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SELECT COMMITTEE ON SMALL BUSINESS  
OF THE  
HOUSE OF REPRESENTATIVES OF THE UNITED STATES  
SEVENTY-NINTH CONGRESS  
WASHINGTON, D. C.

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For release in morning papers.  
Tuesday, May 22, 1945.

PATMAN PROTESTS SURPLUS DISPOSAL PROGRAM -- Asserts Board is not protecting Small Business. Recommends 25-point plan to provide more orderly use of established merchandising channels. Warns against arguments of large buyers who seek quantity discounts.

(Attached is an advance copy of a speech on the subject of the orderly disposal of Government-owned surplus property, to be delivered in the House of Representatives on Monday, May 21, 1945, by Congressman Wright Patman, of Texas, Chairman of the House Committee on Small Business.)

It will be noted that the Congressman takes strong exception to the following:

1. Delay on the part of the Surplus Property Board in establishing proper priority ratings for small businessmen, veterans, and other groups which were accorded special consideration in Public Law 457 (The Surplus Property Act of 1944).
2. Failure of the Surplus Property Board and its subsidiary disposal agencies to
  - (a) Centralize disposal of similar items in a single agency;
  - (b) Give sufficient time between notice of sale and time of sale;
  - (c) Furnish more accurate description of surpluses to be sold;
  - (d) Claim those items of surplus needed by federal agencies before offering to the general public;
  - (e) Withhold goods from market until OPA ceilings have been placed on them.

To furnish a concrete basis for possible corrective action by the Board, the Congressman offers his own 25-point program for orderly disposal for the consideration of the Congress and the Surplus Property Board.

He suggests that "surpluses, in which there is a general and continuing consumer interest, should be sold only at fixed prices...that the ultimate consumer should not be prohibited from participating in any surplus sale...that discounts off the consumer price should be established for retailers, wholesalers and other established trade channels."

In conclusion, the Congressman charges that large chains, mail order houses and other large distribution outlets are now trying to prevail upon the Board to grant them special discounts for quantity purchases which would give them preferential treatment over the small retailer and wholesaler. He describes the surplus disposal program as "the greatest merchandising job in history" and warns that the smaller distributors must not be discriminated against by any new rulings of the Surplus Property Board.