr. WHITE. The bill seeks, as it is framed perhaps, to repeal appropriations heretofore made.

Mr. McKELLAR. Not to repeal appropriations, but to reduce the amounts in very substantial sums.

Mr. WHITE. I think the total sum is approximately \$51,000,000,000.

Mr. McKELLAR. The total amount as reported to the Senate is \$51,244,680,213.

Mr. WHITE. That is the amount, then, by which appropriations heretofore made are to be reduced?

Mr. McKELLAR. Some of them are canceled, but in most instances they are reduced.

Mr. WHITE. Can the Senator tell us what amounts are still left available to the various agencies and departments of the Government?

Mr. McKELLAR. Yes; they are shown in the report. I will give them in a moment.

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

Mr. McKELLAR. I yield.

Mr. REVERCOMB. What is the total amount of the reductions for 1946?

Mr. McKELLAR. Will the Senator repeat the question?

Mr. REVERCOMB. What is the total amount of the reductions contained in this bill?

Mr. McKELLAR. The total amount of reductions reported by the committee is \$51,244,680,213.

Mr. REVERCOMB. May I ask the able Senator whether that reduction will be reflected in the tax bill for next year?

Mr. McKELLAR. I do not know. The Senator will have to ask that question of Senators who are members of the Finance Committee. I see one to my left, the chairman of the committee, the Senator from Georgia [Mr. GEORGE], and a very active member in front of me, the Senator from Ohio [Mr. TAFT]. They can tell more about that than I can. I am not a member of that committee. But I will say that the cancellation of \$51,000,000,000 which has been appropriated ought to make a very important difference in our financial condition in that there will not be spent the \$51,000,000,000 which otherwise would probably be spent if it were not canceled.

Mr. REVERCOMB. Then it certainly ought to be reflected in a reduction in the taxes in the next tax bill Congress will be called upon to pass.

Mr. McKELLAR. As I understand, the tax bill already enacted reduces taxes very considerably. I do not recall the exact figures.

Mr. GEORGE rose.

Mr. McKELLAR. I yield to the Senator from Georgia for the purpose of answering the question.

Mr. REVERCOMB. Does the Senator refer to the tax bill of this year, the one Congress recently passed?

Mr. McKELLAR. Yes.



Mr. REVERCOMB. I am inquiring if the cancellation by the pending bill of great appropriations will be reflected in reduction in taxes for 1946?

Mr. McKELLAR. I yield to the Senator from Georgia to answer that question.

Mr. GEORGE. I was about to say, Mr. President, that the reductions or cut-backs made in prior appropriations will not be reflected in the tax bill for the simple reason that we will still have a deficit, even after these reductions are made, so that the budget will still show a deficit for 1946-47. The most optimistic hope expressed anywhere I think is that by 1948 we may have a balanced budget, and then there should be further reduction in taxes.

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

Mr. McKELLAR. I yield.

Mr. TAFT. I think I might say that, so far as the Finance Committee estimates are concerned, they are based on Budget expenditures, and we have never, since Congress came back this fall, expected to spend the \$51,000,000,000. It has never been counted in any estimates; and by rescinding the appropriations we do not in any way reduce the estimates of expenditure for the fiscal year 1946 or the estimates of expenditures for the fiscal year 1947.

I may say further that if the President's recommendation of a health program or an insurance program, which was submitted yesterday, is adopted there will be no further tax reductions under any circumstances, because that would cost at least three or four billion dollars a year out of the General Treasury in addition to the pay-roll taxes.

Mr. McKELLAR. Mr. President, the Senator from Maine asked for the amounts which are left in the various appropriations, and I am very happy to give the figures.

The various executive agencies will have left \$12,387,845,048.

The Military Establishment will have left \$23,884,693,366, which, as can be easily seen, is quite a tidy sum.

The Naval Establishment will have left \$56,941,859,984.

So that the appropriations are still quite large, and necessarily so. The figures are for the whole fiscal year.

Mr. WHITE. Can the Senator give the total of the figures he just recited?

Mr. McKELLAR. They total \$94,000,000,000. We have canceled \$51,000,000,000 of the appropriations, and this is November, and there will be another rescission bill later on, as I understand.

Mr. President, if there are no further questions, I ask that the bill be read for committee amendments.

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

Mr. McKELLAR. I yield.

Mr. BILBO. While the Senator is speaking of reductions, I should like to ask for an explanation of the item on page 30, line 19, Naval Training Station. For 1944 the amount is \$54,000 and for 1945 it is \$600,000. Why is there such an increase?

Mr. McKELLAR. That is not an increase at all. This is a cancellation. For the naval training station at Lake Pend

Oreille, Idaho, for the fiscal year 1944 there had been unexpended the sum of \$54,790; and for the fiscal year 1945, \$604,708. We save that much in those 2 years.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 2, in line 10, after the word "to", to strike out "\$150,000" and insert "\$190,000"; in line 12, after the word "to", to strike out "\$40,000" and insert "\$50,000"; and in line 14, after the word "to", to strike out "\$25,000" and insert "\$100,000."

The amendment was agreed to.

The next amendment was, on page 3, line 14, after the word "expenses", to strike out "\$10,662,558" and insert "\$5,662,558"; in line 19, after the word "to", to strike out "\$25,000" and insert "\$30,000"; in line 20, after the word "to", to strike out "\$230,000" and insert "\$240,000"; in line 22, after the word "to", to strike out "\$550,000" and insert "\$600,000"; and in line 24, after the word "to", to strike out "\$40,000" and insert "\$50,000."

The amendment was agreed to.

The next amendment was, on page 5, line 9, after the word "expenses", to strike out "\$11,500,000" and insert "\$9,500,000"; in line 13, before the word "and", to strike out "\$2,000,000" and insert "\$3,000,000"; and in line 15, after the word "to", to strike out "\$1,750,000" and insert "\$2,750,000."

The amendment was agreed to.

The next amendment was, on page 5, line 23, after the word "Management", to strike out "\$447,886,225" and insert "\$439,096,806."

The amendment was agreed to.

The next amendment was, under the heading "Independent Offices", on page 7, after line 17, to strike out:

Federal Communications Commission: Salaries and expenses, Federal Communications Commission (national defense), \$930,000.

The amendment was agreed to.

The next amendment was, on page 8, after line 14, to strike out:

#### SOCIAL SECURITY BOARD

There is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1946, for grants to States for administration of unemployment compensation and employment service facilities operated in conjunction therewith, as authorized in title III of the Social Security Act, approved August 14, 1935, as amended, \$30,000,000, which shall be in addition to the amounts appropriated for such purposes in title II of the Labor Federal Security Appropriation Act, 1946.

The amendment was agreed to.

The next amendment was, under the subhead "National Housing Agency," on page 11, line 3, after the words "independent offices", to strike out "\$666,505,849" and insert "\$665,575,849."

The amendment was agreed to.

The next amendment was, under the heading "Executive departments (non-war), Department of Agriculture," on page 11, after line 6, to strike out:

Emergency rubber project, \$1,649,790, and the balance remaining shall be used to liquidate such project, including the elimination of the remaining plantations, the rehabilitation and return of leased lands to

the owners and the disposal of other property according to law, and for the continuation of the production, breeding, and disease phases of guayule research on indicator plots and experimental areas until June 30, 1946.

And in lieu thereof to insert the following:

Emergency rubber project, \$1,649,790, and the balance remaining shall be used under the direction of the Secretary of Agriculture to liquidate such project in an orderly manner immediately on the passage of this act, including selling the two mills as individual units and disposal of each lease by sale or by contractual arrangement; and for field and laboratory research on the various phases of guayule and retaining all needed property and equipment to carry out this purpose.

The amendment was agreed to.

The next amendment was, under the subhead "Department of the Interior," on page 13, after line 15, to strike out:

Office of the Secretary: Salaries and expenses, Division of Geography, \$20,000.

The amendment was agreed to.

The next amendment was, on page 13, after line 17, to strike out:

War Relocation Authority: Salaries and expenses, War Relocation Authority, Department of the Interior, \$5,000,000.

The amendment was agreed to.

The next amendment was, under the subhead "Department of Justice," on page 15, line 6, after "crimes (emergency)", to strike out "\$2,480,000" and insert "\$1,240,000."

The amendment was agreed to.

The next amendment was, under the subhead "Department of Labor," on page 15, after line 19, to strike out:

Employment office facilities and services: The unexpended and unobligated balances, on the thirtieth day after the date of the enactment of this act, of appropriations, excluding the appropriation of \$7,791,134 to carry into effect the provisions of section 602 of title IV of the Servicemen's Readjustment Act of 1944, Public Law 346, Seventy-eighth Congress, made in the first paragraph under the heading "Employment office facilities and services" in title VII of the Labor-Federal Security Appropriation Act, 1946, shall, on such thirtieth day, be carried to the surplus fund and covered into the Treasury.

And in lieu thereof to insert the following:

Employment Office Facilities and Services: The appropriations made in the first paragraph under the heading "Employment Office Facilities and Services" in title VII of the Labor-Federal Security Appropriation Act, 1946, shall be available, in addition to the objects which are specified in the first paragraph under the heading "Employment Office Facilities and Services" in title VII of the Labor-Federal Security Appropriation Act, 1946, for grants to States to finance the total costs of administration of State-wide systems of public employment offices, in accordance with standards and regulations prescribed by the Secretary of Labor as necessary to carry out the purposes of the act of Congress approved June 6, 1933, as amended (excluding sec. 5 thereof): *Provided*, That the Secretary of Labor shall make such grants through the Social Security Board and in accordance with the procedures applicable to grants under title III of the Social Security Act, as amended, and shall, in connection therewith, certify to the Social Security Board the amounts of such grants for each State; and upon such certification the Social Security Board shall certify such amount to



the Secretary of the Treasury, in addition to the amount, if any, payable by said Board under the provisions of section 302 (a) of the Social Security Act, as amended, and the additional amount so certified shall be paid to each State by the Secretary of the Treasury out of the appropriations herein made available for such grants: *Provided*, That such portion of such appropriations as may be necessary shall be available to the United States Employment Service for all necessary expenses, including personal services incurred in connection with the operation of employment office facilities and services in the District of Columbia: *Provided further*, That no portion of such appropriations shall be made available to a State unless the State (1) has made provision for the transfer to and retention in the State-wide system of public employment offices of employees of the Federal Government who had been employed in State and local employment service functions in such State, in the positions occupied by them under the Federal service or in reasonably comparable positions except that individuals so transferred may be separated or terminated for good cause, as determined in individual cases under the applicable State merit system, or separated or terminated by reason of reductions in force found necessary in the interests of efficient operations, and may be separated after they have been given a reasonable opportunity to acquire eligibility for continued employment in the State-wide system of public employment offices under the State merit system in the positions occupied by them under the Federal service or in reasonably comparable positions or (2) has requested the detail of such employees to the State agency under the following proviso: *Provided further*, That so much of such appropriations as may be necessary shall be available, in lieu of any portion of the grant to the State, for the payment of compensation (under the salary scales applicable to such employees prior to the enactment of this act) to employees of the United States Employment Service in the Department of Labor, who, upon the request of the State, and for the purpose of permitting continuity in their employment pending an opportunity to qualify for State employment in accordance with this paragraph, may be detailed by the Secretary of Labor to the State agency for service in the State-wide system of public employment offices: *Provided further*, That if, after reasonable notice and opportunity for hearing (which may be a joint hearing with the Social Security Board under title III of the Social Security Act, as amended) to the State agency, the Secretary of Labor or his representative determines, and so certifies to the Social Security Board, that the State has failed substantially to comply with the provisions required by this paragraph or with standards and regulations prescribed to carry out the purposes of the act of Congress approved June 6, 1933, as amended, the Secretary of Labor, in lieu of making the grant to the State for such purpose, may maintain in such State a State-wide system of public employment offices until the Secretary is satisfied that there will no longer be any such failure to comply.

On the earliest practicable date in the case of each State, but in no case later than the one hundred and twentieth day after the date of enactment of this act, the Secretary of Labor shall transfer to the State agency in each State designated under section 4 of the act of Congress approved June 6, 1933, as amended, as the agency to cooperate with the United States Employment Service under said act, the operation of State and local public employment office facilities in such State, and in connection therewith the Secretary of Labor shall provide for the return to such State of the employment office facilities and properties transferred by such State to the Federal Government in 1942

to promote the national war effort and may also provide for the transfer and assignment to such State, without reimbursement therefor, of all other public employment office facilities and properties including records, files, and office equipment which are located in such State: *Provided*, That as a condition to such transfer and assignment of Federal properties the Secretary may require the recipient State to waive any claim which may then exist or thereafter arise out of the use made by the Federal Government of, or for the loss of or damage to, property and facilities transferred by the State to the Federal Government in 1942.

Mr. BARKLEY. Mr. President, this is the amendment covering pages 16 to 20, involving the United States Employment Service.

Mr. McKELLAR. It involves the return of the Employment Services to the States.

Mr. BARKLEY. I offer an amendment on page 19, line 12, after the word "than", to strike out the remainder of that line and all of line 13, and insert in lieu thereof "June 30, 1946", so as to read:

On the earliest practicable date in the case of each State, but in no case later than June 30, 1946, the Secretary of Labor shall transfer to the State agency—

And so forth.

Mr. McKELLAR. Mr. President, this question was the subject of controversy in the committee. I offered a similar amendment in the committee, and it was rejected by a small margin. So far as I am concerned, I am perfectly willing to take the amendment to conference. However, I believe that the Senator from Minnesota [Mr. BALL] feels that it ought not to be adopted.

Mr. BALL. Mr. President, I was out of the Chamber for a few moments. Has the Senator from Kentucky offered an amendment?

Mr. BARKLEY. Yes. I offered an amendment on page 19, line 12, to strike out the language "the one hundred and twentieth day after the enactment of this act" and substitute "not later than June 30, 1946", so as to read:

On the earliest practicable date in the case of each State, but in no case later than June 30, 1946, the Secretary of Labor shall transfer to the State agency—

And so forth. I wish to make a very brief statement in support of my amendment. As we all know, the President, in a message to Congress and in communications to both Houses, has urged that the United States Employment Service be not returned to the States immediately. He has called our attention to the national problem which confronts our Government with reference to unemployment, and in my judgment he has properly emphasized, at least during the period of reconversion, the national obligation growing out of possible widespread unemployment. We all know that this situation grows out of the postwar period. It grows out of the wide dispersion throughout the country of employees in war plants, and it grows out of the very natural inclination of people involved in possible unemployment to look to the Government of the United States, under whose program this situation has been or may be created, to find jobs for them. In my judgment, the President has wisely suggested that

the United States Employment Service be retained for a short period. He has not advocated, and does not now advocate, that the United States Employment Service be kept permanently as an agency of the United States Government, although there are many who feel that there ought to be such a permanent service. I am one of them. But that has nothing to do with the return to the States of the United States Employment Service which is now in existence and which was taken over by the Federal Government as a result of the war. The President has urged that a little more time be given to enable this agency to help work out the problem of employment; and it is a well known fact that, regardless of the number of men now unemployed or the number who may be unemployed within the next few months, the vast majority of them are applying to the United States Employment Service to help them secure positions. There is bound to be a hiatus, whether brief or extended, between the return of the Service to the States and the ability of the States to deal adequately with the problem. There may be a change in personnel, and there likely will be, when it becomes a wholly State-operated institution. During that readjustment of personnel there is bound to be, as I see it, a lag in the efficiency of the Service.

The bill which the committee has reported provides that the Employment Service shall be returned not later than 4 months from the date of the enactment of this appropriation bill. Of course, that leaves the date indefinite. If we may assume that the bill will be enacted on the first day of December, then on the first day of April—4 months thereafter—the Service would be returned to the States. My amendment would extend the period to June 30—through April, May, and June—a period 3 months longer. In view of the possibly chaotic conditions growing out of unemployment and the lag in the efficiency of the Service at a given time when it is returned to the States, it seems to me that 3 months more, by way of an extension of the period beyond which the United States Employment Service will not be extended, is a wise provision.

So I hope the Senate will agree to adopt the amendment and will let the extension go to the definite date of June 30, which is the end of the fiscal year, and at which time all appropriations terminate.

Mr. President, in this connection I ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, a brief résumé of the situation to which I have referred.

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

The proposal to return the USES to the States in the very near future seems to me to be extremely ill-considered. Instead of building a foundation for reconversion, we are tearing away one of the few stones that were in place, thanks to the foresight of President Roosevelt, who federalized the Employment Service at the outbreak of war, who provided the means of getting the mobilization job done on a completely voluntary basis, and who inspired the Employ-



ment Service to achievements which no other nation who fought in this war can match.

A declaration to return the USES to the States at this time is a declaration that the unemployment problem is not and will not be a serious one—that the 6,000,000 or more veterans who will be discharged in the next 6 months need no assistance in locating a suitable job. I cannot share any such feelings of optimism. The problems connected with the reconversion of human beings are much too grave to be dismissed so lightly. I firmly believe that the veteran and the displaced war worker will need the counsel and assistance of a trained staff of USES personnel who, through their loyalty and eagerness to do a public service, have done a magnificent job. It would be disastrous, in my estimation, to disrupt this service at this time on some vague hope that 48 States will be able to carry on with the same high standards of efficiency and endeavor as we have today under the federally operated USES.

The Senate recently went on record, despite the lack of clarity of the issues involved, as favoring a return of the USES to the States in the very near future. This ran directly counter to the specific request made by the President of the United States in his recent reconversion message to the Congress that the USES should remain under Federal operations until June 30, 1947, or earlier, if feasible. The President did not maintain that the USES should continue indefinitely to be operated as a Federal organization. He emphatically declared, on the other hand, that we were beginning a very critical period and that in order to be prepared for a worsening situation, the USES, which has always been operated federally during periods of crises, should remain federally operated until we ride out this one. This seems to me to be a perfectly reasonable request unless we are willing to take issue with the President's appraisal of the seriousness of the situation. I repeat that the problem of the veteran is not one of the future but rather is one with us today. The release of veterans last month and this month is far ahead of schedule and is likely to continue at a rate at least 50 percent higher than anticipated. Veterans are jamming the Employment Service offices all over the country. The staffs of these offices are being overwhelmed by the volume of requests for assistance in finding jobs and obtaining counseling. If we want to assure complete breakdown in these services and facilities we can do it in no better way than to return the Employment Service to the States under the terms of this compromise. The issue is so clear that the Congress will alone have to bear the discredit for the weakening at this time of the Employment Service, since President Truman has repeatedly asked that it remain under Federal operation until June 30, 1947. I hope the Senate will refuse to accept this compromise measure.

Mr. McKELLAR. Mr. President, as I recall, the amendment proposed by the Senator from Kentucky is exactly the same—or, if not, substantially the same—as one I offered in the committee. I offered such an amendment there, and it was voted down by a vote of 9 to 7. My amendment proposed that the date June 30 be adopted. I wish to call the attention of the Senate to the language of the amendment:

On the earliest practicable date in the case of each State, but in no case later than June 30, 1946—

If the amendment is agreed to—the Secretary of Labor shall transfer to the State agency in each State designated under section 4 of the act of Congress approved June 6, 1933, as amended—

And so on. In other words, the question is, Shall there be that length of time

within which the transfer shall be made to each one of the 48 States. In the committee it was argued, on the other side, that the Government took over the Service almost at once. I have forgotten the various statements which were made. Some were that it was 10 days, others that it was 2 days, others that it was 2 hours, and so on.

Mr. REED. Mr. President, if the Senator will permit me to interrupt, it was taken over in 11 days.

Mr. McKELLAR. Very well, 11 days. Various statements were made as to exactly how long it took. Some persons said it was done immediately; others said it was done in 2 days; others said it was done in 11 days, as I recall.

Mr. President, there is a great deal of difference between having the Government take over the service and having the Government put it back in the hands of the various States. In the States various laws governing unemployment have been passed since the time when the service was taken over, so we have learned, and in the case of some States the resumption of operation of the service by the State will take longer than in the case of other States.

I wish to say that I am in favor of returning the service to the States. I disagree with my friend the Senator from Kentucky [Mr. BARKLEY]. I do not think the Federal Government should handle this matter. I think it should be handled by the States.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. McKELLAR. I yield.

Mr. BARKLEY. I did not say I think the Federal Government should handle this service. I said I think there should be a permanent agency of the Federal Government interested in employment. By that I do not mean that the States should be deprived of their jurisdiction, but I mean there should be a Federal agency interested in coordinating with the States in seeking employment for persons who are out of work.

Mr. McKELLAR. I am happy to have the Senator's explanation and to know that he does not mean that the United States Government should handle the actual affairs of this organization.

Mr. BARKLEY. I did not have in mind that the Federal Government should deprive the States of or should do anything to discourage them in carrying on these functions; but, in my judgment, inasmuch as the problem is an over-all one and a national one, as we have recognized before, in enacting legislation to take care of it as such there should be an agency of the Federal Government to cooperate and coordinate with all the efforts in the States in securing the greatest possible opportunities for employment for the people of the country.

Mr. McKELLAR. That is a matter about which I am not so sure; but, of course, I understand the Senator, and I am glad he did not say what I thought he said in the beginning.

I think the service should be transferred to the States. I was never more certain about anything in my life. But I think there should be a reasonable time within which to do it in an orderly and a proper way. The Government is putting up half the money, and there is no

reason in the world why the Government should not take its time in this matter. I see no reason for making June 30, 1946, the last day on which the organization could be returned to the States. The provision is that it shall be returned to the States as rapidly as possible. With that I am in hearty accord. But if some State were unable to take it over by May 1 and if we had previously declared that it should be taken over by that date, obviously we would have made an unwise provision.

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

Mr. McKELLAR. I yield.

Mr. BALL. I think the Senator will recall that the language of the amendment inserted by the Senate meets that contingency by specifically providing that where a State cannot make arrangements to take over this service and to put the employees on the State pay roll they may be retained on the Federal pay roll and may be loaned by the Secretary of Labor to the States.

Mr. McKELLAR. Personally, I think that is a very unwise provision. The loaning of Federal Government employees to a State or the loaning of employees by one department to another department of the Government has never met with my approval. I think there should be employees for each department; and in the case of the Employment Service, if a State has control of it, I think the State should pay for it. That is my own judgment.

Mr. BALL. Mr. President, will the Senator further yield to me?

Mr. McKELLAR. I yield.

Mr. BALL. That particular provision was recommended by the Secretary of Labor in order to meet the possibility that some States whose legislatures are not scheduled in the near future might, because of their laws, be unable to hire the Federal employees or might have difficulty in doing so. Actually, it is presumed that approximately 44 of the States will have no difficulty at all in transferring the Federal employees to the State pay rolls, in the case of employees hired by the Federal Government since it took over the system. But this provision was an emergency one, to meet the situation in the case of the few States which, until they can have a session of their legislatures, will have difficulty in placing on State pay rolls such employees who have been on the Federal pay roll.

Mr. McKELLAR. I doubt very much whether an emergency of that kind can be met beforehand. The bill specifically provides:

On the earliest possible date, in the case of each State—

And so forth. The Service shall be returned. After providing that, it seems to me the question of the exact time does not make a very material difference. I am one of those who are intensely interested in having the Service returned to the States at the earliest possible moment.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. McKELLAR. I yield.

Mr. BARKLEY. As I understand, under any language which may be contained in this bill, in no event can the



Federal Government turn the Service back to all the States at the same time.

Mr. McKELLAR. Yes; I do not see how that would be possible.

Mr. BARKLEY. It must be done separately, with each State depending upon the circumstances existing in that State.

Mr. McKELLAR. That is true.

Mr. BARKLEY. The additional 3 months provided for in my amendment, however, would make it possible by the end of that time for the Federal Government to have more completely wound it up than might be possible by the date fixed in the bill.

Mr. McKELLAR. That is my judgment about it.

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

Mr. BALL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield, and if so, to whom?

Mr. McKELLAR. I shall yield first to the Senator from Massachusetts, who first asked that I yield.

Mr. BALL. Mr. President, I should like to comment briefly on the point made by the Senator from Kentucky.

Mr. McKELLAR. Very well; I yield briefly to the Senator from Minnesota.

Mr. BALL. On the point the Senator from Kentucky has raised, let me say there is nothing in the bill to prevent the Secretary of Labor from waiting until he has negotiated agreements with the 48 States and then turning the Service over to all of them at once. As a matter of expediency, obviously that is what he is going to do. He does not want to have a system that is half State and half Federal.

Mr. McKELLAR. Oh, no.

Mr. BALL. That would not be an efficient system.

Mr. BARKLEY. Even under the language of the bill as the Senator has quoted it, if by the end of the 120-day period there are circumstances which make it impossible to return the Service to the State, that time is to be prolonged until some indefinite date.

Mr. BALL. No; the time is not to be prolonged. However, there is a loophole providing for the Secretary to loan employees to the States.

Mr. BARKLEY. In other words, the law would extend the fiction of State control, but as a matter of fact it would be done by employees of the Federal Government who had been loaned to the State in order to consummate the fiction.

Mr. BALL. It would not be a fiction.

Mr. SALTONSTALL. Mr. President, I should like to ask the acting chairman of the committee two questions which may lead to suggestions for an amendment. On page 18, starting in line 8, the language has to do with the retention of Federal employees. Beginning in line 12 we find in parentheses the following language: "under the salary scales applicable to such employees prior to the enactment of this act."

In other words, those employees would be paid at Federal rates while all other employees would be paid at State rates. It seems to me that that arrangement would lead to unnecessary complication.

Mr. McKELLAR. Mr. President, I believe that the language does not have the meaning which the Senator from Massachusetts has given to it. I think it is intended that those employees shall be paid at State rates. If there is anything wrong with the language and the Senator can improve it, I see no reason why it should not be done. The intention is that the employees shall be paid the rates provided by the State.

Mr. SALTONSTALL. The employees who are transferred to the State system will be paid at State rates, and the employees who are loaned by the Secretary of Labor under the second proviso will be paid at Federal rates until they are taken over by the State Government. Am I correct?

Mr. McKELLAR. No; I do not think the Senator is correct. He has not stated the committee's intention.

Mr. HAYDEN. Mr. President, there is no dispute at all between the State authorities and the United States Department of Labor, or the United States Employment Service, with relation to the question of employees. When the question first arose, and it was evident that there was a controversy of some nature, we asked the representatives of the State and Government employment services to confer with Mr. Murphy of the legislative drafting service. The provision of the bill with reference to taking employees from the Federal pay roll and putting them on the State pay roll was in complete agreement with the State authorities and the representatives of the United States Employment Service.

The State authorities very frankly stated, "We are assuming a responsibility. We need employees who are familiar with the work. We need their help. So we will arrange to have them transferred as quickly and as expeditiously as we can."

I may say to the Senator that the language in the bill relating to the transfer of employees is in complete accord with the recommendations made by the representative of the States, and in complete accord with the desires of the United States Employment Service. There is no dispute at all about that part of the bill.

Mr. SALTONSTALL. I thank the Senator. May I ask another question?

Mr. McKELLAR. Certainly.

Mr. SALTONSTALL. The Senator from Kentucky has suggested an amendment providing that the date of transfer shall not be later than June 30, 1946. I personally prefer the language of the bill providing for 120 days. I think that the employment offices will not function satisfactorily until they have been turned back in whole to the State governments.

I should like to ask the acting chairman of the committee about the last proviso on page 18, beginning in line 21 and ending in line 10, on page 19. The language states in substance that if the Secretary of Labor is not satisfied that the States are doing a good job, he may, himself, take over the service. As the bill reads, and as I understand it, the Secretary of Labor is to be the judge of whether the States are doing a good job. If he decides that they are not doing a

good job he may take the service over completely. The language to which I refer is one of those pernicious "or-else" clauses. "You do it the way I want it done or else I will take it over." It seems to me that the determination of the question should be left to the States. If they do not do a good job, and the people in the country are not being employed, the Congress will have to do something about it. But to incorporate in the bill these "or else" clauses by which we crack a whip over State governments, is to lead to misunderstandings and unpleasant relationships, and it will not be conducive to efficient State service. I ask the acting chairman of the committee if he would object to an amendment that the language on page 18 in line 21, beginning with the words "Provided further", and continuing to the end of line 10 on page 19, be stricken out of the bill?

Mr. HAYDEN. Mr. President, again I may say that the provision to which the Senator from Massachusetts has referred is one to which the representatives of the States have agreed.

Mr. SALTONSTALL. Then, I have nothing more to say about it.

Mr. TAFT. Mr. President, I object very strenuously, even if they have agreed, because to say that we can take away the money if we find that the State is not doing something in accord with the purposes of the act is an absolute nullification of a State-aid program. If we want to specify particular defaults which justify taking over the services, I think that would be proper. But I think it is absolutely bad legislation, and destructive of the whole theory of a State-aid program, to incorporate in the bill the kind of a provision to which the Senator from Massachusetts has referred.

Mr. HAYDEN. Mr. President, when we asked those who represented the States, and those who represented the United States Employment Service to reach an agreement, they agreed upon the language which is now contained in the bill.

Mr. BALL. I talked to some of the representatives, and they said they would like very much to have the proviso eliminated from the bill.

Mr. HAYDEN. They made an agreement with reference to the text about which we are now talking. That is all I know about it. Originally the appropriation was to be matched by the States. It is now to be a complete grant of Federal funds.

Mr. TAFT. I may say that if an agreement was reached, it was an agreement to do certain things within 120 days following the enactment of the act, instead of by June 30, 1946. If an agreement was entered into, a part of it may not be rejected and used in connection with some other provision of the bill.

Mr. HAYDEN. With reference to the period of 120 days, I may say that the House fixed a period of 30 days, and the Senator from Kentucky now proposes to change it to the 30th of June 1946.

Mr. REED. Mr. President, I do not wish to take the Senator from Tennessee [Mr. McKELLAR], who is in charge of the bill, off the floor, but I have taken part, as the Senator from Tennessee and



the Senator from Arizona [Mr. HAYDEN] both know, in the negotiations which took place between the State authorities and the committee. This is approximately the situation: the present condition is wholly unsatisfactory. The two principal functions are to pay unemployment compensation, and to determine, in paying unemployment compensation—which is a most important consideration—whether or not the applicant for such compensation has been offered and has declined suitable employment. There is no person I know of who thinks that those two functions can successfully operate separately and under different authorities. There are some who believe that the Federal Government should take over the whole thing. I am not one of those; but they can make a good case in logic. There are those who think the service ought to go back to the States now. I agree with that too, but the provision to which the Senator from Massachusetts refers was a part of some of the compromises which I am going to mention.

Mr. President, at the present time there is a state of indescribable confusion in the exercise of these two functions. First, who determines whether or not an applicant for unemployment compensation has been offered suitable employment? At the present time that is determined by the USES, while the payment of compensation for unemployment is made by the State authorities. Those two functions should be brought together at the very earliest possible date.

Over a period of some days I was fairly active in helping the State authorities to get what from their standpoint was the best bill possible. They objected, in the first instance, to granting the Secretary of Labor the authority to make the finding as to whether or not proper standards of unemployment services in a State were being maintained, but, if in the judgment of the Secretary of Labor, that is not being done, authority is given to him to go into a State and operate the Federal employment system in that State only until the State service can be put on a satisfactory and sound basis.

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

Mr. REED. I yield to the Senator from Arizona.

Mr. HAYDEN. I merely wish to try to make it perfectly clear just what the bill proposes in that case. The proviso at the bottom of page 18 begins with these words:

*Provided further, That if, after reasonable notice and opportunity for hearing (which may be a joint hearing with the Social Security Board under title III of the Social Security Act, as amended) to the State agency, the Secretary of Labor—*

And so forth. In other words, the Secretary does not have power to go in and do it offhand. He must do it after reasonable notice and a hearing, if desired, which I think is important.

Then, again, as the Senator very properly points out, the concluding phrase in this proposal reads:

Until the Secretary is satisfied that there will no longer be any such failure to comply.

It is not contemplated that the Federal Government shall take over the State

service and keep it; it is merely a question of complying with the Wagner-Peyser Act which Congress has passed. It would not be a permanent transfer.

Mr. REED. Mr. President, we made an earnest effort to resolve, so far as we could, the differences of opinion between the State authorities and the Federal authorities. One trouble is that in the minds of the entire State officialdom there is a deep-seated belief that a considerable and influential part of the Federal administration wants to federalize the unemployment service and they believe that the longer action is delayed the less chance there will be for its return to the States.

Mr. President, I discussed with the State authorities this very proposal and I urge them to accept it. I told them that Secretary Schwelienbach had appeared before the Senate committee; that I was present when he testified, and that he said he would turn the service back to the States as rapidly as he could. He did not think that all the State services needed to be returned at the same time, and neither do I. I think if the Secretary of Labor carries out this program, he will begin to turn the services back to the States as rapidly as he can. So, partly upon my request, the State authorities accepted and agreed to the insertion of this clause to which the Senator from Massachusetts has referred.

Mr. President, I am taking the Secretary of Labor at his word. I am going to credit him with good faith until the opposite has been demonstrated. By the same token the Senate voted by 56 to 23 to adopt the well known Lucas amendment offered by the senior Senator from Illinois a month ago. That amendment provided that these agencies should be turned back in 90 days. The House has passed a bill to turn them back in 30 days.

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

Mr. REED. I yield.

Mr. TAFT. I call particular attention to the fact that this subject was debated on the floor of the Senate. We considered it only 2 months ago. Its merits were discussed both ways, and, as the Senator says, by a vote of 56 to 20 the Senate voted in favor of turning the Employment Service back to the States in 90 days. That was a definite vote of the Senate of the United States at that time that they would be returned to the States on the 1st of January, and that would have been done if the House had considered the bill and accepted it—the 1st of January, not the 1st of April, not the 1st of July.

So I want to call attention to the fact that this subject has been discussed. It has been discussed from every angle. We discussed the whole history of it, and it was well understood that the unemployment services were to be turned back to the States. So I want to enforce the Senator's statement that the Senate has decided this question.

Mr. REED. I am one of those who are known as great compromisers. The Senator from Arizona and myself worked long in an effort to bring about a composition of the differences of view. I think these services could be turned

back to the States at any time within 30 days, but in the interest of comity and harmony I agreed to the 120 days. I think I voted in the committee for a shorter period, but the committee adopted 120 days, and I hope that will not be disturbed.

I agree with the Senator from Arizona that, after all, what we do here today is going to be reviewed in conference with the House, and whether we write into this bill June 30, 1946, which we ought not to do, or whether we write into the bill 120 days, which we ought to do, or whether we write into it some other period, when the bill comes out of conference, in my opinion, it will be found that this agency will be turned back to the States in about 60 days.

Mr. SALTONSTALL. Mr. President, I should like to move to strike out the proviso beginning in line 21, page 18.

Mr. McKELLAR. Mr. President, there is another amendment now pending.

The PRESIDING OFFICER. The Senator from Tennessee is correct. There is an amendment now pending.

Mr. SALTONSTALL. Then I shall withhold the motion until the pending amendment is passed upon, but I hope that at the proper time the proviso in question may be eliminated from the bill.

In furtherance of what the Senator from Kansas has said, let me say here that we agreed to turn these unemployment agencies back to the States and then we hold over their heads this threat that they will be turned back again to the Federal Government if the job is not well done. That is an "or else" provision, which is unfortunate and will make for poor service. In my opinion it is much better to turn the service over to the States, and then if they do not do a good job, let us legislate further.

In due course, I shall offer such an amendment.

Mr. McKELLAR. Mr. President, I ask for the yeas and nays. Let us vote on the pending amendment.

The yeas and nays were ordered.

Mr. WHITE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHITE. What is the amendment upon which we are about to vote?

The PRESIDING OFFICER. The question is on the amendment of the Senator from Kentucky [Mr. BARKLEY] to change the date to June 30, 1946. A vote "yea" will be in favor of the amendment and a vote "nay" will be against it.

Mr. BALL. Mr. President, we fought this issue out in the Committee on Appropriations. Some of us tried to make the provision 90 days, and we finally compromised on 120 days. The Senator from Tennessee offered the motion to make the date June 30, and I think it received only a couple of votes in the committee.

Mr. McKELLAR. Oh, no; the vote was 9 to 7 in the committee.

Mr. BALL. For June 30?

Mr. McKELLAR. Yes; and I gave notice at the time it was defeated that I would offer it on the floor of the Senate.

Mr. BALL. My recollection was that the vote was stronger than that, but the Senator undoubtedly knows the record.



However, the Senate committee went to a great deal of trouble to meet several objections to the House provision, which would have required turning over the State employment offices within 30 days. There was the problem involved in transferring employees, many of whom had no State status. There was also the problem of whether we were going to appropriate the funds to the Secretary of Labor, who now has the Employment Service under him, or to the Social Security Board, which originally was the Federal agency handling the matter, when the Federal Government took over the State offices.

I think we have worked those questions out very well in the Senate committee amendment. The Barkley amendment provides for the transfer on June 30; and I think there has been abundant evidence that if we set the date June 30 that will be the date when there will be a transfer, if it ever happens, not before. The whole administration is opposed to transferring these offices back to the States until June 30, 1947, and I think that if we give the agency the authority to hold them until June 30, 1946, they certainly will keep them under Federal control. In that case, the whole Senate amendment will become meaningless. We might as well simply strike out the House provision and let the appropriation stay exactly as it is, because we will not be doing anything.

Mr. President, I hope the amendment offered by the Senator from Kentucky will be rejected.

Mr. TAFT. Mr. President, I should like to have inserted in the RECORD at this point the vote which was taken on Wednesday, September 19, last.

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

The PRESIDING OFFICER (Mr. MURDOCK in the chair). The question is on agreeing to the amendment proposed by the Senator from Illinois [Mr. LUCAS], adding at the end of the committee amendment, as amended, a new section.

Mr. TAFT. I ask for the yeas and nays on that amendment.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. GEORGE (when his name was called). On this vote I have a pair with the senior Senator from Maryland [Mr. TYDINGS]. I, therefore, withhold my vote.

The roll call was concluded.

Mr. BREWSTER (after having voted in the affirmative). There was a possible understanding about a pair, and in order to avoid any possibility of misunderstanding I will consider myself paired with the Senator from Louisiana [Mr. ELLENDER], and so I withdraw my vote.

Mr. HILL. The Senator from Virginia [Mr. GLASS] and the Senator from Mississippi [Mr. EASTLAND] are absent because of illness.

The Senator from Alabama [Mr. BANKHEAD], the Senator from South Carolina [Mr. MAYBANK], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Texas [Mr. CONNALLY] and the Senator from Louisiana [Mr. OVERTON] are detained from the Senate on official business.

The Senator from Florida [Mr. PEPPER] is absent on official business.

Mr. WHERRY. The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from Idaho [Mr. THOMAS] are absent because of illness. If present, both of these Senators would vote "yea."

The Senator from West Virginia [Mr. REVERCOMB] is necessarily absent.

The Senator from Delaware [Mr. BUCK] is necessarily absent. If present, he would vote "yea."

The result was announced—yeas 56, nays 23, as follows:

Yeas—56: Aiken, Andrews, Austin, Bailey, Ball, Bilbo, Bridges, Briggs, Brooks, Butler, Byrd, Capehart, Capper, Carville, Chandler, Cordon, Donnell, Ferguson, Fulbright, Gerry, Gurney, Hart, Hawkes, Hickenlooper, Hoey, Johnston of South Carolina, Knowland, La Follette, Langer, Lucas, McCarran, McClellan, McKellar, Millikin, Moore, Morse, O'Daniel, Reed, Robertson, Saltonstall, Shipstead, Smith, Stewart, Taft, Thomas of Oklahoma, Thomas of Utah, Tobey, Vandenberg, Walsh, Wheeler, Wherry, White, Wiley, Willis, Wilson, Young.

Nays—23: Barkley, Chavez, Downey, Green, Guffey, Hatch, Hayden, Hill, Johnson of Colorado, Kilgore, McFarland, McMahon, Magnuson, Mead, Mitchell, Murdock, Murray, Myers, Radcliffe, Russell, Taylor, Tunnell, Wagner.

Not voting—17: Bankhead, Brewster, Buck, Burton, Bushfield, Connally, Eastland, Ellender, George, Glass, Maybank, O'Mahoney, Overton, Pepper, Revercomb, Thomas of Idaho, Tydings.

So the modified amendment of Mr. LUCAS to the committee amendment, as amended, was agreed to.

Mr. TAFT. Mr. President, the whole history of this matter was written when we had this subject before us 2 months ago. The employment offices were taken over temporarily by the President without congressional authority. The only purpose I can see in extending the date to June 30, 1946, is to permit a longer time until Congress can consider a proposal to make the activity permanently a Federal one. That is the only significance in this date. We have before us an appropriation bill for 1946. If we do not turn the offices back until the 1st of July 1946, they may not be turned back at all, and we will have the whole question to consider again in the appropriation bill for the fiscal year 1947. The only purpose of extending the date is not to get more time, it is to maintain a status quo during which the effort may be made to make these offices permanently a part of the Federal Government. That is the only significance of this particular date.

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

Mr. TAFT. I yield.

Mr. McKELLAR. I could not let the Senator make that statement without challenge, in view of the fact that there is no man in the Senate who is more in favor of the States managing and controlling social-security payments than I am. I am not in favor, and I do not expect to be in favor, and so far as I know no Senator on this side of the aisle is in favor of keeping this activity in the Federal Government permanently. I assure the Senator that he is mistaken about the matter, and that, so far as I am concerned, I shall use every endeavor to have the service returned to the States.

Mr. TAFT. I did not say anything about the Senator. After all, the Senator did not offer the amendment.

Mr. McKELLAR. I offered it in the committee, and I am merely stating the facts.

Mr. TAFT. It is perfectly clear that the same question will come up in connection with the appropriation bill for 1947 sometime along in March or April next year, as to whether we will appropriate in the year 1947 for the USES or for the State employment offices. So, if we adopt this amendment making the date June 30, we leave the whole subject open for reconsideration further by the Congress. It will come up on the next appropriation bill. It seems to me we should settle the issue, if that is what we want to do, and the way to do it is to fix the date at some time short of June 30.

Mr. McKELLAR. Will the Senator further yield?

Mr. TAFT. I yield.

Mr. McKELLAR. The same thing would happen if it were made 120 days, or 90 days, or 30 days, for that matter. Congress can restore the activity to the control of the Federal Government; but I do not believe a corporal's guard in the Senate would vote to do that.

Mr. TAFT. I hope the Senator is correct, but the effect of maintaining the status quo is to assist the fight when the question comes up next April. If the offices are once turned back before the next appropriation bill is considered, I do not believe the subject will be practically before the Congress, so far as any controversy is concerned.

Mr. President, I feel very strongly that we should stand by the decision we made. If we are in favor of turning the services back, they can be turned back just as well by the 1st of April as by the 1st of July. We have settled the question. If we make the date the 1st of July, the question will still be open.

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

Mr. McKELLAR. 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:

Ball	Hayden	Revercomb
Barkley	Hill	Robertson
Bilbo	Hoey	Saltonstall
Brewster	Huffman	Shipstead
Buck	Johnston, S. C.	Smith
Bushfield	Knowland	Stewart
Butler	La Follette	Taft
Capper	Lucas	Taylor
Carville	McCarran	Thomas, Okla.
Chavez	McClellan	Tobey
Connally	McFarland	Tunnell
Cordon	McKellar	Tydings
Donnell	Maybank	Wagner
Downey	Mead	Walsh
Eastland	Mitchell	Wheeler
Ellender	Moore	Wherry
Ferguson	Morse	White
Fulbright	Murdock	Wiley
George	Myers	Willis
Gerry	O'Daniel	Wilson
Green	O'Mahoney	Young
Gurney	Radcliffe	
Hatch	Reed	

The PRESIDING OFFICER. Sixty-seven Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Kentucky [Mr. BARKLEY] on page 19, line 12,



after the word "than", to strike out the words "the one hundred and twentieth day after the date of enactment of this act", and insert in lieu thereof "June 30, 1946."

On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. BALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BALL. A vote "yea" is a vote for the Barkley amendment to set the date for June 30, 1946, and a vote "nay" is a vote to retain the committee provision of 120 days?

The PRESIDING OFFICER. That is correct.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. BUTLER (after having voted in the negative). I have a general pair with the senior Senator from Alabama [Mr. BANKHEAD]. I transfer that pair to the junior Senator from Illinois [Mr. BROOKS] and allow my vote to stand, as I understand he would vote as I have voted.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from Alabama [Mr. BANKHEAD], the Senator from Missouri [Mr. BRIGGS], the Senator from Louisiana [Mr. OVERTON], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Florida [Mr. PEPER] is absent on official business.

The Senator from Pennsylvania [Mr. GUFFEY] is detained on official business at one of the Government departments.

The Senator from Washington [Mr. MAGNUSON] is a delegate to the American Legion convention in Chicago, and is therefore necessarily absent.

The Senator from Montana [Mr. MURRAY] is attending the conference in London to consider the creation of an educational and cultural organization of the United Nations.

The Senator from Virginia [Mr. BYRD], the Senator from Texas [Mr. CONNALLY], the Senator from Colorado [Mr. JOHNSON], the Senator from Connecticut [Mr. McMAHON], and the Senator from Georgia [Mr. RUSSELL] are absent on official business with the Special Committee on Atomic Energy.

Mr. WHERRY. The Senator from Vermont [Mr. AIKEN] is excused, the excuse for his absence having heretofore been stated.

The Senator from Vermont [Mr. AUSTIN], the Senator from Connecticut [Mr. HART], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Michigan [Mr. VANDENBERG] have been excused. They are members of the Atomic Energy Committee, which is on an inspection trip to Oak Ridge, Tenn.

The Senator from Illinois [Mr. BROOKS] and the Senator from North Dakota [Mr. LANGER] are members of the

Senate committee attending the funeral of the late Senator Thomas of Idaho.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from New Jersey [Mr. HAWKES] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is unavoidably absent because of injuries resulting from an accident. If present he would vote "nay."

The Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from Utah [Mr. THOMAS]. If present he would vote "nay."

The Senator from Vermont [Mr. AUSTIN], the Senator from Illinois [Mr. BROOKS], the Senator from New Jersey [Mr. HAWKES], and the Senator from Iowa [Mr. HICKENLOOPER] would vote "nay" if present.

The result was announced—yeas 31, nays 35, as follows:

## YEAS—31

Barkley	Huffman	O'Mahoney
Chavez	Johnston, S. C.	Revercomb
Connally	McCarran	Stewart
Downey	McClellan	Taylor
Eastland	McFarland	Tunnell
Ellender	McKellar	Tydings
Fulbright	Maybank	Wagner
George	Mead	Walsh
Green	Mitchell	Ycung
Hatch	Murdock	
Hill	Myers	

## NAYS—35

Ball	Gurney	Shipstead
Bilbo	Hoey	Smith
Brewster	Knowland	Taft
Buck	La Follette	Thomas, Okla.
Bushfield	Lucas	Tobey
Butler	Moore	Wheeler
Capper	Morse	Wherry
Carville	O'Daniel	White
Cordon	Radcliffe	Wiley
Donnell	Reed	Willis
Ferguson	Robertson	Wilson
Gerry	Saltonstall	

## NOT VOTING—28

Aiken	Glass	Magnuson
Andrews	Guffey	Millikin
Austin	Hart	Murray
Bailey	Hawkes	Overson
Bankhead	Hayden	Pepper
Bridges	Hickenlooper	Russell
Briggs	Johnson, Colo.	Thomas, Utah
Brooks	Kilgore	Vandenberg
Byrd	Langer	
Capehart	McMahon	

So Mr. BARKLEY's amendment to the committee amendment was rejected.

Mr. REED. I move that the vote by which the Barkley amendment was rejected be reconsidered.

Mr. WHERRY. I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. SALTONSTALL. Mr. President, I now offer the amendment which I previously suggested, to strike out, on page 18, the proviso beginning in line 21, and continuing through line 10, on page 19. I do so for the reasons which I have already stated. This is one of those "or else" clauses, by which the Secretary of Labor would hold a threat of withholding grants or of taking the services from the States and placing them under the Federal Government if the States did not conduct their services properly.

\* Without going into further detail, I hope that the amendment may be adopted. If the States do not do a good job, Congress should act and take the services away from the States. But while the States are trying to carry on,

they should not have a whip held over their heads so that if they do not administer the services in this way or that way they will be taken away from them and put back in the Federal Government. I do not believe that such a provision would make for good legislation or good administration.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL] to the committee amendment on page 18, beginning on line 21.

Mr. HAYDEN. Mr. President, if I thought the statement made by the Senator from Massachusetts was correct I would not object; but that is not the case. The provision we are now discussing was agreed to by the representatives of the States. As the Senator from Kansas has pointed out, it is merely a temporary matter. Only when there was difficulty of any kind could the Secretary of Labor take back the service, until he was satisfied that there would no longer be failure to comply.

How is the money to carry on this activity obtained? A tax is levied on employers throughout the United States. Money is being taken from employers throughout the United States for an unemployment-compensation tax. There has been accumulated in the Treasury approximately \$600,000,000 over and above what the employers have paid into the system. For that reason we are abandoning the old arrangement, under which the States matched the Federal contribution, and will pay for the activity entirely out of the Federal Treasury.

This is a beautiful illustration of the modern conception of States' rights. The Federal Government levies the tax. Every employer knows that it is a tax levied by the Congress which he must pay, and he knows that he pays it to the collector of internal revenue. So we do all the dirty work of raising the money. Then the States have the right to "come and get it"; and, according to the Senator from Massachusetts, after they come and get it, we are to have nothing to say about how they carry on. Having levied and collected the tax, and having appropriated the money and turned it over to the States, we should then make no further inquiry, and raise no question at any time as to whether the States are properly administering the activity. This provision does not say that any morning the Secretary of Labor arises from the wrong side of his bed, he may arbitrarily take back the Employment Service. When we look at the provision in the bill, we find that it says very clearly that it is to be taken back upon a complaint, upon notice, and after a hearing in which the Social Security Board can participate. That is a very different procedure as compared to having the Secretary simply take it back. Then, if he does take it back, he can hold it only long enough to satisfy himself that the States are conducting the kind of employment service for which the Federal Government is paying out every cent.

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

Mr. HAYDEN. I yield.



Mr. SALTONSTALL. I understood the Senator to say that this was only a temporary provision.

Mr. HAYDEN. No, Mr. President, the Senator misunderstood me. I said it was a provision whereby the Federal Government could operate a State employment service temporarily, until the matter could be straightened out so that the State would again operate a satisfactory service. As we see by the very language of the act, it is not contemplated that the Federal Government shall take it back and keep it forever.

Mr. SALTONSTALL. But the decision is with the Secretary of Labor who is the one who must be satisfied. He calls the State service before him; and, after a hearing, he having been dissatisfied in the first place, he says, "No; that service is not being properly run, so I will take it over."

If it is a temporary matter, as the Senator says, it means that perhaps today the service will be operated by the Federal Government, tomorrow it will be operated by the State government, and the next day it will be operated again by the Federal Government—of course, after due hearings.

Mr. HAYDEN. Does the Senator believe that the Congress having levied the taxes, having raised the money, and having appropriated the money, should wash its hands of the matter and say, "We do not care whether the service is good or bad; it is none of our concern. We cannot do anything about it. Take the money and do what you please with it."

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

Mr. HAYDEN. I yield.

Mr. SALTONSTALL. I respectfully call to the Senator's attention the fact that there is pending on the calendar today a bill with relation to hospitals, and under that bill money would be turned over to the States, without further supervision, as I understand, by the Federal Government. Furthermore, there is in the committee a bill providing for education, and the money is to be turned over to the States without further supervision by the Federal Government.

Mr. HAYDEN. In all my experience in the Congress, I know of no legislation by which we have appropriated money to a State, to aid the State in carrying on an activity, when no standard was set up whereby there would be some supervision by the Federal Government to see that the money raised by the taxpayers and appropriated by the Congress was expended in some way to conform with the law under which the State received the money.

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

Mr. HAYDEN. I yield.

Mr. TAFT. Let me point out that there is already such a provision in the Social Security Act. Let me read the provision of the act relating to unemployment compensation. It is section 303 (b):

Whenever the Board, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that in the administration of the law there is (1) a denial

in a substantial number of cases of unemployment compensation to individuals entitled thereto under such law or (2) a failure to comply substantially with any provision specified in subsection (a)—

Those are the specific things provided in subsection (a)—

the Board shall notify such State agency that further payments will not be made to the State until the Board is satisfied that there is no longer any such denial or failure to comply. Until it is so satisfied, it shall make no further certification to the Secretary of the Treasury with respect to such State.

That law is now on the statute books. The only thing the committee amendment does is, in the first place, to broaden the power to withhold money. I do not see why we should adopt that language now, because the Social Security Act is substantive law, and we should not change it in an appropriation bill.

Mr. HAYDEN. The Senator is referring to failure on the part of the State to carry out the provisions of the Unemployment Compensation Act. This matter relates to the United States Employment Service, an entirely different subject matter.

Mr. TAFT. Oh, no. After the Employment Service is turned back to the States, it will be operated under title III of the Social Security Act. In this bill we are making grants to the States for unemployment compensation, as provided for in title III of the Social Security Act, and every cent that is turned over to the States shall be subject to that provision of title III.

Really, there is no need for any of these provisions about noncompliance and about hearings, because the matter is already cared for by the present law. The law says that in such case the Secretary of Labor may maintain a statewide system of unemployment offices. I take it that is the purpose of the committee amendment. I do not think it should be included in a 1-year bill. If the Social Security Act is to be changed, it should not be changed by this bill.

As a matter of fact, the Employment Service will be turned back to the States around the first of April, under the present provision. In 3 months—that is as long as this provision will apply—there will not be any chance to determine whether there is or is not default. It seems to me this provision is intended to give the Secretary of Labor a loophole by which to avoid turning the employment offices back to the States if he does not wish to do so. I cannot see that the provision has any other purpose. Otherwise, the matter should be left for a revision of the Social Security Act, which is now before the Congress and is being taken up by the Ways and Means Committee of the House of Representatives. We should not here try to determine the purpose of that act. Although I may be wrong in my suspicion, it seems to me that the only effect will be to give the Secretary of Labor a loophole by which to avoid compliance with the requirement to return the services to the States, and it would permit him to hang on to the employment services for a long period of time, because I take it that would be the effect of the provision relative to 1 year.

Mr. HAYDEN. Mr. President, I think the Senator is wholly mistaken as to the attitude of the Secretary of Labor. The Secretary of Labor understands that the Senate already has voted to return the Employment Service to the States, and he understands that the House has made a similar decision, and that the Service is going to be returned to the States. Of course, the Secretary of Labor stated in the hearing that he was opposed to that proposition; but all he was concerned with when he appeared before the committee was to have incorporated in the bill a provision to transfer the Service back to the States in an orderly manner. In order to have that done, he asked the State representatives and the representatives of the United States Employment Service to get together and work out a program, and the provision in the bill is what they worked out.

This provision was agreed to by representatives of the States; and if those who are officially representing the State employment services agree about this matter, I do not see why the Senator has to worry about it.

Mr. TAFT. The Senator from Arizona does not necessarily follow the views or opinions of the representatives of the State employment services, and neither do I. I think we have to decide these questions for ourselves.

I wish only to point out that in a carefully considered Social Security Act we already have laid down the conditions in accordance with which money may be withheld from the States. We certainly have not turned back these services to the States as yet, and we shall not do so until the 1st of April. I see no reason why we cannot consider this question as to the exact terms of punishment, if you please—the taking over by the Federal Government—at the time when we consider amendments to the Social Security Act.

I think the amendment of the Senator from Massachusetts should be adopted. I think we should definitely stick to the Social Security Act and its provisions, and we should not try to attach legislation to an appropriation bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL].

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, under the subhead "War Department," on page 20, line 12, after the word "departments", to strike out "\$57,854,572" and insert "\$51,594,572."

The amendment was agreed to.

The next amendment was, on page 20, line 13, after "In all, title I", to strike out "\$2,956,807,646" and insert "\$2,940,828,227."

The amendment was agreed to.

The next amendment was, under the subhead "Federal Works Agency," on page 21, line 4, after the words "Access



roads", to strike out "\$3,076,845" and insert "\$2,576,845."

The amendment was agreed to.

The next amendment was, under the subhead "Executive Office of the President," after line 12, to strike out:

Allen Property Custodian, \$500,000.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Military Establishment," on page 23, line 25, after the numerals "1942-1946", to strike out "\$12,829,151" and insert "\$10,829,151."

The amendment was agreed to.

The next amendment was, on page 24, line 14, after the numerals "1942-1946", to strike out "\$3,944,994,479" and insert "\$3,899,682,479"; in line 17, after the word "men", to strike out "\$10,000,000" and insert "\$5,000,000"; in line 19, after the word "Army", to strike out "\$561,018,000" and insert "\$521,018,000"; and in line 21, after the word "animals", to strike out "\$1,670,000" and insert "\$1,358,000."

The amendment was agreed to.

The next amendment was, on page 25, line 2, after the numerals "1942-1946", to strike out "\$1,679,434,000" and insert "\$1,671,934,000."

The amendment was agreed to.

The next amendment was, on page 25, line 5, after the numerals "1942-1946", to strike out "\$12,166,313,000" and insert "\$11,313,313,000: *Provided*, That before any permanent fields are determined upon or permanent buildings erected thereon the Air Corps shall submit to Congress a list of such fields and the justification therefor."

The amendment was agreed to.

The next amendment was, on page 25, line 12, after the numerals "1942-1946", to strike out "\$268,039,000" and insert "\$267,539,000."

The amendment was agreed to.

The next amendment was, on page 25, line 14, after the numerals "1942-1946", to strike out "\$2,349,523,571" and insert "\$2,306,763,000"; and in line 17, after the words "Engineer Service", to strike out "\$2,054,408,571" and insert "\$2,011,648,000."

The amendment was agreed to.

The next amendment was, on page 25, line 22, after the numerals "1942-1946", to strike out "\$8,300,000,000" and insert "\$8,100,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Transfer of appropriations," on page 27, after line 7, to insert:

Army of the Philippines, \$200,000,000: *Provided*, That service in the organized military forces of the government of the Commonwealth of the Philippines, while such forces were in the service of the armed forces of the United States pursuant to the military order of the President of the United States dated July 26, 1941, shall not be deemed to be or to have been service in the military or naval forces of the United States or any component thereof for the purposes of any law of the United States conferring rights, privileges, or benefits upon any person by reason of the service of such person or the service of any other person in the military or naval forces of the United States or any component thereof, except benefits under (1) the National Service Life Insurance Act of 1940, as amended, under contracts heretofore entered into, and (2) laws administered by the Veterans' Administration providing for the

payment of pensions on account of service-connected disability or death: *Provided further*, That such pensions shall be paid at the rate of one Philippine peso for each dollar authorized to be paid under the laws providing for such pensions: *Provided further*, That any payments heretofore made under any such law to or with respect to any member of the military forces of the government of the Commonwealth of the Philippines who served in the service of the armed forces of the United States shall not be deemed to be invalid by reason of the circumstances that his service was not service in the military or naval forces of the United States or any component thereof within the meaning of such law.

The amendment was agreed to.

The next amendment was, under the subhead "General provision," page 28, line 24, after "In all, title II", to strike out "\$30,903,090,564" and insert "\$29,752,017,993."

The amendment was agreed to.

The next amendment was, under the heading "Title III—Naval Establishment," on page 29, line 6, after the numerals "1946", to strike out "\$13,000,000" and insert "\$10,800,000."

The amendment was agreed to.

The next amendment was, on page 31, line 11, after the numerals "1946", to strike out "\$9,000,000" and insert "\$6,000,000."

The amendment was agreed to.

The next amendment was, on page 32, line 4, after the numerals "1946", to strike out "\$50,000,000" and insert "\$38,262,000."

The amendment was agreed to.

The next amendment was, on page 33, line 7, after the numerals "1946", to strike out "\$2,600,000,000" and insert "\$2,550,451,000."

The amendment was agreed to.

The next amendment was, on page 33, line 10, after the numerals "1944", to strike out "\$128,214,285" and insert "\$69,247,269."

The amendment was agreed to.

The next amendment was, on page 34, line 2, after the numerals "1946", to strike out "\$15,000,000" and insert "\$5,000,000."

The amendment was agreed to.

The next amendment was, on page 34, line 6, after the words "sum of", to strike out "\$1,229,880,000" and insert "\$1,283,510,540: *Provided*, That the rescission of \$400,000,000 of the appropriation shall not act to reduce further the contract authority."

Mr. McKELLAR. Mr. President, the Senator from Massachusetts [Mr. WALSH] and the Senator from Texas [Mr. CONNALLY] wish to be heard on this amendment.

Mr. WALSH. Mr. President, the Navy Department is quite disturbed over some of the reductions which have been made in the pending bill. I have been in communication with the acting chairman of the Appropriations Committee with reference to the reductions. So far as the Navy is concerned, its position can best be stated by reference to a letter which I have received from Admiral Horne. I send the letter to the desk and ask that it be read.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Without objection, the letter will be read.

The Chief Clerk read as follows:

NAVY DEPARTMENT,  
OFFICE OF THE CHIEF OF  
NAVAL OPERATIONS,  
Washington, November 15, 1945.

HON. DAVID I. WALSH,  
United States Senate.

MY DEAR SENATOR WALSH: The original estimate for the cost of providing adequate laying-up facilities for ships of the reserve and inactive fleets was \$116,000,000.

As a result of the cuts made by the Bureau of the Budget, this amount had to be reduced to \$88,768,750.

As a result of the further rescission made by the House of \$45,000,000 for the public-works bill, the amount for this project had to be again reduced to \$56,915,584.

Contract work already obligated for this project amounts to approximately \$24,000,000, and the total estimated cost of absolutely essential work to provide the very minimum of required facilities is approximately \$75,000,000. It can be seen from these facts that the amount of approximately \$57,000,000 left after the House rescission will mean a curtailment of some of the absolutely essential work.

I have just been advised, and confirming my telephone conversation with you, that the Senate Appropriations Committee has further reduced this appropriation by \$53,630,540, with the specific recommendation that this total amount should be applied against the projects for laying up of ships and permanent construction of hospitals.

There was only approximately \$21,000,000 left in the House bill for hospitals. Even if this amount were eliminated in toto (which is, of course, not possible), we would still have to reduce the project for laying-up facilities by approximately \$32,000,000 more, which would provide then a total amount for this project of only approximately \$25,000,000. As noted above, we have already obligated \$24,000,000, which practically exhausts all of the available funds if the Senate rescission is finally made, which means that none of the additional and absolutely essential items under this program can be undertaken.

In the preparation of the plan for laying up of the reserve and inactive fleets, the Department arranged for the irreducible minimum of facilities. It is easy to see that unless there are adequate berthing facilities for tying up the ships, the ships must be anchored in the open roadstead. Such ships, if anchored offshore, must either be kept in a reduced commission and manned by service personnel or civilian caretakers and preservation gangs employed, resulting in a wasteful utilization of labor as well as greatly increasing the chances of an expensive casualty. Work under such conditions will naturally be less carefully supervised, and the deterioration that can be prevented with shore connections and shore facilities may soon exceed the saving in not providing adequate facilities with the easy access and efficient handling that the berthing provided by the plan offers.

A secondary point is that the speed of laying up the vessels will be greatly retarded if the vessels cannot be berthed ashore and the shore facilities available to assist in the laying up of vessels. This will inevitably tend to retard the release of the officers and enlisted men who are not destined to remain with the postwar Navy.

It is therefore strongly urged that every effort be made to have at least the amount cut back by the Senate Appropriations Committee put back in the bill and, for the reasons outlined above, if it is possible, to have at least a part of the rescission by the House committee reinserted when this bill comes up for conference.

Sincerely yours,

F. J. HORNE,  
Admiral, United States Navy.



Mr. WALSH. Mr. President, briefly summarized, the letter complains against the cut in the naval hospital service item. It says:

It would eliminate the construction of 915 permanent hospital beds required for post-war needs. In addition to deleting the construction of these hospital beds it also involves the elimination of numerous other items required for the rehabilitation and security of patients and the efficient operation of some 20 naval hospitals.

The reduction would also greatly affect the efforts of the Navy Department to establish bases or anchorages for a reserve fleet. It is well known that a large number of vessels must be placed in anchorage basins or tied up at docks. Proper facilities are not available, but have been provided for by appropriations, and in fact, some contracts have already been made.

Mr. MAYBANK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from South Carolina?

Mr. WALSH. I yield.

Mr. MAYBANK. I should like to ask the Senator whether he has an intention of offering an amendment. I listened to the last part of the letter very carefully—and I had already read the letter, as the Senator knows—and apparently it merely asks that the conferees abide by the House provision.

Mr. WALSH. I think all we need do is vote down the Senate committee amendment, which will restore the House provision.

Mr. MAYBANK. I thank the Senator. I am in thorough accord with him. I think we have gone a little too far in the cuts in the Navy appropriations, particularly in the two main items he has mentioned, namely, in facilities for laying up ships, the lack of which in the end will result in greater cost, and in the appropriation for hospital beds.

Mr. WALSH. Mr. President, I quote from the letter which I have had read:

If this rescission of approximately \$32,000,000 stands, I am satisfied that within a very few years the cost to the Government will be as great as the proposed saving due to the extra cost to handle about one-third of the vessels in improper berths or anchored in the stream far from the services and with the least efficient utilization of labor.

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

Mr. WALSH. I yield.

Mr. MAYBANK. I might suggest to the Senator, and I think he will agree with me, that one of the troubles after the last war was that naval vessels were left lying idle, and finally were put on the junk heap. I think it is a question of conserving money in the last analysis, and it would be well not to have a repetition of what happened in 1920.

Mr. WALSH. The Senator has made an accurate observation as to what happened in 1920, after the last war.

From what I have learned from various members of the Committee on Appropriations, they themselves feel that the cut has been too severe. I hope the Senator in charge of the bill will agree that the Senate committee amendment may be rejected and the House provision may stand.

Mr. McKELLAR. Mr. President, I cannot do that, for the reason that the amendment was offered by the Senator from Louisiana [Mr. Overton], who is chairman of the Naval Subcommittee of the Committee on Appropriations. He seemed to think this appropriation was wholly unnecessary, and that it should be cut. He is not present today, because of illness, and I do not feel that I can make an agreement for him. It will have to go to a vote. Can it not be brought to the attention of the Senate again? Why not let the amendment be agreed to? It cannot result in harm being done.

Mr. WALSH. It would be unfortunate if on a vote the Senate Committee amendment were agreed to, because that would somewhat tie the hands of the conferees. If the Senate conferees would agree to review and restudy these cuts in the light of the information that has been presented, that would be satisfactory.

Mr. McKELLAR. I shall be glad to have the Senator come before the conferees and make any argument he wishes to urge about the matter, if he will let the amendment go to conference.

Mr. WALSH. If I let it go to a vote, and we should not succeed in rejecting it, our hands would be tied.

Mr. McKELLAR. Yes. I think it would be better to let it go to conference.

Mr. WALSH. On the assurance of the acting chairman of the committee—and I know of his sympathy with what I am saying—I am disposed to let the amendment be approved, with the understanding that there will be a review and restudy of the whole situation.

Mr. CONNALLY. Mr. President, is the Senator referring to the amendment on page 34, line 7?

Mr. McKELLAR. That is the amendment.

Mr. CONNALLY. The appropriation is a lump sum. It is difficult to tell just what the allocation of the sums will be.

Mr. WALSH. The items in question affect hospitals and berthing facilities for ships which are placed in reserve.

Mr. CONNALLY. That is all true.

Mr. McKELLAR. I may say to the Senator from Texas that if he will let the amendment be agreed to we shall be glad to have him join the Senator from Massachusetts and the Senator from South Carolina and come before the conferees. That is the best course I can suggest.

Mr. WALSH. The Senator from Texas is one of many Senators who have spoken to me about the subject and who feel very strongly about this cut being extreme. I think the acting chairman of the committee himself has some doubt about it.

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

Mr. WALSH. I yield.

Mr. MAYBANK. I appreciate the Senator from Tennessee saying he would be glad to have me join other Senators in appearing before the conferees. When this matter came up last week it was necessary for me to be in South Carolina in connection with the visit to that State of the Secretary of State, who de-

livered a most important address in a great homecoming welcome.

Mr. CONNALLY. Mr. President, I thank the Senator from Tennessee for inviting us to come before the conference committee. I do not see that I would have much better luck before the conference than I had before the Committee on Appropriations. They heard us with one ear open, and their heart valves all closed.

Mr. President, I wish to address myself to the item discussed by the Senator from Massachusetts. I should much prefer that the Committee on Appropriations made clearer, in all the appropriation bills, what money is to be spent for. They merely provide it in a great wad, so to speak, and turn it over to a department to allocate as it sees fit. I think the practice in many State legislatures is superior to that system.

What I am particularly interested in is the item for hospitals. It was provided by authorizations in existing law that the Navy could build certain hospitals. They had appropriations with which to build them. They were preparing their plans and getting ready to erect them, when the Committee on Appropriations comes along with a big pair of shears and clips off the appropriation, and then seeks to legislate by inserting a clause that no hospital shall be built within a certain time.

The result is that a hospital projected to be built by the Navy at Austin, Tex., is eliminated. Another hospital proposed to be built by the Navy, and for which plans have already been made, a hospital at Marlin, Tex., the county seat town where I reside, was eliminated entirely, although the Navy has already spent a good deal of money drawing the plans and getting ready to proceed with the building of the hospital.

I wish to quote the testimony of Admiral McIntire, Surgeon General of the Navy, before the House committee. I thought he knew something about hospitals, but he has not been through the mill as some of us have. I am about to read from a General Statement for Public Works program, fiscal year 1946, Bureau of Medicine and Surgery, by Vice Admiral Ross T. McIntire.

Mr. President, we all believe in economy, of course, and I want to see cut back every dollar it is not necessary to spend, but I do not propose to cut back on the building of hospitals for wounded soldiers and sailors who are returning from the battlefields. Admiral McIntire says these naval hospitals are needed to care for the men now in the Pacific, the wounded and the sick.

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

Mr. CONNALLY. I yield.

Mr. MAYBANK. I thoroughly agree with the Senator from Texas. Only a month ago I was assured by the Navy Department that a hospital had been approved for wounded marines and sailors to be built in South Carolina. It was authorized more than a year ago, yet that also would be eliminated now. It could not be built then because of lack of material. I want to be certain, as does the Senator, that we have economy



wherever possible, but I want to be certain that the men returned from the war may get attention and treatment in hospitals where they are needed. That cannot be done in temporary buildings such as those we have now, because many of the veterans are permanently disabled.

Mr. CONNALLY. I will say to the Senator that under the cuts imposed by this bill the naval hospital at Beaufort, S. C.—

Mr. MAYBANK. That is at Parris Island. It is the main training base on the east coast—New River and Parris Island, I will say to the Senator.

Mr. CONNALLY. I assume that hospital will not be built under this provision.

Mr. MAYBANK. The Senator's assumption is correct.

Mr. CONNALLY. I do not want to weary the Senate—

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

Mr. CONNALLY. I yield.

Mr. MAYBANK. If all this money is eliminated of course the hospital will not be built.

Mr. CONNALLY. If the action of the Senate committee stands the hospital will not be built.

Mr. President, Admiral McIntire testified:

It will be recalled that the Bureau of Medicine and Surgery submitted a very conservative estimate of additional requirements—

Additional requirements, Mr. President—

for the fiscal year 1946 public work appropriation, estimated to total about 10,000 beds. It was stated that in the interest of economy every effort would be made to secure those beds either by the conversion of surplus Federal facilities or by the lease and conversion of suitable civilian facilities, resorting to construction only as a last alternative. The only exception to this policy was the permanent naval hospital at St. Albans, required as a replacement for the obsolete plant at Brooklyn. It can now be seen as a result of curtailment of the war effort that requirements will be met by a program providing about 85,000 beds, in lieu of the 90,000 previously estimated.

Justification of the program is based on known deficiencies in operation of certain naval hospitals due to lack of one or more essential units, plus bed requirements calculated on projected naval strengths at intervals of the demobilization period.

I shall omit a part of the testimony, Mr. President, but shall ask to have Admiral McIntire's full statement incorporated in the RECORD in a moment.

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

Mr. CONNALLY. I yield.

Mr. MAYBANK. I should like to call the attention of the Senate and of the distinguished Senator from Texas to the fact that General Bradley, who is in charge of the Veterans' Administration, only recently made a survey with the hope that perhaps he might be able to use some of the temporary hospitals at Army camps in various places throughout the United States to house and care for some of the extreme cases. As the result of this very careful investigation by the Veterans' Administration 60 hospitals were declared surplus, and I am told that General Bradley himself says that some of these hospitals, of which

they had hoped some part or some small section might be used, were of temporary construction and were not good enough to be used for the type of hospitalization about which Admiral McIntire testified.

Mr. CONNALLY. I thank the Senator from South Carolina.

Resuming reading from Admiral McIntire's testimony, Mr. President:

In setting up the revised 1946 public-works program it was considered advisable to include in it a certain number of permanent hospitals, looking forward to the disestablishment of many of our temporary hospitals which are attached to stations that will be abandoned. These hospitals are:

	Beds
United States naval hospital, St. Albans, N. Y.	1,000
A naval hospital in the San Francisco Bay area	1,000
A naval hospital in Beaufort, S. C.	500
A naval hospital in Austin, Tex.	500
A naval hospital in Marlin, Tex.	500

Had the war continued these beds would have been urgently needed in the over-all hospital program.

I wish some of the members of the Appropriations Committee were present. This is an appropriation bill. I observe only one member of the Appropriations Committee, the distinguished Senator from Arizona [Mr. HAYDEN], on the floor of the Senate.

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

Mr. CONNALLY. I yield.

Mr. TAFT. I also call attention to the Senator from Kansas [Mr. REED] who is a member of the committee.

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

Mr. CONNALLY. I yield.

Mr. WILLIS. I should like to inform the Senator that I am a member of the Appropriations Committee.

Mr. HAYDEN. Also the Senator from New Mexico [Mr. CHAVEZ].

Mr. CONNALLY. I am glad to know that the three Senators are also members of the committee.

Mr. REED. May I inquire, is this an indictment or a compliment.

Mr. CONNALLY. No; I simply said I wished a greater number of members of the Appropriations Committee were present. I am glad to know that the Senator from Kansas is in attendance, and looking after the bill, although the Senator does not know what is presently going on because he was in conversation with another Senator.

Mr. REED. Mr. President, may I inquire further—

The PRESIDING OFFICER (Mr. La FOLLETTE in the chair). The Senator from Texas has the floor. Does the Senator from Texas yield to the Senator from Kansas?

Mr. CONNALLY. I yield to the Senator from Kansas.

Mr. REED. I should like the Senator from Texas to enlighten the Senator from Kansas further as to what feature of the bill is before the Senate.

Mr. CONNALLY. I continue to read from Admiral McIntire's testimony:

Now that the war is completed, these beds are urgently needed—

I want members of the Appropriations Committee to hear those words of the Surgeon General of the Navy, stating

that these beds are urgently needed now—

urgently needed so that naval personnel can be housed in permanent structures and the temporary hospitals be disestablished.

Do Senators want our wounded men to be housed in permanent fireproof structures or do they want them housed in old shacks? I want them housed in permanent structures.

I continue to read:

This is in the interest of good hospital care and also in economy of operation.

The Bureau of the Budget, in reviewing the 1946 public-works program of the Bureau of Medicine and Surgery, reduced the amount of money requested from \$55,897,700 to \$26,764,511. It was necessary then for the Bureau of Medicine and Surgery to recommend to the Bureau of Yards and Docks a revision of its public-works plan.

In order to meet this drastic cut, the San Francisco Bay project of 1,000 beds was deleted. The hospital at Marlin, Tex., of 500 beds was deleted. The naval hospital at Austin, Tex., was reduced to 200 beds, and the naval hospital at St. Albans, N. Y., was reduced to 600 beds. This resulted in a reduction of 2,200 permanent beds in the 1946 program.

Mr. President, I ask that the complete statement made by Admiral McIntire on the subject be printed in the RECORD at this point.

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

The matter referred to is as follows:

GENERAL STATEMENT FOR PUBLIC WORKS PROGRAM FISCAL YEAR 1946, BUREAU OF MEDICINE AND SURGERY, BY VICE ADMIRAL ROSS T. MCINTIRE

It will be recalled that the Bureau of Medicine and Surgery submitted a very conservative estimate of additional requirements for the fiscal year 1946 public works appropriation, estimated to total about 10,000 beds. It was stated that in the interest of economy every effort would be made to secure those beds either by the conversion of surplus Federal facilities or by the lease and conversion of suitable civilian facilities, resorting to construction only as a last alternative. The only exception to this policy was the permanent naval hospital at St. Albans, required as a replacement for the obsolete plant at Brooklyn. It can now be seen as a result of curtailment of the war effort that requirements will be met by a program providing about 85,000 beds, in lieu of the 90,000 previously estimated.

Justification of the program is based on known deficiencies in operation of certain naval hospitals due to lack of one or more essential units, plus bed requirements calculated on projected naval strengths at intervals of the demobilization period. Past experience demonstrates that the peacetime hospital sick rate is about 2 percent of total naval strength. To this must be added a factor arising from the prolonged definitive care required by war casualties. Whereas the average length of stay on the sick list for the usual hospital patient received in peacetime is approximately 28 days, war casualties requiring extensive surgical repairs and rehabilitation may pass 6 to 12 months in the hospital, thus increasing the requirements for beds. Other additional factors increasing the hospital patient load are the patients who will be admitted as a result of screening personnel prior to discharge, supernumeraries such as Coast Guard and dependents, and Veterans' Administration patients. Currently about 2,500 beds are allocated to the Veterans' Administration, but it has been stated by that agency that a request for increase may be expected, as beds become available, to a maximum of about 10,000.



As of October 1 the total hospital patient load was 101,332. It is estimated that seasonal incidence of communicable disease, plus the increase of patient load resulting from screening personnel prior to discharge, will offset any decreases resulting from demobilization until about December 15, 1945, following which there will be a gradual reduction in patient load to 56,648 by July 1, 1946. For the remainder of the fiscal year the average patient load is computed to be 88,934 of which 75,327 may be expected to be hospitalized within the continental limits. Since the existing normal capacity is now 123.4 percent occupied, it is obvious that as the patient load declines first consideration must be given to abolishing the existing and very undesirable crowding in naval hospitals. This will be managed by permitting attrition to occur in the most overcrowded facilities while at the same time assigning incoming drafts to new facilities which will be established as the program is completed.

In setting up the revised 1946 public works program it was considered advisable to include in it a certain number of permanent hospitals, looking forward to the disestablishment of many of our temporary hospitals which are attached to stations that will be abandoned. These hospitals are:

	Beds
United States naval hospital, St. Albans, N. Y.	1,000
A naval hospital in the San Francisco Bay area	1,000
A naval hospital in Beaufort, S. C.	500
A naval hospital in Austin, Tex.	500
A naval hospital in Marlin, Tex.	500

Had the war continued these beds would have been urgently needed in the over-all hospital program. Now that the war is completed, these beds are urgently needed so that naval personnel can be housed in permanent structures and the temporary hospitals be disestablished. This is in the interest of good hospital care and also in economy of operation.

The Bureau of the Budget, in reviewing the 1946 public works program of the Bureau of Medicine and Surgery, reduced the amount of money requested from \$55,897,700 to \$26,764,511. It was necessary then for the Bureau of Medicine and Surgery to recommend to the Bureau of Yards and Docks a revision of its public-works plan.

In order to meet this drastic cut the San Francisco Bay project of 1,000 beds was deleted. The hospital at Marlin, Tex., of 500 beds, was deleted. The naval hospital at Austin, Tex., was reduced to 200 beds, and the naval hospital at St. Albans, N. Y., was reduced to 600 beds. This resulted in a reduction of 2,200 permanent beds in the 1946 program.

The allocation of the further rescission by the House Appropriations Committee of an additional \$45,000,000 from the appropriation public works, Bureau of Yards and Docks, further reduced funds for the Bureau of Medicine and Surgery public works program to \$21,224,257, necessitating the elimination of the following projects from the 1946 program:

National Naval Medical Center Research Institute: West annex for.

Naval hospital, St. Albans, N. Y.: Permanent construction of 384 beds and accessories thereof.

The annex for the Naval Medical Research Institute is planned to provide additional space required in housing special research equipment essential to the postwar medical research program, and its deferment will delay the launching of important research projects.

The construction of a 1,000-bed permanent hospital at St. Albans, N. Y., was authorized under the 1946 public works appropriation and is urgently needed in the postwar period to provide a permanent naval hospital in the New York area as a replacement for the old

Brooklyn Naval Hospital. The further cut-back in the St. Albans project is so extensive that provision remains for only 216 of the original 1,000 beds, making it impossible to operate only the permanent unit. Many patients must continue to be housed in temporary buildings.

It is considered vitally necessary to proceed immediately with a well-ordered construction plan for the postwar Navy. There will be in all naval hospitals about 12,300 beds in permanent construction by January 1, 1946. It is estimated that about 28,000 beds in permanent construction will be required in order to accommodate the expected patient load of a postwar Navy of 680,000, including the Marine Corps. This total includes 10,000 beds estimated by the Veterans' Administration as an immediate peacetime requirement. Thus it is obvious that a majority of patients must continue to be housed in temporary construction. It will be easily understood that it is not good economy to hospitalize 1,000 patients in a 5,000-bed temporary institution. The rescission of funds for the public-works program imposed by this bill has forced a reduction of 2,584 of the permanent hospital beds required for the postwar period. Since these beds must eventually be provided by the Government, as a part of a sound postwar hospital program, no economy is seen in eliminating these projects at this time.

Mr. CONNALLY. Mr. President, I do not want to take up more of the time of the Senate, because it may be futile—it probably is futile—since the well-oiled and well-organized Committee on Appropriations is against any change in what they have done. But, Mr. President, this conduct will not be approved by those who want adequate hospitalization facilities for the wounded and the maimed and the sick boys who are coming back from the Pacific Ocean. That is where the chief burden is going to be. Admiral McIntire told me in so many words that they needed these facilities for the hospitalization and care of men from the Pacific area. Mr. President, this cut-back will eliminate two hospitals in which I am primarily interested. I am interested in all of them, but two are located in my own State and if I do not look after them I should feel derelict in my duty.

I do not know what the fortunes of this effort will be, Mr. President; I am afraid it will be very ineffective; but I desire now to serve notice on the Appropriations Committee that when the regular bill for 1946 comes along I shall make a superhuman effort to restore these items to that bill. I hope Senators will read the testimony of Surgeon General McIntire in the Record. If they do they will be convinced that these reductions in appropriations for Navy hospitals should not take place.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 34, beginning with line 6.

Mr. CONNALLY. Mr. President, because of the attitude of the Senator from Massachusetts [Mr. WALSH], whose judgment I always regard highly, and who, as I understand, thinks that any effort now made to change these figures by amendment or otherwise, if it should result in an adverse vote, would in the long run operate to our disadvantage—

Mr. WALSH. That is my judgment.

Mr. CONNALLY. I shall not offer a specific amendment to increase the

amount, but I am serving notice now that if I know how to do it I shall cooperate with other Senators and form a little guerrilla band, if necessary, to see to it that the Committee on Appropriations pays some attention to the needs of wounded sailors and soldiers who want to be housed in permanent structures rather than in old discarded Army installations.

Mr. WALSH. I might add that there are few Members in the Chamber, and if a quorum were called and the vote cast it would be a vote cast without any knowledge of the discussion which has taken place.

Mr. CONNALLY. They would rush in. Mr. MAYBANK. Mr. President, will the Senator yield further?

Mr. CONNALLY. I yield.

Mr. MAYBANK. I want to say that I thoroughly agree with what the distinguished Senator from Massachusetts has said, and I shall certainly join him and appear before the conference committee in the hope that the House provision may be adopted.

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

Mr. CONNALLY. I yield.

Mr. CHAVEZ. I agree with what the Senator from Texas has said respecting the care of wounded soldiers and sailors. Everyone who is familiar with the record of the Committee on Appropriations must know that that committee is trying to and has aken care of wounded soldiers and sailors. I believe that if the record were known it would be found that the Committee on Appropriations has less to do with wounded soldiers and sailors and even dead soldiers and sailors than probably some other committees of the Senate.

Mr. MOORE. Mr. President, I am not a member of the Appropriations Committee, and have given very little study to the question of location of hospitals. I heard the Senator from Texas speaking about the location of a hospital at Marlin, Tex., which I understand is a rather small town. Is that correct?

Mr. CONNALLY. That is correct.

Mr. MOORE. In the matter of the location of hospitals I have frequently heard the suggestion made that they should be located in or near large towns. The suggestion was especially impressed on me by a situation in Oklahoma. In Okmulgee, Okla., which is what might be called a county-seat town, a hospital has been built which may now be regarded as a temporary hospital, but my information is that it is a good hospital. A move has been made to build a new hospital. The hospital at Okmulgee cost about \$5,000,000, and I have never been furnished with proof that it is not ample for the Veterans' Administration. I believe that the Veterans' Administration has recommended a hospital 100 miles away, at Oklahoma City, which is a large town. One of the reasons assigned was that the facilities in a large town were so much superior to those in a small town that it would be advantageous to build veterans hospitals in the larger towns. That is the reason why I was impressed by what the Senator said about his desire to have a hospital built at Marlin, Tex.



Mr. CONNALLY. Admiral McIntire of the Navy wanted to use the hospital at Marlin, Tex., particularly for the treatment of rheumatic and arthritic patients. The town is famous as a health resort.

Mr. MOORE. Would that reason outweigh the alleged advantages of building hospitals in larger towns?

Mr. CONNALLY. I do not subscribe to that doctrine. As I understand, that is the view of the Veterans' Administration. I am not authorized to speak for the Veterans' Administration, but I understand that General Bradley and his administration wish to locate veterans' hospitals near large cities.

Mr. MOORE. That is my understanding.

Mr. CONNALLY. That is fine for those who operate them.

Mr. MOORE. As I understand, the Senator does not agree with that doctrine?

Mr. CONNALLY. I do not agree with it. I do not believe that the wishes of the cities ought to have a great deal of influence in the location of hospitals. The superintendents, doctors, and officers who operate the hospitals may like to be close to a large city; but there are not many of the hospital patients who can get out on the boulevards. They must remain in the hospitals. So I do not agree with that philosophy.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 34, beginning in line 6. [Putting the question.] The Chair is in doubt.

On a division the amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 34, line 18, after the numerals "1946", to strike out "\$1,481,300,000" and insert "\$1,324,691,800"; in line 22, after the word "to", to strike out "\$135,765,200" and insert "\$128,116,900"; in line 25, after the figures "\$44,934,000", to insert the word "and"; on page 35, line 2, after the word "to", to strike out "\$758,050,800" and insert "\$835,050,800"; in line 3, after the amendment just above stated, to strike out "(and (4) continuing experiments and developmental work, and so forth, from '\$81,272,500' to '\$61,000,000' and insert 'the subappropriation 'continuing experiments and development work, and so forth,' is hereby increased from '\$81,272,500' to '\$148,256,500'."

The amendment was agreed to.

The next amendment was on page 35, line 12, after the numerals "1944", to strike out "\$41,321,480" and insert "\$40,521,480."

The amendment was agreed to.

The next amendment was on page 36, line 5, after the numerals "1946", to strike out "\$310,000,000" and insert "\$307,750,000."

The amendment was agreed to.

The next amendment was on page 36, line 17, after the word "vessels", to insert "except, not to exceed \$24,100,000 may be available during the fiscal year 1946 against the construction of five advanced type combatant vessels and 17 minor craft."

The amendment was agreed to.

The next amendment was, under the subhead "General provisions," on page 41, after line 19, to strike out:

Notwithstanding the provisions of section 10 of the Pay Readjustment Act of 1942 (56 Stat. 364), the Secretary of the Navy is authorized and directed to issue in kind during the fiscal year ending June 30, 1946, one service blue uniform and overcoat to each enlisted man in the naval service upon return to the United States from sea and foreign shore duty upon the sworn statement of such enlisted man that he was prevented, by competent naval authority, from taking such articles of clothing with his person at the time of his assignment to sea and foreign shore duty: *Provided*, That the value of such articles of clothing shall be charged to the clothing and small-stores fund.

And in lieu thereof to insert the following:

Notwithstanding the provisions of section 10 of the Pay Readjustment Act of 1942 (56 Stat. 364), the Secretary of the Navy is authorized and directed to issue in kind one dress blue uniform and overcoat to each enlisted man in the naval service upon his return to the United States from sea and foreign shore duty for separation from the naval service upon the sworn statement of such enlisted man that these articles of clothing are not now in his possession by reason of compliance with orders of higher naval authority or other exigencies of the service beyond his control and that no claim for reimbursement will be filed for the value of such articles so replaced: *Provided*, That the value of such articles of clothing shall be charged to the clothing and small-stores fund. The authority contained herein shall terminate on September 30, 1946.

The amendment was agreed to.

The next amendment was, on page 42, after line 22, to insert:

Personnel of the Naval Reserve, not qualified for sea duty, will, upon their application, be placed on inactive duty if surplus to requirements.

The amendment was agreed to.

The next amendment was, at the top of page 43, to insert:

The dependents and household effects of such civilian and naval personnel of the Naval Establishment (without regard to rank or grade) on duty at locations outside the continental limits of the United States, or in Alaska, as may be determined upon by the Secretary of the Navy, may prior or subsequent to the issuance of orders for the relief of such personnel from their stations, or subsequent to the discharge or release of such personnel from active service, be moved (including packing and unpacking of household effects) from such locations outside the continental limits of the United States, or in Alaska, to such locations as may be designated by such personnel, or dependents concerned, by the use of either Government or commercial means of transportation, and later from such locations to the duty station to which such personnel may be ordered, and current appropriations of the Naval Establishment available for travel and transportation may be used for this purpose. In lieu of the transportation in kind authorized for dependents, the Secretary of the Navy may authorize the payment in money of amounts equal to the commercial transportation costs (including taxes if paid), for the whole or such part of the travel for which transportation in kind is not furnished when such travel shall have been completed.

The amendment was agreed to.

The next amendment was, on page 43, line 24, after "In all, title III", to

strike out "\$14,604,721,830" and insert "\$14,309,609,614."

The amendment was agreed to.

The next amendment was, under the subhead "General provision," on page 44, after line 7, to insert the following:

Effective December 1, 1945, no military or naval personnel shall receive during the remainder of the current fiscal year aviation pay unless the person affected is assigned to duty on air activities prescribed by the Secretary of War or the Secretary of the Navy as requiring regular and frequent participation in aerial flights, or is required to participate regularly and frequently in aerial flights in order to continue his fitness for his primary technical skill: *Provided further*, That in addition, on or before January 1, annually, the Secretaries of War and Navy, respectively, shall certify to the Congress by rank and age group the number of such officers above the rank of major of the Army or lieutenant commander of the Navy, with the average monthly flight pay authorized by law to be paid to such officers during the 6-month period preceding the date of the report: *Provided further*, That the Secretary of War and the Secretary of the Navy shall on or before January 3, 1946, submit to the Congress a joint recommendation for revision of the Pay Readjustment Act of 1942, as amended, including but not restricted to recommendations with respect to increases authorized for flying pay, parachute pay, glider pay, submarine pay, and similar special pay and allowances.

Mr. McKELLAR. Mr. President, at the request of the Senator from Louisiana [Mr. OVERTON] who is ill, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Tennessee on behalf of the Senator from Louisiana to the committee amendment will be stated.

The CHIEF CLERK. On page 44, at the beginning of line 8, in the committee amendment, it is proposed to strike out the word "Effective" and insert in lieu thereof the following:

The appropriations contained in the 1946 War and Navy Department Appropriation Acts shall be available for increased pay for making aerial flights by flying or nonflying officers at rates as follows:

"Nonflying officers, \$720 per annum.

"Flying officers, not in parachute jumping or glider-pay status, who are required by orders of competent authority to participate in regular and frequent flights as an essential part of their military duty and training, shall receive an increased 50 percent of their pay when in consequence of such orders they participate in such flights: *Provided*, That such increase shall not exceed \$125 per month: *Provided further*, That effective —."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR] on behalf of the Senator from Louisiana [Mr. OVERTON] to the committee amendment on page 44, line 8.

Mr. McKELLAR. Mr. President, I should like to make a brief explanation of the amendment. The Senator from Wyoming [Mr. O'MAHONEY] wished to be heard on it, and I have sent for him.

It seems that a large number of officers in the Army and Navy have had increased air-service pay of 50 percent. In the case of a high-ranking officer in the Army or Navy—for illustration, one



who receives a salary of \$8,000 a year—if he was engaged in flying service during the war his salary was increased to \$12,000 a year, or an increase of 50 percent. That was under authority of law at the time, but it was supposed to be only for the duration of the war.

Since the end of the war, under some regulation an officer can increase his salary by going in the air 4 hours a month. Complaint was made to the committee by those interested in both the Army and Navy that that was not intended to be a part of the law. It was not intended that by simply going in the air and flying to Chicago and return, or to New York and return, or remaining in the air in any way for 4 hours, an officer should receive an increase in salary of 50 percent.

The committee came to the conclusion that it was unfair and unjust for officers to increase their salaries in this manner. Both flying officers and nonflying officers were able to take advantage of the increase. However, nonflying officers were limited by law to an increase of \$720. Therefore, this amendment after leaving the increased pay of nonflying officers, of that kind, including doctors and officers at \$720 per annum, provides as follows:

Flying officers, not in parachute jumping or glider-pay status, who are required by orders of competent authority to participate in regular and frequent flights as an essential part of their military duty and training, shall receive an increase of 50 percent of their pay when in consequence of such orders they participate in such flights: *Provided*, That such increase shall not exceed \$125 per month.

That simply means that officers who fly the required amount of time shall not receive more than \$1,500 a year additional pay. Many of us thought that 50 percent was too much. I believe that this amendment ought to be agreed to. That is why I am offering it in the absence of the Senator from Louisiana.

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

Mr. McKELLAR. I yield.

Mr. WALSH. Does not the limitation of \$1,500 affect only officers in the higher ranks, and not those in the lower ranks?

Mr. McKELLAR. That is true.

Mr. WALSH. So that those in the lower ranks would receive the 50 percent increase when they engaged in flying.

Mr. McKELLAR. That is true. The amendment would affect only the higher-ranking officers. Some of the higher-ranking officers increase their salaries by 50 percent merely by flying 4 hours a month. Some of us thought that that ought not to be done, and for that reason the Senator from Louisiana submitted his amendment. I approve the amendment, and I believe that it should be adopted. I hope the Senate will accept it.

A few moments ago the Senator from Wyoming [Mr. O'MAHONEY] stated that he wished to be heard in opposition to the amendment. I see that he is now in the Chamber, and I now yield the floor so that he may discuss it.

Mr. O'MAHONEY. Mr. President, the Senator from Tennessee was very kind to

give notice to the Senate of my desire to be heard.

First, Mr. President, I send to the desk a letter which I have received from the Secretary of War, and ask that it be read.

The PRESIDING OFFICER. Without objection, the letter will be read.

The legislative clerk read as follows:

WAR DEPARTMENT.

Washington, D. C., November 19, 1945.

Hon. JOSEPH C. O'MAHONEY,  
United States Senate,

Washington, D. C.

DEAR SENATOR O'MAHONEY: In response to your request of me concerning the effect of an amendment to the First Supplemental Surplus Appropriation Rescission Act, 1946, which was introduced by Senator OVERTON on November 16, 1945, the following information is submitted:

The amendment offered by Senator OVERTON, as printed in the CONGRESSIONAL RECORD November 16, 1945, reads as follows:

"On page 44, line 8, strike out the word 'Effective' and insert in lieu thereof the following: 'The appropriations contained in the 1946 War and Navy Departments Appropriation Acts shall be available for increased pay for making aerial flights by flying or nonflying officers at rates as follows:

"Nonflying officers, \$720 per annum."

"Flying officers, not in parachute jumping or glider pay status, who are required by orders of competent authority to participate in regular and frequent flights as an essential part of their military duty and training, shall receive an increase of 50 percent of their pay when in consequence of such orders they participate in such flights: *Provided*, That such increase shall not exceed \$125 per month."

The amendment does not affect the pay of nonflying officers. It does, however, place a maximum limitation of \$125 per month (\$1,500 per year) on the extra compensation received by flying officers. The amendment, therefore, affects the pay of all officers authorized to receive flight pay who are above the rank of major in the Army and Marine Corps, and lieutenant commander in the Navy.

A small percentage of officers in the grade of major would also be affected. The following tabulation shows the approximate number of Army officers presently authorized to receive flight pay:

Generals of the Army (5-star).....	1
Generals (4-star).....	4
Lieutenant generals (3-star).....	13
Major generals (2-star).....	72
Brigadier generals (1-star).....	200
Colonels.....	3,000
Lieutenant colonels.....	6,000
Majors.....	10,000
Captains.....	24,000
First lieutenants.....	55,000
Second lieutenants.....	45,000

Of the above officers, as closely as can be estimated at this time, the following would be affected by the proposed amendment:

Generals of the Army (5-star).....	1
Generals (4-star).....	4
Lieutenant generals (3-star).....	13
Major generals (2-star).....	72
Brigadier generals (1-star).....	200
Colonels.....	3,000
Lieutenant colonels.....	6,000
Majors.....	1,700

Sincerely yours,

ROBERT P. PATTERSON,  
Secretary of War.

Mr. O'MAHONEY. Mr. President, without reading it, I ask unanimous consent to have printed at this point in the RECORD a letter which I received from Assistant Secretary of the Navy John L.

Sullivan, transmitting a copy of a letter which was addressed to the acting chairman of the Appropriations Committee by Secretary Forrestal.

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

THE ASSISTANT SECRETARY

OF THE NAVY FOR AIR,

Washington, November 15, 1945.

Hon. JOSEPH C. O'MAHONEY,  
United States Senate.

MY DEAR SENATOR O'MAHONEY: For your information, I am enclosing a copy of a letter of 10 November from the Secretary of the Navy addressed to Senator McKELLAR.

I would like to express to you my concurrence with the statement made by Secretary Forrestal to the effect that no changes should be made in the pay schedules now in effect, including flight pay, except after a thorough study.

The amendment to the rescission bill which has been passed by the Senate Appropriations Committee will provide for that study, and the Navy will submit to the Congress by 3 January 1946 a full study with respect not only to flight pay but, further, with regard to the pay structure of the Navy as a whole.

I feel very strongly that the Navy should have this opportunity of presenting the results of a thorough study to the Congress before any action is taken which would reduce the pay of a limited group of personnel.

Sincerely yours,

JOHN L. SULLIVAN.

NOVEMBER 10, 1945.

Hon. KENNETH McKELLAR,  
Senate Appropriations Committee.

MY DEAR SENATOR: With regard to the attached proposed amendment to the rescission bill now under consideration by your committee, it is my considered opinion that the whole matter of the pay structure of the armed services is a subject which should receive the early attention of the Congress. The armed services are now operating under the basic structural provisions of the 1908 pay bill, as modified by the 1922 Pay Readjustment Act. No changes should be made in the pay schedules now in effect, including flight pay, except after a thorough study. The opinion of personnel of all ranks and ratings of all services concerned should be obtained and considered.

The proposed amendment would, without mature deliberation, reduce the pay of a large number of naval aviators whose services in the recent war contributed so greatly to that war. This reduction in pay would not be in accord with the apparent policy of the administration toward increasing compensation of Government personnel.

The proposed amendment would, in my opinion, adversely affect the existing high morale of naval aviation. It would, I fear, most seriously react against the efforts of the Navy to induce large numbers of experienced naval aviators of the Naval Reserve to transfer to the Regular Navy. I believe it is hardly necessary for me to point out to you the serious consequences which would result if we now lose the services of this excellent group of young combat experienced aviators.

For the above reasons I am strongly opposed to the proposed amendment.

Sincerely yours,

JAMES FORRESTAL.

Mr. O'MAHONEY. Mr. President, I shall be content to say that the Appropriations Committee considered this matter at length; and, being of the opinion that it would be altogether improper at this time to legislate such a far-reaching change in the schedules of aviation pay in both the Army and the



Navy, the committee rejected an amendment which was substantially the same as the one now offered by the distinguished Senator from Tennessee on behalf of the able Senator from Louisiana.

Mr. HILL. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I yield.

Mr. HILL. The distinguished Senator from Wyoming has requested that a letter from the Assistant Secretary of the Navy, Mr. Sullivan, together with a copy of a letter from Secretary Forrestal, be printed in the Record, I believe.

Mr. O'MAHONEY. That is correct.

Mr. HILL. I wonder whether the Senator will permit me to read an excerpt from the letter of the Assistant Secretary of the Navy, Mr. Sullivan, because it is so succinctly stated.

Mr. O'MAHONEY. I shall be very happy to have the Senator do so.

Mr. HILL. The letter is under date of November 15, 1945, and it contains the following statement, among others:

I would like to express to you my concurrence with the statement made by Secretary Forrestal to the effect that no changes should be made in the pay schedules now in effect, including flight pay, except after a thorough study.

Mr. O'MAHONEY. I thank the Senator.

A majority of the Committee on Appropriations was of the opinion, of course, that the door should be closed against any abuse of the present provisions for extra pay for flight. Therefore, the committee has reported to the Senate the amendment which appears on page 44, beginning in line 8.

Suffice it to say that this amendment requires the Secretary of War and the Secretary of the Navy, respectively, to certify as to the essentiality of any flights which may be taken by officers in the respective Departments, before they shall be entitled to the extra pay. It also requires these Departments to make a report to the Congress in January 1946 covering the whole subject of the aviation-pay structure.

So, Mr. President, with that report before us, the Congress then will be in a position to act with information, without haste, and in a manner designed to preserve the best interests of the flying services.

Actually, Mr. President, this is a matter of legislation, and it should come from the respective legislative committees having to do with the affairs of the services. To me, the most important aspect of the matter, however, is that during the war the aviation services of both the Army and the Navy rendered heroic service to the country. The exploits of those two flying services have never been excelled in any combat service. Now that demobilization is upon us, however, the sad fact is that the personnel of both these services is beginning to disappear. Testimony before our committee from General Arnold indicated that the rate of accidents in the Air Corps is rising. Skilled and able personnel are retiring into private life. No one can doubt how important it is, not only to the United States but to the whole world, that the Air Corps of both the Army and the Navy shall be maintained

at a high level of morale in this period. No one doubts that the maintenance of peace in the world will depend upon the existence of an efficient and effective air force in the armed services of the United States.

Mr. President, these aviators, of high degree or low degree, during the war received compensation upon a schedule to which the Congress had given its complete approval. To undertake now, in this summary manner, without a constructive study of the situation, to cut the compensation of these fliers would, it seems to me, clearly undermine the morale of both services. We are saying to this branch, and to this branch alone, "You must now accept a severe reduction in your compensation."

It is not a matter of dealing with a few officers at the top. It is a matter of dealing with thousands of officers. The letter of the Secretary of War, Mr. Patterson, clearly indicates that 1,700 majors, 6,000 lieutenant colonels, 3,000 colonels, and 200 brigadier generals will be affected. To them, if the Senate should adopt the amendment, the Senate would be saying "Despite your services in this war, and although you have not had an opportunity to tell your story to a committee of the Senate, we are now undertaking to cut your compensation"—and this in the face of the fact that the action of the committee has been sufficiently clear to close the door to any abuse of this excess pay and to call upon both the Army and the Navy to present to the Congress a full study of the whole matter. Surely, Mr. President, the Senate will not wish to undertake to make this radical departure in such a hasty and such a premature manner as would be the case if this amendment were adopted.

The Committee on Appropriations, after having heard what evidence was presented, decided against the amendment. The committee heard personally from Judge Patterson, who appeared before us. Secretary Forrestal sent a letter to the committee. An effort was made to have Secretary Forrestal come before the committee at the same time Judge Patterson appeared there, but such short notice was given that the clerks of the committee were unable to reach Secretary Forrestal in time. Secretary Patterson appeared before the committee, having received the message only that morning. His statement to the Committee on Appropriations was simply this:

Do not act hastily. Give the War Department an opportunity to examine this matter. The War Department will cooperate. The War Department will do its part to prevent abuse. But it does not want to see the morale of the Air Force impaired by hasty action.

The War Department will cooperate. The War Department will do its part in order to prevent abuse, but it does not want to see the morale of the Air Forces impaired by hasty action.

That, Mr. President, is the story. It was sufficient to convince the majority of the members of the committee, and I believe it should be sufficient to convince the majority of the Members of the Senate that the committee was right in rejecting the proposal.

Mr. HILL. The distinguished Senator has quoted Secretary of War Patterson. I should like to quote a brief paragraph from a letter from the Secretary of the Navy, Mr. Forrestal. The letter, which is addressed to the chairman of the Senate Appropriations Committee, states in part as follows:

The proposed amendment would, without mature deliberations, reduce the pay of a large number of naval aviators whose services in the recent war contributed so greatly to that war. This reduction in pay would not be in accord with the apparent policy of the administration toward increasing compensation of Government personnel.

The proposed amendment would, in my opinion, adversely affect the existing high morale of naval aviation. It would, I fear, most seriously react against the efforts of the Navy to induce large numbers of experienced naval aviators of the Naval Reserve to transfer to the Regular Navy. I believe it is hardly necessary for me to point out to you the serious consequences which would result if we now lose the services of this excellent group of young combat experienced aviators.

That is the opinion of the Secretary of the Navy, Mr. Forrestal.

The Assistant Secretary of the Navy for Air, Mr. Sullivan, also wrote a letter which he closed with the following statement:

I feel very strongly that the Navy should have this opportunity of presenting the results of a thorough study to the Congress before any action is taken which would reduce the pay of a limited group of personnel.

As the distinguished Senator from Wyoming has pointed out, the committee amendment provides for the study to which reference has been made. Not only that but it even fixes a limitation. It provides that the Secretary of War and the Secretary of the Navy shall make reports to Congress on or before January 3, 1946. That is hardly 45 days from now. It provides also that they shall furnish to the Congress a list of names of men in the Army above the rank of major, and in the Navy above the rank of lieutenant commander, who draw extra flight compensation.

Without having had an opportunity to obtain necessary information the Senate should not hastily this afternoon act upon the matter. We should do what the committee recommends in its amendment be done, namely, obtain the information, and then we will be in a position intelligently to act.

Mr. O'MAHONEY. Mr. President, I thank the Senator from Alabama.

There is now pending on the calendar a bill which was reported from the Civil Service Committee, raising the pay of civil officers and employees of the Federal Government. It would be strange, indeed, in the face of an appeal such as the Senator from Alabama has quoted from the Secretary of War and the Secretary of the Navy, for the Senate to undertake to say that the compensation of flying officers should be summarily reduced.

Mr. O'MAHONEY subsequently said: Mr. President, I ask unanimous consent that a memorandum in justification of flying pay be printed in the Record at the conclusion of my remarks with reference to the amendment which was con-



sidered by the Senate a few moments ago.

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

#### JUSTIFICATION OF FLYING PAY

1. The necessity for recognizing the hazards of military flying has been accepted by all nations since the initial development of military aviation.

2. Congress first authorized flying pay in 1913 because of the hazardous nature of flying. The National Defense Act of 1920 and the Pay Readjustment Act of 1922 provided 50 percent extra flying pay for those who participate in regular and frequent flights.

3. In 1939 a special board consisting predominantly of nonflying officers appointed by the War Department to study the flying pay problem made a careful investigation into all aspects of military flying hazard and justification of flying pay. I quote from their report (p. 14): "Adverse criticism has been heard of the principle of paying military personnel for flying duty. In view of this criticism the board has reinvestigated

the subject carefully and in detail. This investigation has shown that this criticism is unjustified. It has been demonstrated conclusively that any flying involves a hazard above that incurred in routine military duties which do not involve flying, and the board is further convinced that continual flying jeopardizes the mental and physical well-being of the average man. Further, the board believes that the experiences of the past 20 years indicate that the average useful service life of the flying officer will be markedly shorter than the service life of the officer on nonflying duties, due to the necessity for youthful physical and mental alertness and stamina demanded by the operations of modern airplanes in military flying. The increased hazards and expectancy of a shorter service life fully justify extra compensation to the men who subject themselves to the risks incident to flying."

4. The facts presently on hand indicate that the hazards of military flying are as prevalent today as they were in 1939. The following figures and fatality rates were computed from records available in the Office of the Air Surgeon:

TABLE I.—Death rates per 1,000 per annum 1944, continental United States, flying versus nonflying personnel

	Number	Aircraft accident		Other than aircraft accident		Total	
		Number	Rate	Number	Rate	Number	Rate
Flying personnel.....	235,242	4,207	17.9	220	0.9	4,427	18.8
Nonflying personnel.....	1,134,265	227	.2	516	.4	743	.6
Total.....	1,369,507	4,434	3.2	736	.6	5,170	3.8

The greatest number of deaths in the Army Air Forces is among flying personnel and the greatest single cause is aircraft accident. The death rate among flying personnel in aircraft accidents (17.9) is approximately 30 times the death rate among nonflying personnel due to all causes.

TABLE II.—Fatality rates—Flying personnel (Rate per 1,000 per annum)

Year:	Rate
1932.....	17
1934.....	16
1936.....	20
1938.....	14
1944.....	18

Notice the rate of fatalities per 1,000 flying personnel per annum in 1944 is greater than in 1938, 1934, or 1932. At the same time the fatalities per hours flown in 1938 were 1 per 15,553 hours of flight as compared to the rate in 1944 which was 1 per 8,000 plus hours of flight.

5. The following comparisons of life expectancy between flying and nonflying officers were made from a study by the Office of the Air Surgeon:

Average expectation of life of men at age 20	
	Years
Regular Army officers, nonflying.....	49.3
General United States population, white males.....	46.0
Rated observers, Regular Army officers.....	43.4
Pilots, Regular Army officers.....	37.2

Pilots may expect 12 years less of life than nonflying Regular Army officers. Rated observers may expect 6 years less of life than nonflying Regular Army officers.

Pilots at the age of 20 may not expect to live any longer than other officers at the age of 32.

One out of every four pilots will die before his thirty-ninth birthday.

6. Insurance companies are exhibiting new interest in writing aviation insurance. However, only one company—Travelers—have announced their rates—\$12 per year per \$1,000 in addition to normal rate—same as

before war. Some companies are writing some at lower rates but until the military aviation risk tables are backed up by facts they are doing so only on a tentative basis and are not publishing their rates. It is the opinion of our life insurance contact—Colonel Grayson of Personal Affairs Branch—that most companies will go back to old rates for military aviators as soon as risk tables, based on the facts, are worked out. There is an indication that lower rates might be available, for bombardiers, navigators, and flight surgeons.

7. It can be seen that in spite of great advances in military aircraft design and vigorous safety measures within the Air Force during the past 10 years the accident rate has not decreased. This is not comparable with the records of commercial air lines for many reasons. In the first place, performance is inimical to safety factors in aircraft design. The exigencies of aerial combat has forced the Air Forces to utilize the advancement in aircraft construction to increase combat performance rather than to use this advancement to increase aircraft safety factors. The necessity for minimizing losses in combat while maintaining military effectiveness establishes the balance between design performance and design safety factors. Military flying as a type in itself is more hazardous than normal flying. The introductions of new aircraft operated under hazardous weather and terrain conditions tend to maintain the hazard of military flying compared to the routine, constantly repetitious route flying of commercial air lines.

8. Flying pay as compensation for extra hazard inherent to military flying is as necessary today as it has been in the past. Until further developments alter the conditions in the interest of a strong Air Force there should be no change in the basic principle of flying pay.

Mr. MAYBANK. Mr. President, I wish to emphasize the point which the

Senator from Alabama has made in reading from letters which were written by the Secretary and the Assistant Secretary of the Navy. I remind Senators that there is a bill before the Congress to increase the number of officers in the Regular Army. We were told that approximately 4,000 Regular officers would be taken into the Air Force, and that the Air Force of the Regular Army was in dire need of officers. I think we should not talk about raising the compensation of civil-service employees while at the same time we reduce the pay of officers and men of the armed forces. Of course, I thoroughly agree with the Senate committee amendment, which would prevent any unreasonable request for flight pay on the part of members of the Army and Navy Air Forces, but the amendment we are now considering goes too far, in my judgment, and is not necessary.

Mr. GURNEY. Mr. President, I should like to offer for the RECORD a letter in its entirety from General Arnold dated November 12, 1945. The letter is written on the subject which we are discussing. I ask that the letter be printed in the RECORD at this point as a part of my remarks.

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

HEADQUARTERS, ARMY AIR FORCES,  
Washington, November 12, 1945.

HON. CHAN GURNEY,  
United States Senate.

DEAR SENATOR GURNEY: Having been informed that a proposed amendment is being voted upon by your committee this morning, which will have a disastrous effect on our Army Air Forces, and knowing of your keen interest in the Army Air Forces, I want to place the following facts before you.

The amendment which would reduce the flight pay of Army flying officers to the minimum for a major in the fourth pay period, will have the following effects:

a. It will reduce the pay by more than \$100 a month of all of our air combat leaders in the late war, including a great many of our leading aces.

b. It will destroy the career incentive in the Army Air Forces at the very time when we are making every reasonable effort to induce young Reserve officers of outstanding ability, as demonstrated in the war, to become members of the permanent establishment.

c. It has been clearly demonstrated and on one occasion by an impartial War Department Board, that there is a career hazard in military aviation, and that the flying officer must carry the burden of heavy additional insurance for the protection of his family, if he is to undertake this additional hazard.

It is my considered view that it would be difficult, if not impossible, to suggest a course of action which would have a more disastrous effect on the Army Air Forces than the amendment which is proposed. I believe it will result in destroying the morale of the Army Air Forces in the most critical period in its history.

Sincerely,

H. H. ARNOLD,  
Commanding General, Army Air Forces.

Mr. GURNEY. In his letter General Arnold states that the adoption of the amendment offered by the Senator from Louisiana [Mr. OVERTON] "will destroy the career incentive of the Army Air



Forces at the very time when we are making every reasonable effort to induce young Reserve officers of outstanding ability, as demonstrated in the war, to become members of the permanent establishment."

That statement alludes to the same subject matter which was brought up by the Senator from South Carolina [Mr. MAYBANK]. The Air Forces have great need for experienced men. They need them in the permanent establishment. The need will persist so long as world conditions continue to be in any way threatening to the security of our country.

General Arnold states further:

It is my considered view that it would be difficult, if not impossible, to suggest a course of action which would have a more disastrous effect on the Army Air Forces than the amendment which is proposed. I believe it will result in destroying the morale of the Army Air Forces in the most critical period in its history.

Personally I believe there is some justification for a complete "look-see" at the extra pay being given members of the Army and the Navy, not only for flying but also for service on submarines and gliders, in parachute service, and possibly some of the other services such as the infantry. That would include the infantry medical corps. All such compensation should be adjusted on the basis of equality in both the Army and the Navy. We should not single out one branch, as is being proposed in this amendment.

Mr. HILL. The distinguished Senator from South Dakota is a member of the Appropriations Committee. This very amendment was rejected by the committee, was it not?

Mr. GURNEY. Yes.

Mr. HILL. Of course, the Appropriations Committee acted wisely when it rejected the amendment. There had been no hearings on the matter. No witnesses had come before the committee to advise it with reference to the facts.

Mr. McKELLAR. Mr. President, the Senator is not a member of the committee or surely he would not have made such a statement. The committee heard a great deal of evidence on the subject. If the Senator will examine the hearings he will be in a position to confirm my statement.

Mr. HILL. Will the Senator advise me with reference to the testimony which was given?

Mr. McKELLAR. Here are the headings: "Question as to abuse in payment of flight pay," on page 546; "Flight surgeons," on page 545. A memorandum from General Arnold appears on page 546. The entire matter was gone into before the committee.

Mr. GURNEY. I agree in part with the Senator from Tennessee.

Mr. McKELLAR. The record is before me.

Mr. GURNEY. I think we went into the matter in a haphazard way. We did not consider the entire matter. We did not have an opportunity to question representatives of the War Department and the Navy Department. They did not tell us what they had in mind for the future.

Mr. President, I hope the amendment will not be agreed to.

Mr. HILL. Mr. President, from what I see in examining the hearings, the questions which were propounded were very sketchy in character, and there was no real hearing held upon the subject. Is that not true, in the sense that the Appropriations Committee could have had witnesses appear before it so that the committee could have gone into the matter and heard the complete facts with reference to the situation? Is that not correct?

Mr. GURNEY. When we went into the subject of the pay structure in 1942 with regard to both the Army and the Navy, it took the joint committee of the Army and of the Navy a couple of months to prepare their joint recommendation with reference to equalized pay and just compensation to every man in every branch of the Army and of the Navy. Then the Committee on Military Affairs considered it, hearing witnesses from the Army and Navy. Possibly it took us a matter of a week. Then the Committee on Naval Affairs had the matter before it, and made certain recommendations, and finally the bill was reported, after a period of about 3 months. The question now under discussion was considered in a matter of a few hours.

Mr. HILL. So far as the hearings in the committee were concerned, I would say it would be more a matter of a few minutes than of a few hours, because, as I stated, there has been no real hearing on this subject by the committee. I am sure that was one reason why the committee rejected the amendment.

Mr. McKELLAR. Mr. President, will the Senator from South Dakota yield?

Mr. GURNEY. I yield.

Mr. McKELLAR. I wish to say to the Senator from Alabama that again he is wholly mistaken. The question was raised, and we gave the officials of the Army and Navy time to make a report on the subject. Secretary Patterson came before the committee and testified in substance to what appears here. Only one other question in connection with the bill was considered as carefully as was this one, and that was the question we disposed of a little while ago. That was the only other question which was considered for the same length of time and in the same careful manner.

Mr. GURNEY. Let me say in conclusion, Mr. President, that the amendment, if adopted, will not only be unfair to the Army flying officers who still remain in the service—and in the military service 10,990 will be affected—but I believe it will be notice to all the flying men that this Nation is not as grateful as it should be for the heroic services they have rendered in this war.

The flying services certainly did a great job in hastening the end of the war. In order that my statements may not be misconstrued, I may say that the ground forces were always glad to have air cover in any battle in which they were engaged, they were very grateful for the services rendered by the flying men above them.

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

Mr. GURNEY. I yield.

Mr. HILL. So far as I can see from the hearings, no one spoke for the Navy. Did anyone speak in reference to the Navy air arm or the marine air arm?

Mr. GURNEY. We had letters, but no actual representative from either the Navy or the Army.

Mr. McKELLAR. Mr. President, I think I should make a statement about this matter. In the first place, I think it would not be very hard to prove that I have been a friend of both the Army and the Navy. The committee gave them every appropriation they requested.

In the next place, I do not believe it would be very difficult to prove that I have been very friendly to aviation. I introduced the first bill providing for carrying mail by airplane. It was passed, and is on the statute books now. I never was more ridiculed in my life, and I do not mind giving some of the names of those who ridiculed me. One was Senator Hardwick, of Georgia; another was Senator King, of Utah; another was Senator Borah, of Idaho. There were a number of other Senators, then Members of this body, who ridiculed me for suggesting that mail could be carried by air. I had encountered very active and vigorous opposition in 1917, when I introduced the first bill to establish a little jerk-water mail-carrying air line between Washington and New York, and was able to get an appropriation of only \$100,000. The next year I got a similar appropriation. The third year I got \$450,000, enough to extend the line to Chicago, and the fourth year, 1920, when the proposal was to extend the line to San Francisco, the real fight came, but I succeeded in my efforts notwithstanding the great opposition I met. I succeeded each time, and carrying mail by air became established by law of the land. It has been a marvelous success, as all flying has been.

I wish to say to the flying officers of both the Army and the Navy, and any others who have flown in this war, that they have rendered a great service. I take off my hat to them. I do not believe any officers ever did a finer job. They rendered greater service than has ever been rendered before. I do not want to see their wonderful work besmirched—I repeat the word, "besmirched"—by anything that may happen in peacetime.

Something has been said about morale. I first learned about this matter from a statement of a very distinguished officer of the Navy, who received a very large salary, but because he made air trips once a month, drew half as much in addition. It hurt me when I heard it, but in a day or two, when I examined into the matter, I found that that officer, when he put his mind on it, was made of the right kind of stuff. He voluntarily took his name off the list.

Why did this great commander of naval ships do a thing like that? Did he feel as if he were hurting the morale of the Navy when he refused to take that which he had inadvertently taken in the beginning? No. All honor to him. He felt that he was increasing the morale of the organization over which he presided by declining to take this pay



in peacetime which had been authorized only for time of war.

Therefore, speaking of morale, here was a man who took advantage of the provision, and it hurt his own morale to such an extent that he declined to continue it. I am not calling his name, but I wish to say that I have a thousand times more respect for him for taking his name off the list.

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

Mr. McKELLAR. I yield.

Mr. GURNEY. Referring to the Senator's remark that this pay was given only during time of the war, I want to have the RECORD show that the first authorized extra flying pay was provided in 1913, given because of the hazardous nature of flying. The National Defense Act of 1920 and the Pay Readjustment Act of 1922 provided 50 percent extra pay for those who participated in flying. That has been continued ever since 1920.

Mr. McKELLAR. Perhaps the Senator is correct that it is in the general law. But I wish to ask the Senator a question. If he were a naval officer above the rank of lieutenant commander, and did not make flying a business, but flew only occasionally, and since the war was over flew merely enough to come within the limit of 4 hours in a month, would he be willing to take pay of this sort?

Mr. GURNEY. Will the Senator yield?

Mr. McKELLAR. Indeed, I do yield. I asked a question, and I shall be glad to yield. The Senator would not do it, I know.

Mr. GURNEY. Let me say to the Senator that this officer, whoever he may be, may have arrived at his high position in command of the flying services, and of other services or branches of the Navy, because of his experience in flying, which had come about through perhaps 30 or 40 years of service. There may be some justification for Uncle Sam paying that officer the extra pay for the knowledge he gained, and the fact that he was able to give wise orders during the war to other men may have been well worth whatever it cost Uncle Sam. If he did not need the pay, as a matter of morale I think I would compliment him if he did not draw the pay, if he did not make any actual, bona fide flights.

Mr. McKELLAR. To gain the extra flying pay does not require bona fide flights. It applies to any flights. The officer merely has to be in the air for so many hours. The amendment does not apply to any of the younger officers, merely to officers above the rank of major in the Army or lieutenant commander in the Navy. If an officer above those ranks goes up and stays 4 hours a month, he increases his salary by 50 percent. I may be wrong, but to my mind I do not think that is fair or just.

Now I wish to say a word about the committee. Ordinarily the Committee on Appropriations is composed of 25 members. Former Senator Burton, who was a member of the committee, is now on the Supreme Court bench, and the vacancy on the committee has not been filled. That leaves 24. I do not think

former Senator Burton was present when this matter was passed on. I think there were only 24 members on the committee then. The vote on the motion of the Senator from South Dakota [Mr. GURNEY] to reject an amendment similar to this was 9 to 8. That was a total of 17 members. The vote to reject was 9, out of a total of 24 members on the committee. It was not a majority of the committee. I do not know what inducement or argument could have been made or offered to change the result one way or the other. If the full membership of the committee were present, the same result might have occurred. I wanted to explain to the Senate that only 17 members of the committee were present and that the vote was 9 to 8.

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

Mr. McKELLAR. I yield.

Mr. O'MAHONEY. I suggest that that is a very strong argument to dissuade the Senate now from voting to overturn the committee.

Mr. McKELLAR. If the Senator always used that argument, we would be in a very bad fix, because most of our bills are passed by what is not a majority. Unfortunately, that is so.

I was present and the Senator from Wyoming was present, and the vote was 9 to 8.

Mr. President, we have heard much said about morale. Let us see about morale. I never was more astonished in my life than when General Arnold testified, and I want to quote his words as to what the proposed action would do to the Army Air Forces. I like him so much that I want to use his exact words. They are as follows:

I have been informed that you have referred to the War Department a proposed amendment to the first supplemental surplus appropriations rescission bill for 1946 which would restrict flight pay which may be paid to the flying officers of the Army Air Forces to that of the minimum of a major in the fourth pay period. This proposed amendment will, in my considered opinion, have the effect of destroying the Army Air Forces in the most critical period of its history.

Listen to that language, Senators. Let me read it again, because this is the language of the head of the Army Air Forces:

This proposed amendment will, in my considered opinion, have the effect of destroying the Army Air Forces in the most critical period of its history.

Is there a Senator on the floor who agrees with General Arnold in that statement?

Mr. GURNEY rose.

Mr. McKELLAR. I count the Senator from South Dakota as one.

Will any other Senator stand up? Does any Senator believe that statement? Of course General Arnold made a mistake about the matter. He is a perfectly truthful man. I am not impugning his truthfulness, but he simply became a little excited about this matter. Listen to the language again:

This proposed amendment will, in my considered opinion, have the effect of destroying the Army Air Forces in the most critical period of its history.

I do not think this is the most critical period in its history, for that matter, but I read that language for the purpose of showing the Senate how excited a man can become when the interests of those under him are concerned. In one way he is to be complimented, and in another way I think he has made a great mistake in giving that advice to the Senate.

Let us see whom the amendment would affect. It would affect one of the generals of the Army. We have five generals of the Army.

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

Mr. McKELLAR. I yield.

Mr. GURNEY. That means it would affect General Arnold, a five-star general. It would affect one five-star general.

Mr. McKELLAR. General Arnold flies all the time. It would not affect him in any way; it would not affect him a particle now, and it might affect him in the future if he continues to fly. That, however, I do not know. It might affect him after he retires. But I do not think it will affect him now in the slightest.

Next, it would affect four generals. I do not know whether they are retired or still in active service.

It would affect 13 lieutenant generals, who would receive pay and one-half for flying 4 hours a month.

It would affect 72 major generals, 200 brigadier generals, 3,000 colonels, 6,000 lieutenant colonels, and 1,700 majors. It would not affect 8,300 majors.

Talk about morale, Mr. President. It would affect only a comparatively few officers. It is perfectly clear that the whole thing arose out of the purpose to increase the salaries of officers who rarely flew; who, indeed, flew merely once a month. It seems to me we ought not to permit such a thing. It seems to me we ought to stop it now. The amendment would not affect at all second lieutenants, of whom there are 45,000. It would not affect first lieutenants, of whom there are 55,000. It would not affect captains, of whom there are 24,000. It would not affect 8,300 majors.

The same is true with respect to the relative classes of officers in the Navy.

Under those circumstances, Senators, I do not see how we would injure the morale of the Army or the Navy by discontinuing a plan under which by flying 4 hours a month the higher ranking officers can secure 50-percent increase in pay. The fact that one admiral who was a flier refused after a short period to accept the increased flight pay, tells the whole story. We could argue the point for a month, but we could never make so good an argument as that. He inadvertently took the increased pay at first, but later refused it. Why? In view of the moral plane on which our Army and Navy operate he felt that he should not take the increased pay. The fact that he did not think he should take it speaks louder than words.

Mr. President, I shall ask for a vote on the amendment. It seems to me that the amendment prepared by the Senator from Louisiana [Mr. OVERTON] should be agreed to. I regret he is not present. I have probably presented the matter



very inadequately because I am perhaps not so familiar with the subject as he is. But I think we will be doing the Army and the Navy the greatest possible injury if we allow the situation to remain as it is.

It is said that we ought not take this action without an investigation being made. Is a matter of this kind subject to being investigated? We know exactly what the situation is. Everyone knows what it is. Are we going to let Army officers who are not regular fliers receive this increase in pay? The proposal would not hurt the regular fliers at all. The general of the Army referred to does not operate a plane. The 4 generals in question do not operate planes. The three lieutenant generals do not operate planes. Neither do the 72 major generals, the 200 brigadier generals, the 3,000 colonels, the 6,000 lieutenant colonels, or the 1,700 majors. So we ought not allow such a condition to continue. I hope the Senate, by approving the amendment, will not permit the condition to continue.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee on behalf of the Senator from Louisiana [Mr. Overton] to the committee amendment. [Putting the question.]

Mr. McKellar. Mr. President, let us have a standing vote.

On a division, the amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 44, beginning in line 8.

The amendment was agreed to.

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

Mr. Walsh. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 28, line 12, it is proposed to insert the following: "Provided further, That of the funds remaining available for advance base construction, material, and equipment, not to exceed \$6,000,000 shall be available toward reconstruction of the civilian economy of Guam."

Mr. Walsh. Mr. President, that is the amendment I have discussed with the Senator from Tennessee.

Mr. McKellar. Mr. President, will the Senator make a brief statement about it? I think I should accept it, but I should like the Senator to make a brief statement concerning it.

Mr. Walsh. Mr. President, there have been several bills before the Committee on Naval Affairs relating to Guam. This particular appropriation is the result of an authorization by the Naval Affairs Committee for the building of public buildings in Guam. The bombardment of Guam by American forces in order to drive the Japs out resulted in the destruction of every single solitary public building, including schools, what would correspond to a city hall, the jail, the courthouse, and the post office. This appropriation is to provide funds to be

taken from the advance base construction appropriation and used for erecting the buildings to which I have referred. The original request before the Committee on Naval Affairs was for \$15,000,000, but we felt that the program was too elaborate and expensive, and we reduced the recommendation for authorization to \$6,000,000. It will be necessary to build schools, administration buildings, a jail, a hospital, and, in fact, every building which a community of 22,000 would need for public uses.

Mr. McKellar. Mr. President, I believe that this construction should be done, and so far as I am concerned I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. Walsh] on page 34, line 10.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill H. R. 4407, was read the third time, and passed.

Mr. McKellar. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKellar, Mr. Glass, Mr. Hayden, Mr. Tydings, Mr. Russell, Mr. Overton, Mr. Brooks, Mr. Bridges, Mr. Gurney, and Mr. Ball conferees on the part of the Senate.

#### SUMMARY OF FIFTH QUARTERLY REPORT OF OFFICE OF CONTRACT SETTLEMENT

Mr. O'Mahoney. Mr. President, I ask unanimous consent that a summary of the Fifth Quarterly Report of the Office of Contract Settlement may be printed in the body of the Record. The office of Contract Settlement, which is headed by Mr. Robert H. Hinckley, has been carrying on the utterly tremendous task of settling terminated war contracts. I am sure that the report of a work of such magnitude is of interest to all Members of the Senate. The full text may be obtained, but I think it would be of value to have a summary of the report printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Victory brought mass terminations as was expected. The magnitude of the contract settlement job is now known. We are confident that if everyone continues to do his part it will be speedily and successfully completed.

The surrender of Japan brought termination of 113,000 prime contracts involving \$24,000,000,000 in canceled commitments. On September 30 the total number of prime contracts pending settlement was 103,000 involving canceled commitments of \$37,000,000,000.

Both industry and government are prepared to handle this volume of termina-

tions. Organizations for contract settlement are available and have been supplemented with additional personnel. No major problems of policy and procedure have arisen since VJ-day.

Experience to date has been extensive. Of the 288,000 prime contracts involving \$62,000,000,000 in canceled commitments terminated from the beginning of war production to date, 185,000 involving over \$25,000,000,000 in canceled commitments have been settled.

The immediate goal of the Government is to settle the bulk of the canceled prime contracts by December 31. Progress toward this goal has already been made. During September, 2,900 prime contracts were settled with cost to the Government and 16,700 without cost. The total number settled was more than twice the number settled in August, the previous peak month.

The immediate goal of industry should be to file claims rapidly and to settle canceled subcontracts by the end of the year.

Achievement of these goals by government and industry will complete contract settlement for a large number of war contractors.

The rate of settling canceled commitments averaged \$1,000,000,000 per month during the quarter. The volume of terminations made prior to VE-day was not large enough to support a high settlement rate. Furthermore, with victory over Japan, contract settlement was interrupted in August and early September to place the maximum effort upon the more pressing problems of effecting terminations and reconverting to civilian production.

During the latter part of the quarter, contractors filed an increased volume of claims. If they continue to increase the volume of claims filed, the settlement rate can increase to \$4,000,000,000 or more in canceled commitments per month before January 1.

The soundness of the steps taken in advance of mass terminations has now been demonstrated. Preparation for contract settlement and confidence in policies and procedures have contributed to speedy reconversion.

Quick plant clearance has been possible even with mass terminations. In almost all cases, termination inventories and Government-owned plant equipment are being removed from plants within the 60 days prescribed by the Contract Settlement Act.

Only a small portion of industry's total funds is tied up in canceled contracts. It is estimated that the gross amount owed by government under canceled contracts is less than \$3,500,000,000. The amount of industry's funds actually tied up is considerably less than this, however. Partial payments and T-loans outstanding totaled \$320,000,000. In addition, a large proportion of the \$1,900,000,000 outstanding in other Government-guaranteed loans and in advance payments is now being used to finance terminations rather than war production.

On September 30, the War Department had the equivalent of 22,000 persons engaged in full-time on contract settlement work; the Navy Department had 4,800 persons engaged full-time and 1,900 part time; the Maritime Commission, Reconstruction Finance Corporation, and Treasury Department had a total of 242 assigned full time and about 2,000 persons available for part-time work.

To date, both government and industry have handled contract settlement well. Contractors have expressed their satisfaction. This Office has received few complaints. Only 21 appeals have been filed by contractors with the appeal board of this Office.

This Office expects the continued cooperation of contracting agencies and industry. Such cooperation has been the basis of success in contract settlement to date. It is the same as that which made possible our great war production. Its continuation will bring about complete attainment of the objectives of the Contract Settlement Act.



## UNITED NATIONS ORGANIZATION

Mr. CONNALLY. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1580, Calendar 722, known as the United Nations Organization bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

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

Mr. CONNALLY. I yield.

Mr. WHITE. I should greatly regret to see that motion agreed to at this time. The proposed legislation is of importance and interests a great many Senators, and there is hardly a handful of Senators in the Chamber at this time.

Mr. CONNALLY. It is not my purpose to proceed any further with the bill this afternoon.

Mr. WHITE. Is the Senator willing to agree that the bill shall not be taken up for consideration and action before Monday?

Mr. CONNALLY. I will say to the Senator that personally I have no particular desire to press the bill, but this is only Tuesday, and it seems to me that to postpone action until Monday—

Mr. WHITE. As a practical matter, tomorrow is the day before Thanksgiving; the next day is Thanksgiving; and the day after is the day following Thanksgiving. We shall see a complete exodus of Senators from nearby States during the next 3 days. It seems to me that there ought not to be forced on the attention of the Senate and pressed for consideration legislation of this importance at this time. About all I can do is to make the point of no quorum. I do not like to do that.

Mr. CONNALLY. Why will not the Senator allow the bill to be made the unfinished business? That does not mean that we must vote on it at once. I am sure that his group is resourceful enough to postpone action.

Mr. WHITE. Mr. President, if the Senator will further yield, I believe I was in the committee when the bill was ordered to be favorably reported to the Senate. I think I am personally kindly disposed toward it, and I expect to vote for it when the voting time arrives, but it seems unfair—I almost recall that word, but I shall let it stand—at this time, with such a small number of Senators present, to take action upon a piece of legislation which is of interest to many Senators. So far as I can immediately recall, there is now present only one member of the minority who is a member of the Foreign Relations Committee. I see present on the majority side only two members of the Foreign Relations Committee. It seems to me that Senators, having had no notice that this matter was to be presented at this time, ought to be given consideration. I very earnestly appeal to the Senator from Texas not to press his motion and not to force this matter upon the consideration of the Senate at this time.

Mr. CONNALLY. I will say to the Senator that absent Senators are not without some notice.

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

Mr. CONNALLY. I yield.

Mr. WHERRY. Several Senators have come to me and asked if any important business was to be transacted during the Thanksgiving period. Not long ago I took the question up with the Senate leadership. At that time the bill was not on the calendar, and there did not seem to be any objection to adjourning over Thanksgiving. If we are to take up the bill tomorrow, we must have time to get Senators back here. Several Senators have left, to be absent over Thanksgiving.

Mr. CONNALLY. It is not my purpose to compel any Senator to return.

Mr. WHERRY. I understand.

Mr. CONNALLY. Senators who live near Washington have the advantage of being able to go home for Thanksgiving, and frequently for weekends.

Mr. WHERRY. The Atomic Energy Committee has left. The Senator from Michigan [Mr. VANDENBERG] has left, as has the Senator from Virginia [Mr. BYRD].

Mr. CONNALLY. I do not like to proceed in the absence of the Senator from Michigan.

Mr. WHERRY. I join with the minority leader in asking if the distinguished Senator will not let the bill go over until Monday.

Mr. CONNALLY. What is the objection to letting it be made the unfinished business?

Mr. WHERRY. In that event I shall have to send telegrams to absent Senators, because if it is made the unfinished business it may be the business for tomorrow.

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

Mr. CONNALLY. I yield.

Mr. TAFT. I think that unless the Senator is willing to agree that the bill will not be taken up until Monday, we shall have to make the point of no quorum, and discuss the question. I had no notice of any intention to take up the bill today. I do not believe that the minority leader had such notice. I do not know about the senior Senator from Michigan. He may have had notice, but he did not tell us so before he left. He will not be present tomorrow. Friday is a very unsatisfactory day to begin the consideration of a matter so important as this. I believe that if the Senator will talk with the leaders, they will be willing to make the session on Friday a purely formal session, with no business to transact. If that is the understanding, it is perfectly agreeable to me to have the bill made the unfinished business now.

Mr. CONNALLY. That is exactly what must be done, because we must meet again before Monday. We cannot adjourn from today until Monday, so we must meet one day between now and Monday.

Mr. President, I am not trying to press this matter. In justification of my motion, let me say that for a week or ten days I have had an agreement with the leadership on this side. When the reorganization bill was under consideration, it was understood that when consideration of that bill had been concluded, the United Nations Organization bill would be taken up. I gave way to the Appro-

priations Committee for the consideration of the rescission bill. I am not pressing the matter now; but let me say to Senators that the United Nations Organization will be in being rather soon, and I am anxious that we settle the matter of representation at the earliest possible moment. I am not trying to drag any Senators back here. I should particularly like to have the Senator from Michigan [Mr. VANDENBERG] present, because he was in the conference at San Francisco. I should like to have all other Senators present. However, Senators know that we cannot keep Senators in the Chamber when they are in the city. Today we had a discussion on a very important matter, and only about 15 Senators were present. We cannot drag them here, and we cannot keep them here after we get them here.

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

Mr. CONNALLY. I yield.

Mr. TAFT. The vote showed that apparently only 63 Senators are in the city. This is a matter of overwhelming importance.

Mr. CONNALLY. What does the Senator wish to do?

Mr. TAFT. I should like to have the Senator, in cooperation with the majority leadership, agree that if the bill is made the unfinished business the Senate will adjourn until Friday, and that the session on Friday will be purely a formal session, at which we shall not be required to debate this particular measure. Is that a possible understanding?

Mr. CONNALLY. I shall have to debate it a little while longer. How would it suit recalcitrant Senators (laughter) to agree to make the bill the unfinished business, and then lay it aside tomorrow for the call of the calendar? Then, presumably, the Senate will adjourn until Friday, and probably from Friday until Monday.

Mr. TAFT. Mr. President, will it be necessary to meet tomorrow?

Mr. WHITE. Will not the Senator strike the word "probably" from his reference to having the Senate take a recess from Friday until Monday?

Mr. CONNALLY. I am not the leader, and I wish to consult the leader. I understand the leader wishes to have the Senate take up the calendar tomorrow; that is my impression.

Mr. WHITE. I am more interested in having consideration of the legislation referred to postponed.

Mr. CONNALLY. Mr. President, if any other Senator wishes me to yield to him, I shall be glad to yield.

Mr. WHITE. I am more interested in what the Senator from Texas is going to say.

Mr. CONNALLY. The Senator from Maine knows that I am not inclined to be disregarding of the wishes of other Senators.

Mr. WHITE. Yes, Mr. President; I have always found the Senator to be most courteous.

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

Mr. CONNALLY. I yield to the distinguished Senator from Nebraska.

Mr. WHERRY. Let me suggest that the Senate take a recess until Friday,



take up the calendar on Friday, and then proceed on Monday to consider the United Nations Organization bill.

Mr. CONNALLY. Mr. President, if the Senator will permit me to do so, I should like to state that I just made that suggestion internally, and I am now trying to connect with the telephone, to see if it will be agreeable to follow that course.

Mr. WHERRY. I thank the Senator. If that can be done, that will be satisfactory.

Mr. CONNALLY. I must consult the majority leader.

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

Mr. CONNALLY. I yield.

Mr. HILL. Since there seems to be quite a good deal of opposition to having the Senate proceed now to consider the United Nations Organization bill, I wonder if it will be agreeable to have the Senate consider at this time the hospital bill, if it develops that it is not possible now to have the Senate take up the United Nations Organization bill.

Mr. WHERRY. Mr. President, to the suggestion that the Senate take up the hospital bill—and I realize it is important, too—I offer the same objection that we have made to having the Senate take up the bill referred to by the distinguished senior Senator from Texas. I am satisfied that my distinguished colleague from Alabama will agree with me that because of the fact that we are now entering the Thanksgiving period and inasmuch as several Senators have already left the city, certainly before considering those two important measures or any other important measures we should at least give the absent Senators a chance to be in their seats in the Senate Chamber. If that opportunity is given, then if only a handful of Senators are present in the Chamber when the bills which have been mentioned are considered, no objection will be made on that score. But several Senators already have left the city. The atomic-bomb Senators—the Senators on the Atomic Bomb Committee—have gone. We all know about that.

Mr. O'MAHONEY. Mr. President, I object. There are a lot of atomic-bomb Senators remaining. [Laughter.]

Mr. WHERRY. The Senator's objection is well taken. There are a lot of buzz-bomb Senators here, too, and a lot more of them will be here after the Thanksgiving period. [Laughter.] I wish to give them a chance to return to the Senate Chamber before such measures are considered, and I think we should give them a chance to do so.

Mr. HILL. Mr. President, does the Senator feel that they should be here when the hospital bill is considered?

Mr. WHERRY. I certainly do.

Mr. HILL. Then the Senator is saying that the Senate cannot take up any legislation of consequence until Monday.

Mr. WHERRY. I should like to suggest to the able whip of the majority party that we did everything we could do to find out whether any important legislation was to be taken up today, or before Monday; but up until this morning we could not find out anything about the program. I am just as anxious as is

any other Senator on either side of the aisle to have the Senate take up such bills. I agree with the statement which has frequently been made that Senators should be in their seats and should not be absent. But certainly if there is ever an excuse for a Senator to be absent at any time, it is over Thanksgiving Day.

Senators desire to be in the Chamber when important bills are considered. If there is any desire to have the bills referred to taken up now, the Senators who have left the city will have to be brought back.

Mr. CONNALLY. Mr. President, the Senator is advancing a new doctrine. I have heard about absentee landlordism in Europe in past years, and evidently the Senator's idea is to let absenteeism run the Senate.

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

Mr. CONNALLY. I yield.

Mr. WHERRY. The Senator well knows that I do not advocate that. I have helped obtain the attendance of quorums in the Senate for the Senator from Texas in connection with the consideration of some important legislation.

Mr. CONNALLY. I thank the Senator.

Mr. WHERRY. Of course I have.

Mr. CONNALLY. I ask the Senator to wait a moment; he is speaking in my time.

Mr. WHERRY. The Senator from Texas yielded to me, and I am merely commenting on the observation the Senator made. I say that it is not a new doctrine.

Mr. CONNALLY. I yield again.

Mr. WHERRY. I think when a bill so important as is the bill which has been referred to is ready to be considered by the Senate, notice should be given by the majority leader as to when it is to be taken up, so that Senators on both sides of the aisle may be advised.

I have worked along with the majority leader. I think he is a fine leader, and I am very happy to work with him. I realize that it is not always possible to tell when measures will come up for consideration by the Senate; but I think if the majority leader were here at this time he would be entirely agreeable to consenting to the request I have made, namely, that if there is a desire to have the Senate consider the hospital bill and any other bill, let them be taken up on Monday.

Mr. CONNALLY. I thank the Senator, and I do not wish to ride roughshod over his suggestion. I pay him the compliment that he is always here.

Mr. WHERRY. Of course I am.

Mr. CONNALLY. I simply say the Senate should not be run by absentees. The Constitution contemplates that the business of the Senate will be conducted in this Chamber, not in a Pullman car or in a fishing lodge or in a night club in New York.

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

Mr. CONNALLY. I yield.

Mr. WHERRY. Just a moment, Mr. President; I wish to say that the Senators to whom I have referred have not gone to night clubs in New York.

Mr. WHITE. Of course they have not.

Mr. CONNALLY. Mr. President, I think I shall be able to ease the agitation of several Senators. Although I promised to yield to the Senator from Nebraska, I ask if he will permit me to continue for a moment?

Mr. BUTLER. Of course.

Mr. CONNALLY. I have arrived at a solution of this very difficult and knotty question, I say to the Senator.

Mr. BUTLER. If the Senator from Texas wishes to make a statement, even though he did yield to me, of course that will be satisfactory.

Mr. CONNALLY. Very well. I shall do that.

Mr. President, I move that Senate bill 1580, the United Nations Organization bill, be made the unfinished business, with the understanding that the Senate will recess from today until Friday, and that on Friday the calendar will be called, and then presumably the Senate will take a recess until Monday.

In the meantime, Mr. President, I hope the minority whip and my distinguished friend, the Senator from Maine, the minority leader, will notify the Senators on their side of the aisle that the United Nations Organization bill will be taken up on Monday. If they find that they are not able to notify the Senators on their side of the aisle, if they will give me the names of those who are absent I will notify them that the bill will be taken up on Monday. Of course, they have known all the time that the bill was on the calendar. They have known all the time, informally, that we were going to take it up just as soon as the other bills were out of the way.

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

Mr. CONNALLY. I yield.

Mr. WHERRY. I will see to it that Republican Senators are here, and let the Senator from Texas take responsibility for the Senators on his side of the aisle.

Mr. WHITE. Mr. President, let me say that the minority Members always read what the Senator from Texas has to say, if they do not happen to be in the Senate Chamber to hear him, and they will take notice of what he has to say with respect to the program.

Mr. CONNALLY. I thank the Senator from Maine. He is always very generous and kind, very affable and suave, and I wish I possessed some of his qualities.

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

Mr. CONNALLY. I yield.

Mr. HILL. I simply wish to say that as soon as possible after final action is taken on the United Nations Organization bill, I shall make every possible effort to have the Senate consider the hospital bill.

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

Mr. CONNALLY. I yield.

Mr. TYDINGS. I hope the Senator, before taking up the hospital bill, will permit the Philippine rehabilitation bill to be considered. I do not believe consideration of that bill will take long, because it comes from the committee with a unanimous report in its favor. But for the very obvious reason that the



Philippines are in desperate straits, and inasmuch as consideration of the bill will not take long, I hope that before the Senator commits himself finally to the program which has been suggested, he will give us a chance to have the Philippine rehabilitation bill considered. I do not believe its consideration will consume more than a few hours at the utmost, if any length of time at all.

Mr. HILL. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield.

Mr. HILL. Let me say to the Senator from Maryland that I shall be delighted to cooperate with him in that respect. I simply wish to have Senators know that I intend to make every possible effort to have the hospital bill taken up promptly, and I do not wish to have us find ourselves in the position in which we are today, with Senators asking that consideration of a certain bill go over.

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

Mr. CONNALLY. I yield.

Mr. WHERRY. I deeply appreciate the Senator's statement. If we could have statements similar to that one from the majority leader or the majority whip—namely, that an effort will be made to take up certain bills—it would be very helpful to those of us on this side of the aisle. The fact that the announcement has been made indicates that we shall have real sessions from now on.

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

Mr. CONNALLY. I yield.

Mr. HILL. I wish to say that the distinguished Senator from Kentucky [Mr. BARKLEY], the majority leader, always tries to be thoughtful of the Senate.

Mr. WHERRY. That is correct.

Mr. HILL. He always tries to give as much notice as possible about the bills which are to come up and he always tries to say when they are going to come up.

Mr. WHERRY. That is correct.

Mr. HILL. For instance, yesterday, after action was completed on the reorganization bill, which had been before the Senate for approximately 10 days, it was understood that the appropriations rescission bill would be considered by the Senate today, if possible. Of course, appropriation bills have the right of way. But the distinguished majority leader certainly makes every effort to give the Senate notice and to keep the Senate advised regarding the time when bills will come up and concerning the business to be transacted by the Senate.

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

Mr. CONNALLY. I yield.

Mr. TYDINGS. I should like to say to the Senator from Alabama that I have already mentioned this matter to the majority leader, the Senator from Kentucky, and he asked me to try to have the bill ready for consideration next Monday, should opportunity offer itself for its consideration.

I hope that the Senator from Nebraska and the Senator from Maine will cooperate in having the bill taken up, as I believe they will—

Mr. WHERRY. We will.

Mr. TYDINGS. Because they all realize that rehabilitation is very vital to the 18,000,000 people of the Philippine Islands.

Mr. WHITE. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield.

Mr. WHITE. I wish to associate myself with what the Senator from Alabama has said concerning the majority leader. I acknowledge a very great debt of appreciation to him for the courtesies and the kindness he shows me from day to day throughout the sessions. I appreciate, too, something of the difficulties which confront him as majority leader. I know perfectly well that he cannot from day to day inform us with certainty of the program, because the program changes with almost every change of the wind. I think the majority leader endeavors at all times to be courteous to those of us on this side of the aisle. I simply wish to say that much, so that it may not be thought that either I or the Senator from Nebraska or any other Senator on this side of the aisle feels critical of or unkind toward the majority leader.

Mr. WHERRY. That is correct.

Mr. CONNALLY. Mr. President, I have moved that the Senate proceed to the consideration of Calendar No. 722, Senate bill 1580.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1580) to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provision with respect to the participation of the United States in such organization.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

#### FINANCIAL CONTROL OF GOVERNMENT CORPORATIONS

Mr. BUTLER. Mr. President, from the remarks which have recently been made on the floor of the Senate with reference to the legislative program for the next few days, it is quite apparent that the calendar will be called at the next session of the Senate. On the calendar there is order No. 698, House bill 3660, which received the unanimous vote of the House of Representatives. It was considered by the Senate Committee on Banking and Currency, and was unanimously reported to the Senate. A similar bill is known as Senate bill 469, the Byrd-Butler bill, with reference to the financial control of Government corporations.

In view of the fact that the calendar is later to be called, I believe it would be interesting and perhaps helpful to those who may wish to inform themselves thoroughly with regard to the bill, to have in the Record as of today some remarks which I had intended to make in connection with the presentation of the bill when it is reached on the calendar. Therefore I ask unanimous consent that a statement which I had pre-

pared be printed in the Record at this point as a part of my remarks.

In this connection, I may state that several departments of the Government, particularly the Comptroller General, the Bureau of the Budget, and the Treasury, have cooperated most helpfully in writing the bill, in assisting to obtain favorable action on it by the other House, and in having reported to the Senate. I wish especially to pay my compliments and respect to Comptroller General Lindsay Warren for the great amount of labor which he and his associates performed in connection with the bill.

Mr. HILL. As I understand, the distinguished Senator from Nebraska has merely requested to have his remarks in the nature of a statement appear in the Record following the remarks he has already made in explanation of the bill.

Mr. BUTLER. That is correct.

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

#### FINANCIAL CONTROL OF GOVERNMENT CORPORATIONS

(Statement of Hon. HUGH BUTLER, of Nebraska, in the Senate of the United States)

Mr. President, in the Byrd-Butler-Whittington bill, H. R. 3660, providing for financial control of Government corporations, we are dealing with a measure which has been strongly endorsed by the President of the United States in the following correspondence:

THE WHITE HOUSE,  
Washington, June 11, 1945.

Hon. ABE MURDOCK,

Chairman, Subcommittee on Banking and Currency, United States Senate, Washington, D. C.

MY DEAR SENATOR MURDOCK: By direction of the President I am sending you herewith a copy of his letter to the chairman of the House Committee on Expenditures in the Executive Departments endorsing the Byrd-Butler bill.

Sincerely yours,

CHARLES G. ROSS,  
Secretary to the President.

THE WHITE HOUSE,  
Washington, June 11, 1945.

Hon. CARTER MANASCO,

Chairman, Committee on Expenditures in the Executive Departments, House of Representatives, Washington, D. C.

MY DEAR MR. MANASCO: I am writing this note to eliminate any misunderstanding as to my attitude on the Byrd-Butler bill which is now before your committee as H. R. 2177.

I heartily favor this proposal. It is a long-delayed, forward step applying the sound doctrine of an executive budget, as enacted in the Budget and Accounting Act of 1921, to the many important Government corporations which have since come upon the scene.

Sincerely yours,

HARRY S. TRUMAN.

This legislation has been called the most outstanding in its field since enactment of the Budget and Accounting Act in 1921. The authority for that statement is Congress' own agent, Lindsay C. Warren, Comptroller General of the United States.

This bill covers 101 separate corporations. While one of them, the Panama Railroad Company, is nearly 100 years old, and a few date back to World War I, most are products of the economic and war emergencies of more recent years. On June 30, 1945, these corporations had total assets of \$29,400,000,000.



and the Government had \$13,200,000,000 invested in them. Such funds were being employed in vast lending, financing, and insurance operations; in the generation and transmission of electric power; in manufacturing and commerce; in rail and water transportation; in subsidy programs; and in countless other activities. Most of us are familiar with the larger corporations such as Reconstruction Finance and Commodity Credit, and with some of their operations, but even the names of all of them would be beyond the average citizen's fund of information. The bill is not aimed at any particular corporation or group of corporations, but it subjects all of them to the financial controls necessary to coordinate their operations with the over-all fiscal policy of the Government.

My interest in this subject was aroused more than 2 years ago, when I was preparing for my trip to Latin America. I was requested by both the Byrd and Truman committees to look into programs of Government organizations, including corporations, in that part of the world. I had scarcely obtained a list of Government corporations before one of them called me by telephone and asked where I had found out about them, because they were supposed to be secret. I kept their secret, but the situation intrigued me.

On February 1, 1943, I had introduced Senate Concurrent Resolution 8, calling for the Joint Committee on Reduction of Nonessential Federal Expenditures—the Byrd committee—to investigate Government credit agencies, many of which are in corporate form. The Byrd committee made a complete study of Government corporations, in which I cooperated, though not then a member of the committee. In August 1944 the committee filed its Report on Government Corporations. Following publication of that report as Senate Document No. 227, Seventy-eighth Congress, discussions took place between the staffs of the committee and of the General Accounting Office, Bureau of the Budget, and Treasury Department, as to the best means of giving effect to the recommendations of the report for establishing over-all control of Government corporations by the Congress and the President through the established fiscal agencies of the Government. My participation in those discussions increased my knowledge of the ramifications of this corporate branch of the Government and strengthened my conviction that some legislative means must be found of applying financial controls to the corporations in a manner suited to their programs and statutory functions.

#### LEGISLATIVE HISTORY

The result of all these studies was the introduction in the Senate on February 5, 1945, of the Byrd-Butler bill, S. 469. I am proud to have been coauthor of that bill with Senator Byrd, who is to be commended for the effort he has expended and the results he has already achieved in this field. After hearings on S. 469 before a subcommittee of the Senate Committee on Banking and Currency, further conferences took place among all the parties concerned with the aim of removing any valid objection of the corporations to the rather stringent provisions of the original bill.

Meanwhile, bills H. R. 2051 and H. R. 2177, identical to S. 469, had been introduced in the House by Representative Cass of South Dakota and Representative WHITTINGTON. When the House Committee on Expenditures commenced hearings on the Whittington bill, H. R. 2177, both Senator Byrd and I appeared, as we had before the Senate subcommittee, in support of the legislation. The bill S. 469, as tentatively revised to meet the corporations' objections, was offered to the House committee and made the starting point for its further action, resulting in the introduction of this superseding bill, H. R. 3660, by Representative WHITTINGTON. The House

passed the bill unanimously September 12, 1945.

#### PURPOSES

Control of the public purse is one of the most important prerogatives of the Congress under our Constitution. That control has been virtually abdicated in the case of many Government corporations. This bill is intended to provide annual scrutiny and current financial control by the Congress of the financial transactions and operations of Government corporations. The bill provides for an annual business-type budget for each wholly-owned Government corporation, to be submitted to the President through the Bureau of the Budget and transmitted by him to the Congress as a part of the annual Budget. It provides for an annual commercial-type audit of Government corporations by the Comptroller General and a report by him to the Congress of their operations, financial condition, and compliance with law. It requires the Secretary of the Treasury to approve the depositaries, financing, and Government security transactions of Government corporations, with certain qualified exemptions.

The provisions of the revised bill should remove any fear on the part of any Government corporation that it is to be put in a strait-jacket, but should also make it plain that it is the policy of the Congress to establish and maintain over the corporations the kind of fiscal control suitable to their activities. That policy has the support of the Comptroller General of the United States, the good right arm of Congress, who was the first witness aside from the authors of the bill at the hearings. It has the support of the Director of the Bureau of the Budget, the equally good right arm of the President, who also testified at the hearings. Likewise, at the House hearings in May 1945, Treasury Department representatives appeared in support of the bill.

The Budget provisions of the bill do not apply to mixed-ownership corporations, that is, those in which a part of the capital stock is owned by the United States and a part by others. The audit and Treasury provisions do apply to the mixed-ownership corporations as long as the Government has capital invested in them.

#### CORPORATIONS UNDER BILL

The following corporations are specifically named in the bill as subject to its provisions:

##### WHOLLY OWNED GOVERNMENT CORPORATIONS<sup>1</sup>

1. Commodity Credit Corporation.
2. Federal intermediate credit banks (12 banks).
3. Production credit corporations (12 corporations).
4. Regional agricultural credit corporations (4 still in operation).
5. Farmers Home Corporation.
6. Federal Crop Insurance Corporation.
7. Federal Farm Mortgage Corporation.
8. Federal Surplus Commodities Corporation.
9. Reconstruction Finance Corporation.
10. Defense Plant Corporation.
11. Defense Supplies Corporation.
12. Metals Reserve Company.
13. Rubber Reserve Company.
14. War Damage Corporation.
15. Federal National Mortgage Association.
16. The RFC Mortgage Company.
17. Disaster Loan Corporation.
18. Inland Waterways Corporation.
19. Warrior River Terminal Company.
20. The Virgin Islands Company.
21. Federal Prison Industries, Inc.
22. United States Spruce Production Corporation.
23. Institute of Inter-American Affairs.
24. Institute of Inter-American Transportation.

<sup>1</sup> Several of the corporations listed are in various stages of liquidation and dissolution.

25. Inter-American Educational Foundation, Inc.
26. Inter-American Navigation Corporation.
27. Prencinradio, Inc.
28. Cargoes, Inc.
29. Export-Import Bank of Washington.
30. Petroleum Reserves Corporation.
31. Rubber Development Corporation.
32. U. S. Commercial Company.
33. Smaller War Plants Corporation.
34. Federal Public Housing Authority (or United States Housing Authority) and including public housing projects financed from appropriated funds and operations thereof.
35. Defense Homes Corporation.
36. Federal Savings and Loan Insurance Corporation.
37. Home Owners' Loan Corporation.
38. United States Housing Corporation.
39. Panama Railroad Company.
40. Tennessee Valley Authority.
41. Tennessee Valley Associated Cooperatives, Inc.

##### MIXED-OWNERSHIP GOVERNMENT CORPORATIONS

1. Banks for cooperatives (1 central bank and 12 regional banks).
2. Federal land banks (12 banks).
3. Federal home loan banks (12 banks).
4. Federal Deposit Insurance Corporation.

##### BUSINESS-TYPE BUDGET

I have repeatedly assured the corporations, as one of the original sponsors of this legislation, that it was not our purpose to hamper their programs, but that we were aiming at a uniformity, system, and coordination which is lacking in the present situation. Accordingly, the budget provided by this bill for wholly owned Government corporations is to be a business-type budget or plan of operations, with due allowance for the need for flexibility, in order that the corporation may properly carry out its activities as authorized by law. The business-type budget will differ from the administrative-type budget required for regular Government departments, and the Director of the Bureau of the Budget will need to accumulate and apply experience in the development of the budget programs. The bill specifies certain minimum statements deemed essential for the information of the Congress. Such statements will show the financial condition and the results of operations of the corporation for the last completed fiscal year, with estimates for the current and ensuing years, and will include estimates of operations by major types of activities, estimates of administrative expenses, estimates of borrowings, and estimates of the amount of Government capital to be returned to the Treasury or of appropriations needed to restore capital impairments.

Upon receipt of the budget programs, as modified or revised by the President in accordance with his recommended program for the entire Government, the Congress would enact whatever legislation it deemed necessary making available to the corporation such funds or other financial resources as it may determine. Both the House and Senate committees in reporting on this legislation have called attention to the need for discretion in determining the type and nature of the limitations to be placed on the corporations' financial activities, bearing in mind the need for flexibility in many of their operations and the statutory responsibilities of such agencies. This bill will require the wholly owned corporations to pass in review before the Congress each year and will give the Congress an opportunity to control their budget programs in the manner and to the extent considered appropriate without preventing them from carrying out and financing their activities as authorized by existing law.

The Reconstruction Finance Corporation, largest of all Government corporations, has signified its agreement with the principle



that Congress should have an opportunity annually to scrutinize and pass upon the activities of such corporations and its willingness to undertake to operate under the budget features of this legislation. To say that there is no practicable way in which Congress can get a look at the financial plans of these corporations would be tantamount to admitting that Congress has created something bigger than itself and beyond its control.

#### COMMERCIAL-TYPE AUDIT

All Government corporations are already subject to audit by the Comptroller General as the agent of the Congress, under section 5 of the George Act, Public Law 4, approved February 24, 1945. Since this bill is to be the fundamental law on financial control of Government corporations, it includes in slightly modified form the audit provisions of Public Law 4.

The audit provisions of this bill are effective with the first governmental fiscal year commencing after enactment of the bill. They require an audit of the financial transactions of wholly owned Government corporations, and of mixed-ownership corporations for any period during which Government capital has been invested therein. The audit is to be conducted by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions. A report of each such audit for each fiscal year is to be made by the Comptroller General to the Congress by the 15th of the following January.

Such report must set forth the scope of the audit and include the usual financial statements. It must also include such comments and information as necessary to keep Congress informed of the operations and financial condition of the corporation, and any pertinent recommendations the Comptroller General may have. The report is expressly required to set forth any program, expenditure, or other financial transaction or undertaking observed in the course of the audit which, in the opinion of the Comptroller General, is unauthorized by law. Copies of the audit reports are to be furnished to the President, the Secretary of the Treasury, and the corporation at the time of submission to the Congress.

The scope and extent of the audits and the manner in which they are conducted will conform to generally accepted practices and procedures followed in independent audits of commercial, industrial, and financial institutions, as applied by the Comptroller General. Just as in the case of the business-type budget, the commercial-type audit is better suited than the regular governmental type to the operations of a Government corporation. Generally speaking, the purpose of the governmental type of audit is to determine the validity of expenditures under appropriations made by the Congress and to insure compliance with the restrictions placed by the Congress on such expenditures. The governmental audit is a part of a system designed to enforce the personal accountability of officers authorizing or expending such funds upon the basis of documents ordinarily transmitted to the General Accounting Office and retained in its custody. On the other hand, the commercial type of audit is separate and distinct from the corporation's accounting system and internal financial controls. It is designed to determine the financial condition and results of operations of the corporation. Such determinations are made through examination of the corporate records at the places where they are normally kept in the conduct of the business.

The audit provisions of the bill will insure an independent audit of the corporations by the Comptroller General as the agent of the Congress. If the audit is to be truly independent and informative to the Congress, the Comptroller General must not be restricted, or hampered in going into the

financial affairs of the corporations. However, to avoid unnecessary duplication of audits in cases where corporations are required by law to be examined by a supervising administrative agency, such as the Farm Credit Administration, as a part of its system of supervision and regulation, the bill requires the Comptroller General in making his audits to utilize reports of such examinations to the fullest extent deemed by him to be practicable.

Other audit provisions of the bill apply to the audits to be made thereunder certain administrative provisions of the First Deficiency Act of 1945 concerning the audit of all Government corporations under the George Act.

The audit reports should be helpful to the Congress when considering the Budget programs of wholly owned corporations. They will keep the Congress informed of the financial activities and financial condition of those mixed-ownership corporations in which Government capital is invested, and will thus aid in protecting the Government's interest as part owner. They will also be of assistance to the executive branch in its fiscal-management problems.

#### TREASURY FISCAL CONTROL

The bill includes requirements relating to the selection of depositories and the financing of Government corporations, as well as to their dealings in Government or Government-guaranteed obligations. Such requirements are intended to coordinate these important financial activities with the general financial program of the Government.

As to depositories, the bill requires that the corporations' banking or checking accounts be kept with the Treasurer of the United States or, with the approval of the Secretary of the Treasury, with a Federal Reserve bank or a bank designated as a depository or fiscal agent of the United States. Certain exemptions from and waivers of this requirement are provided for, including an exemption of several types of farm-credit institutions having a close relationship with local farmer-borrower associations subject to a requirement that such institutions report their depositories to the Secretary of the Treasury annually. Upon receiving such reports, the Secretary is empowered to make written reports to the corporation, the President, and the Congress if he deems it advisable.

With respect to financing, the bill provides that obligations of the corporations offered to the public shall be in such forms and denominations, shall have such maturities and rates of interest, and in certain other respects shall be as approved by the Secretary of the Treasury. Also, it requires Treasury approval of the sale or purchase by a Government corporation, for its own account and in its own right and interest, of direct obligations of the United States or obligations guaranteed by the United States, in amounts in excess of \$100,000 at any one time. In lieu of applying these financing and security provisions to certain farm-credit institutions, the bill requires those institutions to continue their present policy of consulting with the Secretary of the Treasury prior to taking action, and permits the Secretary, in the event an agreement is not reached, to report the reasons for his disagreement to the corporation, the President, and the Congress. In the event Government capital is entirely withdrawn, the corporation will not be subject to these Treasury fiscal controls.

#### MISCELLANEOUS PROVISIONS

It came to light during the hearings on this bill that 18 of the corporations which the bill seeks to control were chartered, in some instances without express advance authority of the Congress, in a State or local jurisdiction. If the Federal Government needs to employ the corporate form for its activities, it does

not need to go into a State and organize the corporation under State law, with resulting confusion and complications. It has sufficient facilities for creating corporations solely responsible to it. The bill provides that no Government corporation shall be created hereafter by any Federal officer or agency except by an act of Congress or pursuant to an act specifically authorizing such action. It further provides that no wholly owned Government corporation created by or under the laws of any State, Territory, or possession of the United States, or of the District of Columbia, shall continue beyond June 30, 1948, as a Government agency, but permits the reincorporation of any such corporation prior to that date by a specific act of Congress. There are no State-chartered corporations among the mixed-ownership group.

Another point worthy of comment is the large amount of Government capital at the disposal of these corporate enterprises, often without any limit on the period of use thereof or any specific requirement as to the disposition of such funds when no longer needed. The bill provides for such situations by directing that the annual budget program of wholly owned corporations include estimates of the amount of Government capital funds to be returned to the Treasury, and that the President include in the annual Budget recommendations as to such return of capital by mixed-ownership corporations. It also requires the audit reports of the Comptroller General to make recommendations in such matters. With these recommendations at hand the Congress will be able to act to prevent any Government corporation from tying up funds no longer needed by it.

Finally the bill furnishes a means of handling the financial affairs of Government corporations whose activities do not require the autonomy and flexibility characteristic of the corporate form, but could just as well be carried on as regular governmental activities. In such case, when recommended by the Director of the Bureau of the Budget and approved by the President and the Congress, the corporation is to be regarded as a regular Government establishment for the purposes of the Budget and Accounting Act and other laws relating to fiscal matters.

All of these miscellaneous provisions are in furtherance of the general policy of congressional coordination and control of the corporate activities of the Government.

#### SUMMARY BY SECTIONS

Section 1 provides that the act may be cited as the "Government Corporation Control Act."

Section 2 declares it to be the policy of the Congress to bring Government corporations and their transactions and operations under annual scrutiny by the Congress and provide current financial control thereof.

#### TITLE I—WHOLLY OWNED GOVERNMENT CORPORATIONS

Section 101 enumerates the wholly owned Government corporations covered by this title. This includes 41 separate corporations or groups of corporations, which is increased to 63 if each corporation included in a group, i. e., Federal intermediate credit banks and production credit corporations, is counted individually.

Section 102 provides for the submission of an annual budget program by each wholly owned Government corporation to the President through the Bureau of the Budget on or before September 15. The Bureau of the Budget, under such rules and regulations as the President may establish, is authorized and directed to prescribe the form and content of, and the manner in which such budget program shall be prepared and presented. Such budget program is to be a business-type budget or plan of operations, with due allowance given to the need for flexibility, including provision for emergencies and contingencies, in order that the corporation may prop-



erly carry out its activities as authorized by law. The section requires the submission of the usual corporate financial statements on a comparative basis for the last completed fiscal year, with estimates for the current fiscal year and the ensuing fiscal year. Such statements are to include estimates of operations by major types of activities together with estimates of administrative expenses, estimates of borrowings, and estimates of the amount of Government capital funds to be returned to the Treasury during the fiscal year, or the appropriations required to provide for the restoration of capital impairments.

Section 103 authorizes the President to modify, amend, or revise the corporations' budget programs submitted to him and directs him to transmit the revised budget programs to the Congress as a part of the annual budget required by the Budget and Accounting Act, 1921. It also authorizes amendments to the annual budget programs to be submitted from time to time.

Section 104 provides for the consideration by the Congress of the budget programs and the enactment of legislation, if necessary, making available such funds or other financial resources as the Congress may determine. Such programs would be referred to the House Committee on Appropriations and, after hearings, be reported to the House, in the form of (1) simple authorizing legislation, showing that the Congress had considered and approved the budget program but not setting a limitation on the corporate financial activities other than that provided by substantive law, or (2) legislation incorporating such specific limitations as necessary to enforce the will of Congress in the carrying out of the corporate financial activities or to conform such activities to the general financial program of the Government.

In cases where no other law required a congressional authorization of expenditures, the corporation, if it had means of financing other than annual appropriations, could continue to operate in the absence of any action by Congress on its budget program. To insure that such legislation would not be used as a means of destroying any Government corporation or preventing it from carrying out and financing its authorized activities, this section includes a specific provision that it shall not be construed as preventing wholly owned Government corporations from carrying out and financing their activities as authorized by existing law. The section also provides specifically that no provision thereof shall be construed as affecting in any way the provisions of section 26 of the Tennessee Valley Authority Act, as amended. This language preserves intact the right of the Tennessee Valley Authority to utilize its receipts in carrying out certain operations and business activities as authorized under present law.

As to the lending corporations, such as the Federal intermediate credit banks and production-credit corporations, the provisions of this section would not change the fundamental authority of the corporations under existing law, in respect to their financing, their administrative management and control, or their lending operations. It would require an annual review of all their operations by the President and the Congress, with the right, if necessary in the public interest, to set limitations on expenditures.

Section 104 includes a further provision to make it clear that the existing authority of wholly owned Government corporations to make contracts or other commitments without regard to fiscal year limitations is not affected. This provision was included to meet the objection of certain corporations that the enactment of H. R. 217 in its original form would place them completely on a fiscal-year basis and interfere with their flexibility of operation and with the making of long-range contracts under authority of law,

Section 105 provides for an audit of the financial transactions of wholly owned Government corporations by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit is to be conducted at the place or places where the accounts of the corporations are normally kept. The representatives of the General Accounting Office are to have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporations and necessary to facilitate the audit, and are to be afforded full facilities for verifying transactions with balances or securities held by depositaries, fiscal agents, and custodians. The audit is to begin with the first fiscal year commencing after the enactment of the bill.

This section also includes a provision authorizing the Comptroller General to coordinate his audit of the financial transactions of the corporations under this bill with the audit which he is required to make in certain cases under other provisions of law for the purpose of settling the accounts of officers handling corporate funds.

Section 106 requires the Comptroller General to make a report of the audit for each fiscal year to the Congress not later than the following January 15. This section requires the report to set forth the scope of the audit and specifies financial statements to be included therein. It also calls for the Comptroller General to include in his report such comments and information as may be deemed necessary to keep Congress informed of the operations and financial condition of the corporation, together with such recommendations as the Comptroller General may deem advisable, including a report of any impairment of capital noted in the audit and recommendations for the return of such Government capital or the payment of such dividends as in his judgment should be accomplished. The report is also required to show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each such report is to be furnished to the President, to the Secretary of the Treasury, and to the corporation concerned at the time submitted to the Congress.

Section 107 permits the Director of the Bureau of the Budget, with the approval of the President, to make recommendations as to those activities carried on by a wholly owned corporation which could be handled in the same manner, insofar as concerns fiscal matters, as those of a regular agency or establishment of the Government. In the event that Congress concurred, such activities would thereafter be carried on in accordance with the requirements of the Budget and Accounting Act, 1921, and other provisions of law relating to fiscal matters.

#### TITLE II—MIXED-OWNERSHIP GOVERNMENT CORPORATIONS

Section 201 defines mixed-ownership corporations to include (1) the Central Bank for Cooperatives and the regional banks for cooperatives, (2) Federal land banks, (3) Federal home-loan banks, and (4) Federal Deposit Insurance Corporation.

Section 202 requires the financial transactions of mixed-ownership Government corporations for any period during which Government capital has been invested therein to be audited by the General Accounting Office in the same manner as applicable to wholly owned Government corporations under the provisions of section 105.

Section 203 requires the Comptroller General to make to the Congress a report of each such audit for each fiscal year, of the same type, at the same time, and in the same manner as the reports required to be made by him pursuant to section 106.

Section 204 directs the President to include in the annual Budget any recommendations he may have as to the return of Government capital to the Treasury by mixed-ownership corporations.

#### TITLE III—GENERAL PROVISIONS

Section 301 restates and applies to the audit to be conducted under sections 105 and 202 of this bill certain provisions of the First Deficiency Appropriation Act, 1945, approved April 25, 1945, authorizing appropriations to the General Accounting Office for the expense of audits; requiring reimbursement by the corporations to the General Accounting Office for the cost of such audits and deposit of the sums reimbursed into the Treasury as miscellaneous receipts; authorizing the employment of not more than 10 persons without regard to the Classification Act of 1923, as amended, and of professional services of firms and organizations for temporary periods or special purposes without regard to section 3709 of the Revised Statutes; and prohibiting the use of funds of any Government corporation to pay the cost of any private audit of the financial records of the offices of such corporation, except the cost of such audits contracted for and undertaken prior to the date of said First Deficiency Appropriation Act, 1945.

This section also requires the Comptroller General in making the audits provided in sections 105 and 202 to utilize to the fullest extent deemed by him to be practicable reports of examinations of Government corporations made by a supervising administrative agency pursuant to law. It further provides that the audit in sections 105 and 203 shall be in lieu of any audit of the financial transactions of any Government corporation required to be made by the General Accounting Office for the purpose of a report to the Congress or to the President under any existing law. Under this last provision such audit would supersede, as of the first fiscal year commencing after the enactment of this bill, the audit of all Government corporations now required to be made by the General Accounting Office under section 5 of Public Law 4, approved February 24, 1945.

Section 302 provides for the keeping of banking and checking accounts of all wholly owned or mixed-ownership Government corporations with the Treasurer of the United States, Federal Reserve banks, or depositaries designated by the Secretary of the Treasury subject to the proviso that the Secretary of the Treasury is authorized to waive the requirements of this section under such conditions as he may determine. The Federal intermediate credit banks, production-credit corporations, the central bank for cooperatives, the regional banks for cooperatives, and the Federal land banks are exempted from the provisions of this section, except that these corporations are required to report annually the names of their depositaries to the Secretary of the Treasury, and that the Secretary of the Treasury may make a report in writing to the corporation, to the President, and to the Congress which he deems advisable upon receipt of any such annual report.

Section 303 provides that obligations of wholly owned or mixed-ownership Government corporations which are offered to the public shall be approved as to the form, denominations, maturities, interest rates, and other terms and conditions by the Secretary of the Treasury. This section prohibits the sale or purchase of any direct or guaranteed obligations of the United States by wholly owned or mixed-ownership Government corporations for their own account



and in their own right and interest in excess of \$100,000 except by approval or waiver by the Secretary of the Treasury. The Federal intermediate credit banks, production-credit corporations, the Central Bank for Cooperatives, the regional banks for cooperatives, and the Federal land banks are exempted from the provisions of this section, except that these corporations are required to consult with the Secretary of the Treasury prior to taking any action covered by the provisions of this section. In the event of disagreement resulting from such consultations, the Secretary of the Treasury may make a report in writing to the Corporation, to the President, and to the Congress stating the grounds for his disagreement. This section also provides that any mixed-ownership Government corporation from which Government capital has been entirely withdrawn shall not be subject to the provisions of section 302 or of this section during the period such corporation remains without Government capital.

The Secretary of the Treasury is authorized to exercise any of the functions vested in him by this section through officers or employees of any Federal agency designated by him, with the concurrence of the head of the agency concerned.

Subsection (a) of section 304 prohibits any corporation from being created, organized, or acquired hereafter by the Federal Government for the purpose of acting as an agency or instrumentality of the United States, except by an act of Congress or pursuant to an act of Congress specifically authorizing such action.

Subsection (b) of section 304 requires all wholly owned Government corporations created by or under the laws of any State, Territory, or possession of the United States, or any political subdivision thereof, or under the laws of the District of Columbia, to cease operating as agencies or instrumentalities of the United States by June 30, 1948, and prohibits the investment in or employment by any such corporation after that date, except for purposes of liquidation, of Federal funds. This subsection directs the proper corporate authority of every such corporation to institute dissolution or liquidation proceedings on or before June 30, 1948, but makes provision for reincorporation of any such corporation prior thereto by act of Congress, setting out its purposes, term of existence, powers, privileges, and duties, including the power to take over the assets and assume the liabilities of its respective predecessor corporation.

#### THE PEARL HARBOR INVESTIGATION

Mr. TUNNELL. Mr. President, I shall discuss for a short time the situation with reference to Pearl Harbor.

At the time of the surrender of Japan I was under the impression that we as a Nation had fought a pretty good fight. I confess that I experienced a feeling of pleasure when I thought of how well the war had been planned and how well the plans had been executed. I was proud of the manner in which the Presidents of the United States had performed their functions as commanders in chief of the Army and the Navy of the United States.

Shortly thereafter I began to hear veiled criticisms of the President who had died, with reference to Pearl Harbor. That is something which I think will not have the backing of the better thinking people of the United States.

There appeared an editorial in yesterday's New York Times which I think should be read into the Record. It reads as follows:

#### THE PEARL HARBOR INQUIRY

The congressional committee investigating the Pearl Harbor disaster has been so

bedeviled from the start by partisan wranglings on both sides that it has already seriously undermined public confidence in its fairness and impartiality. But the latest conduct of some of its Republican members in particular can hardly bring comfort or satisfaction to the national leaders of that party.

The Republican Party has provided distinguished leadership to the Nation in the past and aspires to lead it again in the future. But Republican members on the Pearl Harbor committee have not only attempted to impugn the honesty of the American Navy; they are also espousing the cause of Japan against that of their own country. And they are doing so in defiance of all the historic evidence. The country has the right to know, and know now, whether these tactics are merely the result of the strategy of the individual Republicans involved, or whether they are part of the calculated strategy of the Republican congressional leadership. It is up to that leadership either to repudiate the slurs cast upon the American fighting forces and American policy, or to stand convicted of identifying itself with them—if only by silence.

The thesis of some of the Republican members was stated most bluntly by Representative GEARHART, of California, when he declared: "The Japanese were doing everything in their power to get an acceptable agreement and got slapped in the face on November 28. That precipitated the war." Representative GEARHART was referring to the famous American note of November 28, 1941, which those of his persuasion prefer to call by its Japanese designation of the "Hull ultimatum." There was never an excuse for any mistake about that note. There is even less now in view of the evidence before the committee itself. And only deliberate misstatement of the facts can now sustain Representative GEARHART's charge.

The record speaks for itself. As early as 1931, Japan embarked on a career of conquest as ambitious and as frankly avowed as was that of the Nazis. She first subjugated Manchuria over American protests. In 1936 she concluded the anti-Comintern pact with Germany and, with that as a backing, invaded China the next year. In 1940, when the western powers were engaged in a life-and-death struggle with Hitler, she concluded a hard and fast military alliance with Germany and Italy, and prepared not only to drive the "foreign barbarians" from the Far East but also to swallow the whole Orient in her "co-prosperity sphere" as a base for world conquest. As early as January 1941 her war lords began to prepare for war against the United States, including an attack on Pearl Harbor.

Her great opportunity, hailed in Japan as a "divine wind," came when Germany invaded Russia on June 22, 1941, thereby securing Japan's northern flank. Ten days later an imperial conference, presided over by the Japanese Emperor, adopted a crucial national policy, whose nature was revealed in another 10 days by orders for an all-out mobilization for total war. Within 2 weeks Japan invaded French Indochina to provide a base for attacks on the Netherlands Indies and Singapore. This was followed by mutual freezing of assets and virtual suspension of trade. By August the Japanese Fleet began to assemble for war games to rehearse the attack on Pearl Harbor, and the plans for it were completed by September 13. On October 5 the date of the attack was fixed for December 7, our time; General Tojo took over the Government October 17; and the fleet sailed on its fateful mission November 25, or 24 hours before the Hull note was even delivered.

There goes the accusation that Secretary Hull brought on the war. Twenty-four hours before the Hull note was delivered Tojo took over the government

and the fleet sailed on its fateful mission November 25.

True, the Japanese fleet could have been recalled if a settlement had been reached before December 7. But the only settlement that would have recalled it would have been an American acceptance of the Japanese note of November 20, which was a real ultimatum because, unlike the Hull note, it contained, even if unknown to the American Government, a time limit after which military action was to follow automatically. And that note demanded that the United States end her long-standing policy of supporting China, and not only supply Japan with all she wanted for the prosecution of her war in China, especially oil, but also compel the Netherlands East Indies to do likewise. Had the United States bowed to it, Germany and Japan would now control all Europe and Asia, and this country would stand alone against their might. Great Britain and France did not need such a humiliating ultimatum to declare war on Hitler. The American Government merely replied with a note offering a broad basis of agreement which contained no threat whatever. General Tojo himself has declared that he accepts responsibility for the war. Does Mr. GEARHART wish to relieve him of it?

Mr. President, this editorial puts squarely up to Mr. GEARHART the determination as to which side he is on. According to the New York Times editorial—and it was printed as the first editorial on the editorial page—he is arguing the case of Japan. And for what purpose? Why do we notice such headlines as appear from day to day? For instance, I have here a headline which appeared on Tuesday, November 20, 1945, "Admiral says Roosevelt vetoed '40 plea to have fleet quit Pearl Harbor."

There is constant misrepresentation, because much of the stuff that is put out as news is not news; indeed, it is not even suspicion. It is born of a desire to find some fact by which to besmirch the memory of the dead President.

Those who have the idea of besmirching someone do not stop with the President. They smear the military officers. Somebody has made a great mistake, they say. I wonder how George Washington or General Grant, or any of the American officers of the past, would have stood with these critics.

Oh, they want to go through the personal files of the former President of the United States. They want to dig up something, and they want to be alone when it is done. Can any reason be given why any man should want to search out something alone, and without the remainder of the committee? Is there any sensible, honorable explanation? I know of none.

Some Roosevelt haters have gone so far in their criticisms and false insinuations that they now must try to justify their position. They have given their statements to the newspapers long before questions were asked. We may find their questions set forth in the newspapers—"impartial investigators," people whose only purpose is to find the truth, and whose desire is to have the people of the Nation know the truth. Yet they go to the newspapers and publish their lists of questions.

Their insinuations are spread in headlines, and newspapers which have followed their insinuations, their lead, are



in a peculiar position. They are out on a limb. They have to try to justify the position they have taken. The smears they have industriously tried to place on the man who was the victim in the greatest struggle the world ever saw, who at the time when the same gentlemen were opposing the preparation of the United States for the war which everybody knew was coming were opposing preparing the United States for that contest, now seek to smear the memory of the man who did see it, and made their prophecies look like fools' statements.

In this smear campaign those who are attempting to carry it on have a beautiful chance, because they are in no way handicapped by having to tell the truth. Any insinuation as to the late President will get front-page news on the part of certain newspapers.

I think Admiral Dewey would have been declared to be the most despicable character if these persons had been in position to describe him at the time he won his great victory. Of what is President Roosevelt guilty except that he protected the United States when others were afraid to do it, or thought it was good, petty politics, partisan politics, to hide behind some statement as to his having a desire to be a dictator?

I do not see why it is necessary to besmear anyone. I do not know why we cannot admit that this has been a wonderfully fought war. While we were attacked, and the most despicable methods on earth were used against us, our Government did have men who measured up to the occasion and who did win the war.

No, that is not the method some of our people think they should employ to win partisan political victories. Their belief is that they can win victories by besmearing the man who had the confidence of the American people through four elections, a man who died as much a victim of the war as any man who was shot and killed.

This sneak attack upon the grave of Franklin Roosevelt has already failed. The United States Navy turned back the attack last week, and General MacArthur yesterday gave it the final blow.

In their hatred of the late President his opponents who had never been able to divorce him from the public during his lifetime took new courage at his death, and set out to prove that the Japs were merely a wonderful little people whom Roosevelt and Secretary Hull, hungry for slaughter, tricked into war. That is what they want us to believe. One of the committee said they were doing everything they could to have a peaceful arrangement. With ghoulish glee the Republican national chairman, Brownell, and the more reckless members of that party—we notice the leaders do not join in this—plotted to besmirch the reputation of the Nation's wartime Commander in Chief. Never having been able to do this when he was alive, they would try it when he was dead.

Their plot was as fantastic as the ones they had used when he was living—as hollow as Dewey's charge in 1940 that Roosevelt was out to establish communism in the Republic.

The public had never fallen for such propaganda in the past, but his oppo-

nents hoped it might now, when their conqueror was in the tomb. Their plan was to rake through the wreckage of Pearl Harbor and find there the evidence that the pacific, friendly Japanese were trapped by Roosevelt's diplomatic cunning into fighting for their sacred liberty.

In their desperation, his opponents have, in effect, put on Japanese kimonos and hissed, "excuse Japan, please. Honorable Roosevelt and Honorable Hull teased us into honorable surprise attack."

Well, what evidence have these gentlemen in borrowed kimonos now turned up? First of all they have the Navy's word that captured Japanese authorities and Japanese documents prove beyond the slightest doubt that Japan's war lords had allied themselves with Hitler and ravaged peaceful China, and had plotted as early as January 1941 to cripple the United States by a sneak attack on Pearl Harbor. By August 1941, the Jap Navy was rehearsing this sneak attack, and on October 5 even named the date for this criminal act—December 7. The evidence is clear that the Japanese Fleet set out for the cowardly trip to Hawaii on November 25.

Here is where the plot blows up, for they had in their ghoulish ambition hoped to prove that Secretary Hull's message to Japan, sent November 26, had provoked the whole Pearl Harbor venture. And now the Japs openly confess that their fleet had sailed before they learned of Hull's message.

The Japanese Fleet which so stealthily and treacherously set out for Pearl Harbor could have been recalled in mid-ocean if the United States had abjectly surrendered through diplomatic channels. Of course, the sneak attack could have been called off if President Roosevelt and Secretary Hull had hauled down the flag and said to Japan, "So sorry. Go ahead, ravage China; go ahead, take India; go ahead, turn over all the resources of the whole Orient to Hitler. We are glad to desert our friends and knuckle down to the dictators."

Certainly, we could have bought off the Japanese by abandoning the principle of democracy, abandoning humanity, abandoning our own national security. But if Roosevelt and Hull had thus hauled down the American flag, they would today be receiving the scorn of the civilized world, instead of that of merely a few disappointed partisan opponents.

One of his opponents was forced to admit that the Japs' own statements had cleared Hull of provoking the sneak attack; yet, in his baffled vexation, he lost his head and struck at the Navy. How unjustified and cruel this was can be determined by merely reading the actual testimony of the Navy spokesman, Admiral Inglis.

And now imagine, if you will, Mr. President, the confusion of these apologists for Japan, when yesterday there appeared in the afternoon newspapers and in the testimony the report of the Army Intelligence in Japan, the word from the headquarters of General MacArthur, bearing out the Navy's findings.

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

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Massachusetts?

Mr. TUNNELL. No, not now. I shall be through in a short time, and then shall yield the floor.

All through the war, General MacArthur's work has been complicated by the efforts of the Roosevelt-haters to put him into a position of rivalry with the late President. For their own selfish purposes they have used the brave general, trying to build him up as a political weapon they could wield. Now they are caught in their own trap, for the general's report on the pre-Pearl Harbor activities of Japan, arrived at by Army Intelligence, substantiates the Navy's findings as given the Pearl Harbor Committee by Admiral Inglis.

May we now expect the "kimono" boys to smear MacArthur? The armed services, whose intelligence work was good enough to break the Japanese secret code during the war, have each in their separate way proved that it was the Jap war lords and not Americans who struck at Pearl Harbor.

Mr. President, there is one more thing which seems to be very interesting in connection with this subject. We were told that the President had a desire to be called a War President. Yet Admiral Richardson testified that the President stated, "No, we are not going to war"; that the country would not go to war even though Thailand were taken, or possessions of the Allies were taken. He doubted that we should go to war even if the Philippines were taken.

So Admiral Richardson's testimony gave very little encouragement to those who thought they could dig something out of his testimony to cause the memory of the man who had been our greatest Commander in Chief to be less revered.

Mr. President, what satisfaction comes from all this? What is its purpose? There can be but one purpose. Why do they not attack President Truman? President Truman foresaw just such attacks as the one which has been made. I remember well where he stood and the speech he made calling on the Senate to appoint a committee which would prevent there being any ground for such an attack as has been made. But the ground for attacks has had but very little to do with the attacks which have been made. The lack of reason for the attacks has not been a preventive.

President Truman stands in the fortunate position of having taken the position that everything should be on the up-and-up in this war, and he watched the war contracts, the construction work, with a committee over which he presided, and he succeeded to a remarkable degree, and the people of the Nation made him Vice President, and then he became President on the death of President Roosevelt. So we are now in the peculiar position that while we have won a war we have aroused the antagonism of a partisan spirit which has gone to the extent, according to the New York Times, of defending and apologizing for Japan. I suppose we had just as well apologize for Japan as apologize for Germany. I think both are on a par. I think we had



better take a little time to give some credit to those who have been so gallant, who have sacrificed so much time and effort, and who placed themselves on the side of America, rather than to besmirch them even to the grave, and after the doors of the grave have been closed on them.

Mr. SALTONSTALL. Mr. President, I have certainly the greatest respect for the late President Roosevelt, and after the speech which has just been delivered, which has disturbed me very greatly, as a new Member of this body who appreciates the importance of the work performed by the Senate, I wish to say a few words. I have not always agreed with the late President, but I have always had great respect for him.

The speech I have just listened to would seem to indicate that the honorable Senator from Delaware was impugning the integrity of members of the committee which is investigating the Pearl Harbor incident. From my service and experience in this body I know the Members on the other side of the aisle who are serving on that committee, and I have a high regard for them, and am confident that they would live up to their obligations under the Constitution and the oath they have taken as Senators. I know personally the two Members from this side of the aisle who are serving on the Pearl Harbor Committee, and I have a high regard for their integrity and their feelings toward their obligations and the oath they took as Members of this body. I do not know personally, and I am not sure I could even name the Members of the House of Representatives who sit on the Pearl Harbor Committee. But I am confident, sir, that none of the members of the committee from either House are making apologies for Japan, or are trying, by any questions asked, to make out of this investigation anything for their personal aggrandizement or for their own benefit, or for that purpose to bring out anything that is of a slanderous nature.

And, sir, I cannot, as one who has listened to the entire speech just delivered by the Senator from Delaware, as one who is a new Member of this body, and who speaks now with a great deal of hesitation, but with much sincerity, believe that there is any man on the Pearl Harbor Investigating Committee from either the House or the Senate who through questions or statements of his is making apologies for Japan or Germany and is trying to bring discredit on the late President of the United States. Rather, I believe, every member of the committee is trying his utmost—rightly or wrongly, we are not judges as of today and will not be until the report is submitted—to get the facts concerning Pearl Harbor.

We may not agree with the methods used by members of the committee on either side of the aisle, but, sir, we certainly should not impugn their motives. We should not believe that they are making apologies for Japan or that they are trying, as Senators, to do anything but to live up to their obligations as citizens of the United States and as sworn employees of our Government.

I say this much on behalf of all the members of the committee whom I know, and also those whom I do not know, because I cannot believe that they would have been selected if they had been men of the character indicated.

Mr. WHITE. Mr. President, I greatly regret the speech which has just been made by the Senator from Delaware [Mr. TUNNELL]. First, I regret it because it was an attack upon Members of the Senate who were not present in the Chamber and in a position immediately to answer the charges made against them.

I regret it also because clearly, in my mind, it violated the rules of the Senate in that the Senator spoke with disrespect of Members of this body. I think clearly that the utterances of the Senator from Delaware were subject to a point of order. If a point of order had been made, it would have been the clear duty of the Chair to have required the speaking Senator to take his seat, and he could not have proceeded until permitted by the Senate to do so.

I deplore the speech on both grounds. I did not feel compelled to make instant reply, because I am perfectly willing to leave to my colleague from Maine [Mr. BREWSTER] full opportunity to make any defense he sees fit to make in his own behalf. I have equal confidence in the capacity of the Senator from Michigan [Mr. FERGUSON] to meet any criticisms which may be made of him. I do know how much of the speech my colleague has heard, but I venture to say that he has heard enough so that he has a fair sample of the entire speech, and I leave the Senator from Delaware to his tender mercies.

Mr. BREWSTER. Mr. President, I left the hearings this afternoon at 4 o'clock and arrived at my office at quarter past 4, when I was called on the telephone from the Chamber and informed that the Senator from Delaware was indulging in a somewhat personal vituperation of the members of the committee investigating the Pearl Harbor disaster. I came into the Chamber as quickly as I could.

In my service here it has been my understanding that in the event any member of this body proposed to discuss a matter of a personal character affecting another member, it has been the invariable practice, I believe throughout most of a century, that the other member was entitled to the courtesy of notice. I know that that is the invariable rule which I have followed. It was taught to me by my elders and betters when I entered this body. I assume that perhaps the Senator from Delaware was in ignorance of that rule, in not taking occasion to inform either the Senator from Michigan or myself that he proposed to discuss the quality of our personal service in our capacity as representatives of this body. However, I regret that I was not advised in time to be here to listen to his discourse.

I now note that, having delivered whatever might have been his attack, to which the two previous Speakers, the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Maine [Mr. WHITE]

have referred, the Senator from Delaware has promptly left the Chamber, even before they finished speaking, apparently without interest in whether or not there might be any reply to any of the insinuations or accusations which he made.

From the hurried report of this situation from my colleagues I gather that the Senator from Delaware has referred to our activities in the committee which was appointed on September 8, pursuant to the resolution submitted by the majority leader, the Senator from Kentucky [Mr. BARKLEY].

The first time it occurred to me that there was any misunderstanding in this matter was in connection with a cartoon which appeared in the Washington Star on Sunday of this week. It portrays the Senator from Maine as saying to the Senator from Michigan that "The Navy is trying to make the Japanese responsible for Pearl Harbor." The Senator from Michigan is represented as saying, in apparently very feeling tones, "We will not let them get away with that." I gathered that the plain insinuation was that we were taking the Japanese end of this argument, and that the Japanese, and no one else, had the simple and sole responsibility for Pearl Harbor.

As I pondered this suggestion, I was amazed that so penetrating a cartoonist as Mr. Berryman had voiced the idea, and I wondered whether or not it represented the thought of any substantial number of our citizens. I could well understand how some such idea might get abroad from the necessary inquiries as to the Japanese program, plans, and various developments. It would be very easy to attach sinister suggestions to a detached word or phrase here and there, or to the difficulties and discussions which inevitably arise. But it seemed to me that the simple and sufficient answer to any suggestion that either the committee or any of its members is proceeding somewhat afield or somewhat apart from the inquiry is found in the very purpose of the inquiry itself.

If the Japanese were solely responsible for Pearl Harbor, what is this investigation all about? Certainly we needed no investigation to determine that the Japanese attacked us vilely and foully at Pearl Harbor. Certainly the distinguished majority leader, when he submitted his resolution on September 6 and asked for its immediate adoption, had no illusions on that score. I could read at length from his masterly address on that occasion. I invite the attention of the Senate and of the country to what he said, pointing out that for 4 long years this country had pondered what was back of this situation, how it happened that such terrific damage was done and 3,000 of our young men were slain by the sneak attack, and whether or not there was any fault or responsibility upon anyone in the United States, as the majority leader said so poignantly, high or low, living or dead.

At no time during this inquiry have we even approached the borders of the very profound questions which he raised. But I recall to the Senate a little of what he said, in order that Senators may un-



derstand the full scope of what the investigation was supposed to cover.

After first detailing the history of this matter and of the various investigations, the Roberts report, the Hewitt report, the Hart inquiry, the Navy inquiry, and the Army inquiry, under the direction of Congress, the Senator from Kentucky said:

Mr. President, I shall not at this time attempt to discuss these various reports in detail, but after studying them to the extent possible in the time at my disposal, I am convinced that a further searching inquiry should be made under the authority and by the direction of the Congress of the United States.

In forming this opinion, Mr. President, I cast no reflections upon the ability, the patriotism, the good faith, or the sincerity of the boards which have thus far investigated and reported upon the Pearl Harbor disaster, nor on any member of these various boards.

I wish that the Members of this body could display similar confidence in the integrity and intentions of the Members of this body who have been assigned, without solicitation upon their part, to participate in the searching inquiry proposed by the majority leader. Apparently we were selected because of the experience which we had had for 4 years upon an investigating tribunal which had certainly come to command the confidence of the people of the United States. Its chairman was finally elevated to the position of President of the United States. Whatever we have learned regarding investigations we have learned at the feet of the one who is now the Commander in Chief. We have tried to apply those lessons in carrying out the high responsibility with which we have been entrusted. In the full language of the distinguished chairman of our committee—

It should be conducted without partisanship or favoritism toward any responsible official, military, naval, or civilian, high or low, living or dead.

It should be conducted in an atmosphere of judicial responsibility, and it ought to be so complete and so fair that no person could doubt the good faith of the report and the findings made in it, or those who make it.

It ought not to be conducted or undertaken for the purpose or with the sole view of vindicating or aspersing any man now in office, or who has been in office during the period involved.

It ought not to be undertaken or conducted for the purpose of enhancing or retarding the welfare of any political party, or any person now in office, or any person who desires or aspires to hold public office.

Why was this necessary? Because the reports—and again I quote the majority leader—

are confusing and conflicting when compared with one another, and to some extent contain contradictions and inconsistencies within themselves.

Under these circumstances it is not strange that widespread confusion and suspicion prevails among the American people and among the Members of Congress.

It is a most amazing thing that in the very inception of this inquiry, during a period of 9 weeks of preparation, the full committee was laboring under the handicap of an Executive order which forbade the disclosure of any information by any members of the executive

department concerning the major subject of this inquiry and the revelations contained in the various messages decoded from the Japanese. That, after all, was the primary purpose of the inquiry; and yet it has been only within the past 10 days that it has been possible for any member of the executive department to speak with any measure of freedom to any member of the committee or its counsel. So under those circumstances, which we have hitherto detailed upon the floor of the Senate, the difficulties of which we have pointed out—and there has been a full and free discussion in accordance with American tradition—we have concealed nothing in urging that we felt that the situation was to some extent a handicap.

Finally, the procedure has commenced; and during the past 4 days we have been holding hearings—premature, as we believe, because the vast number of documents necessarily concerned with this inquiry and absolutely essential to the examination of witnesses were not then and are not now available to the committee or to any of its members.

But under those circumstances, and in compliance with the will of the majority who control the functioning of the committee, we have proceeded with the hearings which have thus far elicited information of the highest importance to the people of the United States and to posterity which, after all, must be the final judges not only of the rectitude of those of us here, but of the determination of a course calculated to avoid another Pearl Harbor in the days that are to come. That, after all, I take it, is the fundamental purpose of this procedure, and in that connection it is necessary to examine into the acts of men everywhere, high or low, living or dead. There cannot be a curtain drawn across. Yesterday Admiral Richardson appeared and testified as to his conversations calculated to demonstrate what degree of responsibility in connection with certain actions was to be borne by any of those in authority, and there must necessarily be and there will be a long procession of other witnesses—naval, military, civilian, diplomatic, high and low—and in the course of time the program will unfold.

Upon what are based the accusations made by the Senator from Delaware, which I have not been privileged to hear, I cannot tell until tonight or tomorrow when I shall read the Record, when it may well be in order to pay further attention to his comments. But certainly, Mr. President, it is idle to suggest that in this proceeding, all we need to do—as was the suggestion of the Berryman cartoon; and I hold Mr. Berryman in very high regard, both as a friend and as a cartoonist—or to suggest that all we in this country need to do is to say "The Japanese are responsible for Pearl Harbor," and with that dispose of the case, and dismiss the idea that anyone else in America—in our armed forces, in our diplomatic services, in our executive departments—was in any way negligent or at fault. If that were the only purpose, then there would be no need to constitute a joint committee, no need to adopt the resolution so eloquently presented by the Senator from Kentucky [Mr. BARK-

LEY] on October 6, and no need for the long and weary labors which already have been exerted in the examination of thousands of pages of documents and which will proceed for no inconsiderable time to come.

Certainly the thought of America and of its people is that they shall be the ones who shall be the final judges of this matter—not we little pygmies who pass our day here in pitiful publicity for a time, not we, not this committee, not the Senate; but the people of the United States, upon the pages of the record we may be privileged to write.

The majority leader suggested in his discussion a week or two ago that the minority had no monopoly on patriotism or on intelligence or integrity. With that suggestion we, as Americans, certainly agree. But it has been the tradition of Anglo-Saxon government for nearly a thousand years, from the time when the barons wrested their just rights from King John at Runnymede, that no man is competent to investigate himself. So it has been a principle of Anglo-Saxon parliamentary government that the minority have rights, that the minority are privileged to ask questions, that the minority are recognized as a responsible element in the functioning of government.

So, Mr. President, the minority who stand here indicted by the absent Senator from Delaware, have certain rights which we shall continue to hold inviolable. After we have been privileged to read what the Senator from Delaware may have said, if it shall require answer, we shall be pleased to make whatever answer may be appropriate. We are unable to reply to charges which we have never heard or seen. But if the Senator from Delaware suggested or if anyone suggests that all there is to the Pearl Harbor investigation is to decide that the Japanese were to blame, and then call it a day, then, indeed, is all the discussion of 4 years a very vain thing; then, indeed, is the majority leader, who presented the resolution, chasing up an entirely blind alley; then, indeed, are the ten Members of the Congress who have been designated by their colleagues to act as the committee, and who have been laboring in the vineyard for weeks without end, trying to arrive at a determination which shall be calculated in some way to be a conclusion of this subject—then, indeed, we shall have been doing a vain thing.

But if we are to take the task seriously, then we hope the majority will recognize that in one aspect of this matter they are in some measure seeking to investigate themselves. Without any disparagement of the distinguished majority leader and his colleagues, I am sure everyone will agree that it would be a little difficult for the majority leader to take the bit in his teeth and explore all the highways and byways, as he so eloquently expressed it here upon this floor a little while ago, in order to expose the defects of an administration of which he has been so intimate a part.

This matter involves no reflection upon the patriotism or loyalty of any man. We are all human. We all make mis-



takes. It is possible that some gentleman upon the other side may have made mistakes, but I am sure they are good enough Americans not to wish to hide behind any curtain of refusal to have a full, fair investigation now that the war has ended.

It is possible that downtown, in the War Department, in the Navy Department, in some of the other executive departments, someone made a mistake—not through malicious intention, not through lack of patriotism, but through the limitation which prevails upon human conduct in every way. We simply ask to have granted to us something of the charity which they necessarily must ask for themselves, as we go forward, not seeking to destroy the reputation of any man, but seeking to lay before the American people, as well as we may, the records of a military catastrophe unprecedented in the history of this country and, almost, in the history of the world, and to ascertain all of its facts and implications, which ended, not at Pearl Harbor, not with the death of 3,000 men there, or with the sinking of our battle-ships there, but not until a year later, when, on a shoestring, we went into Guadalcanal. Then we were still paying a terrific price for the lack of adequate preparedness resulting in no small measure from the destruction of our forces at Pearl Harbor by the sneak attack there.

So, Mr. President, if this country is concerned with developing a defense mechanism which shall be capable of bringing about not merely the integration of our military services but the integration of our diplomatic services so that there shall never again be a lack of coordination which shall contribute in any degree to so dire a disaster, then, indeed, our labors will not have been in vain.

Mr. President, I am sorry that any Member of this body, thus early in this investigation, without, so far as I know, attending the hearings or reading the record which already has been written, should seek to destroy the confidence of the American people in the record which has been written by men who are trying day by day before that tribunal to maintain a searching scrutiny of cross-examination in accordance with the tested traditions of Anglo-Saxon jurisprudence, in order to bring out the truth. Although I have not had adequate opportunity to examine what the Senator from Delaware has said, it appears to me to be rather a strange note that there seems to be so great a fear that perhaps we shall uncover something which may in any degree reflect upon the competency or the intelligence or the possible mistakes of any persons. After all, in all the enormous responsibilities of the last decade it is little wonder if anyone made a mistake. Yet there seems to be a fear that mistakes may possibly be uncovered, if they were made.

I do not speak here as a judge. I simply appeal for continued fairness of consideration of the procedures which

the Senator from Michigan and I are seeking to apply from the lessons we learned at the feet of the Truman Committee throughout the past 4 years. We have no doubt that time and events will vindicate the wisdom of the course and the procedures which we are advocating so earnestly as calculated to give to the American people a fairer picture of the facts.

Mr. FERGUSON. Mr. President, I simply should like to have the Record show that I was present at the Pearl Harbor hearing, and during almost the entire hour between 3 and 4 o'clock I was asking questions of Admiral Richardson in the hearing room in the Senate Office Building. I then returned, after 4 o'clock, to my office, where I received word that the Senator from Delaware was making a statement on the floor of the Senate and that it might be of interest to me. I immediately came to the floor of the Senate, but the Senator from Delaware had concluded his remarks, so I am not advised as to what those remarks were.

At the present time, not knowing or having an idea as to what the Senator from Delaware said, I am unable to make any further statement; but between the time of this session of the Senate and the next, I wish to read his remarks; and if they call for a reply I shall ask permission of the Senate to address it at some time during the intervals between the holding of committee sessions, which consume the hours from 10 to 12 in the forenoon and from 2 to 4 in the afternoon. Of course, I wish to advise the Senator from Delaware of my intentions so that he may be present and have the privilege of being on the floor at the time of the delivery of my remarks. That is a privilege which I did not have during the delivery of his remarks.

Mr. HILL. Did the Senator suggest that the Senate meet tomorrow? I believe it was the plan of the leaders to meet at 12 o'clock noon on Friday next.

Mr. FERGUSON. That would be satisfactory to me.

Mr. BREWSTER. It seems to me that it is a very unusual situation in which we find ourselves. I am advised by my colleagues that much of the discussion of the Senator from Delaware, in its attack upon certain Members of the Senate, was undoubtedly out of order. While I hesitate to bring personal affairs into the Chamber of the Senate, the Senate is apparently the forum in which such statements as have been made should be answered. Apparently the remarks of the Senator from Delaware were considered to be of some importance and consequence. I feel that it might be well for this tribunal to reassemble tomorrow.

Mr. HILL. When the distinguished Senator was engaged before the Pearl Harbor committee, discussion took place on the floor of the Senate as to what should be the order of business, and what the Senate would do during the remainder of the week. It was pretty well understood and agreed, I believe, that there

would be no session of the Senate tomorrow, and that at the conclusion of its business today the Senate would take a recess until next Friday. Of course, if the Senate convenes on Friday the Senator will have an opportunity to say what he wishes to say.

Mr. BREWSTER. May we have an understanding that if the Senator from Michigan and I feel that it is necessary and appropriate to reply in some form to the Senator from Delaware, we may secure consideration of the Senate? I ask the question because we are supposed to be in attendance upon the sessions of the Pearl Harbor committee from 2 to 4 o'clock every afternoon.

Mr. HILL. The Senator requests what? Mr. BREWSTER. I request that an understanding be reached that the Senator from Michigan and I will receive recognition of the Chair between 12 o'clock and 2 o'clock next Friday.

Mr. HILL. It is the understanding that there will be a call of the calendar on Friday, but I assume that the distinguished Senator from Maine and the distinguished Senator from Michigan, if they wish to address the Senate when it convenes on Friday, will be able to do so. I do not believe there will be any difficulty in obtaining the floor. Certainly if the Senator should see fit to rise to a question of personal privilege, as he knows he has a right to do at any time, and ask for the privilege of addressing the Senate, after obtaining the floor, he could address the Senate for as long as he saw fit.

Mr. CONNALLY. I think it is unfortunate to involve the personal privilege rule. It is always subject to the rule of the Chair.

Mr. HILL. There is no question that the Senator will be given leave to speak.

Mr. WHITE. Mr. President, as I understand, the Senator from Maine, my colleague, and the Senator from Michigan will have an opportunity to make such statements as they deem appropriate on convening of the Senate on Friday next.

Mr. HILL. I certainly believe that if either the Senator from Maine or the Senator from Michigan shall desire to address the Senate on Friday, they will have an opportunity to do so.

#### DISCONTINUANCE OF LAND-GRANT RAILROAD RATES—CONFERENCE REPORT

Mr. WHEELER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 694) to amend section 321, title III, part II, Transportation Act of 1940, with respect to the movement of Government traffic, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:



"Sec. 2. The amendment made by section 1 of this Act shall take effect October 1, 1946: *Provided, however,* That any travel or transportation specifically contracted for prior to such effective date shall be paid for at the rate, fare, or charge in effect at the time of entering into such contract of carriage or shipment."

And the Senate agree to the same.

ED. C. JOHNSON,  
BURTON K. WHEELER,  
E. H. MOORE,  
CLYDE M. REED,

*Managers on the Part of the Senate.*

LYLE H. BOREN,  
J. PERCY PRIEST,  
OREN HARRIS,  
PEHR G. HOLMES,  
CARROLL REECE,

*Managers on the Part of the House.*

Mr. WHEELER. Mr. President, I move the adoption of the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. WHITE. Mr. President, with reference to what bill is the conference report?

Mr. WHEELER. The conference report is on House bill 694, the so-called land-grant bill. The only change made in the bill by the conference committee was to strike out the McFarland amendment. There was considerable objection in the Senate to the amendment, but it was taken to conference. The House refused to accept it. Otherwise the bill is in the form in which it was passed by the Senate.

Mr. WHITE. Has the conference report been signed by all the conferees?

Mr. WHEELER. It has been signed by all the conferees except the Senator from Arizona [Mr. McFarland]. He did not sign the report because the amendment involved happened to be his.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

#### AUTHORIZATION FOR COMMITTEE ON CLAIMS TO FILE REPORTS

Mr. HILL. Mr. President, I ask unanimous consent that during the recess of the Senate, following today's session, the Committee on Claims may be authorized to file reports on certain bills.

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

#### EXECUTIVE SESSION

Mr. HILL. 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 PRESIDING OFFICER (Mr. La FOLLETTE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WAGNER, from the Committee on Banking and Currency:

Herbert E. Gaston, of New York, to be a member of the Board of Directors of the Export-Import Bank of Washington, D. C., for a term expiring June 30, 1950; and

William McChesney Martin, Jr., of New York, to be a member of the Board of Directors of the Export-Import Bank of Washington, D. C., for a term expiring June 30, 1950.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports from committees, the clerk will state the nominations on the calendar.

#### UNITED STATES DISTRICT JUDGE

The legislative clerk read the nomination of Wallace S. Gourley to be United States district judge for the western district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### UNITED STATES ATTORNEY

The legislative clerk read the nomination of William McClanahan to be United States attorney for the western district of Tennessee.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### UNITED STATES MARSHAL

The legislative clerk read the nomination of John P. Logan to be United States marshal for the northern district of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. HILL. I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

Mr. HILL. I ask unanimous consent that the President be notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

#### RECESS TO FRIDAY

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

The motion was agreed to; and (at 4 o'clock and 55 minutes p. m.) the Senate took a recess until Friday, November 23, 1945, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate November 20 (legislative day of October 29), 1945:

#### REGISTER OF LAND OFFICE

Frank Olson, of Idaho, to be register of the Land Office at Blackfoot, Idaho, vice Frank E. Dekay, term expired.

#### WAR DEPARTMENT

##### THE CHIEF OF STAFF

General of the Army Dwight David Eisenhower, Army of the United States, for appointment in the Regular Army of the United States as the Chief of Staff with the rank of

General of the Army, for a period of 4 years from November 19, 1945, vice General of the Army George Catlett Marshall, the Chief of Staff.

#### PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

TO BE COLONEL WITH RANK FROM OCTOBER 20, 1945

Lt. Col. Harry Langdon Reeder, Infantry (temporary colonel).

TO BE COLONELS WITH RANK FROM NOVEMBER 1, 1945

Lt. Col. Jay Edward Gillfillan, Infantry (temporary colonel).

Lt. Col. Richard Jaquelin Marshall, Quartermaster Corps (temporary major general).

Lt. Col. Leon Edward Ryder, Signal Corps (temporary colonel).

Lt. Col. Jay Drake Billings Lattin, Signal Corps (temporary colonel).

Lt. Col. James Donald MacMullen, Coast Artillery Corps (temporary colonel).

Lt. Col. Ralph Townsend Heard, Field Artillery (temporary brigadier general).

Lt. Col. Charles Douglas Yelverton Ostrom, Coast Artillery Corps (temporary brigadier general).

Lt. Col. Turner Mason Chambliss, Infantry (temporary colonel).

Lt. Col. John Frederick Ehler, Infantry (temporary colonel).

Lt. Col. Theron Gray Methven, Infantry (temporary colonel).

Lt. Col. Robert Whiting Daniels, Ordnance Department (temporary colonel).

Lt. Col. Francis Arnold Hause, Coast Artillery Corps (temporary colonel), subject to examination required by law.

Lt. Col. Paul Lewis Ransom, Infantry (temporary brigadier general).

Lt. Col. Roderick Random Allen, Cavalry (temporary major general).

Lt. Col. Edward Elliott MacMorland, Ordnance Department (temporary brigadier general).

Lt. Col. Adolphus Worrell Roffe, Cavalry (temporary colonel), subject to examination required by law.

Lt. Col. Manton Sprague Eddy, Infantry (temporary major general), subject to examination required by law.

Lt. Col. Henry Benjamin Holmes, Jr., Coast Artillery Corps (temporary brigadier general), subject to examination required by law.

Lt. Col. Gabriel Thornton Mackenzie, Infantry (temporary colonel).

#### DEPARTMENT OF THE NAVY

##### CHIEF OF NAVAL OPERATIONS

Fleet Admiral Chester W. Nimitz to be Chief of Naval Operations in the Department of the Navy, for the term of 2 years.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate November 20 (legislative day of October 29), 1945:

#### UNITED STATES DISTRICT JUDGE

Wallace S. Gourley, to be United States district judge for the western district of Pennsylvania.

#### UNITED STATES ATTORNEY

William McClanahan, to be United States attorney for the western district of Tennessee.

#### UNITED STATES MARSHAL

John P. Logan, to be United States marshal for the northern district of Oklahoma.

#### POSTMASTERS

##### KANSAS

William D. Trump, Ellsworth, Glenn Vernon Downs, Leoti.



## MICHIGAN

Estelle L. Grady, Glen Arbor.  
Boyd L. Havens, Hope.  
Christina Meyers, Rothbury.

## MINNESOTA

Herman B. Lund, Dalbo.  
Bonnie B. Martinson, Upsala.  
Fred A. Melcher, Woodstock.

## NORTH CAROLINA

Treva Wakefield, Guilford.

## PENNSYLVANIA

Nellie E. Flaherty, Morea Colliery.  
Timoria E. Warnick, Nuremberg.  
Anna Nock Kristofeck, United.

## TEXAS

Errie E. Morgan, Arcadia.  
Clark Tablor, Clyde.  
Doris Johnson, Comstock.  
William C. Harrell, Emhouse.

Lucille R. O'Connor, Newgulf.  
Randolph B. Gafford, Turkey.

## WISCONSIN

Emma P. Heesakker, Combined Locks.  
Bonnie P. Clark, Gilmanton.  
Laura A. Guenther, Knowlton.  
Margaret E. Ingham, Lynxville.  
Verl A. Bokath, Rib Lake.  
Ambrose Sheedy, Suamico.



# House of Representatives

TUESDAY, NOVEMBER 20, 1945

The House met at 12 o'clock noon. The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, Thou who travellest on the wings of the morning, teach us to worship Thee in spirit and in truth. We bow before Thee this day, realizing our imperfections and marred by our faults and petty sins; forgive us, Thou eternal one, whose holiness transcends all human understanding. On Thee we build and by faith lift our prayer and praise to Thee.

Dear Lord, hold us close to Thee; make us true because of those who trust us, and pure for the sake of those who care. As courage of convictions is so essential in the exercise of our duties, crown us with the hatred for hate and with the love for love. Thou in whose being the simplicity and mystery of life and death meet, cleanse us from all unworthiness; strengthen us with the sanctity of reason and with the humility of prayer and meditation, and all glory be unto Thy holy name. Amen.

## THE JOURNAL

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

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 102. Concurrent resolution authorizing the printing as a public document of the manuscript entitled "Questions and Answers Explanatory of the Federal Income Tax Law With Respect to Members of the Armed Forces of the United States in World War II," and providing for additional copies thereof.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2851. An act to provide for investigating the matter of the establishment of a national park in the old part of the city of Philadelphia, for the purpose of conserving the historical objects and buildings therein.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4129. An act to provide for reorganizing agencies of the Government, and for other purposes.

Th message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints

Mr. McCARRAN, Mr. HATCH, Mr. MURDOCK, Mr. FERGUSON, and Mr. REVERCOMB to be the conferees on the part of the Senate.

## EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, on January 24, 1944, I made a short speech in the House relating to UNRRA. I ask unanimous consent that I be permitted to extend that speech in the RECORD again.

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

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. REED of New York. Mr. Speaker, I made a speech on January 25, 1944, on the same subject. It is brief. I ask unanimous consent that I be permitted to extend that speech in the Appendix of the RECORD.

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

There was no objection.

[The matter referred to appears in the Appendix.]

## DEMobilIZATION OF MEN IN THE ARMED SERVICES

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that I may proceed for 1 minute and revise and extend my remarks and include therein a letter.

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

There was no objection.

Mr. REED of New York. Mr. Speaker, I introduced a bill on September 12 of this year to provide for the demobilization of men in the service who had served honorably for 18 months. Not being able to get action by the committee, a petition is now on the Speaker's desk for those who wish to sign on behalf of the boys.

I hope that the spirit of Thanksgiving and Christmas will cause those Members who have been reluctant to do so to sign that petition and give the boys a fair break.

At this point, Mr. Speaker, I ask unanimous consent to extend a letter from a soldier in India. It is signed by men from 20 different States.

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

There was no objection.

(The letter referred to follows:)

MY DEAR REPRESENTATIVE REED: Being from your State, and due to the fact that you have been one of the outstanding legislators for the quick return of the men overseas, I am

taking the liberty to write you this letter for the men of this organization.

We had read and heard on the radio that the boys from this theater would be the first ones returned home due to the climatic conditions here and disease, but so far we have to be shown. There are men in this organization alone with over 4 years' service, 20 months of which have been spent in this theater and we are still sweating it out. Calcutta and Karachi have men with 70 points or more still waiting for a ship and 60-point men haven't even begun to move and as you know they are supposed to be on their way home this month. It would seem that either false statements are being given out by the press or that there is something else radically wrong.

As an example of what is going on over here I would like to state an instance of ridiculous inefficiency, waste of labor and time which could have been avoided, and would have released men for return to the United States.—This organization was told that our mission was finished and that we were to be declared a surplus unit, so the men finished up their work in record time and all equipment was turned in. Shortly after this had been done we were informed that another job was to be done. We had already placed most of our men on detached service in Calcutta where about 50 percent of them are being utilized. Our orders stated that one of our large floating cranes was to be returned to this station, together with three crews for 24-hour operations to load 18,000 tons of steel, from a large QM drum plant here, on to barges to be returned to Calcutta. Two tugs were also returned with crews to shift the barges, altogether 32 men were involved plus the personnel of the QM drum plant. Our men with the thought in mind of getting home, tore into the job, and in 4 days had loaded 5,000 tons of steel, in all 12 barge loads. Six barge loads had been dispatched for Calcutta to Calcutta when orders came through from our headquarters there canceling the operation and stating that all the steel would have to be returned to its original station, unloaded and returned to the QM drum plant and restacked at said plant, which we are doing at this time. It would seem that instances of this kind are numerous and uncalled for and result in greatly deterring the return of our men to the good old U. S. A. which we want to see more than anything else in the world, especially after being in this God forsaken country all this time.

Another thing that doesn't set well with the men, is those who enlist in the Regular Army get a priority in going home. To many the thought occurs that instances such as stated are deliberately initiated to obtain enlistments in the Regular Army and many men have enlisted for the sole purpose of getting out of here for that 90-day furlough back home.

I and the other men who sign this letter are from many different States and all admire your stand on returning men to the United States and feel that this information may give you added facts to put before the public. We have all been proud to serve our country in the national emergency, but now that it is over and victory is ours we firmly believe that the return of men could and can be much more efficiently handled.



Needless to say right now our morale has hit a new low, and we are tired of broken promises.

We thank you in advance for the action you will take upon receiving this letter for we are certain it will not go unnoticed.

Yours very sincerely,

#### EXTENSION OF REMARKS

Mr. RIZLEY asked and was given permission to extend in the Appendix of the Record a letter from a soldier stating the soldier's views on UNRRA.

Mr. PLUMLEY asked and was given permission to extend his own remarks in the Record and include an address he made to the Eastern Milk Producers Association in Syracuse.

Mr. BECKWORTH asked and was given permission to extend his remarks in the Record and include a newspaper clipping and editorial.

Mr. DOYLE asked and was given permission to extend his remarks in the Record and include a short report from the Department of Labor.

Mr. MILLS asked and was given permission to extend his own remarks in the Record and include an article.

Mr. TRIMBLE asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. GRANGER asked and was given permission to extend his remarks in the Record and include an editorial on the minimum wage bill.

Mr. WALTER asked and was given permission to insert in the Appendix of the Record an address delivered by the Under Secretary of the Navy.

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the Record in two instances, in one to include an address he delivered at a bond rally and in the second to include a resolution adopted by the International Fur and Leather Workers of Peabody, Mass.

#### DISCHARGE OF PHYSICIANS, DENTISTS, AND VETERINARIANS

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

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

There was no objection.

Mr. TRAYNOR. Mr. Speaker, on October 18 I introduced a bill in the House (H. R. 4425), a bill to provide for the prompt discharge or release from active duty of certain physicians, dentists, and veterinarians, who have served for 2 years in the armed forces. Up to date the bill is resting in the House Committee on Military Affairs, while thousands of these professional men are kept in camps in this country and abroad, doing nothing.

After listening to President Truman's message yesterday on health insurance, and after having had 7 years of military service and many years of dental practice, I would suggest that the first move in a health program should be to put this wasted professional talent now in the armed forces in a position where they could render health service. To me, this would be the sensible thing to do.

#### HEADED FOR COMMUNISM

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

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

There was no objection.

Mr. RICH. Mr. Speaker, I am sure you have heard the story of the fellow who wanted to cut his dog's tail off. He started at the outer end and cut off half an inch. The dog hollered. The tail was not short enough so he cut off another half inch. The dog hollered again. He kept cutting off the dog's tail until finally he got it just about the length he wanted it to be, the dog yelping his head off all the while. In the past 10 years the party in power, the New Deal party, has been passing a lot of laws trying to socialize America. They started with NRA, then followed with WPA, CCC, OPA, FHA, PWA, and so forth, and so forth. Now they are proposing the FEPC, proposing the full employment bill, rocking-chair money of \$25 a week for half a year to think. Why not stop monkeying around cutting the tail off by inches and cut it off right at the place it should be cut off and admit that we are going to communism in this country.

Mr. REED of New York. I presume the reason they cut the dog's tail off a little at a time was to save the dog pain.

Mr. RICH. Yes; they think it will fool the people into believing that it is not socialism. But they will find out the pain will come when freedom is lost—when liberty is gone socialism will be here—too bad.

I thought when Mr. Truman came into office as President he would stop this trend, but he is on the road to socialism at top speed. Congress, it is up to you to keep America free now. The boys in the Army did their job. Now it is up to Congress. Save our Constitution, liberty, and freedom—or weep and wail later.

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

#### CORRECTION

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to make certain corrections in a speech of mine which appears on page A-5301, and to add some statistics.

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

There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. NEELY. Mr. Speaker, I ask unanimous consent to address the House on next Tuesday under an appropriate order of business for 20 minutes.

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

There was no objection.

#### CAPITAL OF THE UNITED NATIONS ORGANIZATION AT TUSKAHOMA, OKLA.

Mr. STEWART. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to insert articles from Newsweek and the Chicago Sun.

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

There was no objection.

Mr. STEWART. Mr. Speaker, the speech I made November 7 proposing Tuskahoma, Okla., as the world capital seems to have caught the fancy of the national press. Newspapers and magazines of far-reaching circulation have given it a lot of space which I might say we in Oklahoma do not mind a bit. I should like to insert in the Record just two of the many clippings that have reached my desk; one that appeared on page 39 of the November 19 edition of Newsweek, and a feature story from the November 18 issue of the Chicago Sun written by Mr. Milburn P. Akers.

Mr. Akers remarks that statesmen may prefer the wild life of Chicago to that of Tuskahoma. I think it would be far more wholesome to have our statesmen hunting wild deer in the Kiamichis than chasing tame "deer" in Chicago.

I should also like to voice a gentle thought here which I hope will reach the proper ears. Since most of our large cities are bidding to make a home for the United Nations, why not effect a compromise by choosing Tuskahoma?

The items from Newsweek and the Chicago Sun are as follows:

[From Newsweek of November 19, 1945]

O-O-O-O-O-KLAHOMA!

The majestic Golden Gate, the Black Hills of South Dakota, and the banks of the Hudson have been the most frequently proposed sites for the United Nations Organization capital. Last week in Congress a new contestant was nominated—the Kiamichi Mountains of southeastern Oklahoma. Representative PAUL STEWART, hefty Oklahoma Democrat, was downright lyrical in proposing Tuskahoma, capital of the old-Choctaw Nation, for the UNO seat:

"It is an area transversed by the pure waters of the Kiamichi River, protected on the north by the Potato Hills of the Ouachitas, on the east by the majestic Kiamichis, approached from the west over rolling prairies, and from the south through fertile valleys."

"The sunshine is clear, the rainfall gentle."

"Dogwood and redbud bloom in season, and pines, cedars, holly trees, honeysuckle, and magnolias are ever green."

"We in Oklahoma have always suspected the Almighty of keeping this spot for some special purpose and now we are inspired to offer it to the world."

In conclusion: "It would be fitting to put the world capital here in one of the last centers of the Indian government, to show this country's first inhabitants that we have tried to use well this land we took from them."

[From the Chicago Sun of November 18, 1945]

OH, WHAT A BEAUTIFUL NOTION—TINY TUSKAHOMA EXTOLLED IN RACE FOR UNO CAPITAL

(By Milburn P. Akers)

Chicago, Philadelphia, and San Francisco, too, better take note of Tuskahoma. The ancient capital of the Choctaw Nation, down Oklahoma way, wants United Nations headquarters located in its midst.

Tuskahoma—virgin territory unravished by the world—so its chief advocate says—might not be such a threat were it not for the oratorical prowess of the Honorable PAUL STEWART, of Antlers, who represents Oklahoma's Third Congressional District.



What has Philadelphia or Frisco to offer in competition? Even Chicago appears hard pressed as Representative STEWART grows lyrical extolling Tuskahoma's virtues. Consider these passages from his speech, duly recorded in the CONGRESSIONAL RECORD of but a few days ago:

"It (Tuskahoma) is in an area traversed by the pure waters of the Klamichli River, protected on the north by the Potato Hills of the Quachitas, and on the east by the majestic Klamichlis, approached from the west over rolling prairies, and from the south through fertile valleys."

#### SUNSHINE IS CLEAR

That, by no means, is all.

In Tuskahoma, we are told, "the sunshine is clear (Chicago and Philadelphia smoke commissioners take note), the rainfall gentle and adequate, and the temperature pleasant 12 months of the year."

Who, except the Los Angeles or Miami Chamber of Commerce, can compete with that?

But Tuskahoma has far more than merely a salubrious climate. There, so the Congressman says, "dogwood and red bud bloom in season, and pines, cedars, holly trees, honeysuckle, and magnolia are ever green."

Wildlife, too, is in abundance.

That claim may be the only weak spot in Tuskahoma's armor. For, if we know statesmen, they will prefer the wild life of Chicago to that of Tuskahoma.

Tuskahoma, however, is fated for distinction.

"We in Oklahoma," Mr. STEWART informed the House, "have always suspected the Almighty of keeping this spot for some special purpose, and now we are inspired to offer it to the world as a seat of international government."

What can Chicago do against competition such as that? Philadelphia and Frisco, also, will be well advised to withdraw their invitations, recall any committees which have gone to London to sponsor their claims, and give the honor to Tuskahoma by acclamation.

#### NOT A BAD IDEA

It's probably not such a bad idea at that. Delegates, upon awakening, might be inspired to give forth with a few bars of "Oh, What a Beautiful Morning."

What chance of discord among statesmen who start the day with:

"Oh, what a beautiful mornin',

"Oh, what a beautiful day,

"I've got a wonderful feelin'

"Everything's going my way."

Even dour Molotov, once he caught the Oklahoma spirit, might prefer the "pure waters of the Klamichli" to vodka. Then, instead of spending time devising ways to lift Ernest Bevin's blood pressure, he might go round humming "The Surrey With the Fringe on Top."

Tuskahoma it is. As Mr. STEWART said: "It would be fitting indeed to put the world capital here in one of the last centers of Indian government."

He might have added: "For if the United Nations fails to work, then Tuskahoma, a last center of Indian government, can also mark the last center of all government."

#### EXTENSION OF REMARKS

Mr. KELLY of Illinois asked and was given permission to extend his remarks in the RECORD and include therein an address made by himself on last Friday evening.

Mr. HEFFERNAN asked and was given permission to extend his remarks in the RECORD and include therein an article on the Judaic research at Yale University, which was made possible by the generosity of Mr. Louis M. Rabinowitz, vice president of the Jewish Hospital of Brooklyn.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD and include a brief article on freight rates.

Mrs. LUCE asked and was given permission to extend her remarks in the RECORD and include some thoughts on political refugees.

Mr. SPARKMAN asked and was given permission to extend his remarks in the RECORD and include a speech he made recently on universal military training, also two newspaper items relating to such training.

Mr. REED of Illinois asked and was given permission to extend his remarks in the RECORD and include an address by Thomas E. Dewey.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include a statement from an official of the American Legion on the subject of the sale of surplus property to veterans.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include a peace plan by a constituent.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include an editorial taken from the Boston Sunday Advertiser.

Mr. VOORHIS of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article by Dorothy Thompson.

#### CHINA: WHAT PRICE PEACE?

Mr. JUDD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include an article from Life magazine.

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

There was no objection.

Mr. JUDD. Mr. Speaker, it is most unfortunate that so many Americans have concluded "the war is over" and that we won it, when, as a matter of fact, all we have done thus far is to defeat the German and Japanese military forces. Who wins the war depends largely on what we do from here on. It will be won by whatever forces and ideas dominate in the reconstruction of Europe and the development of Asia.

We got into this war with Japan because we finally woke up to the fact that we simply could not afford to let Japan get control of China—which means control of Asia. Are we now to throw away that hard-bought military victory by abandoning China?

Chiang Kai-shek could have had peace on repeated occasions if he had been willing to desert his allies. Are we now to try to get peace by deserting him when the war is not over and cannot be until almost 2,000,000 Japanese soldiers in China are disarmed and back in their own country?

Last March I said on this floor that the American people must "get down to bedrock and see that it is not enough to beat Japan, if we would have peace. We have to win the war so it will stay won,

and for freedom, or we will have to do it over again under infinitely more difficult circumstances?"

Mr. Speaker, the test of whether we are to win or lose the war in Asia is at hand. Incomparably the best statement I have seen on the present situation in China appeared in the following editorial in Life magazine under the title "China: What Price Peace?" It dispels much of the current confusion by showing that the issues in China and our own obligations and interests there are not nebulous or divided but in reality are very clear and definite and impelling:

#### CHINA: WHAT PRICE PEACE?

IF WE MEAN WHAT WE SAY ABOUT INTERNATIONALISM, WE WILL STICK BY OUR WARTIME FRIENDS NOW

At Tsingtao, at Tientsin, and at other points on the coast of China, there are today some 53,000 United States marines. There are worse places to be than these cities, as the marines well know. If the Jap surrender had not intervened, they and a million more American boys might have been storming a bitterly defended coast of Japan this very month instead of holding ports and guarding railroads in China. Of the armed might which the United States had marshaled in Asia, these marines are a mere fraction, left behind to cement the victory and to clean up the wreck-strewn wake of war.

And now the cry goes up that this handful has no business there. Mass meetings are held, and United States newspapers editorially demand that we quit China. And their families cry, "Why aren't our boys back home?"

Well, why? That the question should be asked at all and that it is so feebly answered by our Government are measures of America's incapacity for leadership in world affairs. Yet it needs a straight and careful answer if that leadership is ever to be assumed.

A year ago the American people, formally and repeatedly, through Congress and in public-opinion polls, solemnly assured each other that they had forsworn isolationism for good. We signed the United Nations Charter as a pledge of our intention to stick by our allies in winning the peace. But peace has not yet been won. China, it so happens, is the first of our wartime allies to challenge our anti-isolationist resolutions with a sharp and difficult test. If Americans mean anything at all by "international cooperation," we will demonstrate it by cooperating with China. If we mean anything by "understanding" other countries, we will show it by trying to understand China. If we mean anything by the "interdependence" of nations, we will recognize the interdependence between China's fate and our own.

Unfortunately, there is a difficulty about China which clouds the attitude even of those Americans who are willing to meet this test. The difficulty is not a conflict of interest between China and America, for there is no such conflict. It is a difficulty within China itself. China, as it has been off and on for 30 years, is having civil war. This habit of civil war has caused many Americans to doubt whether China, far from being one of the great powers, is even a nation at all in the accepted sense. If it is not a nation, how can we do business with it as a partner in the new interdependent world? Or is there now a going concern called China with which, as one nation to another, America can and should deal?

To answer that question no special pleading is necessary. A review of some rather elementary facts about China, too long obscured by blood-spattered headlines, will suffice.

#### China today

The first elementary fact about China is that it is a large and definite place on the



map, a place with a legal status in the family of nations, a well-recorded name (the Republic of China) and no boundary disputes with any of its neighbors. Until recently there were some unsettled questions between China and Russia over boundaries, but these were all settled by the Soong-Stalin treaty of August 1945. China no longer includes Outer Mongolia, but it does include Sinkiang, Formosa, and Manchuria. All the nations of the earth recognize this.

Until this war various European powers had special rights in China which they had obtained from the decrepit Manchu dynasty before it was overthrown in 1911. An example is the famous international settlement of Shanghai, which used to be the most important part of the most important seaport in Asia. It has been a basic objective of the Republic of China to get all these special concessions to foreign imperialism canceled. The last of them has been canceled by agreement during the war. Thus Shanghai is now entirely Chinese just as New York is entirely American. Hong Kong, still British-owned, is a special case which the Chinese expect to negotiate out with the British sometime in the next 10 years.

But while the prewar concessions were canceled, some new ones were established just before VJ-day. In return for Russia's promise to get out of Manchuria China gave Russia the use of Port Arthur as a naval base and certain rights to Dalren and to the Manchurian railroads. It was a terrible pain to the leaders of the Republic of China to do this, since the basic policy has been for decades to get rid of all foreign concessions on Chinese soil. But most people considered that China was justified in making these concessions in return for what appeared to be full guarantees of peace and friendship with Russia along 5,000 miles of frontier.

So, except for a few tiny dots on the map, the geographical boundaries of the Republic of China are established over more than 3,000,000 square miles—about the same area as the United States.

So much for the land; now the people. Along the mountains of central Asia there are a few million tribesmen who are not strictly Chinese. But there are more than 400,000,000 people in China who are strictly Chinese and they are much more homogeneous than, for example, the people of the United States. Popular misinformation about the Chinese includes the idea that they speak many entirely different dialects. This idea is far more wrong than right. At least 300,000,000 Chinese speak a language which varies no more than the dialects of Vermont and Alabama.

Culturally the Chinese are united to a rare degree. Half a dozen religions are represented. Christianity is particularly strong among the educated leaders of new China. The average Chinese is Confucianist, but Confucianism is an ethical view of life which has no quarrel with formal creeds. Thus many Confucianists see no inconsistency in observing Buddhist and Taoist rituals while worshipping their ancestors and following Christian customs at the same time. Until the war "modernism" divided the Chinese more than any other cultural factor. The people of the eastern seaboard had been more affected by modern or western ideas than the people of the interior. But the war drove millions of Chinese back from the coast and this speeded up the interior's exposure to "modernization."

The Chinese are an intelligent, industrious, and purposeful people. Yet their standard of living remains, by American standards, incredibly low. Three hundred years ago the average Chinese probably lived better than the average European, but in the last 100 years the Chinese standard of living has not changed much, while the Western standard has advanced with tremendous speed, especially in America. Can the Chinese people bring their country up to

date and achieve a modern standard of living? Nobody who knows the Chinese doubts that they can if given the chance. The name of that chance is peace.

#### *The Chinese Government*

A well-defined land, a well-defined people, China is also a Nation with a well-defined Government. The Government of the Republic of China is headed by Chiang Kai-shek, and his Government is recognized as the legal government by every nation in the world. This Government has successfully met two great tests in peace and war. In the 8 years 1929-37 China, largely though not wholly under this Government, made notable progress. In the 8 years 1937-45 this Government withstood all attempts of Japan to overthrow it. Most Americans grossly underestimate the significance in China of this simple fact: that the legal government of China maintained itself on Chinese soil (not in exile) as the only government over at least half the land of China, and held the allegiance of the great majority of Chinese in the other half. The Government maintained itself and kept most of its functions going. It collected taxes, it supported armies, it maintained its diplomatic representatives in every friendly country; it also maintained schools and hospitals, post office and telegraph, and it gave such relief as it could to the needy. All this was done on a necessarily inadequate scale, but all the functions of government were performed.

Chiang Kai-shek's government has often been justly criticized as a dictatorship. A graver fault is that it has hitherto lacked the strength and ability to control things in China enough. Hence, inflation; hence, also, the abuse of conscription and other scandals. The corruption in Chiang's government, so readily publicized by the casual or hostile press of other countries, is the cause of shame to tens of thousands of sensitive Chinese. At the same time the Chinese are proud that their government, however scarred and tarnished, stood through the storms. Of this the symbol is Chungking, the city built on a rock. Today the government is moving to the older capital of Nanking. Chungking's heroic moment in history is over. It is and always was an unlovely city. The Chinese patriot now wants to put Chungking forever behind him; but he also wants to have it remembered for a thousand years.

The executive branch of the Chinese Government is headed by T. V. Soong, famous as the most modern-minded man in Chinese public affairs. His cabinet, man for man, is probably as able and as liberal as Truman's Cabinet. The governmental difficulty in China begins a little way down the line where the number of modern-trained men becomes very thin. The Chinese are well aware of this and there is nothing they want more than American assistance in (1) training more personnel, and (2) helping to administer some of the less political jobs meanwhile.

But there is one special fact about China's government which is wholly foreign to American tradition and which Americans either do not understand at all or are continually forgetting. It is a government operating under a special plan laid down by Sun Yat-sen, the founder of the Chinese Republic. His plan called for a period of tutelage while the Chinese people should be prepared for full democracy.

This plan made sense in China because when the Republic was founded not 2 percent of the Chinese could read. During the period of tutelage the government, according to Sun Yat-sen's plan, was to be in the hands of one party, that party being the Kuomintang, founded by Sun Yat-sen. The trouble with this kind of scheme is that the party given the monopoly of government, for however good reason, never wants to relinquish it. The current argument in China about more or less democracy comes down to one

point—when will the Kuomintang declare that the period of tutelage, and hence its monopoly, is ended? That question has been answered by Chiang Kai-shek and the other leaders of the Kuomintang—as soon as a constitutional convention can be held. It would have been held this very month if civil strife had not intervened. The convention will adopt the constitution which will govern China in the post-tutelage period. This constitution, it is promised by Chiang and the Kuomintang, will contain a full guarantee in Chinese terms of civil liberties and of other parties' political rights.

As in most countries, including the United States, one of China's minority parties is the Communist Party. But the Chinese Communists differ from other countries' Communists in an important respect—instead of just preaching and politicking, they shoot and they control. They control the rural sections of an area in north China containing about 80,000,000 people. And although they nominally acknowledge the political authority of Chiang Kai-shek, just as William Z. Foster accepts the authority of Truman, in practice they refuse the central government access to their part of the country by force of arms. They have also instituted land and social reforms which make their regime seem more progressive than the rest of China's, at least to visiting journalists fresh from the fetid atmosphere of wartime Chungking. But why the Communists feel obliged to protect these reforms with artillery has never been well explained.

The Communists are not the legal government of any part of China, and no nation recognizes them as such. Nor are they in any formal sense Russia's representatives in China; Russia has a Chungking Embassy of Russians, like any other great power. When Stalin signed his treaty with T. V. Soong, he foreswore any intention to recognize or support the Chinese Communists. In fact, Stalin flatly promised moral as well as military support to Chiang's government. The Communists are therefore an internal problem for the legal Government of China to handle as best it can.

#### *Civil war*

Today Government troops and Communist troops are killing each other, and United States marines, however hard they try to keep out of the way, are being accused by Communists of fighting on the Government side. How did that happen?

When Japan surrendered to the Supreme Commander for the Allied Forces, Douglas MacArthur, the immediate problem facing Chiang Kai-shek was to establish the authority of his government over Chinese territory hitherto held by the Japs. Naturally, he did not want the Japs surrendering to Communists, for that would enlarge the Communist enclave and increase its supply of arms. His surrender orders, which were official for all his allies, specified that the Japs should surrender only to Government representatives and to United States forces. The Japs, docile in defeat, have obeyed this command. Chiang also asked his ally, the United States, to let its troops assist him in carrying out the surrender terms. This we did. The United States Army in China flew many thousand Chinese troops into liberated territory. There was nothing sinister or intrusive about this American help to Chiang Kai-shek. It was the least one ally could do for another to help liquidate the war. According to General Wedemeyer, there were in October 4,000,000 Jap soldiers and civilians to be rounded up and sent home to Japan. Although this job has been proceeding apace, it is reason enough why the United States Navy still guards the China coast and why United States marines are ashore.

But Chiang has a further problem: To restore an economy disrupted by 8 years of war. This problem is intimately part of his need to establish his authority. Thus



Shanghai desperately needs coal to keep its utilities and start its textile factories running. Coal for Shanghai comes from the north. The United States has allocated 10 Liberty ships to move this coal. But the railroad, also necessary to move the coal, runs through Communist territory; and the Communists have been blocking and destroying the railroad. If United States' aid to China's recovery is to be effective, United States Marines have a clear right and duty to guard this railroad against marauders, whether Communists or private bandits. That, at Chiang's request, they have also done. So far our so-called intervention in China's affairs has gone no further.

The Communists are greatly outnumbered by government troops. There is no military communism in South or West China, or in the Yangtze Valley. The fighting is pretty well localized above the Yellow River and along the Great Wall. When Chiang establishes his authority there, he will have completed the political unification of China (except for Manchuria, where, owing to Russia's special interests, the situation may be long confused).

For that unification, Chiang, who needs peace above all things, is paying the price of civil war. Yet this civil war—strange as it may seem to Americans—is a part of, not separate from, the amicable political negotiations also going on between Chiang and the Communist leaders in Chungking. Just as strikes and lockouts, or the threats thereof, are part of collective bargaining, so limited warfare is a branch of political bargaining in China today. By tearing up railroads and postponing China's recovery, the Communists can improve their bargaining position vis-à-vis the Kuomintang—up to a point. The point on which Chiang will not yield is the point of unity: The unity and independence of all China. His whole career, his whole place in history, is tied up with that.

#### United States Policy

"The unity and independence of China" should be a familiar phrase to Americans. For that has been a cardinal point of United States foreign policy—as cardinal as the Monroe Doctrine—for at least 50 years. Japan, just before Pearl Harbor, asked us to abandon this policy. Our refusal to do so was a direct cause of the war. During the war, at Cairo, Roosevelt and Chiang Kai-shek made this ancient policy a specific war aim.

We beat Japan; but the objective of our policy—a free and united China—has not yet been achieved. Until it is, our victory over Japan is a negative and bootless victory indeed. This may not be a very comforting thought to the bored and homesick marines at Tsingtao and Tientsin. But a great power that does not intend to go isolationist cannot afford to abandon a cardinal policy out of postwar boredom or whim.

In the confusing aftermath of war, the safest thing for us to do is to rededicate our wartime alliance with China and its government. Under Chiang Kai-shek, China is closed to sovereign unity today than ever in modern times. There will be no lasting peace in Asia, and, therefore, none for America either, until the achievement of that unity gives the Chinese people their chance for progress in the modern world.

So far, United States policy in Asia has been correct and consistent. It has erred, if at all, on the side of oversensitivity to the cry, "Bring our boys home!" This cry is partly heartfelt and partly Communist propaganda. In either case, you can't build a foreign policy on slogans like that.

Never was there a time or place when a calm and courageous American public opinion could do more to insure peace in the future. The divisions in this opinion should be healed at once. There will be time enough to sympathize with Chinese Communists after they become a legitimate political party and start acting as such. There will be time

enough to accommodate our Chinese policy to Russia's when Russia's Chinese policy—if it ever does—becomes different from ours. Now is the time to support the legitimate government of China with all our heart and soul. We need regret nothing if we stick by our friends in Asia, the best friends now and the greatest friends-to-be a nation ever had.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that on Monday next after disposition of business on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

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

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that today at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 15 minutes on the industrial labor problem.

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

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

#### TRANSPORTATION HOME OF SERVICEMEN

Mr. VOORHIS of California. Mr. Speaker, last week I made a 1-minute speech about the transportation home of our troops. I have before me a letter from a soldier published in the Pacifican, which is an Army newspaper, in which a man who has no chance himself to be released contends that men in his outfit would be very happy to volunteer the work of equipping Liberty ships for the use of transporting our troops back home.

Mr. Speaker, I ask unanimous consent to include this brief clipping as a part of my remarks.

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

There was no objection.

The article referred to is as follows:

#### WORK VOLUNTEERS

EDITOR: In regards to Lt. Col. C. H. Davidson's statement in your paper that Liberty ships can be made ready, provided he has 50 men to work on each of them, I wish to state that this organization has been receiving replacements by the hundreds these past few weeks, with no assignment whatever, and nothing to do week after week.

I have spoken to many who would be glad to do any kind of work, provided it would help get home those men who are entitled to it.

There are probably hundreds of these replacements in other headquarters organizations, and an immediate check would reveal thousands who are more than glad to put in their share, in addition to those men who are to be shipped home on these ships, and are now sweating it out by the thousands in the replacement depots.

That would be the last straw if now, in addition to a shortage of shipping space claimed, that there would be an additional claim of a manpower shortage.

#### EXTENSION OF REMARKS

Mr. BROOKS asked and was given permission to extend his remarks in the Record and include an address delivered by the Under Secretary of War before the American Legion convention yesterday on national defense.

Mr. MCCORMACK asked and was given permission to extend his remarks in the Record and include an article.

#### ADJOURNMENT OVER

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow, it adjourn to meet on Friday next.

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

Mr. RANKIN. Mr. Speaker, reserving the right to object, and I do not expect to object this time, because this carries us over Thanksgiving; but I do desire to make a short statement with reference to the veterans' legislation now in conference.

I told the House the other day that I thought the conferees could get together, and we should be ready to bring the report to the floor of the House early this week. In that I found I was mistaken. The conferees are in a deadlock and have adjourned until next week. Several Members of the Senate delegation had to be out of town for a few days. They called attention to the fact that Thanksgiving would be next Thursday, and asked me, as chairman of the conference, not to call another meeting until next week. One of the main provisions, I will say, that we are deadlocked over, is that of home and farm loans; the question of appraisement. Under the House bill they do not have to depend on Washington to do the appraising. Under the Senate bill they do, with the result that thousands of service men are unable to buy homes, and all of them, or practically all of them, are unable to buy farms. Up to the time the conference met I believe there had been 26,000 homes purchased, that is, houses, throughout the United States, and 800 farms. As the law is now written my contention is that there will be no homes or no farms sold to amount to anything to the servicemen in the agricultural States. For that reason we are in a deadlock, and I am not sure what the consequences will be.

I also told you that we would have the bill for the set-up of a Medical Corps in the Veterans' Administration ready for consideration early this week. I find now that it will be necessary to carry that bill over until Monday. We hope to get it then.

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

There was no objection.

#### GRANTING PRIVILEGES TO INTERNATIONAL ORGANIZATIONS

Mr. ROBERTSON of Virginia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4489) to extend certain privileges, exemptions, and immunities to international organizations and to the officers and employees thereof, and for other purposes.



The Clerk read the title of the bill.

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

Mr. MICHENER. Reserving the right to object, Mr. Speaker, in order that the bill may be explained, I understand it is a unanimous report and that all the members of the committee, both Republicans and Democrats, feel that it is an emergency matter and should be disposed of now.

Mr. ROBERTSON of Virginia. The gentleman from Michigan is correct. This is an emergency bill which was unanimously reported by the Committee on Ways and Means. It has the approval of the State Department and the Treasury Department. The purpose of the bill is to treat the employees of international organizations of which the United States is a member on a par with employees of embassies and legations. This is done primarily to take care of the employees who will come to this country in the event this country is selected as the headquarters of the United Nations Organization. There has been a preliminary vote that this be the country in which those headquarters shall be located. Naturally we hope very much that that will be confirmed when the general assembly of the United Nations organization meets. The State Department has called to our attention that other members of the United Nations Organization have taken similar action, and it is very important for us to take this action.

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

Mr. MICHENER. I yield to the gentleman from Nebraska.

Mr. STEFAN. Does this involve appropriations?

Mr. ROBERTSON of Virginia. This does not involve any appropriation. It merely states that when an employee of some organization of which we are a member—and we cannot become a member except by Congressional action—desires to come into this country to serve his nation, he may bring his household effects and other goods into this country free of our tariff laws, just as does an ambassador and the employees of any embassy or legation.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Does this bill amend the Immigration Act?

Mr. ROBERTSON of Virginia. This has no bearing at all on the right of an alien to come in and acquire citizenship. That is covered by something that is entirely separate. Under existing law, all employees of foreign nations sent here to serve their countries have the right to come in on a temporary visa and stay until their duties are discharged. This has no bearing on anything except our tariff laws and other restrictions.

Mr. BROWN of Ohio. But it does amend the Immigration Act, does it not?

Mr. KNUTSON. No.

Mr. BROWN of Ohio. According to section 3, line 14, page 9, of the bill, it does amend the Immigration Act.

Mr. KNUTSON. It does not affect immigration.

Mr. ROBERTSON of Virginia. It does not affect immigration. It just carries out the general policy of our Government with respect to letting employees of other nations come into this country.

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

Mr. MICHENER. I yield to the gentleman from Tennessee.

Mr. COOPER. I am sure the gentleman will agree, as will all members of the Committee on Ways and Means, that this was unanimously recommended by all the departments of the Government having anything to do with this subject matter, and it was unanimously reported by the Committee on Ways and Means. As so well stated by the gentleman from Virginia, all it does is to provide the employees and personnel necessary for the discharge of the duties of the United Nations Organization and similar international organizations, where the members are the governments, somewhat similar treatment to that accorded ambassadors and the employees of embassies and legations.

In fact, it is not quite as broad as the general application now in the case of embassies and legations. I think it also ought to be pointed out that we are all hoping that the headquarters of the United Nations Organization established at the San Francisco Conference will be located here in the United States. Preliminary action has been taken to approve that. The action of the general assembly in confirmation of that will be necessary. Now, if we are to hope to have the United Nations Organization's headquarters to be located in the United States, it will be absolutely essential for this type of legislation to be passed. Other countries seeking the headquarters of the United Nations Organization have already taken similar action so that it is of importance that we take this type of action. I would also like to emphasize that in passing this legislation we still do not go quite as far as the situation now exists in reference to embassies and legations.

Mr. MICHENER. Mr. Speaker, I yield to my colleague the gentleman from Minnesota [Mr. Knutson].

Mr. KNUTSON. May I say to my colleagues on this side of the aisle that the passage of this legislation is a prerequisite to securing the United Nations central headquarters in the United States. They are not going to come here unless we grant the privilege to all the countries that are members of the Organization to bring in such employees from those countries as are deemed necessary to the functioning of the group.

Mr. ROBERTSON of Virginia. The gentleman from Minnesota is absolutely right. What he says and what the gentleman from Tennessee [Mr. Cooper] has said is more fully set forth and amplified on page 6 of the report.

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, I would like to ask a question. The gentleman from Tennessee stated that the admission of these citizens of foreign countries would be limited to those necessary to

the conduct of the work of this International Organization. I refer the gentleman to page 9 of the bill which amends the Immigration Act so as to permit the admission of an alien officer or employee of an international organization, his family, attendants, servants, and employees. I can find no restriction in the bill on the number of attendants, servants, and employees that that individual might have. I am wondering if there is any restriction.

Mr. ROBERTSON of Virginia. I would remind my distinguished colleague from Ohio of the fact that there is no restriction upon that class of employees who come to the United States now to work in embassies and legations. We point out on page 6 of the report, as follows:

The committee has ascertained [from the Department of State] that the privileges to which international organizations and their officials will be entitled are somewhat more limited than those which are extended by the United States to foreign governments. This is particularly true with respect of the following matters: (1) The exemption from customs duties to officers and employees of international organizations is limited to baggage and effects imported in connection with the arrival of the owner whereas the exemption enjoyed by diplomatic officials is considerably broader; (2) foreign governments and diplomatic officials enjoy substantially broader exemptions from excise taxes than those which would be extended to international organizations under this bill; (3) the immunity from suit to be extended to officers and employees of international organizations is limited to immunity for acts performed by them in their official capacity whereas diplomatic officers enjoy full immunity from legal processes in this country.

It was also brought to our attention that the act passed by the British Parliament is far more liberal than this act. We limited this as much as we could safely do and still permit the proper entry of employees of the international organization.

Mr. BROWN of Ohio. But there is no limitation on the part of dependents or employees or servants that any of these individuals can bring in?

Mr. ROBERTSON of Virginia. Technically, no; practically, yes. They have to support everybody they bring over here, and I do not believe they will bring many more than they will actually use.

Mr. BROWN of Ohio. Let me ask one other question, if I may. This bill is not limited to the United Nations Organization, is it?

Mr. ROBERTSON of Virginia. No; but it is limited to an international organization of which we are a member, and we cannot be a member without an act of Congress.

Mr. BROWN of Ohio. It would cover any international organization?

Mr. ROBERTSON of Virginia. It has to be international. It has to be public and not private; the Congress has to vote us into it.

Mr. BROWN of Ohio. It has to be an international organization that the Congress of the United States has approved; is that right?

Mr. ROBERTSON of Virginia. That is right, it has to be voted on by Con-