By Mr. REES:

H. R. 3813. A bill to provide for removal from, and the prevention of appointment to, offices or positions in the executive branch of the Government of persons who are found to be disloyal to the United States; to the Committee on Post Office and Civil Service.

By Mrs. ROGERS of Massachusetts:

H. R. 3814. A bill to provide for the establishment of a veterans' hospital for Negro veterans at the birthplace of Booker T. Washington in Franklin County, Va.; to the Committee on Veterans' Affairs.

By Mr. VAN ZANDT:

H. R. 3815. A bill to provide Federal aid to the States for the construction of armories and similar training facilities for the National Guard and Naval Militia; to the Committee on Armed Services.

By Mr. HORAN:

H. R. 3816. A bill providing for a District of Columbia Sales and Compensating Use Tax Act of 1947; to the Committee on the District of Columbia.

By Mr. PLOESER:

H. R. 3817. A bill authorizing the transfer of certain real property for wildlife and other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. KNUTSON:

H. R. 3818. A bill to amend the Federal Insurance Contributions Act with respect to rates of tax on employers and employees, and for other purposes; to the Committee on Ways and Means.

By Mr. WILSON of Indiana:

H. R. 3819. A bill to amend the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," approved December 22, 1944, with respect to the Clark Hill Reservoir on the Savannah River in South Carolina and Georgia; to the Committee on Public Works.

By Mr. GILLIE:

H. J. Res. 216. Joint resolution to provide for designation of the Veterans' Administration hospital at Fort Wayne, Ind., as the Thomas Lau Suedhoff Memorial Hospital; to the Committee on Veterans' Affairs.

By Mr. WELCH:

H. Res. 244. Resolution for the initiation of investigations looking to the provision of additional water for southern California and the Colorado River Basin, and for other purposes; to the Committee on Public Lands.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States to ratify a proposed amendment to the Constitution of the United States relating to terms of office of the President of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LEONARD W. HALL:

H. R. 3820. A bill for the relief of Leo Gottlieb; to the Committee on the Judiciary.

By Mr. HARRIS:

H. R. 3821. A bill to authorize and direct the Secretary of the Interior to issue a patent for certain lands and for the minerals therein; to the Committee on Public Lands.

By Mr. LEA:

H. R. 3822. A bill for the relief of Howard S. Lawson; Winifred G. Lawson, his wife; Walter P. Lawson; and Nita R. Lawson, his wife; to the Committee on the Judiciary.

By Mr. RUSSELL:

H. R. 3823. A bill for the relief of Domingo Ozamis Ormaechea; to the Committee on the Judiciary.

By Mr. WEICHEL:

H. R. 3824. A bill for the relief of Mrs. Cletus E. Todd (formerly Laura Estelle Ritter); to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

627. By Mr. CANNON: Petition signed by 305 citizens of Albion, Nebr., protesting the elimination of Federal cooperation in the farm-conservation program; to the Committee on Appropriations.

628. By the SPEAKER: Petition of the Maryland State and District of Columbia Federation of Labor, petitioning consideration of their resolution with reference to request for veto of Taft-Hartley bill; to the Committee on Education and Labor.

629. Also, petition of the membership of the Stuart Townsend Club, No. 1, Stuart, Fla., petitioning consideration of their resolution with reference to enactment of a uniform national insurance program; to the Committee on Ways and Means.

630. Also, petition of Mrs. Albina Bibeau and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

631. Also, petition of Mr. Wilbert B. Scott, Daytona Beach, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

SENATE

FRIDAY, JUNE 13, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

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

God of our fathers, in whose name this Republic was born, we pray that by Thy help we may be worthy to receive Thy blessings upon our labors.

In the troubled and uneasy travail before the birth of lasting peace, when men have made deceit a habit, lying an art, and cruelty a science, help us to show the moral superiority of the way of life we cherish. Here may men see truth upheld, honesty loved, and kindness practiced. In our dealings with each other, may we be gentle, understanding, and kind, with our tempers under control. In our dealings with other nations, may we be firm without obstinacy, generous without extravagance, and right without compromise. We do not pray that other nations may love us, but that they may know that we stand for what is right, unafraid, with the courage of our convictions.

May our private lives and our public actions be consistent with our prayers. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 12, 1947, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 69) to prepare a revised edition of the Annotated Constitution of the United States of America as published in 1938 as Senate Document 232 of the Seventy-fourth Congress.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 959. An act to amend section 3179 (b) of the Internal Revenue Code;

H. R. 3791. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes; and

H. R. 3792. An act to provide for emergency flood-control work made necessary by recent floods, and for other purposes.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. WHITE. Mr. President, I ask unanimous consent that the Subcommittee on Immigration of the Judiciary Committee be permitted to sit during today's session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. WHITE. I also ask unanimous consent that the Committee on Interstate and Foreign Commerce may be permitted to sit during this afternoon's session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. HILL. Mr. President, at the request of the senior Senator from Missouri [Mr. DONNELL], I ask unanimous consent that the subcommittee of which he is the chairman, of the Committee on Labor and Public Welfare, may be permitted to sit today during the session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

CALL OF THE ROLL

Mr. JOHNSTON of South Carolina. Mr. President——

The PRESIDENT pro tempore. The Senator from South Carolina [Mr. JOHNSTON] is recognized.

Mr. HILL. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

The PRESIDENT pro tempore. Does the Senator from South Carolina yield for that purpose?

Mr. JOHNSTON of South Carolina. I yield for that purpose.

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

The legislative clerk called the roll.

The PRESIDENT pro tempore. Thirty-eight Senators are accounted for. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators.

The roll call disclosed the presence of the following Senators:

Aiken	Buck	Connally
Ball	Bushfield	Cooper
Barkley	Butler	Cordon
Brewster	Byrd	Donnell
Bricker	Cain	Downey
Bridges	Capper	Dworshak
Brooks	Chavez	Ecton

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Ellender	McCarran	Robertson, Va.
Ferguson	McCarthy	Robertson, Wyo.
Fulbright	McClellan	Russell
George	McFarland	Saltonstall
Gurney	McGrath	Smith
Hatch	McKellar	Sparkman
Hawkes	McMahon	Stewart
Hayden	Magnuson	Taft
Hickenlooper	Malone	Taylor
Hill	Martin	Thomas, Okla.
Hoey	Maybank	Thye
Holland	Millikin	Tobey
Jenner	Moore	Tydings
Johnson, Colo.	Morse	Umstead
Johnston, S. C.	Murray	Vandenberg
Kem	Myers	Wherry
Kilgore	O'Conor	White
Knowland	O'Mahoney	Wiley
Langer	Pepper	Williams
Lodge	Reed	Wilson
Lucas	Revercomb	Young

Mr. WHERRY. I announce that the Senator from Connecticut [Mr. BALDWIN], the Senator from Indiana [Mr. CAPEHART], the Senator from New York [Mr. IVES], and the Senator from Utah [Mr. WATKINS] are absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS] is necessarily absent.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Rhode Island [Mr. GREEN] are absent on public business.

The Senator from Texas [Mr. O'DANIEL] is absent because of a death in his family.

The Senator from Louisiana [Mr. OVERTON] is absent by leave of the Senate.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-four Senators having responded to their names, a quorum is present. The Senator from South Carolina has the floor.

Mr. JOHNSTON of South Carolina. Mr. President, I yield for the transaction of routine morning business.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

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

TRANSFER BY NAVY DEPARTMENT OF A CABIN CRUISER TO AMERICAN NAVAL CADETS, INC., PLAINFIELD, N. J.

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the American Naval Cadets, a nonprofit organization incorporated under the laws of the State of New Jersey, Plainfield, N. J., had requested the transfer of a small cabin cruiser for use by that organization for training personnel in seamanship, boat handling, and related subjects; to the Committee on Armed Services.

REPORT OF INVESTIGATION OF CODY DAM AND POWER PLANT, WYOMING

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report and findings on an investigation of the Cody Dam and power plant, Wyoming (with accompanying papers); to the Committee on Public Lands.

LEASING OF SALMON TRAP SITES IN ALASKAN COASTAL WATERS

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to authorize the leasing of salmon trap sites in Alaskan coastal waters, and for other purposes (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

PETITIONS

The PRESIDENT pro tempore laid before the Senate petitions of sundry citizens of the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance, which were referred to the Committee on Finance.

ST. LAWRENCE SEAWAY PROJECT—RESOLUTION OF COMMON COUNCIL OF MILWAUKEE, WIS.

Mr. WILEY. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Common Council of the City of Milwaukee, Wis., relating to the St. Lawrence seaway project.

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

Whereas the development of the St. Lawrence seaway project will provide vast quantities of low-cost hydroelectric power, will extend the benefits of direct ocean transportation to the city of Milwaukee, the State of Wisconsin, and the entire Great Lakes area; will permit Milwaukee industries to import raw materials at low cost and, by utilizing direct ocean service, to expand greatly their foreign trade and to reach new foreign markets, and in general will enhance the economic prosperity and well-being of the Great Lakes area and the entire Nation; and

Whereas the recent world confict has demonstrated the absolute necessity of the St. Lawrence seaway for the national defense and the military security of this Nation by providing a safe and landlocked basin for national defense industries, for storage of strategic materials and for construction of naval and merchant vessels; and

Whereas the agricultural and industrial resources of the Great Lakes area could have been more effectively employed had the St. Lawrence seaway project been completed and available for use at the outbreak of the late hostilities. Now, therefore, be it

Resolved by the Common Council of the City of Milwaukee, That we urge all Senators and Representatives from Wisconsin to lend their best efforts to assure the construction of the seaway at as early a date as possible to permit expanded foreign trade and to insure the national defense; further

Resolved, That we hereby reaffirm the unalterable belief of the city of Milwaukee and its citizens in the merits of this great project which holds vast potentialities for the future welfare and prosperity of the city of Milwaukee, the State of Wisconsin, and the Nation at large; further

Resolved, That copies of this resolution be transmitted to the President of the United States and to Senators and Representatives from the State of Wisconsin.

TRANSPORTATION RATES AND SERVICES DIVISION, DEPARTMENT OF AGRICULTURE

Mr. YOUNG. Mr. President, the Midwest Conference of State Utilities Commissions held their first conference at St. Paul, Minn., on May 9, 1947.

The conference adopted a resolution in recognition of the value to agriculture of the work of the Transportation Rate and Service Division of the Marketing Facilities Branch of the Department of Agriculture.

I ask unanimous consent to present for appropriate reference and to have inserted in the RECORD as a part of my remarks the conference resolution.

I may add that there is no issue on appropriations here. The Transportation Rates and Services Division has a very commendable record which is well recognized. To carry on their activities, they requested $138,000 in appropriations. This has been approved by the Budget Bureau and the House Appropriations Committee. It is interesting to know that the total measurable savings to agricultural producers because of the service of this agency from 1939 through June 30, 1946, has been $761,684,673. This is a $2,000 saving to the farmer for every dollar that was spent on appropriations.

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

RESOLUTION ADOPTED AT THE FIRST CONFERENCE OF THE MIDWEST CONFERENCE OF STATE UTILITIES COMMISSIONS, HELD AT ST. PAUL, MINN., MAY 9, 1947

Whereas the Midwest Conference of State Utilities Commissions composed of the State regulatory bodies of Minnesota, Wisconsin, North Dakota, South Dakota, Nebraska, Kansas, Iowa, and Missouri, meeting in executive session at St. Paul, Minn., on May 9, 1947, recognized the value of the work of the Transportation Rates and Services Division, Marketing Facilities Branch of the United States Department of Agriculture, to agriculture of this country; be it therefore

Resolved, That this conference go on record urging that sufficient and ample funds be appropriated by the Congress of the United States to carry on the work of the Transportation Rates and Services Division of the United States Department of Agriculture which has been so helpful to the agricultural interests of this Nation in numerous proceedings before the Interstate Commerce Commission; and be it further

Resolved, That a copy of this resolution be sent to the Honorable EVERETT N. DIRKSEN, chairman, subcommittee, Appropriations Committee, House of Representatives, Washington, D. C., and to the congressional delegations from the States above mentioned.

SOIL CONSERVATION PROGRAM

Mr. CAPPER. Mr. President, I have received a letter from Don Evertson, of Melvern, Kans., in which he expresses the strong opposition of a group of Osage County, Kans., farmers to the proposed cut in the appropriations for the Agricultural Department. I ask unanimous consent to present Mr. Evertson's letter, and request that it be appropriately referred and printed in the RECORD.

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

JUNE 10, 1947.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: A meeting of farmers of Osage County, Kans., was held in Lyndon, Kans., Monday, June 9, 1947, for the purpose of discussing the appropriation of funds, by Congress, for the Department of Agriculture programs for the 1948 fiscal year.

Our purpose and interest is that of public welfare and future security of the Nation, and just consideration of private businesses established to assist in carrying out certain governmental programs, such as the soil conservation program.

The 1947 Congress authorized the Departmene of Agriculture to administer a soil conservation program for the 1947 calendar year, but the present Congress has failed, to date, to make sufficient appropriations to take care of the obligations to the farmers under such programs.

We, as citizens and taxpayers, are expected to fulfill our obligations, and we expect our Congress to do the same.

Congress is charged with the responsibility of caring for the general welfare of the Nation, both present and future. Though we farmers are directly responsible for the production of food for the Nation, it is the responsibility of all groups to assist in the preservation of the soil. And such preservation must be made if our Nation is to maintain its high agricultural standing. This being true, what is to be gained in discontinuing the soil-conservation practices offered through the PMA and the soil-conservation service? Where is the economy in quitting a job well started, when it will only have to be started over again, for certainly such soil building practices will have to be continued if our Nation's agriculture is to survive.

On the fertility of our soil depends the prosperity of our Nation.

Believing this, we have resolved to request that funds be made available for the 1948 fiscal year for the following programs:

1. Three hundred million dollars for AAA.
2. One hundred and forty-eight million dollars authorized under section 32 of the 1935 Agricultural Adjustment Act.
3. Funds equal to that requested by the President for the Farmers Home Administration.
4. Funds equal to that requested by the President for the REA. This program, a self-liquidating agency, largely, and not tax supported.
5. Funds equal to that requested by the President for the agricultural price-support and commodity-loan programs.
6. Funds equal to that requested by the President for the Soil Conservation Service.
7. Funds equal to that requested by the President for the school-lunch program.

Being empowered by all farmers at the meeting to inform you of our sentiment on this matter, and requesting that you as our Representative in Congress to do all in your power, to see that these funds are appropriated which will permit the Department of Agriculture to carry on a well-balanced program in the interest of national welfare, I send you this letter and remain,

DON EVERTSON,
Chairman of Meeting.

CONTINUATION OF REA PROJECTS

Mr. CAPPER. Mr. President, I have received from J. Herman Salley, president of the Western Kansas Development Association, Garden City, Kans., a telegram embodying a resolution adopted by that association urging adequate appropriations for the continuance of the present REA projects and the advancement of new projects. I ask unanimous consent to present the telegram and request that it be appropriately referred and printed in the RECORD.

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

GARDEN CITY, KANS., *June 10, 1947.*

Senator ARTHUR CAPPER,
Washington, D. C.:

The directors of the Western Kansas Development Association, representing the 46 western counties of Kansas, in executive session on June 9, 1947, passed unanimously the following resolution: Be it

Resolved, That the Western Kansas Development Association favors adequate appropriations for the continuance of the present REA projects and the advancement of new projects, both line construction and power units wherever needed.

WESTERN KANSAS DEVELOPMENT ASSOCIATION,
J. HERMAN SALLEY, *President.*

PROTEST AGAINST REDUCTION IN APPROPRIATIONS FOR AGRICULTURAL PROGRAM

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to present for reference to the Committee on Appropriations and to have printed in the RECORD a letter which I have received from a citizen of my State of Wyoming, together with a clipping of a news story and an advertisement from the Goshen County (Wyo.) News.

There being no objection, the letter, together with a clipping of a news story vertisement, were received, referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

YODER, WYO., *May 27, 1947.*

Hon. JOSEPH C. O'MAHONEY,
United States Senator from Wyoming,
United States Senate,
Washington, D. C.

DEAR SIR: I wish to enlist your wholehearted support in what farmers and ranchers of our community are saying about the Appropriations Committee recommendation of a 32-percent cut in agricultural appropriations. It has been anticipated that the farm program would be about the same as in years past, that farmers could get some financial assistance to do some of the most essential parts of improvement needed on the farms. The things we could not do during the war period, and now that help and material has become available we are cut in the appropriation, when it should have been raised by the amount of the anticipated cut. Now this is not a fooling gesture, according to our sign-up this spring.

We find that farmers want to do over 200 percent of their earning allowance. This clearly shows that farmers have a vital need for a good farm program. Commitments have been made. The State handbook outlining the farm program has been used for compliance. Alfalfa has been seeded, land-leveling has been done. All types of farming has been done in compliance with rules and regulations of the farm program.

Others who have made investments to do some of this work are facing ruin because of the Government's pledges to farmers which now seems to be in line of repudiation.

Well, we just can't believe that any public figure can or will wantonly destroy something which has been of such a tremendous benefit to the Nation during these turbulent times as our farm program has been. We are today drawing heavier on the resources of our soil than we ever have before through the better methods of farming, and we should do everything within our power to produce at a maximum rate at this time because of a world-wide shortage of food, and what have we or any nation?

What can get the respect and cooperation of a hungry people better than food? Yes; we want to do our share as farmers, but agricultural conservation must be the public's responsibility. There is no wa' for farmers to keep up the fertility of the soil by just doing a good job of farming. The soil must have rest, and it must have some of the vital elements put back into it to keep it producing for an ever-increasing population.

The farmers, of course, are the biggest gamblers in the world. They plant the crops in the best of faith, hoping the elements will be kind to them—give us all the rain we need. O Lord, we pray, and don't let the grasshoppers and beetles eat us up. Yes; we want to do our best, but so many times do we sow but never reap—in times of pestilence, the expenses and taxes, too. That means the next season to catch up. Then we have hope of owning that farm some day, and all of this on a soil-depleting farm.

Out of the terrible depression we had in agriculture in the thirties grew the agricultural conservation program. Sometimes it takes almost a national disaster before we are properly awakened and become sensible regarding our responsibilities. It is unfortunate that the cost of being adequately aroused is so great.

We believe that all of our citizens enjoying our high standards of living will agree that he has a share in preserving our national heritage—our soil—and every citizen owes it to himself soundness in national welfare.

We expect your very best effort in maintaining the best farm program as possible.

Yours truly,

JOHN H. HELZER.

[From the Goshen County News, Torrington, Wyo., of June 5, 1947]

ACTION TAKEN AGAINST PROPOSED SLASH IN FUND FOR AG PROGRAM

Goshen County's share of the farm program as handled through the AAA office here is jeopardized by a bill now in Congress to slash the appropriation from $300,000,000 to one-half, it was pointed out before the chamber of commerce last Thursday night by R. E. MacLeod, Holly, sugar superintendent, and A. E. Olson.

The organization then voted for a resolution against the curtailment. Mr. MacLeod stated that it is not a political question and that agriculture supports this county and communities here. He contended that present commitments set up earlier in the year for 1947 should not be cut off from funds in midstream. He said $1,500,000 was handled through the local office last year to aid the farmers and stockmen.

Mr. Olson said cutting funds would curtail farm acreages and food production. Any time you kick the props out from under farming it will be felt by everyone, he declared.

[From the Goshen County News, Torrington, Wyo., of June 5, 1947]

ECONOMY, TRUE OR FALSE

Businessman, professional man, laboring man, general public: Are you concerned regarding present action of Congress in dealing a death blow to our farm program?

Is this program of any value to you?

Are you deriving any personal benefits?

We, as farmers and ranchers, believe you do receive personal benefits. The entire economy of the Nation hinges on the prosperity of the farm and ranch. Each depression in the past was started by a collapse of farm prices. Through our present AAA farm program, with a guaranty of 90 percent of parity, farm prices cannot fall to a disastrous low level. Now what does this program and guaranty cost you as a taxpayer? Less than 1 percent of the entire appropriation bill is earmarked for AAA. With that 1 percent you are assured of an abundance of food and fiber, an assurance that the soil will not be depleted, and a guaranty against a general pr' e collapse.

Through the efforts of the program our ever normal granary was full when war was declared, a fact which no doubt shortened the war and saved many lives.

Do you know that there is only 3 acres of farm land per capita in our Nation on which to grow our food and fiber? Can we afford to exploit this land?

During the war it was necessary to supply enormous quantities of food and it will be necessary for some time to come, which, of course, is a heavy drain on soil fertility.

What can get the respect and cooperation of a hungry people better than food? Yes, we want to do our share as farmers, but agricultural conservation must be the public's responsibility. To many people, it is still a new thought that land can wear out. Farmers have known it for as long as farming has been practiced, but even they have not realized that the land need not wear out if it is properly managed. For the first time in the 300 years since settlement began, there is no more virgin land in our United States ready to plow or clear. The future security of the American people depends, henceforth, upon how wisely and how carefully we use the land that we already have. But soil will wear out, and with terrible speed. It washes away and blows when it is stripped of its cover of plants. Once the plants are removed, erosion sets in and the best soil, on top, begins to wash downhill or blow away as dust. We have ruined or severely damaged 282,000,000 acres of land in this way, about 50,000,000 acres of cropland alone having become too depleted for further cultivation. There is no way of counting the losses caused by erosion. But the total, in terms of duststorms, floods, ruined farms and ranches, bankruptcy, and diminished wildlife has been enormous. It is estimated that current damage by erosion of land, navigable streams and reservoirs, highways, buildings, and other improvements cost the American people about $840,000,000 annually.

We have two large areas in Goshen County that were heavily populated at one time and now are almost useless as farm land, with nobody living in the area. That condition would not have existed had the AAA program been in force at that time. When and where will a similar condition reoccur?

At a time when farm prices are at or near parity, farmers have money to maintain fertility; however, when farm prices are below parity they are forced to neglect soil fertility.

After due consideration of the foregoing statements, is it possible that we can consider a program of the immense importance to all of us to be so easily disposed of as we see and hear by our daily news service?

Is it possible that anyone can think that protection of our soil is but the concern of the farmer?

If we have ruined and severely damaged 282,000,000 acres of our good earth in the short time that we have been farming here, how long will it be before our descendants will be living in a second China, where population reduction is a necessity because of a lack of food? Many, many more questions like these could be asked, and yet we could receive but one answer, that we must, all of us, take an active part in the protection and conservation of our national heritage, our land and farms.

We have made a good beginning through AAA but there can be no let-down from here on. As the population increases, our soil must increase production, and only by the most diligent care can we keep up with the requirements of the Nation's food supply.

As a member of the UNO we cannot disregard the demand of all if its members and their requirements, therefore a greater incentive must be offered farmers to produce that which is needed most to effectuate the best relationship that we must have with the rest of the world.

If you are interested in doing your share to protect our Nation's heritage, our soil, write your Congressman and Senators today.

(This ad paid for by farmers and ranchers of Goshen County.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

H. R. 1344. A bill to admit the American-owned ferry *Crosline* to American registry and to permit its use in coastwise trade; without amendment (Rept. No. 273).

By Mr. MILLIKIN, from the Committee on Finance:

H. R. 468. A bill to amend section 115 of the Internal Revenue Code in respect of distributions by personal holding companies; without amendment (Rept. No. 274);

H. R. 2872. A bill to amend further section 4 of the Public Debt Act of 1941, as amended, and clarify its application, and for other purposes; without amendment (Rept. No. 275); and

H. J. Res. 210. Joint resolution to extend the time for the release, free of estate and gift tax, of certain powers, and for other purposes; without amendment (Rept. No. 276).

By Mr. WHERRY, from the Committee on Appropriations:

H. R. 3123. A bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1948, and for other purposes; with amendments (Rept. No. 278).

By Mr. WHITE, from the Committee on Interstate and Foreign Commerce:

S. 1421. A bill to provide for the appointment of one additional Assistant Secretary of Commerce, and for other purposes; without amendment (Rept. No. 272).

By Mr. WILEY, from the Committee on the Judiciary:

H. R. 651. A bill for the relief of the estate of Rubert W. Alexander; without amendment (Rept. No. 277); and

H. R. 925. A bill for the relief of Therese R. Cohen; without amendment (Rept. No. 271).

By Mr. CHAVEZ, from the Committee on Civil Service:

S. 263. A bill to provide for the carrying of mail on star routes, and for other purposes; with amendments (Rept. No. 279).

By Mr. CAIN, from the Committee on the District of Columbia:

H. R. 3737. A bill to provide revenue for the District of Columbia, and for other purposes; with amendments (Rept. No. 280).

By Mr. ECTON, from the Committee on Public Lands:

S. 483. A bill to relocate the boundaries and reduce the area of the Gila Federal reclamation project, and for other purposes; with amendments (Rept. No. 281).

By Mr. McFARLAND, from the Committee on Interstate and Foreign Commerce:

S. 816. A bill to amend the Communications Act of 1934, as amended; with amendments (Rept. No. 282).

BILLS INTRODUCED

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

By Mr. WILEY (by request):

S. 1436. A bill for the relief of Thomas D. Sherrard; to the Committee on the Judiciary.

By Mr. DOWNEY:

S. 1437. A bill to amend section 311 of the Tariff Act of 1930, as amended, with respect to the shipment of distilled spirits and wines to Guam, American Samoa, and the Virgin Islands; to the Committee on Finance.

By Mr. McMAHON (by request):

S. 1438. A bill for the relief of Gaetanina Lombardo; to the Committee on the Judiciary.

By Mr. BUTLER (by request):

S. 1439. A bill to revise the method of issuing patents for public lands;

S. 1440. A bill to repeal that portion of section 203 of title 2 of the Hawaiian Homes Commission Act, 1920, as amended, as designates the land herein described as available land within the meaning of that act, and to restore the land to its previous status under the control of the Territory of Hawaii; and

S. 1441. A bill to prescribe the measure of damages on account of trespass upon, unlawful use of, and unlawful enclosure of lands or resources owned or controlled by the United States; to the Committee on Public Lands.

By Mr. HOLLAND:

S. 1442. A bill to amend sections 235 and 327 of the Code of Laws for the District of Columbia; to the Committee on the District of Columbia.

By Mr. LANGER:

S. 1443. A bill authorizing the naturalization of Arthur Sonnenberg; to the Committee on the Judiciary.

By Mr. BRIDGES:

S. 1444. A bill authorizing the sale without advertisement of national forest timber for use in the construction of homes for veterans of World War II; to the Committee on Appropriations.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 959. An act to amend section 3179 (b) of the Internal Revenue Code; to the Committee on Finance.

H. R. 3791. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1947, and for other purposes; to the Committee on Appropriations.

H. R. 3792. An act to provide for emergency flood-control work made necessary by recent floods, and for other purposes; to the Committee on Public Works.

SUPPORT FOR WOOL—PRINTING OF BILL SHOWING HOUSE AMENDMENTS

Mr. WHITE. Mr. President, I ask unanimous consent that Senate bill 814, a bill to provide support for wool, and for other purposes, be printed with amendments of the House of Representatives numbered.

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

ADDRESS BY SENATOR MARTIN AT NATIONAL CONVENTION OF YOUNG REPUBLICANS

[Mr. JENNER asked and obtained leave to have printed in the RECORD an address entitled "Youth Shapes America's Tomorrow," delivered by Senator MARTIN at the National Convention of the Young Republicans at Milwaukee, Wis., on June 6, 1947, which appears in the Appendix.]

FLAG DAY ADDRESS BY SENATOR JOHNSTON OF SOUTH CAROLINA

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD a Flag Day address delivered by Senator JOHNSTON of South Carolina at Eastern High School, Washington, D. C., on June 13, 1947, which appears in the Appendix.]

NATIONAL LABOR LEGISLATION—STATEMENTS BY NATIONAL CATHOLIC WELFARE CONFERENCE AND SENATOR MURRAY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD statements on national labor legislation, issued by the Social Action Department of the National Catholic Welfare Conference, and by himself, together with an article from the Washington Post of June 13, 1947, on the same subject, which appear in the Appendix.]

REORGANIZATION OF EXECUTIVE BRANCH—EDITORIAL FROM THE BUFFALO NEWS

[Mr. LODGE asked and obtained leave to have printed in the RECORD an editorial entitled "A Sensible Way To Economize," published in the Buffalo (N. Y.) News for May 10, 1947, which appears in the Appendix.]

ST. LAWRENCE SEAWAY PROJECT—EDITORIAL FROM THE MONTGOMERY (ALA.) ADVERTISER

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an editorial entitled "Build the St. Lawrence Seaway," from the Advertiser, of Montgomery, Ala., for May 29, 1947, which appears in the Appendix.]

DON'T SELL AMERICA SHORT—ARTICLE BY THE SECRETARY OF THE INTERIOR

Mr. ROBERTSON of Wyoming. Mr. President, the State of Wyoming is a State of great scenic beauty. It also possesses a vast potential oil supply for the Nation. Lovers of scenic beauty and wildlife have always objected to any development of the great natural resources, such as oil, minerals, lumber, and so forth. In this connection, Mr. President, there appears in the June issue of the American magazine a very interesting article by the Secretary of the Interior, the Honorable J. A. Krug, from which I should like to quote a few lines:

No matter how great the problem or how diverse the views of those who would solve it, Americans have proved that a solution can be arrived at through democratic processes. Some time ago a group of oil men applied to the Department of the Interior for the privilege of sinking test oil wells in the vicinity of Jackson Hole, Wyo. * * *

We held a long series of conferences. Never were two groups more diametrically opposed.

Those groups, Mr. President, I may say, were the oilmen and the conservationists.

When the passion had subsided we thrashed the matter out to the satisfaction of everybody. There was no doubt, in view of our dwindling oil reserves, that every new field should be tapped. At the same time, there was no doubt that every reservation of natural beauty set aside for the people of this Nation by their Government should be preserved.

Through discussion, all parties finally arrived at this solution: The oilmen would be permitted to sink a very limited number of test wells with the minimum destruction of natural beauty. These wells, if a pool of oil were discovered, would be the only wells sunk if they were adequate to bring the pool to the surface. Holders of leases on the surface above the pool would all share in the profits of the oil. Oilmen and nature lovers all departed from the hearing good friends.

I would say, Mr. President, that I was present at the hearings both of the oilmen and of the nature lovers, and I can thoroughly endorse the statement that a spirit of cooperation prevailed in both conferences.

I ask unanimous consent to have the entire article printed with my remarks in the body of the RECORD.

The PRESIDENT pro tempore. Is there objection?

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

DON'T SELL AMERICA SHORT!

(By J. A. Krug, Secretary of the Interior)

If we suffer another critical economic depression—and it is still within our power to prevent it—the resulting unemployment, poverty, and despair will drive more Americans into the ranks of communism than Stalin, Marx, and the Comintern ever won through argument and persuasion. It is well, therefore, if we are to continue our free way of life, to appraise democracy soundly while we are well off and calm, lest misfortune stampede us to false gods, as it did the people of Europe before the last war. When the Christian martyrs entered the Roman arena to meet lions or gladiators, they had so fortified themselves with faith in their cause that they faced disaster unflinchingly.

I do not think that anything comparable to lions and gladiators lies ahead in the economic field, but I do believe that there may come, in the not far distant future, a severe test of our faith in democracy. It is well to fortify that faith now, not with dialectics and oft-repeated credos, but with an examination of the fruits of our system as compared with others.

By their fruits ye shall know them. It is hardly worth repeating that our system of government, combined with our vast natural resources, has given us the highest standard of living that any peoples of the earth have ever enjoyed. The lot of the average Russian, even though Russia has natural resources greater than ours, cannot be compared with that of the average American worker. The American not only produces and consumes more, but he does it in a happier spirit. He lives under a system that is noncoercive. He is a free man, and what he achieves is largely voluntary. Freedom of action is one of the most important things that our democracy has to offer.

When my grandparents came to this country from Germany in the 1850's to escape the military servitude that lay ahead for their children, they migrated to the wilderness of Wisconsin and, through the most arduous drudgery, helped make it a fruitful land. But they and my father looked upon the drudgery as a privilege, not a penalty. Many of these German immigrants resisted Union conscription in the Civil War, preferring to buy their way out, as was permitted in those times, rather than to suffer the indignity of coercion. But having done so, many of them went out immediately and enlisted in the Union ranks. They considered the right to volunteer in the service of a free country a privilege.

It is true that we employed the Selective Service System in the recent war, but the system was invoked by a free electorate, through its Congress, in a Government sensitive to the will of the people.

The other day I was talking with a coal miner. To hear some reports one might imagine that coal miners are slaves, forced by the iron hand of necessity to live like moles in dark, underground tunnels, undernourished, underpaid, and everlastingly trembling in the clutch of fear.

I said to this coal miner, "Do you like your job?"

"I chose to do it," he said. "I wouldn't have any other job in the world. I like it, and I'm proud of it. When workers on the surface are fighting rain and snow or sitting cramped up in stuffy offices, I am warm and happy far down below the surface of the earth in a black room glittering with the lights of our torches, working and talking with my buddies, the men I grew up with."

I am not underestimating the arduousness or the peril of a coal miner's lot; I simply am quoting a man who chose his job in a free country. He did not behave like a prisoner of war in a salt mine or a serf in a peat bog. He behaved like a free and happy man with sincere pride in his contribution toward building a great and strong country.

When I was a child, one of the finest things my father did for me was to take me at intervals through different kinds of factories and many foundries, machine shops, rock-crushing plants, and dairy farms.

"I want you to see," he said, "how things are made, and to help you understand that in a free country you can make anything you choose. You may be what you wish. I shall not tell you what to be. When you grow up you will have freedom of action and of choice. Class and religion will not stand in your way."

Since those days I have been many things. I have worked on a high scaffolding as a carpenter. I have carried ice to refrigerator cars, serviced cars in a filling station, served in the Navy, and worked over columns of figures in offices. I have dug ditches, driven moving vans, and wiped grease from railroad locomotives. When I did not like a job, I changed it, because I was brought up under a voluntary system.

In this country we have a tradition of change. In many of the countries of the earth a man is classified, either by circumstance or by government, when he is born, and he is apprenticed at a tender age. He has no choice. Two of the greatest boons that government can provide to an individual are freedom of choice and freedom of action.

There is another fruit of our democracy that is seldom mentioned—the development in the individual of a sense of responsibility and the delegation of responsibility to the individual. The freedom of choice and action which I was given at an early age, as all Americans are, helped me to develop a strong sense of responsibility. If I changed jobs mistakenly when I was a kid, I paid the price. If I spent my money improvidently, I was the loser. If I failed to study and to pass my examinations, it meant another year in school and the loss of a year in fulfilling myself out in the world. On the farm, which grows responsibility in America more than any other crop, I learned from my grandparents what it was to be completely on one's own.

The kind of personal responsibility which we have developed under this democracy enabled us, in the recent war, to move with a facility and an efficiency which the dictatorships could not match. It was often said during the defeatist beginnings of the war that democracy was so cumbersome that it could not operate rapidly enough to defeat its streamlined autocratic adversaries. Although nobody disputed the argument, we went right ahead, armed the world, bridged the seas with ships and airplanes, and completely crushed our enemies.

The dictatorships had only one authority—at the top—and all decisions trickled down from the top. An example of what that meant in strait-jacketing any direct, forceful action was indicated to me by our authoritarian ally, Russia. When I was directing the War Production Board a Russian delegation informed us that Russia must have large power plants immediately, in much less time than it would take to manufacture them. Unfortunately, our plants, for the most part, are 60 cycles, while Russian plants generally operate on 50 cycles. Within 2 weeks we found two 50-cycle plants that could be dismantled and shipped.

It took the Russians 11 months to dismantle the plants and ship them to Russia. Why? Every decision that was made had

to be made in Moscow. Every request made to the homeland had to be carried from echelon to higher echelon until, in all likelihood, it was carried virtually to Stalin himself. In this country responsibility for decisions on many important matters was delegated far down in the ranks of authority.

When the high command in Germany during the war delivered specifications for materials to manufacturers they could not be altered except with the consent of the high command. In the WPB on many occasions I have seen lieutenant colonels who were not the heads of their departments authorize important changes in specifications in war materials when we convinced them that the material or process demanded was impracticable for mass production. Under the dictatorships the most trivial decisions often had to be made at the top level of responsibility.

Our fluid and flexible system proved in every way to be far more efficient than the rigid, autocratic systems of our enemies. We won the war because, in a sense, we were able to pool the initiative, genius, and energy of 130,000,000 people. This would be unthinkable in many European and Asiatic nations, class-ridden and arbitrary as they are.

When Jimmy Byrnes, former Secretary of State, returned from the Four-Power Conference in Paris, he made a very significant statement to the Cabinet when I was present. He said that he found the principal difficulty in dealing with the Russians was the fact that they simply did not think the way we do. He observed that Americans, even though of different political and philosophical points of view, almost always came to the same conclusion in a conference, provided they all had the same set of facts and were convinced that those facts were sound. He said he found that the Russians, even though agreeing with the basic facts submitted to a conference, usually disagreed completely with us as to the conclusion.

No matter how great the problem or how diverse the views of those who would solve it, Americans have proved that a solution can be arrived at through democratic processes. Some time ago a group of oilmen applied to the Department of the Interior for the privilege of sinking test oil wells in the vicinity of Jackson Hole, Wyo., where there is a national monument which is part of our national park system. Immediately a howl came up from wildlife and outdoor lovers of the Nation. They had seen beautiful regions despoiled before by oil rigs, derricks, and tanks, and the atmosphere tainted by the smell of petroleum.

We held a long series of conferences. Never were two groups more diametrically opposed. When the passion had subsided we thrashed the matter out to the satisfaction of everybody. There was no doubt, in view of our dwindling oil reserves, that every new field should be tapped. At the same time, there was no doubt that every reservation of natural beauty set aside for the people of this Nation by their Government should be preserved.

Through discussion, all parties finally arrived at this solution: The oilmen would be permitted to sink a very limited number of test wells with the minimum destruction of natural beauty. These wells, if a pool of oil were discovered, would be the only wells sunk if they were adequate to bring the pool to the surface. Holders of leases on the surface above the pool would all share in the profits of the oil. Oilmen and nature lovers all departed from the hearing good friends.

This was not my solution. It was the composite solution of every citizen present.

Again, the War Department proposed that certain public lands, now used for grazing cattle in the West, become a testing field for guided jet bombs. The Army wanted a strip 200 miles long and 50 miles wide, a serious cut into the grazing range of cattlemen in the vicinity. And so we brought together the irreconcilables—in this case the men responsible for the security of the Nation and those responsible for its food.

I called them irreconcilables. As a matter of fact, both groups, like most Americans, had only one object ultimately in view—the public good. They solved the problem very simply by finding another strip of land such as they desired, which was unproductive and, as far as we know, good for nothing except to blow up. Everybody went away happy.

Under the national congressional reclamation policy, no farmer is permitted to use water from a Federal Government project on more than 160 acres. The big farm corporations for many years have protested this law, because it prevents mass production by farm corporations. There is in Congress today a bill to change this law. Public hearings will be held in Washington and in California, where the controversy is centered. Through these hearings both Congress and the Department of the Interior will learn how the people feel.

Dictators don't ask. They order. Democracy works for the individual good on the assumption that the state was created for the individual, not the individual for the state.

I think our system of holding public hearings to provide first-hand information for our lawmaking bodies is one of the most important instruments of democracy. Let no American say he is without a voice in the Government of his country when he has the right to appear at any public hearing called by Congress, his State legislature, or his city council. Politicians as well as administrators favor the public hearing because it enables them to hear direct the voices of their constituents.

If you will watch public hearings closely, you may observe that Communists attend them faithfully, and testify on every possible subject. They know that lawmaking in this country is influenced through public hearings. Their testimony is so frequently extreme and irresponsible in its denunciation of democratic procedures and proposals that it is easy to identify and, more important, it is easy to answer. The Communists participate in elections and political campaigns because they know that these democratic procedures create the power of the leadership of this Nation.

I cannot understand how any American who is cognizant of the poverty and political impotence of other peoples could countenance for one moment any utopian ideology, no matter how logical, to supplant our own.

Shots are still being fired in various parts of the world over the right of men to choose their own government. And yet there are still thousands of men and women in this country who will not take the trouble to walk to a polling place to cast a vote. This has been said many, many times, but now, with the ghastliness of the last war so fresh in our minds, I do not see how anybody could be so unappreciative of his rights as a free human being as to neglect to participate in his government.

Dark days may lie ahead. We have all the set-up for a mighty economic crash. Organized industrial labor is averaging a wage of $1.26 an hour, as against the unorganized workers' average of 85 cents. Many businessmen are asking too high prices. The consumer debt is up $6,000,000,000 this year, indicating that the high cost of living is forcing many people into debt. There you have an invitation to economic disaster.

Who is at fault? Government? Labor? Industry? I should say avarice is at fault—individual, unsocial greed. When the war ended and peacetime production was revived, some labor leaders, some manufacturers, and some consumers went all out in their efforts to get the most they could out of whatever existed in short supply. In other words, they sold America short. They had worked for years to save their freedom of choice and freedom of action, and, having saved it, they violated it with greed.

Those who were responsible still have the right and duty to change. It is such people as they, a minority, who endanger our democracy by taking advantage of it. They are the ones who always bring about coercive legislation, and coercive legislation never works as well as voluntary action.

This was demonstrated graphically during the war. The War Production Board did not even arbitrarily control vital materials, and yet these materials were distributed equitably by regulations which, for the most part, were voluntarily enforced by the producers and manufacturers themselves. On the other hand, the Office of Price Adjustment employed a huge staff of agents to enforce OPA rulings. Everybody knows the story of the scandalous black market which flourished in spite of OPA.

It is an old trick of men in responsibility to step aside, when in trouble, and throw the burden of guilt upon the citizens in a democracy. If a crash comes, I say to you now that it will be the fault of the free people of this country. If we begin now and for 1 year dedicate ourselves to making democracy work, we can win out against depression, communism, or anything else that menaces our happiness and well-being.

We shall have to work, work, and work, just as we did during the war. The goal will be the same—the saving of our democracy. Through this rededication we must produce as we did during the war.

Volume of goods, enough to satisfy American consumers and fulfill our commitments abroad, is the force which will bring down prices. There should be full and continuous use of every productive facility of the country. Consumers must curb their demands for goods in short supply. Stoppage of coal mining and steel production have curtailed production all the way down the line. If we can keep up a high output of coal, steel, lead, zinc, copper, glass, paper containers, and building materials, to name but a few, our whole economy will speed up.

Our industrial democracy will work only if we work it. We can out-produce every other country on earth. In doing so it will become apparent to every American, as well as to our friends and enemies abroad, how great and powerful and invulnerable our system of democracy is in spite of its imperfections. Prices and wages will adjust themselves normally through the law of supply and demand if, and only if, we have increased production.

"By their fruits ye shall know them." Let us produce those fruits in greater and greater abundance.

All of this can be accomplished voluntarily, and by no other means. Our tradition of free action and free choice is a source of far greater strength and ability to handle emergencies than any authority imposed from the top down can ever be.

We can bank on success for our system of free choice and action, our system of compromise and eventual agreement. With faith in democracy, and good hard work, we shall not sell America short.

TRIBUTE TO LIBERTY PARTY LEADER DEZSO SULYOK, OF HUNGARY

Mr. BALL. Mr. President, a story in the Washington Post this morning deals with a speech delivered yesterday in the Hungarian Parliament by Liberty Party Leader Dezso Sulyok, who said on the floor of the Hungarian Parliament that,

as we all know, Hungary is nearing the stage of complete control by the Communists, and for 1 hour told his colleagues the facts as to what had happened in Hungary and about the totalitarian tactics by which the Communists there had finally seized power.

Mr. President, as a Member of the Congress of the United States, one of the legislative bodies of the world—and under our principles of government it is the legislative bodies which are the guardians of the people's freedom—I cannot resist paying my own humble tribute to this member of the Hungarian Parliament who made that speech, knowing full well that he probably faced at least exile to Siberia, and at the worst perhaps a firing squad. I think that by that one action he has joined the ranks of the immortals who have fought the fight for human freedom down through the centuries. He has proven once again that in the hearts and spirits of men the flame of freedom still burns and that there are still men who are willing to say with Patrick Henry, "Give me liberty or give me death." I think his action, Mr. President, will prove, when history is finally written, tremendously significant, and I think it is a warning to the Russian aggressors that, no matter how ruthlessly they may close their grip on countries and suppress all freedom, there still will always be a sufficient number of men and women in the world who put devotion to freedom above everything else finally to make sure that the effort now being made to turn back the whole tide of history and return to the time when there were absolute rulers and individual freedom meant nothing, is doomed ultimately to failure.

Mr. President, I ask that there be printed in the RECORD as a part of my remarks the story which appeared in this morning's Washington Post. As I say, I think Mr. Sulyok has earned his place among the immortals of history.

Mr. HICKENLOOPER. Mr. President, I have no objection to the printing of the article, but I recall that the Committee on Rules and Administration has been considering the question of printing. I believe the Senator's request was that the newspaper article be printed as a part of his remarks. If the article is to go in as a statement of the Senator——

Mr. BALL. My request was that it be printed as a statement at this point in the RECORD.

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

PARLIAMENT THROWN INTO UPROAR BY ATTACK ON ALL WHO HAD HAND IN CRISIS

BUDAPEST, June 12.—Liberty Party Leader Dezso Sulyok caused an uproar in the Hungarian Parliament today by attacking the Communists, the secret police, the present Cabinet and ousted Premier Ferenc Nagy for their parts in the political crisis.

Two hours after he spoke, and caused the suspension of the session, the Peasant Party newspaper appeared on the streets with a report that prosecution authorities intended to arrest him and his deputy.

Lashing out against all elements involved in the crisis and accusing the Communist-dominated interior ministry of trying to trap him into accepting bribes, Sulyok said:

"The city is calm. But it is the calm and peace of fear and terror. There is no democracy here. All of public life is thrown into a net of police espionage. There is no freedom of press or assembly here."

COMMUNISTS IN FRENZY

Roused to a frenzy of anger, Communists catcalled and shouted. The Communist whip stalked from the chamber.

Sulyok spoke unscheduled soon after news reached Parliament that Brig Gen. George H. Weems, American member of the Allied Control Council, had delivered to Russian Gen. N. P. Sviridov, the man behind the crisis, the State Department's note accusing Russia of a most flagrant interference in Hungarian affairs.

His speech followed also the disclosure that a Russian claim to 825 American-owned patents, worth many millions of dollars, had been referred to the Allied Control Council in Berlin. Russia claims the patents as German assets liable to seizure as reparations.

Szabad Szo, the Peasant Party paper, said the public prosecutor intended to arrest both Sulyok and his deputy, Janos Nagyivan, on the basis of speeches they made at Szeged 2 months ago.

FRAME-UP ATTEMPT CHARGED

The prosecutor intends to ask the lifting of Sulyok's parliamentary immunity to accuse him of treacherous and libelous remarks against the government, the newspaper said. Nagyivan, it added, is to be accused of breaking the laws for the protection of democracy.

Sulyok charged in his speech—a possible foreshadowing of his arrest—that several frame-up attempts had been made recently to trap him into accepting money for political espionage.

Speaking, despite the cat-calls of his opponents, Sulyok charged that the press had been muzzled and appealed to the Catholic Church to suspend negotiations with the government until students, arrested months ago for demonstrating against religious bills, had been released.

Attacking ousted Premier Ferenc Nagy as having played both sides and submitting to the domination of the Marxist parties, Sulyok said:

"Hungary has fallen between two chairs as a result of Nagy's equivocal policy. Both the Soviet Union and the western powers have lost confidence in Hungarian politics. Hungary must now make herself independent of the great powers and pursue an independent foreign policy."

Sulyok said the solution of the political crisis lay in forming a true coalition without the revival or reaction and without "the fear that such a coalition would lead to a Marxist revolution and single-handed dictatorship."

If Nagy had been frank in his dealings, he said, the situation would now be different. When Nagy finally failed, he said, the leftists "allowed him to escape—an excellent political maneuver for then they could make him appear a traitor." The result of Nagy's policies, he said, was that Russia distrusted all non-Marxist parties and the western countries see Hungary as a mere Russian satellite.

He also criticized Premier Lajos Dinnyes for failing, in his maiden speech in Parliament yesterday, to mention the new electoral law which is to disenfranchise more than 10 percent of the country's registered voters.

Sulyok said that, though foreign reports exaggerated the situation here, civil liberties had been suppressed.

"It is not true that there are bloodshed and barricades in the streets," he said.

Communist leader Joszef Revai stalked dramatically from the chamber in anger and shouts of "Fascist" came from Communist members. Sulyok turned to Communist Interior Minister Laszlo Rajk and said:

"It was no use sending political spies to me. Not long ago I had a visitor who asked if I would accept financial assistance from Anglo-Saxons. Well, it's a waste of time trying to trick me this way. I will not be deceived by such tactics."

After Sulyok's speech, the speaker suspended the order of business, including speeches by other opposition leaders and a vote of confidence in the new cabinet, and adjourned the session until next Wednesday.

Sulyok and 15 adherents were expelled from the Smallholders Party of ousted Premier Ferenc Nagy in April 1946. A prewar liberal and wartime resistance leader, his party is conservative and opposes Soviet domination.

BELA VARGA IN UNITED STATES ZONE

VIENNA, AUSTRIA, June 12.—Former President of the Hungarian Parliament Bela Varga, whose fate had been unknown since he fled Budapest, arrived in Innsbruck today by train, authoritative sources said.

Varga was smuggled into the American zone after spending several days in a Vienna monastery, informants said.

UNVEILING OF BUST OF BERNARD M. BARUCH AT ARMY WAR COLLEGE

Mr. O'MAHONEY. Mr. President, at noon today I had the great privilege to be present at the Army War College when a bust of the Honorable Bernard M. Baruch was dedicated by the Commandant and faculty of the War College. A very notable address was delivered upon that occasion by Mr. Baruch. As a matter of fact, it was more than notable: it was most eloquent and moving. It seems to me that it should be read by all the people of the United States. Therefore, I ask unanimous consent that it may be printed in the RECORD.

At this time I desire to call attention to one or two of the very simple but true statements made by Mr. Baruch in the address:

> Now, I am in my second round trip through two world wars, the aftermath, and the endeavor to make a lasting peace. I marvel at the regularity with which errors are repeated.

It takes only a moment's consideration to realize that Mr. Baruch has spoken a great truth in that statement.

Of great importance, however, was this injunction, which should be called to the attention of all our people:

> Let us never depart from the belief that has made us great: Man is not the means; man is the end. His freedom and his dignity are sacred.

Mr. President, I think this speech deserves reproduction in the RECORD.

I ask unanimous consent that there be printed at the conclusion of Mr. Baruch's speech the introductory remarks which were made on this occasion by Mr. Herbert Bayard Swope, who presented the bust to the War College.

There being no objection, the address and introductory remarks were ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. BERNARD M. BARUCH

My friends. I am profoundly stirred by this tribute which, even if not deserved, is deeply pleasing.

I cannot count how many wars have taken place in my lifetime, but I personally have had knowledge of four. I was born not long after Sherman's march to the sea, through which my people were impoverished. I saw but was physically disqualified from service

in the Spanish War. Now, I am in my second round trip through two world wars, the aftermath, and the endeavor to make a lasting peace.

I marvel at the regularity with which errors are repeated. That is not a military characteristic—it couldn't be with Generals Marshall and Eisenhower and Admirals King and Nimitz and their associates on the job—but it is definitely true of the civilian and political mind.

One of the ancients—among whom some of my friends class me—Plutarch said: "In war it is not often permitted to make the same mistake twice." But we did, and got away with it. It is one of the primary functions of this newly established National War College to guard against this weakness by perfecting the marriage of political and military objectives.

In America it is not an army we must train for war; it is a nation.

That truth makes it essential for a Regular officer to claim his status as a citizen, instead of being denied his civic responsibilities because he wears the uniform of service. After all, a soldier is still a citizen. The men who commanded on land and sea and in the air, and those whom they commanded, have given new dignity to the spirit of America. I resent the implication that these war leaders are any less able or willing to discharge their duties in peace. I reject the theory that they think narrowly and rigidly in terms of war. As I said recently, we are in the midst of a "cold war," and we depend upon our soldiers and sailors not only to protect us, but to help us avoid the entanglements that may prove fatal. They should not be forced into a secondary citizenship.

Let us never depart from the belief that has made us great:

Man is not the means; man is the end.

His freedom and his dignity are sacred.

He must not be stamped into a set pattern; into forms that bind his spirit instead of freeing it.

The spirit of man grows in freedom; it withers in chains.

He has the right to live a free life. That right springs, inalienably, from within himself. It is not existent by decree of the state. Let us better ourselves; then will come a bettered state.

We look forward with hope to a world ruled by the force of law and not by the law of force. To that end we have devoted our lives.

If I have been at all helpful in the Nation's needs, it is due to those who have helped me. I dare not give names for fear the listing would be incomplete, but in the first war and in this, I have been fortunate beyond words in having at my right hand men of vision, of stature, of action, who, because they knew how to give orders, would take them.

Representative of their loyalty and ability is the man who has made this presentation for them, Herbert Bayard Swope. He was always by my side no matter how loudly the lion roared.

My deep thanks to all who have made me possible, who have helped me to preserve my creed

Now in the afternoon of my life, I reaffirm my faith in this country of ours—this infinitely patient, this quick-rewarding, this slow to anger, bold, independent, just, and loving mother of us all.

To uphold her, we oppose dictatorship of the right or left. We oppose despotism. We oppose totalitarianism. We oppose slavery, whether imposed by the state or individual.

We are dedicated to the preservation of free initiative and expression, but with it goes the responsibility for the protection of opportunity, political, religious, social, and economic.

That is the heart of democracy: the maintenance of rights, not privileges; the dignity of each man and woman. That is what we are fighting for.

My gratitude to Secretaries Marshall, Patterson, and Forrestal, and Admiral Nimitz for what they have said. My thanks to you, Admiral Hill, and particularly to you, General Eisenhower. I hold myself subject, at any time, to their call.

REMARKS OF HERBERT BAYARD SWOPE AT PRESENTATION OF BARUCH BUST, NATIONAL WAR COLLEGE, FRIDAY, JUNE 13, 1947

Ladies and gentlemen, on such an occasion as this, it is wise to avoid the elegiac. Eulogies and epitaphs are usually overdrawn. It was a Chinese philosopher who, assigned by the Emperor to get him some good men, spent the day in a cemetery reading inscriptions on the headstones of the great and the little, and then advised his boss to kill all the living and resurrect the dead.

The record of the man we honor today will outlive this bronze. The book written by life is the final memorial. Nevertheless, this monument, and its emplacement here, is a public tribute to great services greatly rendered. And coming during his life, it is heart pleasing, for all of us are gratified by public recognition.

Woodrow Wilson was the first to publicly recognize the spirit and ability of the man who sits here.

He has been successful in a tough battle—the money game. He was, and still is, consumed by a passion for service—for public service.

He came to Washington willing to accept any role in the first World War, as long as it would be helpful. After several experiments with others, this man was chosen to be head of the War Industries Board. Thus, he became the first to command the Arsenal of Democracy.

How well he did is now a matter of history. From the German Commander, Field Marshal Von Hindenburg, came a tribute that was earned largely through his work. Hindenburg wrote:

"America's brilliant, if pitiless, war industry had entered the service of patriotism and had not failed it. Under the compulsion of military necessity, a ruthless aristocracy was at work and rightly, even in the land at the portals of which the Statue of Liberty flashes its blinding light across the seas. They understood war!"

Through the troubled period we called peace after the first World War, he was never wanting in his sense of devotion to his country. He was used freely by Presidents, Secretaries and Governors, denying himself to none.

This man saw clearly the coming conflict in which we still are. He, like Cassandra, was fated not to be believed.

In 1937 and 1938 he sounded warnings that brought him only obloquy. There were those in high places who squirmed away from the embarrassment his truths carried. Then came the war—and now I tell you a story that you will find incredible—and I tell you on my own, without his authority.

From the moment of the declaration, the military wanted to use the genius of this man and they did. But, in other fields, there were those who sniffed at the idea of using him. "Too old," they said—I quote verbatim—"too old—and this is a different kind of war."

For a while these astigmatic cynics held to their theory but soon they rediscovered the qualities of Baruch—a sense of duty; wisdom; experience; directness; integrity; and understanding of the people and their confidence in him. These qualities forced his return to Washington through the call of President Roosevelt. Secretaries Byrnes, Patterson, Forrestal, Generals Marshall and Eisenhower, Admirals King and Nimitz, speaking for themselves and their associates, can bear testimony to the depth, width and value of his services.

Too old indeed. May America benefit for a long time by the spirit the years have developed in Bernard Mannes Baruch. His life has been lengthened by the gratitude of the people who recognize in him their tribune. May he long be spared to serve them with the eye of the seer and the heart of truth.

I would be missing in my duty if I did not say that this recognition—the only private citizen thus to be honored—was made possible by the appreciation and initiative of the Chief of Staff, General of the Army Dwight D. Eisenhower, everybody's General Ike, supported by the Navy.

It is my privilege now to present this bust to Admiral Hill, Commandant of the National War College.

JUDICIAL INTERFERENCE WITH JURIES

Mr. LANGER. Mr. President, I wish to call the attention of Senators to the fact that on the front page of the Washington Post of this morning, Friday, June 13, is an article under the headline "Motorist is cleared, judge flays jury." I ask unanimous consent that the entire article be printed in the body of the RECORD.

I call attention to the fact that although judges are supposed to pass only on the law, they are trying to tell good, honest men who are on juries how to decide the facts. Anyone reading this article cannot come to any other conclusion than that the judge was setting up his own conception of the facts against a verdict arrived at by the 12 persons who composed this jury.

Mr. President, I know this judge, Municipal Judge George D. Neilson; I know him personally; he is a very fine man; but apparently he entertains the general view that seems to be coming into acceptance all over the country, that a judge can tell a jury how to decide the facts in a lawsuit. If this persists, sooner or later the Congress will have to take action to prevent it. Not only is it bad in this particular case, but it intimidates jurors in Federal courts who may be called upon to decide upon the life and the liberty and the property rights of people all over the United States.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from North Dakota?

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

MOTORIST IS CLEARED, JUDGE FLAYS JURY—"NOT GUILTY" RETURNED IN TRAFFIC DEATH OF AGED MAN—NEILSON CRITICIZES VERDICT AS FLAGRANT MISCARRIAGE; DRIVER FACES SECOND CHARGE

A verdict which freed a Baltimore truck driver of negligent homicide was criticized as a flagrant miscarriage of justice by Municipal Court Judge George D. Neilson yesterday.

Marvin B. Stevens, 33, who went on trial in connection with the death of 87-year-old John H. Cook, of 515 Eighth Street NE., March 31, still faces charges of driving while intoxicated and operating on a suspended driver privilege.

The jury of six men and six women deliberated 2 hours yesterday before returning the not-guilty verdict. They had heard two policemen testify Stevens smelled of alcohol

and was unsteady on his feet immediately after the accident.

The jury also heard Deputy Coroner Dr. Richard Rosenberg testify a urinalysis disclosed .22 of alcohol in Stevens' body after the accident. Rosenberg said .15 is considered intoxicating.

Cook, a pedestrian, was struck at First Street and New York Avenue NE. on March 19 and died at Casualty Hospital March 31.

Stevens testified his truck did not strike the man. He said Cook apparently was frightened when Stevens stopped the truck suddenly and fell on the paving striking his head.

Police Pvt. Joseph A. Meyer, of the traffic division, one of the two policemen testifying as to Stevens' sobriety, said he saw the truck strike Cook. The other policeman was Pvt. John C. Vinson, of the accident-investigation unit.

Stevens' attorney was Michael J. Colbert.

Judge Neilson's criticism lashed the jury immediately after the verdict was read. He repeated the "flagrant miscarriage of justice" and declared, "It is high time an end were put to this sort of thing."

ST. LAWRENCE SEAWAY PROJECT

Mr. AIKEN. Mr. President, one of the most consistent opponents of the St. Lawrence seaway among the newspapers of the country has been the Buffalo Evening News, of Buffalo, N. Y., which has contended editorially that the construction of the seaway would be bad for Buffalo, and that Buffalo citizens did not approve it. However, this newspaper a short time ago undertook a poll of the citizens of Buffalo to ascertain how they stood on the matter of constructing the St. Lawrence seaway. The poll showed, according to the Buffalo Evening News itself, that 59.3 percent of Buffalo residents believed that the St. Lawrence seaway should be developed, 21.1 percent answered "No," and the remaining 19.6 percent had no opinion at all. I think this newspaper is to be commended for its willingness to print the facts, which contradicted its editorial policy.

I ask leave to have printed in the body of the RECORD an editorial from the Watertown Times, of Watertown, N. Y., commenting on the result of the poll.

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

BUFFALO SUPPORTS THE SEAWAY

Buffalo's opposition to the St. Lawrence seaway, it now develops, is something of a myth. We confess that we have always thought that Buffalo was opposed to the development. Buffalo senators and assemblymen at Albany are always submitting anti-seaway resolutions for legislative approval. Delegates to party nominating conventions are always trying to leave the St. Lawrence seaway plans out of the party platform in deference to Buffalo voters.

The Buffalo Evening News likewise is a fighting opponent of the development. That newspaper must have been surprised just as we have been over the results of a poll conducted by Homer Kempfer, of the Buffalo News staff. The subject was the St. Lawrence seaway. The results speak for themselves.

A total of 59.3 percent of Buffalo residents believe that the St. Lawrence seaway should be developed by the United States and Canada. Only 21.1 percent answered "No." A total of 19.6 percent had no opinion. Assuming that the 19.6 percent were to make up their minds to oppose the seaway, even then the percentage in opposition would be 40.7.

The Evening News writer goes further. He found that of those with opinions 78 percent between the ages of 21 and 34 favored the project. In the 35-49 age group 73 percent were in favor and among those of 50 and over 67 percent were supporters.

This poll conducted by the Evening News represents the best in opinion research methods. The newspaper utilizes the Gallup and Roper techniques in arriving at a truthful cross section of opinion.

Buffalo favors the seaway. There is no question about it. Hereafter it will be difficult for one to speak in behalf of Buffalo claiming opposition to the St. Lawrence seaway. Buffalo spokesmen should present this different view.

EDITORIAL COMMENT ON ST. LAWRENCE SEAWAY PROJECT

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "The St. Lawrence Seaway," from the Toledo (Ohio) Blade of May 29, 1947.

I also ask unanimous consent to have printed an editorial on the same subject entitled "Build the Waterway," from the Pittsburgh Post-Gazette of May 30, 1947.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Toledo (Ohio) Blade of May 29, 1947]

THE ST. LAWRENCE SEAWAY

The testimony of former President Herbert Hoover and Secretary of State George C. Marshall in favor of the St. Lawrence seaway project yesterday was neatly complementary. Whereas Mr. Hoover stressed the economic advantages of connecting the Great Lakes with the seven seas, General Marshall concentrated on its military advantages.

Either, it seems to us, would justify carrying out the project on a self-liquidating basis. Combined, these reasons appear overwhelming. Anything which will promote the economic interests of the American people in time of peace and increase their security in case of war should be a sensible undertaking.

What, then, are the obstacles which have held up the project much longer than engineers say it would take to complete the seaway? There is the opposition of the railroad interests, which fear that the seaway would take away some of their business. But that, of course, merely confirms the economic advantages of the seaway. There is the objection of those cities which fear that the seaway would jeopardize the advantages of their transportation facilities. But why should the geographical advantages of some cities be perpetuated when geography cries aloud for man to complete the river links which will connect the greatest inland waters with the sea?

Because the benefits of the St. Lawrence seaway would be so tremendous in peace or war, the opposition to it comes almost entirely from those who place their private interests above the interests of the Nation. Mr. Hoover and General Marshall, in calling for its approval, have shown again that any unbiased person who studies the proposal as a whole thinks it should be undertaken.

[From the Pittsburgh Post-Gazette of May 30, 1947]

BUILD THE WATERWAY

Pittsburgh could become a seaport as well as a great river port if two projects long in the planning stage were ever completed. One is the proposal to link Pittsburgh to Lake Erie by a 105-mile canal. The other is the St. Lawrence seaway project now under congressional study.

The seaway project is provided for in the Deep-Water Treaty which this country and Canada signed in 1932. Congress has failed thus far to ratify the treaty, which provides for a system of wide canals around the International Rapids of the St. Lawrence River, through which ocean vessels could pass and then ply the Great Lakes as far west as Duluth. It also provides for the construction of a dam at International Rapids which would create 2,200,000 horsepower of hydroelectric capacity.

The project received a boost on Wednesday when Secretary of State Marshall, Herbert Hoover, and Maj. Gen. Francis B. Wilby, chairman of the New York Power Authority, testified in its behalf before a Senate Foreign Relations Subcommittee.

Secretary Marshall described the waterway as an essential step toward tightening the continent's defense. He said it would enable this country to build and repair oceangoing vessels in relatively secure inland waters handling ships up to a 25-foot draft and 10,000 tons.

All the witnesses agreed that aside from its defense advantages the project would provide cheap hydroelectric power and open an artery of communication to the industrial and agricultural heart of the Midwest without real harm to other modes of transport or to coastal ports.

Among those who have opposed the waterway is the Pittsburgh Chamber of Commerce, which fears that this area's coal, iron and steel, railroad, and other industries would suffer as a result of new competition. It has argued that the railroads will suffer loss of traffic and that coal and iron ore will have to compete with cheap imports.

Mr. Hoover told the committee, however, that he believes railroad business would not be cut more than 5 percent and that the railroads ultimately would gain because of increased industry in the Midwest. It has also been pointed out that the waterway could reduce the burden on the railways during periods when commodities awaiting shipment exceed available car space.

The former President told the committee, too, that the Midwest is in dire need to import high-grade iron ore to maintain its industries, since its deposits were almost exhausted in the war effort. He said it would not be "economic" to import the ore by rail because of the prohibitive cost.

The manufacture of electric power at International Rapids would greatly increase the industrial capacity of the Nation. And when the industrial capacity is boosted, the entire country benefits.

Our relations with Canada would be strengthened if Congress would ratify the Deep-Water Treaty, now in the form of an "agreement," which was rejected in 1934 and again in 1944.

We hope the agreement will not be blocked again. Even though costs are up, we believe that construction of the $500,000,000 project now is justified. It would be completed at about the time foreign countries begin to get back on their feet, and this country will be trying to stimulate world trade.

LEAVES OF ABSENCE

Mr. THOMAS of Oklahoma. Mr. President, I ask permission to be absent from the Senate during next week.

The PRESIDENT pro tempore. Without objection, the order is made.

Mr. YOUNG. Mr. President, I ask unanimous consent to be absent from the Senate on Monday next.

The PRESIDENT pro tempore. Without objection, the order is made.

AMENDMENT OF INTERSTATE COMMERCE ACT WITH RESPECT TO CERTAIN AGREEMENTS BETWEEN CARRIERS

The Senate resumed the consideration of the bill (S. 110) to amend the Inter-

state Commerce Act with respect to certain agreements between carriers.

Mr. JOHNSTON of South Carolina. Mr. President, when I was interrupted yesterday I was discussing evidence presented in the hearings before the Committee on Interstate and Foreign Commerce on Senate bill 110. I was reading from testimony presented by Willis J. Ballinger, Economic Adviser to the National Federation of Small Business, on behalf of the Federation, in opposing the bill. I had just begun reading from evidence presented by him, and shall continue from the point where I left off:

In 1929 American business went into a profound depression. From that depression the economy has never recovered. From 1929 to the beginning of war mobilization the economic system was sustained by Government spending. As a result of the war there are some billions of war savings, the spending of which, for a time, will give the appearance of a sound forward movement in private business. But when those savings are gone, it is our opinion that the depression of 1929 will return with greater virulence, and that the system will remain locked in depression until the forces causing the collapse of business in 1929 have been remedied. A capitalistic system dependent on Government spending is a capitalistic system in danger of liquidation. If private enterprise cannot afford employment to millions, and Government spending becomes necessary to take care of millions of unemployed, then private enterprise will eventually be replaced by Government control and direction of the economic system.

Not reading from the record but making my own statement along that line, Mr. President, I wish to say that I have never been able to understand why the businessmen of the Nation cannot see the dangers lurking in the monopolistic system we have in America, and their control of business throughout our Nation.

I continue to read from Mr. Ballinger's testimony:

The break-down of business in 1929 was the result of half a century in which capitalism in the United States was systematically misoperated by an alliance of big businessmen and bankers.

Monopoly controls appeared in finance, industry, transportation, and distribution. Regional competition was also eliminated through a discriminatory freight-rate system on the railroads of the Nation, which prevented the development of more efficiently located industries in the South and the West. The purpose of this discriminatory freight-rate system was to protect giant monopolistic corporations from potential competition in the South and West.

Mind you, Mr. President, this is small business speaking.

The rapid spread of monopoly in American capitalism from 1890 to 1929 caused a progressive loss of productive power in our economic system. This is always the effect of monopoly in a capitalistic system. The depression of 1929 registered the fact that private business had become incapable of carrying the employment load of the Nation, shackled as it was by monopolistic restraints placed on trade by big businessmen and bankers. At the same time the elimination of regional competition through the system of discriminatory freight rates had caused a congestion of the population of the Nation in a few giant cities with hideous slums.

But for this system of discriminatory freight rates the population of the Nation would have been dispersed. Hundreds of vigorous small towns and cities would have sprung up in the West and South. The health and prosperity of the American people would have been materially increased. And from a military standpoint, the productive powers of the Nation in time of war would have been better located from the standpoint of defending those resources from aerial attack. No Communist or Fascist could have thought up a more ingenious scheme to generate mass discontent and to weaken the military defenses of the United States than the men who engineered and have maintained the system of discriminatory freight rates on our railroads.

Who are these men? They are the investment-banking houses who for decades have controlled the railroads because they controlled their credit. They are now asking the Congress of the United States to approve and make impregnable, by passing S. 110, the vicious system of monopoly controls and discriminatory freight rates which they have established in railroad transportation.

Today, capitalism in the United States is headed for destruction unless the controls which have been imposed upon the production and distribution of goods by private monopolists in defiance of the spirit and intent of the antitrust laws can be broken.

The antitrust laws of the United States protect against private monopolists when they get together and try to manipulate railroad rates against any section of the United States. As I stated yesterday, at the present time there are two cases pending in the courts which will lay down fundamental principles and will provide a chart, so to speak, by which we can protect ourselves against such unjust discriminatory rates in the United States. As I see it, we should let the courts proceed in an orderly manner to finish what they have begun; and we should not at this juncture step in and stop the action of the courts.

I continue to read from the statement of Mr. Ballinger:

The task of reform is staggering. But we must accomplish the job or watch free enterprise in America perish as it did in Germany and Italy.

S. 110 should be the job of those radicals in America who are hoping that capitalism in the United States will fail and be supplanted by an authoritarian state of a Communist, Socialist, or Fascist type, and are, therefore, enthusiastic about policies of big business which are making free enterprise in America unworkable.

For half a century, Congress has insisted that railroad rates should be determined on the basis of competition among carriers. We believe this philosophy of Congress to be thoroughly sound. Competition alone offers a possibility of railroad rates adjusting themselves to promote the maximum expansion of business. During the last half century, however, monopolistic controls have been progressively introduced into the railroad industry. Private rate-making bodies have multiplied which, in violation of the antitrust laws, have increasingly put into effect monopolistic rate-making agreements. Toward this growth of monopoly in railroad transportation the Federal Government has been as negligent as it has been toward its growth in banking, in industry, and in distribution. But the effect of monopoly in transportation, on the economic system, has been particularly deadly. The capacity of monopoly in transportation to restrict production in a capitalist economy is far greater than its capacity in any other field of economic activity. This is so because a monopolistic rate in transportation may be pyramided many times before a product ultimately reaches the consumer. Every pyramiding is a reduction of total consumer income resulting in less buying power and less production.

Under S. 110 the progress of monopoly in railroad transportation, and in other fields of transportation, such as motor and water carriers, would be legalized.

If capitalism in America is to be rescued from monopolists, and the system reconditioned so that private business may produce abundantly and furnish full employment to the American people, the field of transportation cannot be left in their hands.

S. 110 would rivet monopoly controls in the vitally important transportation industry and further exhaust the productive powers of capitalistic enterprise in America at a time when democratic capitalism in the United States is fighting for its life.

From the standpoint of small business, S. 110 is especially disastrous. The giant monopolistic concerns existing today in industry and distribution have been largely the work of investment bankers who, many years ago, established and maintained a monopolistic control over long-term credit. Having created these giant corporations, their investment banker sponsors have tended to protect them from competitors who could only challenge them by obtaining credit. The control of credit, however, has only been one arm by which giant monopolistic corporations have been protected. The other arm has been transportation.

Investment banking control of railroads has been used to obtain for large shippers railroad rates which would protect them from regional competitors and from the efforts of smaller competitors in the same market. The monopoly controls which have been established in railroad transportation have been uniformly exercised to protect and expand markets for big business and to limit and destroy markets for small business. Small business shudders at the mere thought of legalizing this unjust system. Yet, this is exactly what S. 110 would do. If monopolists in railroad transportation are to be given legal authority to fix rates in the interests of big business, then small business is doomed to economic serfdom.

We urge the members of the Interstate and Foreign Commerce Committee to report unfavorably S. 110. Instead of legalizing the destruction of productive power in our economic system, we urge this committee to insist upon a vigorous application of the antitrust laws to the field of transportation, as well as in other fields, and to consider other abuses which are causing the transportation system to aid and abet the restriction of production.

We would like to have the committee investigate the reported existence of preferential commodity rates allowed large shippers. We would like to have the committee go into the whole matter of large shippers owning railroads.

Under the Hepburn Act, passed many years ago, Congress specifically forbade any railroad company from owning a manufacturing company. The purpose of this prohibition was sound and clear. It was to prevent any manufacturing company from having its costs of transportation subsidized by its railroad owner, so as to give it an advantage in the competitive struggle for markets. Yet today many large shippers own railroads. The effect of this ownership is to subsidize their transportation costs in manufacturing and to accomplish precisely what was forbidden by the Hepburn Act. These railroads are frequently short-line railroads. They used to be called extension of plant facilities. Mysteriously these extensions of plant facilities were suddenly incorporated into interstate railroads with the power to issue through bills of lading. These short lines were built up to the tracks of competing regular carriers, and by playing one carrier off against another, they obtained an unfair division of the shipping dollar. These railroads have been enormously profitable.

But their profits have been a direct subsidy to the transportation costs of larger shippers. Through the profits of railroad ownership large shippers have been able to lay down prices in markets, which can stop small enterprise from attempting to expand in those markets on a basis of legitimate efficiency.

Finally, we urge the Committee on Interstate and Foreign Commerce to go into the whole issue of railroad freight rates which are discriminating between regions of the United States.

These fields of inquiry, we earnestly believe, offer greater opportunities to promote sound capitalistic enterprise in America than S. 110.

That completes the testimony of Mr. Ballinger.

Let me say that the same record, beginning at page 823 and extending, in fine print, to page 865, describes the railroad rate-making mechanism in official territory, which is that part of the United States east of the Mississippi River and north of the Ohio and Potomac Rivers.

Beginning on page 839, Senators will find set forth the rate-making structure of official territory. It is a complicated system, so difficult to understand that to comprehend it would require almost the lifetime of a Philadelphia lawyer. It is so complicated that the small business man seeking better rates and petitioning for better rates under it might not obtain better rates before he dies. This system, as set up, I call a game of seven up. It is so fixed and established that when eventually a decision is reached the official territory has four votes out of the seven. So, according to the sections of the United States from which we come, we may know exactly what the decision will be and what will be its effect when we become parties to a rate-making proceeding. That is an awful thing to say; but if one is from the West or from the South he can get very little relief.

To indicate how long it sometimes takes to get relief, I remember that in November 1934, the governors of the Southern States met in Atlanta, Ga., when we were just beginning to wake up to the effect that freight rates had had upon the commerce, business, and industry of America. When the governors met in Atlanta in November 1934, it happened that I was at that time governor of the State of South Carolina. We discussed the freight rate problems. That was the first governors' conference that discussed it. Later, during that same conference, we left Atlanta and went to Warm Springs, and there had a conference with the President of the United States, Franklin D. Roosevelt. We discussed with him at that time the discriminatory freight rates prevailing in the United States, and he advised us that the South was economic problem No. 1, and that it was economic problem No. 1 because of the cheap wages in the South and because of the freight-rate discrimination in the United States at that time.

We began our fight in the courts. Only a few weeks ago the case which was instituted reached the Supreme Court of the United States, and the Court in its decision had something to say about this matter, even though that was 13 years after the fight had begun. I read now from the opinion of the Supreme Court, at page 13, in cases Nos. 343, 344, and 345. These are appeals from the District Court of the United States for the Northern District of New York:

The great differences between territorial class rate levels are shown by the following table. It gives a comparison (in cents per 100 pounds) between the first-class rate scale within official territory and that within each of the other territories.

Notice what the table shows, Mr. President. We see that for a distance of 50 miles, the eastern scale rate is 47 cents, the southern scale rate is 57 cents; and the western trunk line scale rate is 53 cents for the first zone, 61 cents for the second zone, and 65 cents for the third zone.

For a distance of 100 miles the eastern scale rate, which is the rate for official territory, is 62 cents, the southern scale rate is 79 cents; and the western trunk line scale rate is 73 cents for the first zone, 83 cents for the second zone, and 90 cents for the third zone.

For a distance of 900 miles, the rate is $1.71 in the official or eastern territory, $2.35 for southern territory; and for the western trunk line scale it is $2.26 for the first zone, $2.56 for the second zone, and $2.82 for the third zone.

Mr. President, I ask unanimous consent that the entire table which appears in this opinion, written by Mr. Justice Douglas, who delivered the opinion of the Court, be printed in full in the RECORD at this point.

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

Distance	Eastern scale rate	Southern scale		Western Trunk Line scale					
				Zone I		Zone II		Zone III	
		Rate	Percentage of Eastern	Rate	Percentage of Eastern	Rate	Percentage of Eastern	Rate	Percentage of Eastern
50 miles	47	57		53		61		65	
100 miles	62	79		73		83		90	
150 miles	73	96		86		98		107	
200 miles	80	112		97		111		123	
300 miles	96	134		117		134		147	
400 miles	109	156		136		156		172	
500 miles	122	173		156		178		196	
600 miles	135	189		176		200		220	
700 miles	149	205		196		222		244	
800 miles	160	222		210		239		263	
900 miles	171	235		226		256		282	
1,000 miles	182	249		240		273		300	
Average			137.7		129.6		144.4		159.4

Mr. JOHNSTON of South Carolina. Mr. President, I should like to read now a portion of what the Supreme Court had to say in what is known as the Georgia and Pennsylvania Railroad case. It is to be found in United States Reports, volume 324, at page 450; and I begin to read with the second paragraph on that page:

If the allegations of the bill are taken as true, the economy of Georgia and the welfare of her citizens have seriously suffered as the result of this alleged conspiracy. Discriminatory rates are but one form of trade barriers. They may cause a blight no less serious than the spread of noxious gas over the land or the deposit of sewage in the streams. They may affect the prosperity and welfare of a State as profoundly as any diversion of waters from the rivers. They may stifle, impede, or cripple old industries and prevent the establishment of new ones. They may arrest the development of a State or put it at a decided disadvantage in competitive markets. Such a charge at least equals in gravity the one which Pennsylvania and Ohio had with West Virginia over the curtailment of the flow of natural gas from the West Virginia fields. There are substitute fuels to which the economy of a State might be adjusted. But discriminatory rates fastened on a region have a more permanent and insidious quality. Georgia as a representative of the public is complaining of a wrong, which if proven, limits the opportunities of her people, shackles her industries, retards her development, and relegates her to an inferior economic position among her sister States. These are matters of grave public concern in which Georgia has an interest apart from that of particular individuals who may be affected. Georgia's interest is not remote; it is immediate. If we denied Georgia as parens patriae the right to invoke the original jurisdiction of the Court in a matter of that gravity, we would whittle the concept of justiciability down to the stature of minor or conventional controversies. There is no warrant for such a restriction.

I read further from the same opinion, by Justice Douglas, page 455:

The relief which Georgia seeks is not a matter subject to the jurisdiction of the Commission. Georgia in this proceeding is not seeking an injunction against the continuance of any tariff; nor does she seek to have any tariff provision canceled. She merely asks that the alleged rate-fixing combination and conspiracy among the defendant carriers be enjoined. As we shall see, that is a matter over which the Commission has no jurisdiction. And an injunction designed to put an end to the conspiracy need not enjoin operation under established rates as would have been the case had an injunction issued in *Central Transfer Co.* v. *Terminal R. Assoc.*, supra.

Mr. President, why am I reading this from the Georgia opinion? In the Georgia case the complainants went before the Supreme Court first to see if they had a cause of action. The Supreme Court is now having this case heard, after having said that the complainants had

a cause of action if the facts stated in the complaint were true.

Now there comes before the Senate a bill which stops that suit, although the complainants have been to the Supreme Court to see if they had a cause of action stated in their complaint, and have taken voluminous testimony. As the decision states, a start is made on the road toward laying down the fact that the railroads have, in their manipulation in rate making, violated the interstate commerce laws Then would it be right for the Senate of the United States, at that juncture, to intervene and throw the complainants out of court? That is what the bill does.

Mr. President, I believe in justice. I believe, if the interstate commerce laws provide a remedy, that we will find that the rates will be adjusted.

As I said a few moments ago, there was a case in the Supreme Court which said, in effect, "Go back; reduce all rates in these classes 10 percent in the South and in the West, and increase them 10 percent in the official territory, because the people in the South have been discriminated against in the matter of freight rates."

Now I come to my third point. Beginning on page 866 of the record of the hearings before the Committee on Interstate Commerce of the Senate, and extending in fine print to page 885—I do not care to read it all—there is a description of the "Railroad rate-making machinery in the western and southern territories." Western territory is that part of the United States lying west of the Mississippi River. Southern territory is that part of the United States lying east of the Mississippi River and south of the Ohio and Potomac Rivers.

I have never understood why an imaginary line was drawn in the field of freight rates. I call the line between the official territory and the South the Smith & Wesson line, because the railroads have held the South up at the point of a gun and made them pay additional high rates.

Mr. Kilday was testifying for the Department of Justice, and a statement was placed in the record of the committee by him, when the Department of Justice was trying to show the Committee on Interstate and Foreign Commerce last year what the situation was. The hearings went on last year and this year. About 4,000 pages of testimony have been taken. Last year and this year the Department of Justice appeared and pleaded day after day that such legislation as that proposed by the pending bill be not passed. Railroad attorneys were present in large numbers pleading for the passage of the proposed legislation so that they could make their freight rates behind closed doors, and further hold up the South and the West under the system in operation at the present time.

Mr. President, I shall not burden Senators by reading into the RECORD all this evidence concerning the rules and regulations, and the way rates are made. I shall move on to my point No. 4.

Beginning at page 885 of the record made in the committee, and extending in fine print to page 920, there is a discussion of a subject styled "Freight Rate Negotiations With Major Industrial Interests." I think that every Senator should read those pages so as to find out how freight rates are negotiated and established. Such a reading, I believe, would make it perfectly apparent that it would be physically and humanly impossible for the Interstate Commerce Commission to review all matters having to do with the making of freight rates. Why do I make that statement? I make it because the pending bill would relieve railroads against any suit based on a freight rate, in case the rate has been approved by the Interstate Commerce Commission. It is estimated today that about 2 percent only of rates prescribed in the United States have been approved by the Interstate Commerce Commission. I wonder whether, in this day of economy, Senators across the aisle intend to give the Interstate Commerce Commission a staff 10 times as large its present staff. Certainly such an increase would be necessary. I doubt whether or not the Interstate Commerce Commission would be given an adequate staff. If it is not, then there will have been given to this $23,000,000,000 railroad monopoly in the United States a right to make rates, without having the proper machinery in the Federal Government to supervise the rate making. I hope Senators will read Mr. Kilday's statement, to see the manner in which freight rates are negotiated with major industries. It will be very enlightening.

Fifth, beginning at page 921 of the record, and extending to page 963 thereof, there appears, in fine print, a discussion of a subject matter styled "antitrust laws in connection with transportation of Federal, State, county, or municipal property by common carriers."

Sixth, in addition to the exhibits referred to in the above-mentioned descriptions and discussions, there is a vast number of exhibits, numbered 81 to 120, appearing in the record in fine print, at pages 2119 to 2381. I am calling the attention of the Senate to the exhibit numbers and the pages of the record, because I believe it to be vital that Senators read them and learn what has been taking place, and just how freight rates are made at the present time. The country is slow in awaking to a condition,, but the South and the West are beginning to awake, and shippers are going to court to obtain relief. Just at a time when shippers are obtaining relief, the railroads present to Congress a bill which would, in effect, drive shippers from the courts, putting an end to any antitrust case in which the rates may have been approved by the Interstate Commerce Commission.

It would be altogether proper for me and for the Senators from the State of Georgia to take the position that the pending bill can never be thoroughly understood by Senators unless we take the time to read to the Members of this body all the material to which I have referred in my numbered paragraphs. If we are to try the case here instead of allowing it to be tried in the Supreme Court of the United States and in the Federal Court at Lincoln, Nebr., then certainly it is altogether reasonable and proper that Senators hear the evidence. Every person in the United States has the right to his day and hour in court, but the bill would prevent those who have been discriminated against from appealing to the courts for their rights under the antitrust laws. I am not going to give my approval to any such legislation as that now before us. If America should ever become in danger of being destroyed, it would be because of big business in the United States.

The trouble with reading all this testimony is that when the task was completed, Senators would be under the necessity of consulting rate specialists and transportation experts in order to find out what the evidence was all about, and to determine, in the exercise of our proper discretion and judgment, what kind of a bill should be passed, to assure justice to all the people of the Nation instead of providing protection for a big business such as the railroads. This is said in no disrespect of the Members of this body, but merely as an expression of an honest view that no person, without years and years of prior study, would be able to understand properly the complexities and complications involved in all this matter which appears in fine print in language that is sometimes called transportation jargon.

In addition to all of the foregoing testimony, there is other testimony which Senators probably should read and then consult specialists about it. In the printed record on S. 492 there is a general description and discussion of the whole problem by one witness, appearing at different places between page 5 of that record and page 781 thereof. Between pages 123 and 651 of that record there is a further discussion at different places between those pages of the rate-making mechanisms, especially in the western part of the United States, as well as of different specific overt acts claimed to have been carried out under the described mechanisms. Between pages 69 and 97 of that record there is a description by another witness of the economic phases and questions involved in this legislation. At different places in that record, between pages 287 and 770 thereof, there is a description of the rate mechanisms which operate east of the Mississippi River and north of the Ohio and Potomac Rivers. At different places, between pages 461 and 535 of that record, there is a description of the activities of truckers who operate rate bureaus.

In addition, we have the record on S. 110 which contains 187 pages and which shows on its face, in effect, that the record of the prior bill, H. R. 2536, consisting of some 2,600 pages, is to be considered a part of the record on S. 110.

So it is seen that the records involving this legislation add up to a confusing and confounding mass of documents, printed matter, and exhibits, which busy Senators could never have the time even to read, much less to analyze and upon which to form a considered judgment. I

reiterate that if we are to try the Georgia case and the Lincoln case, or if we are to pass legislation vitally affecting those cases, or either of them, or the relief prayed for in them, we should in fairness to ourselves and to the people of the country read these records, or at least have available to us careful analyses thereof.

Last year I spent about four months in committee listening to the testimony given in the hearings. This year we have a new committee known as the Committee on Interstate and Foreign Commerce. I wonder how many new members of that new committee have taken time to read the record of the testimony adduced in the previous hearings although that record is printed and is on our desks.

We have before us a majority report from the Committee on Interstate and Foreign Commerce and minority views therefrom. No two reports could possibly be more in conflict. This shows why we should let the courts, in the American way, go on to well-considered opinions in the two pending cases.

The portions of the record to which I have referred show that, first, the railroads have a capitalization of some $23,000,000,000 and an annual income of some $9,500,000,000, which of itself, without more evidence, demonstrates their economic power in America. If we are to let the railroads out from under the antitrust laws, then why should we have any antitrust laws at all? Why show any favoritism to the railroads, especially when, by their rate-making practices, they have seen fit in the past to discriminate against two sections of our country? There should be left to the courts of our land the final determination of whether the railroads are violating the antitrust laws. Think of the huge amount of capital of the railroads, $23,000,000,000, and their annual income of $9,500,000,000. The proposal of the pending bill is to relieve the railroads from liability under the antitrust laws. Under the provisions of the pending bill the railroads would have the right to get together and say to a particular railroad, "You cannot put improved pullman cars on your line, because other railroads cannot afford it. They cannot meet the competition."

This bill affects everything that the railroads touch. Since the Sixty-third Congress the railroads have been trying to get legislation immunizing them from the antitrust laws. At about the time we in the South started on our rate case they started with the Congress their effort to get out from under the antitrust laws. It looks a little suspicious.

The Sixty-third Congress and the Seventy-eighth Congress refused. The Seventy-ninth Congress refused. In the Eightieth Congress we have the same bill, letting the railroads out from under the antitrust laws.

Mr. President, I intend to watch Members across the aisle. I intend to see whether or not they are in favor of big business. They can let the world know where they stand by their votes on the pending bill. It will probably be the most important measure affecting large corporations which will be before this Congress.

Mr. TAFT. Mr. President, will the Senator yield for the purpose of suggesting the absence of a quorum?

Mr. JOHNSTON of South Carolina. I yield for that purpose.

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

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

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

Aiken	Hayden	Murray
Ball	Hickenlooper	Myers
Barkley	Hill	O'Conor
Brewster	Hoey	O'Mahoney
Bricker	Holland	Pepper
Bridges	Jenner	Reed
Brooks	Johnson, Colo.	Revercomb
Buck	Johnston, S. C.	Robertson, Va.
Bushfield	Kem	Robertson, Wyo.
Butler	Kilgore	Russell
Byrd	Knowland	Saltonstall
Cain	Langer	Smith
Capper	Lodge	Sparkman
Chavez	Lucas	Stewart
Connally	McCarran	Taft
Cooper	McCarthy	Taylor
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Thye
Downey	McGrath	Tobey
Dworshak	McKellar	Tydings
Ecton	McMahon	Umstead
Ellender	Magnuson	Vandenberg
Ferguson	Malone	Wherry
Fulbright	Martin	White
George	Maybank	Wiley
Gurney	Millikin	Williams
Hatch	Moore	Wilson
Hawkes	Morse	Young

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

Mr. WHERRY. Mr. President, let me suggest to the Members of the Senate that I was about to make a unanimous-consent request relative to having the Senate vote at a day and hour certain upon the pending measure and all motions and amendments relating thereto. It has not yet been possible to get in touch with one or two Members of the Senate who are deeply interested in the bill, although I expect to get in touch with them at any moment. So I wish to say now that I expect to make the unanimous-consent request within a very few minutes. Inasmuch as the quorum call has been had for that purpose, even though we are not yet quite ready to propound the unanimous-consent request, I ask the Members of the Senate who now are present to stand by, because I expect to make the request in a very few minutes.

Mr. JOHNSTON of South Carolina. Mr. President, in the magazine Railway Age, for August 4, 1945, the chief counsel for the railroads in the Lincoln suit, Mr. Elmer Smith, said that the railroads must be permitted to charge reasonable maximum rates. That is a startling statement, because, in many cases, reasonable maximum rates are tremendously higher than reasonable minimum rates, both being compensatory and lawful. Moreover, the zone between the maximum reasonable rate and the minimum reasonable rate is often of tremendous scope, and often brings about startling differences in dollars and cents in the charges to be paid by the people. A maximum rate is lawful; a minimum rate is lawful; all rates between the top and the bottom are lawful. Is it not clear that this spokesman and lawyer for the carriers, who now are defendants at Lincoln, made crystal-clear in his article in the Railway Age just why he wants this bill enacted? The reason is that, under this bill, the carriers could get together and by reason of the economic and coercive power of their rate bureaus, could run the rate on a given commodity up to the very top of the zone of reasonableness and then could file it with the ICC, which would nearly always have to approve it, because the Commission has little power to change these privately fixed rates when the rate is at the top, the bottom, or in the middle of the zone of reasonableness. Mr. Smith and his clients want all of them to be at the top. We should not permit them to do this to the people. However, this bill, if enacted into law, will give the railroads the right to fix the rates at the maximum reasonable figure, and then nothing could be done.

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

Mr. JOHNSTON of South Carolina. I yield.

Mr. LUCAS. Do I correctly understand that the Interstate Commerce Commission would have no power to alter a maximum rate, once it was fixed by the railroads?

Mr. JOHNSTON of South Carolina. Yes; if the rate were between the maximum and the minimum reasonable rates. In such case the Commission's hands would be tied.

Mr. LUCAS. There would be nothing the Commission could do about altering it?

Mr. JOHNSTON of South Carolina. The Commission could do nothing.

Mr. LUCAS. Would this bill, if enacted, permit the Interstate Commerce Commission to make any change at all along that line?

Mr. JOHNSTON of South Carolina. The Commission would either have to approve or disapprove the rate if it came in the zone between the maximum reasonable rate and the minimum reasonable rate.

Then, if there were on the statute books a law like the pending bill, in my opinion, and in the opinion of our Department of Justice, we would have no recourse, even if a rate were established in order to put some business out of existence, so to speak. The freight rates might be so high that businesses could not continue to operate.

Fourth. The portions of the records to which I have referred show that the South claims that, because of the rate-bureau activities of northern railroads, it cannot get manufactured goods into the North in such a way as to compete with goods manufactured in the North. Naturally, this is shown, because Georgia's brief in the pending Supreme Court case is in the record.

The record shows something further. It shows what the northern railroads themselves said about this. They said it in a brief filed by them with the ICC in 1935. Here is what they said:

> Official territory lines have perhaps the most vital interest in interterritorial competitive adjustments of any single group of carriers in the country for the reason that the populous official territory provides the markets for a large part of the traffic produced elsewhere in the United States. That

territory is hemmed in on the South, the Southwest, and the West by territories, and carriers serving them, all seeking to market their products within the territory served by official lines. In many instances, such commodities, sought to be marketed within official territory, come into direct competition with the commodities produced in that territory. Official lines, therefore, are in duty bound to protect the geographical or other natural advantages possessed by shippers or producers on their lines, and as a matter of justice and equity they may not be required to join in such low bases of interterritorial rates as to nullify or neutralize these natural advantages. (*Ex parte 116*—Interterritorial Rate Bases—before the Interstate Commerce Commission.)

When Senator Burton K. Wheeler heard this amazing language at the hearings on H. R. 2536, he said:

If they carry out that policy, of course, it means the territory outside of eastern lines, official territory, cannot be developed as it should be unless you can get some competition.

If a territory, for instance, known as official territory, could by reason of their influence with railroads keep the rates higher in the western, southern, or southwestern territory, they could in fact erect a tariff wall around their territory so that the other producers could not get into that territory at all.

Fifth. The people of the South, through their elected representatives, have during too many years claimed that their processed goods were fenced off from the North by a rate wall.

Let us see what the southern railroads said about a rate wall in 1920, long before they were sued, and long before they changed their tune. Mr. Oliver, vice president of the Southern Railroad, told the ICC in 1920:

The new policy of these connections is to build a rate wall at the Ohio and Potomac Rivers which will prevent or greatly curtail the movement of southern products into official territory.

No wonder, then, there is against the South the rate discrimination which now prevails.

Sixth. And the people of the South, through elected spokesmen, have complained for too many years that the ports in the Gulf of Mexico and on the South Atlantic coast were discriminated against through the activities of these private organizations.

Let us see what J. G. Kerr, of the Louisville & Nashville Railroad, said about this in 1931, long before the suits were brought and before there was a different story. He said that when goods were brought into the southern and Gulf ports from outside the country going to the North, it was necessary to move them northward from those ports at very high and discriminatory rates, it having been found impossible to induce the (northern) lines, such as the B. & O., Pennsylvania Railroad and the New York Central Railroad, whose major interests lie in an east and west direction and serving the North Atlantic ports, to join in the establishment of competitive import rates in line with those applicable from the North Atlantic ports to the same points.

In other words, the scheme of the northern lines, according to Mr. Kerr, then with the L. & N. Railroad, and now chief of the southern rate bureau at Atlanta, who is now busy in the direction of getting this bill passed, was to force goods to come into the United States at northern ports instead of southern ports. I do not have to prove that southern ports have been discriminated against by these outfits which want immunity. The L. & N. Railroad admits it.

The northern railroads, even in time of war, through these private rate-making outfits which now want immunity, forced traffic from south Florida ports, such as Miami, to move to Baltimore, over long routes, through Cincinnati, a distance of 1,714 miles, rather than agreeing to the same rates which would allow the traffic to move over the short route, through Richmond, a distance of only 1,150 miles. The northern lines did this merely because the northern lines would get a bigger cut than if the goods followed the shorter route.

If the pending bill shall be enacted, and we find such discrimination as that I have described, there will be no recourse under the antitrust laws. It would be barred.

What I have stated the northern lines would do is shown at page 832 of the hearings on H. R. 2536. This particular part of the record has not been disputed, notwithstanding news items and editorials which took the railroads to task for such conduct.

Efforts are being made before congressional committees and the courts to contend that the railroads in the North are innocent, and that when it comes to making rates in the North, and when it comes to making rates from the South into the North, they do not control the situation.

I will let the ICC answer that contention, since those pushing this bill almost claim that the ICC is never wrong. This is what is shown on page 833—H. R. 2536—as to what the ICC said in *Alabama* v. *New York Central* (235 ICC 329):

And in addition to this we are persuaded that the northern carriers as a group actually do effectively control the rates within the North and also the northbound interterritorial rates except to points on and west of the Monon line.

The record, page 833—H. R. 2536—shows a thing which should shock any southern citizen. It is there shown that when the railroads got together to make rates to apply between the South and the North, between the West and the North, between the Southwest and the North, and generally interterritorially between any one territory and another, they got up a national convention of delegates from rate bureaus in each territory. This thing is called the Joint Conference of Contact Committees. The delegations swarmed into this convention. The setup in the convention was one delegation from the South, with one vote in the convention; one delegation from the Midwest, with one vote in the convention; one delegation from the Southwest, with one vote in the convention; three delegations from the Northeast or official territory, with three votes; and a delegation from Illinois, a sort of no-man's land called Illinois Freight Association Territory, with one vote which was controlled by the official territory lines, which had three votes of their own, a total of four votes. The result of the voting on any question that might arise may well be imagined.

In other words, there were seven votes in the convention—four for the official territory and three for the rest of the Nation. And the convention made North-South and South-North rates. It determined rates throughout the country.

How did the convention operate? Again, I will let the railroads answer, because if I answered, I would be told that I did not know what I was talking about.

Sam Mitchell, of Atlanta, the chairman of the convention, who is an assistant to J. G. Kerr, head of the southern rate bureau, writing to Mr. Kerr, described how the convention operated. He said:

The Official Classification Lines, i. e., CFA (Central Freight Association), ETL (Eastern Trunk Lines), NEFA (New England Freight Association), and IFA (Illinois Freight Association), vote separately in the joint conference of contact committees and their votes are nearly always a unit. Having four votes, necessarily they have an advantage and can often control the action of the joint conference of contact committees.

I suppose they want the present speaker, the junior Senator from South Carolina, to give the convention immunity to do a job on South Carolina. I shall be narrow-minded about giving the convention immunity. I vote "no," against the pending bill.

There is another thing shown in the record, page 833 (H. R. 2536) which the people of the South should know. When a citizen of the South goes to his local railroad or to the railroad rate bureau in the South and asks for reasonable rates on his commodities between his southern home and some point in the States of Washington, Oregon, Idaho, Utah, Nevada, California, Arizona, or New Mexico, he will find, if he inquires long enough, that his southern railroad and the southern rate bureau has no worth-while voice or worth-while say-so in the adjustment of his rates. The real voice and the real say-so in the adjustment of his rates is lodged solely and far away with the nine railroads which reach the Pacific Ocean. Why? The answer is monopoly. Which monopoly? The railroad monopoly as a whole, but especially that portion of the monopoly resting in the nine East-West roads which reach the Pacific Ocean and which are the only East-West roads in a large territory eastward from the Pacific Ocean.

These nine roads have simply said, and stuck to it, that they are the only railroads reaching the Pacific-coast territory from the East; that they will make the rates on freight moving to and from that territory; and that the other railroads in the monopoly throughout the Nation, and all the people of the United States, can take the rates made by those nine, or leave them.

I do not want these nine railroads, who operate an outfit called the Trans-Continental Freight Bureau, to have immunity to do this any more. I do not think it is right. If, by the passage of the

pending bill their operations are withdrawn from the scope of the antitrust laws, shippers will receive the same treatment at their hands as in the past.

The record shows (pp. 1492 to 1519, H. R. 2536) in ABC fashion that all the rate bureaus throughout the Nation, including this Trans-Continental Freight Bureau through which the nine railroads serving the Pacific coast operate on the American people, are subject to the domination and control of the board of directors of the Association of American Railroads, composed of some twenty presidents of big railroads. The plan of operation of the AAR was written in the offices of the Pennsylvania Railroad under the guidance of Gen. W. W. Atterbury, president of that road. That plan is known as the Pennsylvania plan.

Under that plan the South has only 4 members out of the 20 members on that board of directors, each with 1 vote.

This is as bad as giving the South only one vote in a convention which has a total of seven votes.

I hope all the southern Senators will study this method of rate making, and what has been done in the past, before they give approval to the bill we are now considering, because when we pass the bill we say to the railroads, "Your convention system, your Pennsylvania plan, is proper. Continue to operate under it. The only thing you have to do is to secure the approval of the Interstate Commerce Commission. Then you will be protected against any suit under the antitrust laws."

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

Mr. JOHNSTON of South Carolina. I yield.

Mr. WHERRY. A few moments ago when the roll call was had for the purpose of securing a quorum and presenting a unanimous-consent request, I said it was necessary to consult one or two Members of the Senate who are intensely interested in the bill. I had in mind particularly the Senator from Wyoming [Mr. O'MAHONEY] who has offered important amendments to the bill and, of course, wants them considered, and they should be considered. He is now present in the Senate Chamber and in view of the fact that a roll call was just had and a quorum announced as being present, I now ask unanimous consent that on Wednesday, June 18, 1947, at the hour of 4 o'clock p. m., the Senate proceed to vote upon any amendment or motion that may be pending, or that may be subsequently proposed, to Senate bill 110, and upon the bill itself; and the time between the hours of 2 and 4 o'clock on that day be equally divided between the proponents and the opponents of the bill, the time of the proponents to be allotted by the Senator from Kansas [Mr. REED] and the time of the opponents to be allotted by the Senator from Georgia [Mr. RUSSELL].

I suggest further that, in the event the debate should lapse or be concluded before 4 o'clock on Wednesday, June 18, that the Policy Committee, through its chairman, or the majority leader, may ask for consideration of legislation which is already upon the calendar, and possibly ask for a call of the calendar for consideration of bills to which there is no objection, or for consideration of appropriation bills, or whatever legislation may be available for consideration at the time.

What I have just said is not a part of the unanimous-consent request, but is by way of explanation, that in the event the debate is concluded before the time referred to, the Senate may proceed with the consideration of business which is now on the calendar or which might be on the calendar at that time.

The PRESIDING OFFICER (Mr. LODGE in the chair). Is there objection to the request of the Senator from Nebraska, who asks unanimous consent that on Wednesday, June 18, 1947, at the hour of 4 p. m., the Senate proceed to vote upon any amendment or motion that may be pending, or that may be subsequently proposed, to Senate bill 110, and upon the bill; and that the time between the hours of 2 and 4 p. m. be divided equally between the proponents and the opponents of the bill, to be controlled, respectively, by the Senator from Kansas [Mr. REED] and the Senator from Georgia [Mr. RUSSELL]?

Mr. O'MAHONEY. Mr. President, some time ago, just before the unanimous-consent request was made, in a discussion with the Senator from Kansas [Mr. REED], the Senator from Nebraska [Mr. WHERRY], the Senator from Alabama [Mr. HILL], and other Senators, I made the suggestion that in view of the fact that many of the amendments are of real importance the unanimous-consent agreement should also contain a stipulation to the effect that not to exceed 5 minutes on each side may be allotted by the respective allocaters of time for the explanation of any amendment that may be desired.

Mr. WHERRY. That is acceptable.

Mr. JOHNSTON of South Carolina. Is it understood that there will be no vote on any amendment or on the bill until 4 o'clock Wednesday afternoon?

Mr. WHERRY. That is correct.

Mr. O'MAHONEY. With the addition I just suggested, which the Senator from Nebraska says is acceptable, it is made certain that it will be possible both for the advocates of certain amendments and the opponents to make brief statements, not to exceed 5 minutes in length, explaining the respective amendments or the opposition thereto.

The PRESIDING OFFICER. Without objection, the request of the Senator from Nebraska is modified to include the suggestion of the Senator from Wyoming. Is there objection to the amended unanimous-consent request submitted by the Senator from Nebraska?

There being no objection, the modified unanimous-consent agreement, as reduced to writing, was entered into as follows:

Ordered, That on the calendar day of Wednesday, June 18, 1947, at the hour of 4 p. m., the Senate proceed to vote upon any amendment or motion that may be pending, or that may subsequently be proposed, to the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers, and upon the final passage of the bill itself: *Provided, however*, That no vote on any amendment or motion shall be had prior to the said hour of 4 p. m.

Ordered further, That the time intervening between the hours of 2 p. m. and 4 p. m. on said day be equally divided between the proponents and the opponents of the said bill, to be controlled, respectively, by the Senator from Kansas [Mr. REED] and the Senator from Georgia [Mr. RUSSELL], and that after the said hour of 4 p. m., debate on any amendment or motion shall be limited to 5 minutes on each side, to be controlled by the above-named Senators.

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

Mr. JOHNSTON of South Carolina. I yield.

Mr. TAFT. Can the Senator from South Carolina give us an indication of how much longer he will speak, and whether it might be possible to take up the calendar this afternoon at a later hour?

Mr. JOHNSTON of South Carolina. I can speak only for myself. I understand that the Senator from Alabama [Mr. SPARKMAN] desires to speak. I do not know for how long.

Mr. TAFT. I wondered whether the Senator from Alabama wished to speak this afternoon or on Monday.

Mr. JOHNSTON of South Carolina. He said he wanted to follow me this afternoon, and desired to know when I would complete my statement.

Mr. TAFT. That is perfectly satisfactory. I imagine the discussion of the bill, then, will occupy most of the afternoon.

Mr. JOHNSTON of South Carolina. I imagine it will.

Going back to the point at which I was interrupted, I wish to say that the South has only one vote in the convention out of a total of seven votes, under the plan now being followed, yet in the face of that situation, when it can be shown by simple arithmetic that the South is on the short end and in a hopeless minority at every "crap shooting" convention which they hold, some people—even people from the South—have the gall to come here and say that the South does all right in the meetings. They say that in spite of the fact that the South has only one vote out of the seven and that the South and the West together have only three votes out of a total of seven, official territory having four votes out of seven. In spite of that situation, some persons who really have not studied the situation think the South is doing fairly well.

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

The PRESIDING OFFICER (Mr. BUTLER in the chair). Does the Senator from South Carolina yield to the Senator from Tennessee?

Mr. JOHNSTON of South Carolina. I yield.

Mr. STEWART. I believe the Senator was not a Member of the Senate—perhaps he was then Governor of South Carolina—at the time the Transportation Act of 1940 was passed. The Senator was then Governor of his State, if my memory is correct.

Mr. JOHNSTON of South Carolina. That is correct.

Mr. STEWART. That act provided for the creation of a board known as the Board of Investigation and Research, and it was directed, under the act which created it, to go into the question of freight rates as the situation existed between the different territories or zones or regions, whatever one may prefer to call them. The Board had a life of 4 years, according to the provisions of the law, and the first three nominees whose names were sent to the Senate to comprise the membership of that Board, the Board consisting of three members, all resided in the eastern territory. Members of the Interstate Commerce Commission from the West and from the South of course were very much disturbed about that, and amendments were immediately proposed to the Transportation Act of 1940 providing that no two members of that Board could come from the same region. The result was that men were selected from three different regions, one from the West, one from the East, and one from the South, which gave us a very well-rounded Board. But the Senator will further recall that that Board was not finally appointed and confirmed for more than a year, as I recall—I think I am close to be being correct about it—after the passage of the act.

So a year of the life given to them had expired before they began to function. The Senator has placed his finger on a very important point, and I relate this instance merely to emphasize it. The selection of members of the Commission should be made in such a manner to make them actually representative of all the zones or regions into which the Nation is divided for rate-making purposes. In one instance—I shall not refer to the particular Commission—a year or two ago a man was recommended for membership on a certain commission, and his residence was listed as the State of Oklahoma, as I recall, or some other western State. The truth of the matter was that he had not resided in that State for 38 years. So certainly his immediate or remote background was not such as to give him any right to claim representation on a board from a geographical standpoint, as representing any particular geographical section of the country.

I believe that the purpose of the law is to require that members of the Commission be selected in such a way as not to represent the great mass of the people, but to represent the various zones and the interests in the various zones. I think the Senator has placed his finger on a very important point and one to which we as Members of the Senate should pay more attention in the future as it becomes our duty from time to time to give the advice and consent of the Senate, as provided by the Constitution, to the appointment of members of various commissions.

Mr. JOHNSTON of South Carolina. I am glad to have the observation of the Senator from Tennessee. It is true that a man coming from a certain territory of the United States will naturally know the conditions of the area from which he comes, and will naturally look after that section. That is nothing but human nature. The element of human nature enters into everything we do in life.

Coming back to the crap-shooting convention, with four representatives out of seven from the official territory, the record shows that in every Nationwide meeting to fix rates the South is helpless and in a hopeless minority.

The South, acting through Georgia, has filed suits. It was slow in getting around to it, but it finally did. Now the railroads want us to pull the rug out from under the feet of Georgia on the very eve of victory.

I think we should respect Georgia; and I think we should respect the Supreme Court and allow the case to go on to final decision. That is the only thing I am asking for. There is no need for this hasty legislation. As I previously stated, our Department of Justice has said that it will not initiate any more antitrust suits pending the decision of the Georgia case and the decision in the Nebraska case.

Suppose a bill had been introduced to pull the rug out from under the Attorney General on the eve of the Court's decision in the John L. Lewis case. The Senate would have risen in arms. Every newspaper in the United States would have had emblazoned in its headlines the news that the United States Senate had endeavored to stop the suit which the Attorney General had brought against John L. Lewis. Why is it that the newspapers are not carrying big headlines to the effect that the Congress of the United States is undertaking to throw the case of the State of Georgia and the Nebraska case out of the courts? I shall tell the Senate why. Corporations with capitalization totaling $23,000,000,000 are interwoven with big business, newspapers, and other enterprises.

The Association of American Railroads, as shown on page 677 of the hearings on Senate bill 942, boasts that it imposed on the American people costs in "large figures" by persuading the western railroads not to establish grain transit privileges at cities in the Midwest. Senators from Western and Midwestern States should listen to this. A transit privilege on grain is something which is indispensable to a city if it is to have a thriving grain, milling, flour, or cereal industry. This privilege simply means that grain may move from the farms to the city, be unloaded in the city, and processed into flour, cereals, or some other grain product in the city, and that the flour, cereals, or other grain products may be reloaded in the city and moved by rail to final destination where the processed commodity is used or consumed—all on a low through rate from farm to final consuming point, this low rate being much lower than the rate on the grain without the transit privilege to the city plus the rate on the processed article from the city to the consuming point.

The Association of American Railroads boasts that it prevented midwestern cities from getting this opportunity and that the AAR's action in that regard prevented the railroads from losing money in "large figures," which is just another way of saying that the AAR cost the American people money in "large figures." The contention is that the AAR violated the Sherman Act through this persuasion. If we pass the pending bill the railroads will be immune from prosecution under the antitrust laws.

Then the Association of American Railroads want immunity to persuade more and more all the States.

The Association of American Railroads, as shown on page 677 of the record on S. 942, boasted that it persuaded the railroads serving the city of Chicago to cast a burden on the American people, especially the farmers and stock raisers, of at least $1,000,000 per annum. It is there shown that the railroads serving Chicago wanted to pay the cost or part of the cost of loading and unloading livestock at the union stockyards in Chicago—services theretofore paid for by the owner of the livestock.

Then the Association of American Railroads boasts that, but for its action in stopping this practice of the railroads' paying for loading and unloading at Chicago, the practice would have been extended to all markets in western territory.

When the Association of American Railroads did this persuading job it violated the Sherman Act; and it wants immunity further to stop individual railroads from doing things of benefit to the American people, which Congress has said the individual railroads should have a perfect legal right to do. Congress never at any time or place authorized the Association of American Railroads to persuade individual railroads from aiding American farmers and stock raisers.

Mind you, Mr. President, these individual railroads wanted to do that, but the Association of American Railroads said, "You must not do it." Yes, they persuaded them to make it cost the people, for the handling of livestock, a million dollars annually.

The Association of American Railroads, as shown on page 677 of the record on S. 942, boasted that it had persuaded southwestern railroads to change their rates on grain moving from the Southwest to Memphis in such a way that, but for the change, there would have been a saving to the American people through reductions of 40 cents per ton on all grain moving from the West into the South, including South Carolina, and on all grain moving from northwestern Pennsylvania, Ohio, Michigan, Indiana, and Illinois into the South, including South Carolina.

The Association of American Railroads there boasted that this persuasion resulted in casting burdens on the people amounting to a large sum of money.

The Association of American Railroads then and there violated the Sherman Act. Now it wants immunity from that act, so as to be able to repeatedly cast these financial burdens on the South, its people, and its industry. I solemnly protest. Mr. President, I point out that the West is in a position similar to that of the South, and the West must take equal care. If the West is not careful, it will suddenly find that it, too, has been hurt.

Mr. President, I am reminded of a story about an incident in the First World War. It seems that a colored boy from the South was in a hand-to-hand fight with

a German. They had disarmed each other, and were fighting with their fists. All of a sudden the colored boy remembered that he had an old straight razor in his pocket. So he drew it out and made a slash at the throat of the German. The German jumped back and said, "Ach, you didn't touch me." The colored boy said, "Just wait until you turn your head."

Mr. President, I say the same is true of the West. When the West turns from tilling the soil to trying to manufacture goods, it will find that its throat is cut from ear to ear; it will find that it is powerless because of the freight-rate barriers that have been built up, beneficial to the official territory. I say to all those from the West that if they do not take steps to prevent that situation from developing, they will suddenly wake up and find that they are confronted with it. The South finally woke up; and we in the South started fighting for our rights. Now, when we are beginning to make progress in the courts, the railroads come to the Congress of the United States and say, "You should give the railroads immunity from the antitrust laws, in order that they may continue to impose discriminatory freight rates in the United States." Mr. President, that is what it amounts to. We are facing a serious situation today.

As shown at page 677 of the hearings on Senate bill 942, the Association of American Railroads boasted that it had persuaded the railroads in the Southwest and in the Midwest to raise the rates on furniture. Mr. President, let us think seriously of the veteran who, after having walked in the shadow of the valley of death, not for money, but for his country's sake, now wonders why he and his bride have to pay so much for furniture.

Following that boast, the Association of American Railroads further boasted that, but for its action in telling the southwestern and midwestern railroads to raise furniture rates, the railroads in the East and in the South, including those in South Carolina, would have reduced their rates on furniture. They were willing to do it, but the Association of American Railroads would not let them do it. Mr. President, such action is in violation of the Sherman Antitrust Act, and now the railroads want immunity from it, by means of the enactment of this bill.

Mr. President, to the crippled veterans, some of whom perhaps have wounds still unhealed, to the veteran who today is seeking to furnish his little home with furniture, and is confronted with the necessity of purchasing high-priced furniture, I offer the consolation that his Government, acting through the Department of Justice, has sued those responsible for the star-chamber proceedings which resulted in raising the rates on furniture, and thereby raising the price of furniture.

However, it must be discouraging to the veterans to know that a determined effort is being made to stop the suits which the Department of Justice has instituted to get relief for the people, as against those in high places who, without notice or hearing, persuade others to do things which burden the people. Again they are coming to the Congress of the United States; and today, under this bill, they seek to obtain immunity for their actions in violation of the antitrust laws. Mr. President, is that justice? If it is, then let this bill be passed. But I do not believe it is justice.

As a southerner and a Senator and an American, I resent another of the boasts of the Association of American Railroads, as shown at page 677 of the hearings on Senate bill 942. Mr. President, everything is to be found in the records and in the hearings. The boast on the part of the Association of American Railroads to which I now refer increases my resentment against this bill. At that point in the hearings it is shown that the Association of American Railroads boasted that, through its efforts, the rates on vegetable oils moving from Gulf and South Atlantic ports, which include the ports in South Carolina, were increased from 3 to 6 cents a hundred pounds; and the Association of American Railroads again boasted that, but for its success in casting that burden on the people, the rates on vegetable oils moving from North Atlantic ports would have been reduced. Then the Association of American Railroads remembered, while speaking of vegetable oils, to boast that it also worked out a "substantial increase in the rates on domestic vegetable oils." All those things were done although the railroads were willing to lower the rates. But the Association of American Railroads had the rates increased, in violation of the antitrust laws of the United States. Now they seek to have the Congress help them. Today they are in the courts, and there they are charged with violation of the antitrust laws. But by this bill they would have the Congress give them immunity from such suits against them. Under these circumstances, Mr. President, why are not all Members of Congress opposed to the proposed legislation?

Please note, Mr. President, that I am making these points in order. The Association of American Railroads further boasted, as shown at page 677 of the hearings on Senate bill 942, that although the southern and southwestern railroads tried to reduce the rates on paper and pulpboard moving from the South and the Southwest to northern markets—just think of that, Mr. President—the Association of American Railroads put a stop to that, and adjusted the matter "by increasing by 10 percent the level of rates which had been proposed by the southern and southwestern carriers." That was a violation of law, but we are asked to put our blessing on such violations by passing the pending bill, and giving the roads immunity from the antitrust laws in the United States.

On the same page the Association of American Railroads boasts that when the Interstate Commerce Commission granted a general increase in rates effective as of a certain date the association went into action and arranged to have those increases take effect 15 days earlier than the date named as the effective date in the ICC's order; and while talking big about its activities regarding those increases the Association of American Railroads calls attention to the fact that, in cases where the increases brought about a situation where there had to be either a lowering or raising of some rates in order to restore relationships among rates which had been disturbed by the increases, it, the Association of American Railroads, ordered that the relationships be restored "by increases rather than reductions."

Yet they tell us that the ICC can prevent the private government headed by the Association of American Railroads from injuring the people. Here we see the Association of American Railroads boasting about its activities involving millions to be paid by the people carried on not only under the nose of the Commission but in connection with the effectiveness and application of the ICC's very orders.

There is need for the Interstate Commerce Commission, but there is also need that we keep the railroads under the antitrust laws. There is a place for both. The ICC is in no position to handle all the cases which will come before it. It would have to increase its staff tenfold, and can we imagine a Republican Congress giving the necessary funds to increase it to that extent when they are cutting appropriations for everything?

Mr. President, the West is going to suffer cuts in appropriations for conservation, for development of power, for flood control, and for irrigation.

This great Nation of ours needs to work as a unit. We need to develop our West. The South needs further development. But is it right for us to think in terms of sections when it comes to freight rates? Should we have three different sections of the United States? Should we be divided, having different rates in different sections, the official territory having control of all the rates, what will be charged in the other sections of the United States?

The only protection we have now against manipulation is the antitrust laws. Pass this bill, and there will be no protection for those who live outside the official territory.

On the same page the Association of American Railroads brags that it secured "an increase in the rates on rice"; and further brags that this increase was brought about through "cooperation between the common-carrier barge lines operating on the inland waterways and the competing rail lines."

In other words, Congress fixed the national transportation policy to the effect that the inherent advantages of cheap water transportation carried on as a result of tremendous public expenditures in improvement of inland waterways should be preserved to the people; yet, here we see the Association of American Railroads, under the very nose of the Commission, bringing about meetings between rail and river carriers at which the rates on rice moving either by rail or water were rigged in such fashion as to burden the people, and, without doubt, to take from them the benefits of cheap water transportation.

Under the pending bill this practice will continue with immunity, and the will of Congress will continue to be defeated and set aside.

On the same page there is bold, clear, flagrant evidence that the Association of American Railroads placed its cold monopolistic hand upon the South's greatest resource, cotton.

The statement there shown is the mere brief brag and statement and the bold boast that the Association of American Railroads secured an advance in the cotton rates in both southwestern and southern territories.

For such effrontery and for such clear violations of the law, these people have been sued, not indicted. Shall we pass this bill and turn them loose, with immunity to repeat such acts as this against the South's most basic industry, cotton?

Congress had said that the southern and southwestern cotton rates should be fixed by southern and southwestern roads, without help or suggestions from an intimidating and coercing Association of American Railroads, which is dominated by the Pennsylvania Railroad and its eastern and industrial allies, and which operates under a written constitution and bylaws called the Pennsylvania plan. That Pennsylvania plan means much. Through it, the cards have all been stacked against the South and West.

I do not want our cotton rates fixed under the Pennsylvania plan. I want them fixed under the congressional plan, by killing the pending bill and allowing the antitrust laws to operate wherever a violation takes place.

In the record on S. 942, at page 677, the Association of American Railroads boasts that it burdened the people in the field of rates on soda products. It is there stated that the Association of American Railroads rigged a deal between railroads in the North and the railroads in the Southwest under which there would be "cooperative handling—between those two groups of roads—of this rate adjustments" and under which unlawful deal there would be no competition in rates among producers of soda products in the North and soda products in the Southwest, again violating the antitrust laws. The pending bill would afford immunity for such practices.

On the same page the AAR boasts that it had been busy on the rates on fruits and vegetables and had rigged a plan under which the railroads would collect more money from the people than they had theretofore collected.

And then a boast is written out on the same page to the effect that the AAR had persuaded southern railroads not to reduce rates on citrus fruit. And then the boast goes on to say that, if the southern roads had made the reduction, as they wished, there would have been reductions on citrus fruit moving from Texas and California. The boast concludes by saying, in effect, that this persuasion carried on under the Pennsylvania plan cost the American people "well over $1,000,000 per annum."

Finally, the boast adds insult to injury by the statement that the AAR "assisted in forestalling a demand on the part of Florida and Texas shippers for an emergency reduction in rates on grapefruit which would have represented a large loss in revenue."

Shippers of grapefruit in Florida and Texas—farmers—were in a crisis and emergency. They were thinking of demanding reductions in rates on their crops. The Association of American Railroads stopped them from even making the demand—the AAR forestalled the demand.

Have Senators had enough? I will give them some more. I like to do so in the words of the railroads themselves, because if I say it, I am told that I cannot understand it, and that I am mistaken about it. I give it from their own words. That is what I have tried to do.

On page 678 of the S. 942 record the Association of American Railroads boasts that it set aside a portion of a law passed by the Congress in 1935.

In 1935 the Congress passed an act saying that any railroad, if it so desired, could make joint rates with trucks.

The AAR immediately passed a private law saying that no railroad would make joint rates with trucks. It then boasts, saying:

> AAR has been instrumental in having a policy adopted by the individual railroads not to make joint rates with trucking companies, the result of which has saved a considerable sum of money to the railroad industry.

That is a quotation from their testimony in the record. Have Senators had enough to convince them that the railroads should not be given immunity?

I will give some more based on an AAR boast on page 678 of S. 942. The quotations I am giving may be verified by anyone desiring to do so. It is there shown that the AAR "induced" southwestern lines to refrain from establishing transit arrangements on cotton—that is, low through rates from the farm to final destination with intermediate stops for storage, processing, and the like.

The AAR then boasts that if the southwestern lines had established these rates, there would have been similar aid to the people of the Southeast, inclusive of South Carolina, "which would have cost the railroads considerable money."

The AAR, as shown on the same page, admits that some eastern railroads, as they had a right to do, wanted to quit making wharfage charges on coal, but that the AAR persuaded them not to do it; and then says "which if done would have required similar action on the part of southern lines and would have represented a considerable loss in revenue."

That, again, violates the Sherman antitrust law. The pending bill gives them immunity from the Sherman antitrust law. That is what they want. Do Senators want to give them that immunity? Senators may give them immunity, or withhold it, by voting "yea" or "nay" upon the pending bill.

And, on the same page, the AAR brags that when the ICC hands down an order which is permissive in its nature and which may be complied with by an individual railroad either by the railroads making money concessions to its customers or by further burdening its customers, the AAR went into action and "induced individual lines and groups of lines to comply with orders of the ICC constructively," which meant, so the brag says in effect, that the railroads got more money "than otherwise would have been received"—always raising the rates, not lowering them.

So, we see that "permissive" acts of Congress are set aside, and "permissive" orders of the ICC are set aside by the private government known as the AAR.

It is shown that the AAR admits that it has infiltrated itself not only into the Commission, but into shipper groups and shipper organizations with the result that extra burdens have been placed upon the people. On page 678 of the record on S. 942 the AAR says, in effect, that there are times when railroads file high and increased rates with the ICC, and the AAR becomes fearful that some other railroad or someone with an interest will ask that the high rates be suspended and investigated. The AAR brags that the AAR infiltrates itself and prevents such a thing from happening. The boast is that the AAR has assisted "in avoiding suspension of increased rates by the ICC."

Yet we are told that the ICC will approve these private rate-making organizations and thereafter prevent them from raiding the people.

On the same page it is shown that the AAR has really infiltrated itself into shipper groups, such as, I assume, the NIT League and the Shippers' Advisory Boards. Those groups favor the bill. It is boasted on page 678 that the AAR had conferred with shipper groups and had obtained, as a result of the conferences, "higher rates with the retention of traffic than the shippers were originally demanding."

Shippers do not care how high the rate is so long as the rates of competitors are just as high.

Of course, the consumers were not present at the rate rigging meetings between the shipper groups and the AAR at which burdens were placed on the people.

Let us assume there are 10,000,000 shippers. There are some 140,000,000 people in the Nation. Therefore 130,000,000 people had no notice or hearing at the rate-raising meetings between the AAR and the shipper groups. But the 130,000,000 pay the burdens rigged up at these rate-raising conventions composed of delegates from the AAR and the NIT League and other shipper groups.

Between pages 1703 and 1726 of the record on H. R. 2536 appears a story in the words of the AAR and its co-conspirators about how and why the sharecroppers and other citizens of the South have to pay such a high price for gasoline to run their motor vehicles. It is there shown that—

(a) The major oil companies do not ship gasoline from Texas, Louisiana, Oklahoma, and Arkansas into the Old South over the railroads.

(b) Instead, the major oil companies use their own ships and boats to move Texas, Louisiana, Oklahoma, and Arkansas gasoline from the mouth of the Mississippi River through the Gulf of Mexico on up the east Atlantic coast to ports and unloading places on the Atlantic coast of the Old South. They also move Texas, Louisiana, Oklahoma, and

Arkansas gasoline northward up the Mississippi and Ohio Rivers, dropping it off at facilities which the major oil companies maintain along those rivers.

(c) The Old South then gets its gasoline by trucks operated and owned by the majors from these places where the majors have unloaded it from the boats onto the banks of the Mississippi and Ohio Rivers and onto the shores of the Atlantic coast of the Old South.

(d) Obviously, this gives the majors a monopoly on the sale of gasoline in the Old South, undisturbed by sales in the Old South by small independent gasoline producers in Texas, Louisiana, Oklahoma, and Arkansas unless those independents can get low rail rates from Texas, Louisiana, Oklahoma, and Arkansas.

(e) The AAR and the majors have been busy ousting the independents from markets in the old South. How did they keep busy on this job?

First. The AAR and the majors have been together on a scheme to make the gasoline rates from Texas, Louisiana, Oklahoma, and Arkansas into the old South sky high.

Second. What was the benefit to the AAR from this scheme? Very simple. The majors were to ship gasoline solely by rail, and not by truck, from the storage tanks on the Atlantic seacoast into the interior of the old South and were to ship gasoline from storage places on the banks of the Mississippi and Ohio Rivers into the interior of the old South by rail and not by truck.

Third. What benefit were the majors to get out of a gasoline rate wall between the old South and the Southwest? Very plain and simple.

(a) The wall kept the little gasoline men in Texas, Louisiana, Oklahoma, and Arkansas, who did not own boats, out of the old South; and

(b) It boosted the sale price of gasoline in the old South because the majors sell gasoline, which comes to the old South by boat, in the old South at so much per gallon plus the rail rate from certain points in the Southwest, such as El Dorado, Ark.

I do not want these activities taken out from under the antitrust laws. I believe that if we pass this bill the South and the West will both suffer because of it. The question of freight rates is so important that if I were given the simple power to fix rates according to my own whims and notions, without any national standard of regulation, I could make or break any community. With this bill in my hands I could make or break any city, county, or State, or any section of this Nation.

The present inequality of freight rates in the United States is the result of unnatural manipulation, and is the result of a plan of control which punishes the South and the West, and is designed to establish and maintain industrial supremacy in the North and in the East. This unjust discrimination has created an industrial and economic empire in the northeastern section of the United States, while the industrial agencies of the South and West have been restricted, retarded, and not allowed free development.

As I have said, in November 1934, the question of discrimination was brought to the attention of the public at a southern Governors' conference held in Atlanta, Ga. It was not until November 22, 1939, that we received any relief whatever. That relief came through the Commodity Rate case. This was only a faint ray of hope. Another case originating in the South, which went its rounds after 1939, was decided by the Supreme Court only a few weeks ago. The decision in that case made mandatory a reduction of 10 percent in certain class freight rates in the South, and an increase of 10 percent in the official territory. It was the Supreme Court which offered that ray of hope. We want the courts still to be allowed to intervene if injustice is done to any section of the United States or to any person in this great Nation of ours.

In my study of this question I have found a cleverly conceived scheme in which industrial leaders in the field of transportation have conspired to center industrial control in the East. In order to perpetuate this control they have imposed on the South and the West freight-rate differentials. This system has restrained industrial development in the South and West, and will continue to do so. It has made possible the maintenance of an industrial empire in the East, and will continue to do so. Today this empire has grown so large that it has almost secured itself against competitive challenge. Knowingly and unknowingly, the Interstate Commerce Commission has aided and abetted this eastern industrial empire known as the official territory.

The plan has been to establish high shipping rates on goods manufactured in the South, and lower shipping rates on raw and semiraw materials shipped from the South, thus providing a twofold advantage to the East. Can any reasonable person say that that is fair?

The discrimination against the South and the West in connection with freight rates arises primarily from decisions of the Interstate Commerce Commission. The Interstate Commerce Commission has placed on similar traffic in the two territories, mile for mile, a higher rate for the southern than for the northern traffic. It seems that we have a long way to go in order to obtain economic freedom for our Nation when a board of American citizens vested with such power differentiates between sections of our Nation. How can we say that we are one Nation, undivided, so long as we continue to have differentials in our freight rates?

The present class rate structure in the North and in the South was promulgated nearly 20 years ago by the Interstate Commerce Commission. Under present economic conditions it discriminates against the West and the South in many ways. For example:

First. Shipping rates on many manufactured articles are higher within the South and West than within the North or the East.

Second. Shipping rates on manufactured articles are higher from the South and West to the North than are established rates within the North for the same articles.

Third. Rates on many manufactured articles are lower from the North to the South and West than the shipping rates from the South or the West.

To give an illustration, a carload of furniture, minimum weight 12,000 pounds, shipped from Sumter, S. C., to South Bend, Ind., 817 miles, is rated at $1.23, while the same amount of furniture from Gardner, Mass., to any given point is $1.05.

I could give many similar illustrations; but a study shows that mile for mile, rates from the southern mills are higher than from the northern mills.

Cotton clothing is a commodity which is manufactured at numerous points in the South and in the North. It is sold generally throughout the country. There are many manufacturers of cotton cloth located in Nashville, Tenn., and Columbus, Ohio. Yet, if the Columbus, Ohio, manufacturers want to ship their cloth to Raleigh, N. C., a distance of 581 miles, the rate is $1.06 per hundred pounds. If the same amount of cotton cloth be shipped from Nashville, Tenn., a distance of 581 miles, to Raleigh, N. C., the rate is $1.32 per hundred pounds.

Southern manufacturers cannot expect to be able to market their products in the North in competition with manufacturers located in that section unless the rates from the South equal the rate level within the northern section.

This becomes more significant when we recognize that the southern shippers generally have a longer haul with a higher rate per hundred pounds. In some instances competitive considerations require a northern level of rates wholly within the South. This is conceded even by the southern railroads which make the claim that competitive rates are provided if necessary. This claim is, of course, untrue, and will be referred to a little later on in my speech. It is sufficient to say that the discriminatory character of the class rate structure in the South and between the South and the North is repugnant to the full economic development of the South and should be set right. What is true of the South is also true of the West, to a very large extent.

It is significant when one knows that in the past the Interstate Commerce Commission, when reviewing instances wherein this situation was the reverse, that is, that the South had the lowest rates required, that the rates be brought up to the level of the higher northern rates, and sometimes they were made higher. This was true with respect to the readjustment of the rates on such important southern products as cast-iron pipe, marble, granite, and textiles.

The Southern Governors' Conference has consistently adhered to the position that in seeking a parity of class rates with the North there was no intention of impairing the financial position of the southern railroads, but the crux of the whole matter is that if given equal rates, mile for mile, the South and the West would have an equal opportunity in affording industries a place within their borders. But it is now a known fact that industries settle almost wholly with-

in the North and the East because of the low freight rates.

It is not my intention, nor that of the southern governors, to bring financial ruin to the railroads or the industries of the East. It is our intention to bring about only fair rates so that every section will have an equal opportunity of having industries established within them.

This imaginary line is a strange thing. It does not divide the rich railroads from the poor railroads; it does not divide railroads having a heavy density of traffic from those having little traffic; it does not divide railroads having higher overhead costs from those having lower costs of operation; in fact, there seems to be on the surface no justification or reason for a line separating two large geographical sections of the country and maintaining higher rates in one section and lower rates in the other.

The South and the West will not have released themselves from the shackles of bondage until this imaginary line is abolished and the North, East, South and West are merged into one common structure.

We are not asking for any special favors; we are not petitioning for any relief. The suits which are now pending in court ask only for justice and equality to all sections of our Nation.

The South and West regard with pride the great cities of the East. We are happy to see our great cities thrive; but we do not feel that one section should succeed at the expense of another section. The South and the West realize that they are far removed from the great cities of the East, but our sections do not ask for any advantage over the East in carrying products to markets, nor do the South and the West seek to have a handicap over the East, but we do demand the right to have equal treatment and equal opportunity so that we may market our goods in these areas on the basis of rates which are no higher for similar distances than those which prevail in the North.

We can not see why a railroad which runs in both the North and the South should have rates different when it hits the South. I once asked why it was they charged more to ship back to the North some manufactured goods made in the North, when we did not like them, than it cost to ship the goods down to us. That question has not yet been answered. It involves the same goods on the same road, and it costs more to ship them back than to ship them to the South. I should like to have someone analyze that situation.

National solidarity today is imperative, but it cannot be achieved unless there is fair play on the part of Government commissions and bureaus in Washington. The North at one time fought a war against the South to erase sectionalism, but it seems now that sectionalism has been promulgated by the North through boards and commissions which set up imaginary lines which result in rate discrimination. We are demanding fair treatment for the entire world, but right here in America we have yet to achieve economic freedom, because of discriminatory freight rates. Some have been asked to explain the reason for a difference in freight rates, but up to the present time there has been no explanation. The Interstate Commerce Commission does not deny that this situation exists.

Let me say again that the Supreme Court has within the past month stated that there is discrimination between the North and the South, and it is demanding that the rates be increased on certain classes of commodities 10 percent in the North and reduced 10 percent in the South. Our Supreme Court has spoken. We want it to continue to speak.

The northern railroads do not deny the existence of discriminatory freight rates. The southern railroads do not deny the situation. Yet no one has found a sensible reason for its existence. Someone has suggested that it may cost less to transport marketable goods from the North to the South because it takes less coal to go down hill. That may be taken for what it is worth. Some have launched the theory that to allow the South and the West equal rates with those of the North would work a hardship on their competitors in the Northeast. But the South and the West are not mercenary in this matter. We ask only for ourselves as a basic and inalienable right, only equality of opportunity, and we will likewise support that right for the North, for the West, for the East, and for the South, and also for every trade area of our common country.

There are also a few southern shippers who support a status quo so to speak. This position appears to be based almost entirely on the form of statements by the railroads that the rates on raw materials of southern origin would necessarily be increased to make up for the loss of revenue which the railroads claim would come about by reductions in the rates on manufactured goods. But this position is not sound, for there is no proof that the rates on southern low-grade raw materials are lower in the South than in the North. They are lower only when they are shipped to the northern manufacturer so that he might compete to a greater advantage with the southern manufacturer. If the freight rate is equal throughout the Nation, the volume of traffic will not remain the same, but there will be development for every area of our country.

The tonnage of the southern railroads in the higher classes of freight traffic has been substantially augmented in recent years by new production in the South of such materials as paper and chemicals. In Charleston, S. C., we have recently developed an industry producing alloys. Such industries have added to the character and volume of traffic transported by the southern railroads. Although in former years the raw materials were shipped to northern markets, which processed manufactured goods out of them, today the same raw materials are being turned into the finished product at Charleston and are shipped throughout the country. The railroads in this case have received more money for the transportation of this finished product. Therefore, a prediction that equal freight rates would cause an increase on raw materials in the South is not justifiable. Equal freight rates would cause such localities which had the raw materials to work with to open industries in their own localities.

For the information of the Senate, Mr. President, let me say that it may be news that on this very day South Carolina is operating 25 percent and North Carolina approximately 25 percent of the active cotton spindles in the United States. Together, those two States have 50 percent of the active cotton spindles in the United States. Only yesterday I was talking to another Senator about this matter. He said that the cotton mills have been moved to the South because of the cheap labor there. Mr. President, it may be that some of the mills have been moved to the South because of the cheap labor there; but I think a geat many of them were taken to the South for other reasons, in addition. I believe that some of them were taken to the South because the mill owners found that taxes there were lower. Others were taken to South Carolina because the mill owners found that if the mills were located there, they would be close to the cottonfields; and, of course, it was obvious that even with the reduced rates, it cost a great deal of money to ship a bale of cotton to the New England States. So the mill owners realized that it was better to process the cotton in the South.

Mr. President, after we in the South began to weave the cotton into cloth, a great many of the experts came from the North and said to us, "You cannot bleach the cloth here, because your water is not of the right kind. It simply does not have the right ingredients. Neither can you have a dye factory here, because the water does not contain the right ingredients." They said such things in an attempt to poison the minds of the people of the South. But today there are bleacheries in North Carolina and in South Carolina, and the water is all right. It has been found that it is suitable for dyeing and also is suitable for the bleacheries.

Mr. President, as we have continued to break down such barriers, more and more mills have been established in the South. That is why I am so much interested in this freight-rate fight, for it means so much to the South. We have the raw materials, and we want them to be processed in the South so that additional employment will be made available to our people. If that is done, the South will no longer be economic problem No. 1 of the Nation, as I have previously stated, but will be advanced to an economic position comparable with that of official territory.

When discussing the rates on in-bound raw materials, the rates on the raw materials which are drawn into the South by southern manufacturers are probably ignored, because in most instances the rates on in-bound raw materials are higher than the rates which are applied when such materials are shipped to northern manufacturers. It is true that raw materials, such as cotton, can be shipped from the South to the North at lower rates than they can be shipped from the North to the South. Even so, today such raw materials are being manufactured into finished products in the

South. When cotton is manufactured into cloth in New England, it can be shipped to the South at rates lower than those which must be paid by southern mill owners when they ship cotton cloth to New England. In other words, Mr. President, it seems that the freight-rate differentials were set up for the purpose of protecting the nothern and eastern manufacturers. There is as much sense in the action of the Interstate Commerce Commission in permitting different rates to be applied to different sections of the country as there would be if the War Department were to allow New England soldiers to receive more pay than soldiers from the South and the West received. If the people of the West have not already gotten busy about these freight rates, I suggest that they do so at once, as I have said before, or some day they will wake up and find themselves in such a position that they will not be able to carry on.

Mr. President, under the freight-rate differential system, it would cost the State of Florida more money to ship a carload of white sand to Massachusetts than it would cost the State of Massachusetts to ship a carload of sand to Florida. In almost every instance the North is favored by the Interstate Commerce Commission.

Numerous southern manufacturers draw a considerable portion of their raw materials from the North; the volume of this traffic is quite large. In most instances the rates on these in-bound raw material and the rates on out-bound manufactured articles are controlled by the official class-rate structure.

A great deal of stress is placed on the fact that in some instances the rates on pig iron are lower in the South than in the North; yet no mention is made of the fact that on merchantable iron, southern manufacturers who compete not only in the South but also in the North, find the rate level higher than the northern rate level. It is significant to note that the southern steel interests centered in Birmingham, Ala., are among those southern industries credited with supporting the southern railroads in this controversial matter. The reason for that can be understood when it is known that this steel industry ships little of its production out of the territory and is a large purveyor of railroad steel. A large portion of its production is sold directly to the railroads; and in order to hold a big customer, they must adopt the customer's viewpoint.

The other important iron production that is centered in the Birmingham area is that of cast-iron pipe, the largest of its type in the Nation. This industry is favored with a northern level of rates east of the Mississippi River. The rates of this important southern product are the same within the South as within the North, and apply equally whether northbound or south-bound. No imaginary line is drawn. There is no discrimination of rates. Originally the rates on this southern product were lower in the South and from the South to the North than were the rates in the North and from the North to the South; but the northern manufacturers complained to the ICC about this situation and the Commission, to satisfy the northern manufacturers, immediately prescribed a uniform level of rates between the two territories on a mileage basis so as to provide equal opportunity of distribution so far as cost of transportation is concerned in regard to cast-iron pipe. This is merely a juggling act of a Commission to satisfy certain northern interests.

There is no explanation why this should not be done in the case of other southern manufactured products. My belief is that the differences in freight rates constitute nothing more than a tariff to protect the eastern manufacturers.

Mr. CHAVEZ. Mr. President, will the Senator yield, to permit me to suggest the absence of a quorum?

Mr. JOHNSTON of South Carolina. I yield.

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

The PRESIDING OFFICER (Mr. HICKENLOOPER in the chair). The clerk will call the roll.

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

Aiken	Hayden	Murray
Ball	Hickenlooper	Myers
Barkley	Hill	O'Conor
Brewster	Hoey	O'Mahoney
Bricker	Holland	Pepper
Bridges	Jenner	Reed
Brooks	Johnson, Colo.	Revercomb
Buck	Johnston, S. C.	Robertson, Va.
Bushfield	Kem	Robertson, Wyo.
Butler	Kilgore	Russell
Byrd	Knowland	Saltonstall
Cain	Langer	Smith
Capper	Lodge	Sparkman
Chavez	Lucas	Stewart
Connally	McCarran	Taft
Cooper	McCarthy	Taylor
Cordon	McClellan	Thomas, Okla.
Donnell	McFarland	Thye
Downey	McGrath	Tobey
Dworshak	McKellar	Tydings
Ecton	McMahon	Umstead
Ellender	Magnuson	Vandenberg
Ferguson	Malone	Wherry
Fulbright	Martin	White
George	Maybank	Wiley
Gurney	Millikin	Williams
Hatch	Moore	Wilson
Hawkes	Morse	Young

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present. The Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I understand that several other Senators desire to debate the bill. That being true, inasmuch as we have already fixed a time for voting, I yield the floor.

ORDER FOR CONSIDERATION OF CALENDAR

Mr. WHERRY. Mr. President, earlier today a unanimous consent request was entered into, that the Senate vote upon the pending bill, together with any motions or amendments offered thereto, at 4 o'clock on Wednesday afternoon, June 18. I stated at that time that debate on the pending bill would continue until it had been concluded. I gave the impression that if debate were concluded before 4 o'clock on Wednesday, there might be a call of the calendar. It was my thought afterward that the Senate might adjourn tonight, in which event there could be a call of the calendar the first thing Monday; but, inasmuch as I had made the statement, prior to the agreement, that the entire time would be used to debate the pending measure, I consider it to be only right that I should ask unanimous consent that the calendar be called on Monday rather than to move an adjournment, in order to have a morning hour on Monday.

I now ask unanimous consent that, when the Senate convenes on Monday, at whatever hour, which hour will be determined when the majority leader moves to recess, the Senate proceed to consider the legislative calendar of bills to which there is no objection.

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

Mr. WHERRY. Yes.

Mr. HILL. In other words, as I understand the request, the Senator asks that, when the Senate convenes on Monday, the unfinished business be temporarily laid aside——

Mr. WHERRY. That is correct.

Mr. HILL. And that the Senate then proceed to the consideration of bills on the legislative calendar to which there is no objection?

Mr. WHERRY. That is correct.

Mr. President, I amend the unanimous-consent request by asking that the call of the legislative calendar begin at the point where the last call of the calendar ended, beginning with Senate bill 482, Order No. 197, on page 7.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request, as amended? The Chair hears none, and without objection, the agreement is entered into.

SHORTAGE OF STEEL SCRAP

Mr. MARTIN. Mr. President, as chairman of the Subcommittee on Steel of the Special Committee To Study the Problems of Small Business there has come to my attention a matter which is so important to the economic life of the Nation that I feel it should be made known to this body.

It has to do with the shortage of steel scrap which will probably force many open-hearth furnaces in Pennsylvania and elsewhere to shut down this fall and winter, creating a further shortage of steel and blocking the efforts of industry to speed up production.

After giving this situation considerable study I have come to the conclusion that it is within the power of the Government to relieve many of the economic ills caused by the lack of steel scrap. This could be accomplished by releasing for industrial use the vast quantity of steel held by the Government which is now serving no useful purpose.

Mr. President, there is much apprehension in Pennsylvania and other steel-producing States concerning the extremely difficult situation which will confront the steel industry in the fall and winter.

The automobile manufacturers and other fabricators of steel products, fighting to speed up production, will again be hard hit by a shortage of steel parts unless some way can be found to maintain the flow of scrap necessary to keep the Nation's open-hearth furnaces in operation.

In the early part of this year many open-hearth furnaces were forced into idleness because of the shortage of scrap. Existing high prices brought improvement in the situation, and the flow of scrap increased sufficiently to meet immediate requirements.

However, with the present consumption rate of approximately 2,000,000 tons every month, there is much question as to how long that flow can be maintained.

Breaking the steel-scrap bottleneck would mean not only more parts for fabricators of automobiles and other goods but also it would strike a sturdy blow against inflation.

It is a truism that the best way to fight inflation is to produce more goods. The converse is likewise true. If we produce less, prices will rise automatically.

Here are a few figures which clearly demonstrate the short supply of scrap. On January 1, 1940, the steel mills and foundries had 3,034,000 gross tons of scrap on hand. Figures at the end of February last showed them with only 1,760,000 tons, while the total supplies held by both dealers and consumers amounted to less than 3,000,000 tons. This was less than half of prewar levels.

The disappearance of much of our scrap stock pile is understandable. Millions of tons went to the bottom of the ocean during the war. Millions of tons were shot at our enemies and could not be recovered. Millions of tons went to our allies in the form of lend-lease armament.

But that is not the answer to the whole problem. Nor does it excuse everything.

Mr. President, the Government has it in its power to cure much of this shortage. The Government has the scrap. But the Government is not making it available.

There are three main Government sources:

First. Damaged Liberty ships, fit for nothing but junking.

Second. Surplus machine tools, which are either obsolete or were made for single war-production purposes, and hence have no current use.

Third. War matériel owned by the Nation which has either been left to rust on foreign beaches or which is under the care of foreign civilian employees of the Army and Navy. May I point out that not only is the steel being wasted, but we are paying people salaries to watch it?

Mr. President, steel may sound like a very dull subject—yes; discussion of steel scrap may even bore some people—but steel furnishes much of the lifeblood of my State of Pennsylvania; steel is the backbone of American production; and steel is the Nation's first line of defense in time of trouble.

Some of our greatest sources of iron ore are largely used up. The scrap steel which may have been expendable 25 years ago is vital to us today. We may suddenly awaken to find ourselves a have-not nation in one of the most precious of all resources.

Some time ago an order was issued that our ships, returning in ballast from foreign voyages, should use surplus war goods as ballast. I understand that this was done for a short time, and some machinery was brought back. Then the whole thing was dropped. Perhaps somebody could not be bothered.

Certainly steel scrap was never returned. It was claimed it would cost too much to ballast our vessels with steel from tanks and cannon. So the stuff is still overseas and we are still paying civilian employees of the Army and Navy to keep an eye on it.

Mr. President, when I think of the importance of steel in our economy and in our national defense, and when I consider the shortage of scrap for our mills, it seems to me it will be far more expensive not to return the available steel from abroad than to bring it back. Indeed, the cost of a newly inflated price, due to scarcity of commodities, is probably much greater than the cost of returning this vital metal as ballast.

I understand Mr. John R. Steelman pressed the scrapping of certain useless Liberty ships, but that this campaign has bogged down.

The third source of surplus is in this country. I have reports of thousands of tons of worthless machines and machine tools which should be sold and added to the pile of scrap. The Government pays heavy rental for warehousing this obsolete machinery. Here is a way to help production and at the same time save money for Uncle Sam.

And here is still another way to economize: Figures of the Byrd economy committee disclose about 48,000 employees on the pay roll of the War Assets Administration. Numerically that is more than three full Army divisions. I wonder how many of them are watching and guarding this worthless machinery. Scrap the machines and we can reduce the pay rolls.

Finally, there is the matter of great quantities of metal in this country which the armed forces have not yet declared surplus. To give an example, tanks have not been put on the surplus list. Admitting that some are needed for training, there must be thousands of tons of them which could be scrapped now. Certainly they will be obsolete before another war.

Mr. President and Members of the Senate, we will do an honest service to our country if we can get all these millions of tons of steel out of the drone class and into the worker class.

AMENDMENT OF INTERSTATE COMMERCE ACT WITH RESPECT TO CERTAIN AGREEMENTS BETWEEN CARRIERS

The Senate resumed the consideration of the bill (S. 110) to amend the Interstate Commerce Act with respect to certain agreements between carriers.

Mr. SPARKMAN. Mr. President, I should like to support legislation which would be helpful to the railroads. I am opposed to the pending bill, and, therefore, that statement may sound inconsistent. However, it is not.

I can remember from the earliest days of my childhood the important part that railroading played in my section of the country and among my own people. I remember that the lands next to where we lived belonged to the railroad—even lands that had been granted to the railroad by the Federal Government to assist in building the road. We children could hear the various trains whistle. We lived within 3 miles of the railroad. Early in our lives we learned the times when those trains were due, and we could almost distinguish them by the sound of their respective whistles. I worked for that same railroad when I was a young man. Today my only brother is an employee of the railroad. I believe that the railroads constitute one of the most important segments of the industrial backbone of this country, and I would not do anything that I felt was harmful to a healthy railroad condition.

Two or three years ago, while I was a Member of the House, I remember that some of my very best friends came to me and talked to me about the Bulwinkle bill. At that time I did not know what the Bulwinkle bill was. They knew what it was before it had ever been introduced. The first thing I knew about it was when they came to me and talked to me about it. I remember saying to them then that I would study the bill carefully, and if I found that it did not deprive the people of the country of rightful protection under the antitrust laws and other laws, and did not deprive them of the right to come in at any suitable time and question the reasonableness of rates, then I would feel inclined to support the legislation; otherwise I would not. I made that statement very frankly.

I was assured from time to time that the legislation would not take away from the people those particular rights, but later, when the Bulwinkle bill came to the floor of the House and I studied it, I came to the conclusion that there was no escape from the conclusion that the people of the country would be deprived of those rights. Therefore, I voted against the bill when it came up on the floor of the House. Only approximately 45 Members voted against it.

When the bill was introduced this year we began to receive mail about the Reed bill, Senate bill 110. I looked it up, and I found that it was the Bulwinkle bill under another name. Again I stated my objections to the bill. I was assured from time to time that those objections have been removed. I admit that some of the objections to the original Bulwinkle bill do not apply to this bill; but the great basic objection to it is still present. By this bill we would allow a great part of American industry and American economic life to operate in its field to a great extent without any protection to the citizens of the country under laws which Congress has enacted from time to time. I refer to the antitrust laws, which were enacted for the purpose of giving to citizens protection against monopoly and restraint of trade.

The Senator from New Hampshire [Mr. TOBEY] has filed extremely able minority views on the bill. As I understand, the Senator from South Carolina [Mr. JOHNSTON] joins in those minority views. If I correctly remember, in the last Congress other Senators joined in the minority views. I found those views so interesting that I started to study the bill more carefully. I have obtained material relating to the various parts of the report spelling out those things offered as valid objections to the

bill, which would exempt from the antitrust laws the various transportation agencies subject to regulation by the ICC, including railroads, motor carriers, water carriers, pipe lines, and freight forwarders.

The minority report states:

The obvious purpose of the bill is to deprive the courts of jurisdiction in pending cases instituted by the Department of Justice and the State of Georgia. The Department of Justice, in a suit at Lincoln, Nebr., under the Sherman Act, is seeking to enjoin powerful combination of railroads, railroad associations, and bankers from fixing arbitrary and discriminatory freight rates, limiting railroad services, suppressing improvements in railroad equipment and facilities, and preventing the development of modes of transportation competitive with the railroads.

The case is styled United States against Association of American Railroads, Western Association of Railway Executives, et al., and is popularly known as the Western Railroad case. I propose to tell the Senate what the Western case is about and why the railroads are so anxious to have it taken from the courts by this legislation.

The case was filed in August 1944 and the Government put in its evidence on April 23, 1947. As I understand, the railroads have until October to make their answer to the contention which the Government has sought to establish by the evidence which it ha placed in the record.

The United States has brought a variety of charges against the defendants, for violation of the antitrust laws, chief of which are the Association of American railroads, many of the railroads west of the Mississippi River, and two of the largest banking houses, Morgan and Kuhn, Loeb & Co. Named as coconspirators are railroads in other sections of the country, the Nation-wide net work of railroad rate bureaus, large oil companies, steel companies, other railroad organizations, and a number of individuals.

The Government charges the railroad combination with concert of action and continuing agreement to charge higher freight rates and passenger fares in the West than in the East; to prevent western railroads from granting rate reductions; to fix rates for movement of petroleum and its products both by rail and pipe line at noncompetitive levels; to withhold expedited freight and passenger service which some rail lines wanted and were able to render but for the illegal combination; to prevent the construction of spur tracks for shippers and receivers of freight in the West; to prevent the building of loading sheds for western shippers; to withhold from use improved transportation equipment and facilities; to delay and prevent the installation and use of air-conditioning equipment; to prohibit the installation of recreational equipment on passenger trains; to lessen competition by restricting the individual rail lines' right to advertise and to solicit business; and to hinder the development of motor vehicle and other modes of transportation competitive with the railroads.

Mr. President, just at this point I should like to say that the great argument which has been made by the proponents of this legislation has been that if this bill is enacted into law the railroads then will be able. through their various committees and rate bureaus, to continue to do exactly what they have been doing. That is true. This legislation will permit that. Then they go further and say that it is necessary for us to have these bureaus and committees in order to confer among themselves as to what a fair rate should be. I agree that railroads ought to have the right to confer with reference to what rates ought to be, but we fool ourselves when we limit the scope of this legislation simply to some conferences among the railroads as to what rates ought to be. The list of charges which the Government has filed against railroad combinations and outfits illustrates the wide scope of activities in which these boards and bureaus are engaged. So they do not limit their activities merely to a discussion of what would be fair and reasonable rates.

To carry out these offenses the railroads are charged with using as instrumentalities the Western Association of Railway Executives, the Association of American Railroads, and the commissioner plan, western district, in addition to the regular railroad rate-making machinery.

The commissioner plan of operation was established, it is charged, under the so-called western agreement, effective in 1932, administered by a Western Commissioner. According to the Government's complaint, the Western Commissioner considered controversies arising when a railroad, party to the agreement, desired to establish lower rates or inaugurate improved service or facilities, and any other party to the agreement protested against such changes. Under the terms of the western agreement, the changes could not be put into effect until after notification to all parties to the agreement, and in case of protest the matter was referred to the commissioner, until after formulation of a proposed solution of the controversy by the Western Commissioner. Further, in the event that the commissioner's proposed solution was not accepted, the matter was referred by him to a committee of directors, which caused the proponent of change to adopt a course of conduct satisfactory to the directors.

J. P. Morgan & Co., and its affiliates, and Kuhn, Loeb & Co., the charge states, are represented on the committee of directors established by the western agreement and take part in the collusive fixing of noncompetitive rates and elimination of competition by collaborating with other members of the committee to coerce officials of the defendant western railroads to refrain from making effective reductions of rates and improvement in services and facilities in the western portion of the United States.

It is interesting to note that although the western agreement became effective in December 1932, it was not filed with the Interstate Commerce Commission, as required by law of such an agreement, until April 1943, 11 years after it went into effect and after—bear in mind—the Department of Justice had requested a copy of the agreement. In other words, after the Department of Justice had started investigating the matter the agreement was filed in accordance with law, 11 years late. It is even more interesting that the parties to the agreement claimed to have canceled it shortly thereafter in the same month.

Measured by the breadth of the charges, financial resources of the defendants, and the size of the geographical area involved, the case against the western railroads is probably the largest antitrust suit in history. If a decision favorable to the Government is forthcoming in the case, it will no doubt result in changes in the pattern of railroad freight rates in the South and West.

The railroads have been neither silent nor idle in the face of the antitrust suits brought by the State of Georgia and the Federal Government. Their innocence has been loudly proclaimed by every device available to a group with great financial resources. Quite at variance with the charges against them, the railroads claim that the rate bureaus are merely "forums" devoted exclusively to discussion of ways and means to avoid violations of the Interstate Commerce Act. The acts charged, so the railroads aver, were performed in order to conform to the Interstate Commerce Act and with knowledge and approval of the Interstate Commerce Commission. It is also asserted that "a small clique" in the Antitrust Division of the Department of Justice, in an unrealistic way is endeavoring to substitute regulation under the antitrust laws for regulation by the Interstate Commerce Commission. In the nature of a counteroffensive is the assertion that the Department of Justice is endeavoring to obliterate all rate bureaus, which it is claimed would bring "chaos and confusion" to the field of transportation with shippers being forced to deal with each railroad separately. The record does not substantiate this claim.

On the contrary, the record indicates that the Department of Justice merely asked that the rate bureaus conform their activities to comply with the antitrust statutes.

What have the railroads done to warrant the charges in the Western case? I hold in my hand a list of some of the restraints accomplished under the western agreement. It, by the way, is a part of the hearings in connection with this legislation. As it is quite a lengthy list I shall read only a few of them, and then, Mr. President, I ask unanimous consent to have the rest of them printed in the RECORD at the close of my remarks.

The PRESIDING OFFICER (Mr. THYE in the chair). Without objection, it is so ordered.

(See exhibit A.)

Mr. SPARKMAN. One of the examples of activities of the western mechanism was this: In 1933 air-conditioning of passenger equipment was temporarily curtailed and temporarily stopped through the operation of the agreement. Who would question the right of any railroad, in good business and in trying to compete with other railroads in rendering good service, to do all it could to improve the service? Certainly the in-

stallation of air-conditioning machinery was to that end.

In 1933 operations under the western commissioner plan prevented absorption by the railroads of expense incident to putting heaters in cars used in the shipment of potatoes, in all movements of potatoes from Wisconsin, Minnesota, Iowa, Illinois, Missouri, Utah, North Dakota, South Dakota, Nebraska, Kansas, Idaho, Colorado, Washington, Wyoming, Montana, Oklahoma, and Oregon into Chicago.

In 1933 the Chicago Great Western endeavored to reduce rates on a hundred different commodities by 30 cents per hundred pounds when moving in carloads with minimum weights of 30,000 pounds each from Chicago to Kansas City, St. Joseph, Omaha, South St. Paul, and other points. The reduction was stopped, after pressure by Messrs. DeForest, Harriman, Van Sweringen, and McCullough, members of the committee of directors.

In 1934 reductions in rates on sugar moving from New Orleans, La., and Sugar Land, Tex., to Springfield, Mo., were prevented.

In the same year reductions in rates on coal moving from Utah and Wyoming to points west of Boise, Idaho, were prevented.

In 1934, the movement of freight in baggage cars on passenger trains between Vicksburg and Shreveport was prevented. Mr. President, undoubtedly empty baggage cars were running over that course; and yet those bureaus or committees or directors would not permit the use of those baggage cars for the carrying of freight over that same stretch of railroad. I should like to say that we have heard many complaints about feather-bedding by railroad workers and workers in other lines of activity, and we condemn it, and rightfully so, when it is wasteful. But what is the difference between feather-bedding with the use of labor and feather-bedding with the use of excess equipment on railroads? Yet, although the service on a particular railroad would have been improved by permitting the use of baggage cars for hauling part of the freight traveling on that railroad, the big railroads said to that smaller railroad, "You cannot do it." They took that position because they feared that perhaps if that particular railroad were allowed to do so, some pressure might be exerted on other railroads to do likewise.

Also, Mr. President, in 1934, an unsuccessful effort was made to cause the Alton to unhook the air-conditioning on certain sleepers and to move them to St. Louis without air-conditioning, although they had reached Chicago on the B. & O. with the air-conditioning apparatus in operation.

Mr. President, I could continue to read various of the 81 cases stated in this list, which I have asked to have printed in the RECORD at the conclusion of my remarks. If Senators will read the entire list, I think they will be impressed with the fact that the enactment of the pending bill would simply result in authorizing the continuance of such practices. Certainly we do not want that to be done. However, the proponents of the bill claim that it is merely for the purpose of permitting these boards to meet for the purpose of conferring in regard to reasonable rates to be established among the railroads. It is obvious that the bill goes far beyond that. The list to which I have been referring gives instances in which railroads have been required to slow down the movement of freight. In several cases they were faced with a decree that freight which arrived in a particular town after 5 a. m. could not be delivered to the merchants and wholesalers and jobbers in that town until after 7 p. m. of the same day. In numerous instances, railroads moving freight between different towns were required to slow down the movement of the freight. I say to the Senate, Mr. President, that when agreements of that sort are made, the public does not receive what it is entitled to receive from railroads, which are set up for the purpose of serving the public.

Mr. HILL. Mr. President, will the Senator yield at this point?

Mr. SPARKMAN. I yield.

Mr. HILL. Is it not also true that some of the freight affected by the decrees to which the Senator has been referring was perishable?

Mr. SPARKMAN. Yes. However, no difference whatsoever was made, regardless of whether the freight was perishable or nonperishable. A deadline was drawn; and even though the railroad delivering the freight wished to deliver it promptly, it was told that it could not deliver it until after 7 p. m.

Mr. HILL. In other words, the hierarchy which is controlling in these situations prevented the particular railroad from making delivery of the freight when it wished to deliver it.

Mr. SPARKMAN. That is absolutely correct.

Let me also point out that in that case those who received the freight or those who delivered the freight could obtain no relief; they could not go to the Interstate Commerce Commission for relief. In some cases the smaller railroads have tried to obtain relief from the Interstate Commerce Commission, but they have been broken down in such efforts by the larger railroads which held a sword over their heads.

Mr. President, the minority report further states that—

> The State of Georgia's suit is now being tried in the Supreme Court of the United States and seeks to enjoin combinations in the railroad industry from fixing noncompetitive and discriminatory freight rates.

The Georgia case has been discussed rather fully in the course of the debate, and I do not propose to discuss it at length. I simply wish to say a few words in order to show what the Georgia case is about and what it seeks to do for the South. For that purpose, I shall offer several examples of what the railroads, through the rate conferences, have done to affect adversely the economy of Alabama and the South. These examples are taken from the record made before Master Lloyd Garrison, appointed by the Supreme Court to hear and report on the Georgia case. Understand that not one, but all, of the Southern States have been injured by the conspiracy operating through the rates bureaus.

The first of these matters relates to the control of the monopoly group over the rates of the individual railroads making up the group.

On October 11, 1941, the Southern Railway submitted to the Southern Freight Association a proposal for a reduced rate upon logs from certain stations in Northwestern Alabama to Altavista, Va., the entire movement being over the lines of the Southern Railway. The Southern Railway in its proposal stated that it felt that the reduced rate was necessary in order to enable the logs to move from Alabama points. When the proposal was submitted by the Southern Freight Association to its members, the principal rail objection was predicated upon the dangerous competitive influences that might be set in motion by the suggested arrangement.

The proposal was disapproved initially by the General Freight Committee by majority vote. It was then appealed to the executive committee, where it was again disapproved by majority vote. Finally an appeal was taken to the traffic executive association—southern territory. On July 20, 1943, 22 months after the proposal was first filed, it was stricken from the docket of the Traffic Executive Association. Those who were seeking to ship logs from northwest Alabama into Virginia over one railroad were denied the advantage of the lower rate which the Southern Railroad tried to give them.

The illustration demonstrates that the power of defendants to coerce, prevent, hinder, and delay the filing of rate proposals is not limited to situations where the railroads confer upon the formation of joint rates. Here the entire movement was over the lines of the proponent railroad; even so its managerial judgment was subjected to the concerted judgment of defendants, none of whom were parties to the rate proposed.

The second example relates to the damage done by the rate bureaus to an industry in Florida.

This case history concerns the attempt of a shipper in Pensacola, Florida, to obtain a rate covering the movement of synthetic gums and resins from Florida to northern consuming markets on the basis of the existing rate covering such commodities in the north. The proposal was approved on May 14, 1940, by Southern Freight Association, subject to the concurrence of the northern (official) lines. Thereafter the proposal suffered the fate of all such southern attempts to penetrate the rate wall preserving northern markets for northern industries. Successively postponed in the Joint Conference of Contact Committees at the request of official territory lines from July 26, 1940, until July 24, 1941, the original proposal was finally rejected, and in substitution therefor a rate approximately 40 percent higher than the rate requested was granted. After 15 months of referring, deferring, and conferring, the shipper was compelled to

accept the high rate, being unable to secure official concurrence to anything less.

While it is sufficient here to note the arbitrary and discriminatory operation of defendants' price-fixing machinery, and while the reasonableness of the rates involved is immaterial, it is worth remarking the flexible yardstick their arbitrary power permits them to apply as the occasion demands.

When the shipper here disclosed to eastern territory roads that his products would compete with those of northern manufacturers, his proposal was rejected as injurious to northern industry.

I wish to quote just a few questions and answers from the hearing:

The CHAIRMAN. You are going to have so much consumption in official territory.

Mr. MACARTHUR. Yes.

The CHAIRMAN. There must be competition with your products and others in official territory.

Mr. MACARTHUR. Perhaps we might take some business away from some people; yes.

The CHAIRMAN. To that extent, you would hurt official territory manufacturers.

When the answer showed that it would, his application was dead. He might as well never have filed it.

However, when the shipper's proposal was before Illinois Freight Association, that association was impressed with MacArthur's testimony that:

Our plants in the North are taxed far beyond capacity. We cannot produce sufficient quantities in our northern plants. That is the reason for the plant at Pensacola.

Accordingly, Illinois Freight rejected the proposal on the ground that competition did not require it:

In fact the proponent shippers' statements clearly indicate that a movement from the South under present conditions could be brought about even under the existing basis of class 55, because the demand at present appears to be greater than the production.

Obviously, northern producers do not want competition from plants located in the South. If this legislation is approved, the control of the North over the movement of southern goods to the rich markets of the North and East will be allowed to continue. This control is not a fiction. It has even been recognized by the Interstate Commerce Commission in these words:

We are persuaded that the northern carriers as a group actually do effectively control the rates within the North and also the north-bound interterritorial rates except to points on and west of the Monon Line. (Monon is the name given to the Chicago, Indianapolis & Louisville Railway) (235 I. C. C. 329.)

It goes without saying that the North has exercised its control over these rates by means of the rate bureaus to the detriment of the South.

Mr. President, in that connection, I should like to have included at this point in my remarks an excerpt from Civil No. 2311, brief for the United States, in the case of The States of New York, Delaware, Indiana, Maryland, Michigan, New Jersey, Ohio, Wisconsin, and the Commonwealth of Pennsylvania against the United States of America.

The PRESIDING OFFICER. Is there objection?

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

EXCERPT FROM CIVIL NO. 2311, BRIEF FOR THE UNITED STATES, IN THE CASE OF "THE STATES OF NEW YORK, DELAWARE, INDIANA, MARYLAND, MICHIGAN, NEW JERSEY, OHIO, WISCONSIN, AND THE COMMONWEALTH OF PENNSYLVANIA *v.* THE UNITED STATES OF AMERICA."

Obviously the low income status of the South and West may be improved by removing the barriers to industrialization in those regions, and allowing industry to develop in a manner commensurate with the natural and human resources present there. To accomplish this, the products of such industrialization must be allowed movement unimpeded into the rich markets of official territory.

It has been emphasized that official territory shippers can come into other territories on lower levels of class rates, mile for mile, than shippers residing in those territories have to pay for shipping similar articles wholly within their own territories. One has here something remarkably similar to the working of a protective tariff, to the extent that certain favored interests effectively strive to protect themselves at home while retaining privileges elsewhere. The railroads in official territory are frank in recognizing this situation for the benefit of themselves and the producers on their lines. This is illustrated by the following quotation from the brief filed with the Commission by counsel for official railroads:

"Official Territory lines have perhaps the most vital interest in interterritorial competitive adjustments of any single group of carriers in the country for the reason that the populous official territory provides the markets for a large part of the traffic produced elsewhere in the United States. That territory is hemmed in on the South, the Southwest, and the West by territories, and carriers serving them, all seeking to market their products within the territory served by official lines. In many instances such commodities, sought to be marketed within official territory, come into direct competition with the commodities produced in that territory. Official lines, therefore, are in duty bound to protect the geographical or other natural advantages posessed by shippers or producers on their lines, and as a matter of justice and equity, they may not be required to join in such low bases of interterritorial rates as to nullify or neutralize these natural advantages."

Mr. SPARKMAN. The role of the South as an undeveloped economic colony is artificially perpetuated by narrowly limiting its industries to the relatively unprofitable production of raw materials; the profitable role of fabricating finished articles is reserved for the North. The relationship between the North and the South in terms of land, workers, and manufacturing is shown by a certain table—table 39 of exhibit 1, and tables 2, 5, and 6 of exhibit 9, I. C. C. Docket No. 28300, Class Rate Investigation, 1939—which I ask unanimous consent to have inserted as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

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

Land area, gainful workers, value of manufactured products, and value added by manufacture, by freight-rate territories, as a percent of the United States total

Territory	Land area, 1940	Gainful workers, 1930	Value of manufactured products, 1939	Value added by manufacture, 1939
Official	13.5	51.1	67.8	71.4
Southern	13.3	16.8	10.0	9.4

Mr. SPARKMAN. This disparity in the economic development of the North and the South is reflected in the earnings of their workers. The difference in earnings is shown in the following table—table 6 of exhibit 76, I. C. C. Docket No. 28300, Class Rate Investigation, 1939:

Total income payments, dollar income, and relative income levels per person employed, 1940

Territory	Total income payments		Average dollar income per person employed	Relative income level per person employed
	Millions of dollars	Percent of total		
Official	49,005	64.3	$1,988	118
Southern	6,648	8.7	940	56

Mr. President, the contrast between the industrial North and the undeveloped economy of the South and West is strikingly illustrated by figures on value added by manufacture. Thus the average ton of out-bound freight from official territory represents value added by manufacture of $54.69, which is about 13 times as great as the $4.19 value added by manufacture to the average ton outbound from the South and West—I. C. C. Docket No. 28300, Class Rate Investigation, 1939, transcript of testimony, page 1375. The discriminatory freight-rate structure maintained by defendants is largely responsible for this situation. In a study of eight shipments from Southern Territory to Official Territory, for example, the rates on clay were 112 percent of the official territory rates for equal distances, while in the case of the more highly processed products of pottery and chinaware the rate was 140 percent of the official territory rate for equal distances—chart III of exhibit 76, I. C. C. Docket No. 28300, Class Rate Investigation, 1939.

The failure of the South to match the industrial development of the North results very largely from the protective trade policies enforced by the northern railroad defendants in the Georgia case. In an economy geared to mass production for a national-market, industry cannot develop in a region whose products are denied equal access to the territory which has 76 percent of the national market for industrial machinery and raw materials, 64 percent for all goods and services, 62 percent of con-

sumer luxuries, and 53 percent of consumer necessities—chart VII of exhibit 76, I. C. C. Docket No. 28300, Class Rate Investigation, 1939.

This statement is contained in the minority report, and it strikes me as being most significant:

> Cartelization of the transportation industry cannot be isolated from the national economy. Transportation costs are a major element in determining the price of goods in other industries. The power to control the cost of transportation is a power which may be used to dictate whether other businesses shall enjoy competitive success or be stifled to death.

Examination of this bill shows that it would permit the legalization of private controls over the Nation's economy not only by combinations in the field of transportation, but, under the broad terms of the bill, by industrial and financial combinations working hand in hand with transportation combinations.

One of the strongest arguments against this bill is that it would legalize a device which, while ostensibly limited to the fixing of prices in the railroad industry, actually is the keystone of a private economic power at once so vast and so subtle that it challenges Government itself. The power to fix rail freight rates is an insidious all-pervasive power which underlies and conditions the terms of existence in industries whose only connection with the railroad industry is their use of freight transportation.

The plenary power arbitrarily to fix all freight rates which the existing hierarchy vests in the railroads is easily demonstrated. Perhaps the gravest illustrations of the unlimited scope of this power was furnished during the recent war emergency, when the impotence of the National Government itself to deal effectively with the unrestrained power of the railroad rate cartel was starkly revealed. The Office of Production Management, the Office of Price Administration, and the Office of Defense Transportation were, alike, unable to cope with the railroads' power to fix the price at a level designed to procure maximum revenues for minimum services, regardless of the resulting jeopardy to the war program.

For example, in April 1942 the Office of Price Administration and the Office of Defense Transportation informed the railroads that diversion of shipping by the Maritime Commission was forcing large tonnages of sulfur onto the rails and requested the establishment of more reasonable rates realistically reflecting the tremendously increased tonnages. The Office of Price Administration pointed out the multitudinous uses of sulfur, particularly in time of war, and the vicious inflationary spiral that would be set in motion if transportation costs were trebled from the $3–$4 per ton water rate to the existing $12 per ton rail paper rate. A paper rate is one that is available but too high to move traffic. It further observed that the proposed rates would earn the carriers between 21.9 and 26.7 cents per car mile and that in many instances the carriers had voluntarily sought from the Interstate Commerce Commission rates which would produce lower car-mile earnings than those proposed. This appeal was supported by the Office of Defense Transportation, which pointed out that—

> The rates proposed are consistent with the basis of rates prescribed by the Commission. The Government departments interested in this movement, particularly the Office of Price Administration, have stated their position that the establishment of the rates upon this basis is critically necessary in order to adjust the rates to a fair basis in view of the diversion of the traffic formerly moved by water to all-rail routes, and because of the need for establishing this basis of rates to facilitate the production of sulfuric acid at reasonable prices.

Despite the inflationary results of their action upon the war program, the power of the railroads was so great that they were able summarily to reject the request of the Government agencies.

So plenary was the power of the railroads' private rate-fixing mechanisms that the various Government agencies concerned with the war program came frankly to defer to the railroads for decisions on many momentous questions seriously affecting the war effort. For example, in May 1941, when the question arose of transporting gypsum rock diverted by war from water to rail carriage, the Office of Production Management, in deference to the power possessed by the railroads, referred to the railroad price mechanisms the grave question as to whether the railroads would prefer to have interior mills enlarged or grant a reasonable rate permitting transportation to mills along the eastern seaboard. As Mr. Cleveland, vice president of the Association of American Railroads, described the question:

> The gypsum-board mills located in the interior are now running to capacity and the problem with which the Office of Production Management is concerned is whether to arrange for an increase in the capacity of the existing plants within the interior or to supply the seaboard mills with domestic rock. In order to reach a conclusion they would like to have at the earliest date possible—and they hope that it can be furnished within a week—rates between origin points and destinations as follows:
>
> * * * * *
>
> They have also expressed the hope that the railroads will advise them whether they would prefer from their standpoint to have the production of existing gypsum-board mills in the interior increased or that these raw materials shall be supplied to the mills covering the movements that have been enumerated above. In this connection my attention was called to the fact that the principal distribution from the eastern seaboard has been by truck.

The carriers decided this important question of national policy by refusing the requested reduction in rates. This instance of the exercise of the power implicit in the railroad-rate hierarchy is significant because it discloses the real economic evil inherent in the power to fix freight rates.

The power involved in this combination is not merely the power implicit in any price-fixing agreement. These are no ordinary prices that this group has the power to fix. This is not simply the case of the butchers, the bakers, the candlestick makers getting together to fix prices in their respective trades. If no more than this were involved, it might be possible to contemplate legalizing a measure of concerted action under public control.

However, implicit in the power to fix freight rates is the power to control a basic competitive factor in every industry. This is so because transportation costs are a major element in every industrial pricing system, and power to control the cost of transportation is largely the power to dictate initially the location of every industrial enterprise and subsequently the competitive success or failure of those enterprises. Thus the power to fix freight rates conveys in a large measure the power of life and death over our competitive economy. The problem presented, therefore, is not merely a question of eliminating competition in prices for freight services, but eliminating competition to a large degree from our whole economy.

Mr. President, I think it may be well for us to keep in mind certain figures that I believe the distinguished Senator from South Carolina placed in the RECORD yesterday—I know he showed them to me—to the effect that when we lift the railroads of the country from the operation of the antitrust laws, we are lifting $23,000,000,000 worth of our industry, with an annual revenue of $9,000,000,000; that much of our national economy we are removing from the operation of the antitrust laws.

The close relation between railroad rates and prices is most apparent in industries whose systems of pricing are built upon multiple basing points. That is, industries in which delivered prices are figured on the basis of the price at established basing points to which is added freight charges from a basing point, usually the one nearest to the city of delivery. Such prices are purely arbitrary; the location of the plant from which the shipment is actually made is not taken into account and no consideration is given to the distance the product is actually shipped, or to the kind of transportation used, whether railroad, waterway, or motor truck. In practice the price is quoted on the basis of the basing-point plant and transportation is assessed on the basis of the railroad freight charges from the basing point to the destination of the goods.

It would be difficult for such price-fixing systems to survive if competitive transportation charges were permitted; so it is desirable that a basing-point system be supported by a rigid railroad rate structure.

The rate bureau set-up for maintaining an inflexible freight-rate structure is therefore of great value for certain railroads and the industries which they wish to perpetuate. Since the chief objective of basing-point systems is to maintain industrial concentration in certain parts of the Nation and to deny to competitors,

or potential competitors, in other areas the advantages of their location, the rail-rate-bureau system is a mechanism to maintain the industrial status quo often at the expense of the less powerful railroads.

Steel and cement, both of which industries use multiple-point basing-price systems, are sources of illustrations of the unholy economic alliance between railroad freight rates and industrial prices. In the Georgia case before the Supreme Court, the evidence discloses that southern rail lines were prevented from increasing traffic in steel on their lines because the rates changes proposed would result in reduced prices for steel delivered in southern territory by barge from the Pittsburgh area. This illustration is particularly interesting to me because it relates to industry in my own State of Alabama.

In 1939 southern carriers proposed reduced rates on steel from Birmingham to Mississippi and Gulf ports in an effort to attract to the rails additional steel tonnage then moving at lower rates by truck and barge. Since Birmingham, however, was a basing point, steel prices, whether the steel originated in Birmingham or Pittsburgh, were quoted on the basis of the Birmingham plant plus all-rail freight to point of delivery, irrespective of the fact that the steel actually moved from Birmingham at lower non-rail rates. Therefore, any reduction in the freight rate from Birmingham would work two results on the steel industry prices in the South: First, even though the steel was shipped from Pittsburgh and even though it moved entirely by company-owned barge lines, any reduction in the existing paper rail rate from Birmingham would automatically reduce the price of steel delivered from Pittsburgh; Second, any reduction of the paper rail rate from Birmingham to the truck or water rate on which the steel actually moved would deny the steel producers the secret rebate they obtain as a result of the quoted rail price being in excess of the actual transportation costs. This secret profit is known in the industry as "phantom freight."

Mr. President, a few years ago a new post-office building was being erected in my home town, Huntsville, Ala., just about 100 miles from Birmingham. One day I went by the place where work was being done on the post office. The workers were just beginning to put up the steel work. Birmingham, of course, is a great steel center in its own right. I said to the contractor, "I suppose this steel is from Birmingham." He said "No, you are mistaken; it is from Pittsburgh." Pittsburgh could afford to put its steel in a building a thousand miles or more away and within 100 miles of Birmingham, because of the freight rates which I have discussed here. That is a good example of how such things as that can be done. I say that such arrangements do not make for competition. We have always been taught that competition is the life of trade, and that if private industry, if private enterprise in this country is to survive, it must be based upon free and untrammeled competition. Yet the working of these rate bureaus and committees which would be not only perpetuated but legalized should the bill become law, will stifle competition and make it possible for the great combinations to work their will with respect to competition or non-competition.

In the course of the debate, Mr. President, many references have been made to the Transportation Act of 1940. That was Senate bill 2009. I was in the House of Representatives when that bill came before us. I voted against the bill because it occurred to me to be a step toward stifling competition. Of course, the purpose of the bill, as we were told by the proponents, was to bring water carriers into the general transportation scheme, and that everything was all right under the bill, according to its proponents. I voted against the bill because I felt that again there were some things in it that did not meet the eye. It was not very long after the bill became law that we saw that our fears were justified. There was filed with the Interstate Commerce Commission an application from certain railroads to establish rates on grain coming into Chicago from other points to be transported to other areas. In some instances the grain was to be milled. The Interstate Commerce Commission allowed those railroads to charge a higher rate for the transshipment of grain that had come in over barge lines than they charged for the same grain that came in over rail lines. The ruling of the Interstate Commerce Commission went to the United States Supreme Court. In a split decision the United States Supreme Court held that the Interstate Commerce Commission in granting those rates had acted within the provisions of the Transportation Act of 1940. So there the people learned that they were not getting out of that act what they thought they were getting and what they were told by the proponents of the act they would get.

There was a very able dissenting opinion written in that case. That was the case of Interstate Commerce Commission et al. against Inland Waterways Corporation, et al., to be found in Three Hundred and Nineteenth United States Reports, page 671. Mr. Justice Black wrote a very strong, a very clear, and a very fine dissenting opinion. He placed the issue in just a few words, and I want to quote very briefly from his dissenting opinion. He said:

> The issue in this case is whether the farmers and shippers of the Middle West can be compelled by the Interstate Commerce Commission and the railroads to use high-priced rail instead of low-priced barge transportation for the shipment of grain to the East.

That was the issue as he stated it. He discussed the legislation contained in S. 2009 as it went through Congress. He included in his footnotes quotations from debates on the floor of the Senate and the floor of the House. One statement was that of the Senator from Illinois [Mr. LUCAS], who asked about this very thing, and he was assured by the chairman of the Interstate Commerce Committee of the Senate, former Senator Wheeler, that water carriers would be protected, and that the shippers and the consumers would not be penalized by the enactment of that legislation through higher freight rates charged for hauling freight on the railroads. Unfortunately, the dissenting opinon of Mr. Justice Black did not prevail. The roads were given the right to charge those higher rates, in other words to penalize waterway shipments, and those who hoped to obtain the lower freight rates that waterway systems can afford.

I am happy to say that only recently that case, or a similar case, went back to the Supreme Court, and this time Mr. Justice Black wrote the majority opinion, in which the former majority opinion of the Supreme Court was overruled, and the right of waterway shippers under the Transportation Act of 1940 was recognized, but 7 years late.

The argument has been made on this floor many times that we could rely on the Interstate Commerce Commission to protect the shippers and the consumers and the people of this country. Mr. President, I know of no Government agency for which I have higher respect than the Interstate Commerce Commission, but here we have the example I have cited, just out of the Supreme Court of the United States, 7 years after the Transportation Act was passed, when we were assured by those who were upholding the legislation on the floor of the Senate and on the floor of the House of Representatives that the waterway shippers would be protected. But the Interstate Commerce Commission took a different view and said that they should pay the higher rate. The Supreme Court upheld the carriers, because it said they had the right to charge the higher rates, and it required 7 years to bring relief to the shippers.

In the instant case, although the proposed rate involved conduced to the interest of southern railroads by attracting additional tonnage, and although the proposed rate concerned only southern railroads, northern railroads and their northern industrial allies brought terrific pressure to bear on the southern railroads through the Association of American Railroads and the proposal was rejected.

The general traffic manager of Bethlehem Steel objected:

> I must protest the proposal with all possible vigor. It is difficult for us to see the merit in a proposal which so completely disregards the interests of the northern producer.

The vice president of Weirton Steel protested:

> Of course, we have been very much opposed to this contemplated action on the part of the southern lines, because it would be detrimental to producers in this territory, and, while it is true that these rates are to be reduced to meet water competition, in our judgment it seems to us that the southern lines should take no action of this kind until Senate bill 2009 has been finally disposed of. These reductions only tend to reduce the delivered price by reason of Birmingham being a base, and if the reductions are made we feel certain that the water carriers will reduce their rates so that the relationship now existing will continue, which action, of course, will not be beneficial to the railroads but will permit of the producers here being able to continue to do some business in that territory

As a result the southern roads were coerced to appreciate that their innocent effort to secure for the railroads a mere trickle of southern steel business threatened the foundation of the entire steel pricing system. As Mr. Tilford, vice president of the Louisville & Nashville Railroad, summarized the discussion at an Association of American Railroads sponsored conference in Chicago:

The discussion indicated very clearly that the objections of the official territory roads originated with the northern shippers now using water service to the Mississippi River crossings and Gulf ports since the delivered prices would be affected by a reduction in the rates from Birmingham, the sales practice being to use Birmingham base price, plus rail rate from Birmingham. * * * (northern carriers) insisted that the proposal of the southern carriers, even as amended, threatened the whole iron and steel adjustment, not only from the North to the South but within the North, and they were satisfied the iron and steel industry would not want these changes, nor a general disturbance of the iron and steel rate adjustment. They then suggested that a small committee of the northern lines and a small committee of the southern lines meet with a committee of the Iron and Steel Institute for a general discussion of the subject.

The southern carriers were compelled to abandon their proposal although, as Mr. Kerr, chairman of the Southern Freight Association, complained to Jones & Laughlin Steel Co.:

While the southern carriers have at all times been most considerate of the interest of producers in other sections, but who, for the most part, are moving their products to Memphis and other Mississippi River crossings by barge, frankly I do not see how they can be expected to simply forego transportation of iron and steel produced in the South by refusing to make necessary rate reductions, even though the result may be to change the selling prices.

The power to control freight charges has likewise been used to maintain uniform delivered prices for cement. In the cement industry, in much the same way as in steel, the pricing system achieves uniformity of price at any point where delivery is to be made by including the railroad freight charge from the appropriate basing point, regardless of the kind of transportation actually used. Evidence in hearings before the Federal Trade Commission shows that in meetings between rail and cement representatives, the significance of the railroads' ability to maintain an inflexible freight-rate structure was recognized as an important factor in maintaining a price structure in cement. Mr. Collyer, chairman of the Trunk Line Association (an official territory rate bureau) maintained records of a conference between official territory railroads and representatives of the National Builders Supply Association at which officials of the builders organization reviewed the success of efforts by dealers and rail lines to require shipment of cement by railroad rather than by motor carrier and "thereby stabilized price conditions in the trade, which had become demoralized because of the absence of any uniform basis of transportation charges for truck movement."

Official rail lines used their power to control freight rates in promoting an agreement with cement manufacturers. Mr. Day, vice president of the Nickel Plate, wrote to Mr. Collyer of the Trunk Line Association, after conferences with cement producers:

Medusa, Portland Cement Co. will be glad to discontinue trucking if the other cement companies will agree to do likewise.

Mr. Day, after subsequent discussions, reported that a technique had been devised for keeping cement traffic for the railroads without discriminating in too obvious a manner against motor carriers:

Mr. Walter McAdoo, of the cement association, says an agreement has been reached to quote in carload prices at markets in all large cities.

When stronger measures became necessary to discourage the price reductions arising from motor-carrier rates, sanctions against movement by truck were adopted. Mr. Duffy, of the Lehigh Valley Railroad, wrote Mr. Collyer that—

There has been an agreement among cement companies to make an arbitrary charge on all cement loaded on trucks at the mill.

A particularly startling illustration arises from an alliance between the railroads and the petroleum industry. To show the threat to the American system of free enterprise when rate-fixing power is held by monopolies, the Federal Government attorneys in the Government's suit against the AAR and the western railroads at Lincoln, Nebr., submitted documentary evidence that these groups conspired to, first, hold up retail prices on petroleum products in southern territory; second, do away with truck movements of these products from the southern seaboard to inland points in the South; third, discourage rail shipments of petroleum products into southern territory from the Southwest, thus holding the South to a single source of supply—the southern seaboard; and, fourth, discourage the operation of filling stations located on lands leased from railroads by the simple method of increasing rent. This understanding was not made into a formal agreement when the oil companies realized that the antitrust laws might be invoked against them. Counsel for one of the major oil companies so notified the president of the Association of American Railroads, Mr. Pelley. The objectives of the scheme were to some extent accomplished, however, without a formal understanding between the conspirators.

Under the proposed legislation, not only could the transportation monopoly be immunized from the antitrust laws but the door would be left open for other monopolies, banking, and other influences, participating in rate-making procedures, to escape the antitrust laws.

Another assertion in the minority report concerning the results of the passage of S. 110 is:

Competition would be eliminated, not merely among carriers of the same type or class but among the several competitive modes of transportation—the railroads, the water carriers, the freight forwarders, the pipe-line companies.

There is evidence that under the rate bureaus as now organized several forms of transportation have made progress in increasing rates.

That such progress has been made in increasing rates by joint efforts of railroads and trucks was frankly admitted by the chairman of the traffic advisory committee of the Association of American Railroads at the committee's meeting of January 27, 1937.

As recorded in the minutes:

The chairman stated that this subject was brought up at the request of the president of the American Trucking Associations, who felt that if he were furnished with examples of unduly low rates which had been made by the railroads to meet truck competition, which by joint efforts of the rails and trucks were increased, it would be helpful to him in his efforts to secure a better cooperation between the trucks and the railroads.

The business of equalizing competitive rates embarked upon by the railroad and truck associations appealed to the steamship lines which suggested that they be invited into the cooperative conferences held by the motor carriers and railroads.

On June 1, 1937, Edward K. Laux, freight traffic manager, Eastern Steamship Lines, wrote Mr. Kerr, chairman, Southern Freight Association:

Your joint letter of March 31 addressed to rail executives and accompanying copy of memorandum of conference as per caption: Conferences such as covered by the memorandum between the motor carrier industry and the rails should ultimately result in a clearer and more cooperative exchange of views between these classes of carriers and if further conferences of this nature are to be arranged, I would like to suggest that the water line representatives be invited to attend.

As you probably know, in many cases the rates of the motor carriers or all-truck rates between North Atlantic ports and southern points are predicated on the water-rail rate levels, although it has been proven repeatedly that the all-truck service is far superior to all-rail or rail-water.

Consequently, it is my thought that the water lines and the southern rail carriers might approach the southern truck industry with a view of having that class of carrier adopt the all-rail level in their rate structures between the North Atlantic ports on the one hand and Southern Freight Association Territory on the other.

Progress in getting the St. Lawrence waterway lines to increase rates to the rail level was reported to Mr. Cleveland by D. T. Lawrence, chairman of the Traffic Executive Association—Eastern Territory. Mr. Lawrence wrote on September 12, 1938:

I think that Mr. Kerr, chairman, Southern Freight Association, and I now understand each other in the matter and what I am writing to say is that we have an intimation that the steamship lines operating through the St. Lawrence waterway are getting tired of the situation and are willing to increase their rates if the rail rates from the Atlantic ports are increased. Of course, such a suggestion will have a long way to go but it may be that material reform can be effected.

The extent to which the Association of American Railroads has attempted to increase competitive rates to the highest possible levels by agreement with truckers, barge lines, coastal and intercoastal and Great Lake steamship lines, and thus

to deprive the Nation of inherently economic advantages flowing from the use of the most economical modes of transportation is indicated from the following directives from the Association of American Railroads to the railroad traffic officers in the form of a letter dated March 12, 1938, from A. F. Cleveland to chief traffic officers, member roads:

It hardly seems necessary to advise you the very great disappointment resulting from the failure of the Commission to grant in full the proposal of the railroads. The Ex parte 123 traffic executive committee fully appreciates the serious situation created by this decision and its utter insufficiency under the existing serious decline in traffic.

At the meeting last Thursday there was discussed at considerable length the obligation which rests on the railroads' individual traffic organizations as well as in their rate committees to assist management to the very fullest extent possible in obtaining increases in revenues over and above those which the Commission authorized and the imperative necessity of taking advantage of the possibilities under this decision for further increases in competitive rates and low spots wherever they may be found.

I sincerely hope that each and every chief traffic officer of the member lines fully appreciates the desperate situation that confronts railroad management and that each one will actively support and not only personally cooperate, but in addition thereto, see that his entire staff cooperates in a way to accomplish the best results as rapidly as conditions may warrant. In this connection I call your attention to the fact that I believe that with proper cooperation with truckers, with the barge lines, with the coastal and intercoastal and great steamship lines, that their officials will assure you, if they are properly approached and encouraged, that they will be very glad to proceed along similar lines and to make the same increases in cents per hundred pounds that you may determine upon. I therefore urge that every effort be made to work with your competitors to the end that there may be less hesitancy in proposing advances than there might be if competing agencies were not going to make similar increases.

In the Ex parte 123 decision, the Commission authorized a 5-percent increase on oranges and, of course, the basis authorized should be made effective. These rates are on subnormal basis and no reason exists why there should not be filed with the Commission, to take effect not much more than 30 days after the Ex parte 123 tariffs become effective, the proposal that was presented in Ex parte 123 or even something higher if the steamship companies will make similar increases in their rates.

There are possibilities of readjusting the lake-cargo rates on coal from the inner and outer crescent. Insofar as this situation is concerned it is well known that the Commission believes the present spread between the lake-cargo rates and the local rates is greater than it should be. There are other good, compelling reasons at this particular time why a further increase in these rates on statutory notice would be helpful to the railroad industry. This, of course, I appreciate is a matter to be handled exclusively by the origin roads that are involved.

The copper adjustment from intermountain territory contains great possibilities if proper cooperation is shown by all of the origin lines.

That insofar as the low spots are concerned, which to a very considerable extent are truck or water compelled rates, that these rates may be advanced to 5 or 10 percent, depending upon the commodity, above the maximum rate orders that are outstanding against such rates.

Further, that all adjustments which may be controlled by section 3 orders may be advanced to the extent desired, providing the required relationship is maintained.

There are, I believe, great opportunities available in connection with the potato adjustment in western territory. Hearsay information would indicate that there exists—and apparently the Commission from expressions made from the bench is of the opinion also—that a considerable amount of money could be picked up in connection with the anthracite adjustment where, for competitive reasons under different conditions, rates materially lower than maximum rates have been established. In several of the territories there are rates on wood pulp that could reasonably stand additional increases. This is likewise true of the furniture adjustment from Illinois producing points, from western trunk-line producing points, and from Southwestern producing points.

The suggestions that have been made herein are not intended to be conclusive, they are only illustrative.

Concerning the suggested increase in wood-pulp rates, J. A. Farmar, chairman, Western Traffic Executive Committee, wrote Mr. Cleveland October 6, 1938:

Wood pulp moving from pulp mills to paper-producing points in Wisconsin, Minnesota, and the Upper Peninsula of Michigan involves short hauls, and our lines doubt very much if we could increase the rail rates without providing an opportunity for shippers to move their tonnage by motortrucks. We receive at Lake Michigan and Lake Superior docks, import pulp which also moves to paper mills in short-haul shipments. This latter tonnage is also subject to intensive motortruck competition. Our lines are not favorable to a proposal to attempt any increase in these rates until there is some understanding that like increases will be made via motortrucks.

I opposed Senate bill 2009 for the reason that it seemed to cut down competition and to make possible just such understandings as are here referred to.

The freight forwarders, also falling in line, reached an understanding not only to equalize rates at the higher rate level but to withdraw commodity rates and exception ratings where the rail lines and motor carriers take similar action. J. V. Bugliari, vice president, Acme Fast Freight Lines, confirmed this understanding in a letter of December 12, 1939, to W. M. Miller, chairman, Standing Rate Committee, Southern Motor Carriers Rate Conference:

This will refer to your letter November 21, to which you attach copy of letter November 21 to Mr. J. G. Kerr, Southern Freight Association, Atlanta, Ga., dealing with the matter of equalization of charges by motor carriers and freight forwarders. The policy of our company in line with understanding reached in Atlanta in September briefly is that we are of the definite disposition to adjust any rates that are of a subnormal level and to withdraw any commodity rates or exception ratings provided the rail lines and the motor carriers take similar action.

I think it well at our next meeting in Atlanta, which is scheduled for December 13, that a committee representing the motor carriers, freight forwarders and Southern Freight Association meeting and endeavor to formulate a policy that will provide for the adjustment of existing differences and future procedure. We are preparing supplements in line with our understanding, placing rates in many points in the South on the basis of rail level. In a few days we will meet with Universal and National and decide the effective date.

After the passage of the Motor Carrier Act in 1935, it was apparent to the Association of American Railroads that there would be "most hearty cooperation from the truckers in an effort to keep their rates on the same basis as the railroads"; and in view of this circumstance the association's vice president of traffic, on February 6, 1936, advised the Traffic Executive Association-Eastern Territory, the Traffic Executive Association-Southern Territory, and the Western Traffic Executive Committee that—

Each rate organization ought to work toward setting up some machinery in each rate subdivision for contacts between small committees of the railroad on the one hand and small committees of truckers on the other, so that each can be kept informed as to changes in rates, rules, and regulations contemplated by either group, with the purpose in view of endeavoring to keep harmonized to the fullest extent possible the rate adjustments of the two classes of carriers.

However, it was recognized by the Traffic Advisory Committee of the Association of American Railroads that "it would be futile to enter into any agreement" with the truckers "until such time as the trucking industry is so organized as to make possible the enforcement of any joint understanding to as great an extent as would be the case in connection with the railroad industry." This is from the minutes of the Traffic Advisory Committee, Traffic Department, Association of American Railroads, dated September 11, 1936.

S. 110 would facilitate the strengthening of the organization not only of the trucking industry, but of the waterway, freight forwarders and rail industries, and would encourage the dominant type of common carrier, the railroads, to eliminate competition among the competitive forms of transportation and to suppress the development of more economical forms of transportation. Such results, of course, seriously affect the economy of the Nation and are contrary to the policy declared by the Congress in the Transportation Act "to preserve the inherent advantages of each" mode of transportation.

In the past 10 years the motor-carrier industry has made great progress in organizing the truckers into a hierarchy of rate associations. This development has not as yet reached the stage of perfection attained by railroad rate organizations, but is showing progress. I shall not attempt to cover the rate bureau situation in the motor carrier industry, but I refer to the record of the hearings before the Senate Interstate Commerce Committee in 1943 on S. 942, Seventy-eighth Congress, pages 69–77, 97–122, and 461–651.

This bill purports to guarantee to individual carriers the right of independent action in the exercise of its managerial discretion. I may say that the individual carriers already have this right under the Interstate Commerce Act. The minority report has this to say about such a purported guaranty in S. 110:

Paragraph (6) purporting to guarantee a party to the agreement the right of independent action is devoid of such guaranty. The paragraph, upon close examination, merely protects the right to take independent action after a determination or report

is made through such procedure as is provided in the agreement. The bill does not preserve independent action taken prior to the collective determination. In the face of a determination already collectively agreed upon, a carrier, desirous of deviating from the action of the association, would at once be confronted with the exercise against it of the coercive power of the entire combination. A carrier who persists in adhering to its own managerial prerogatives and rights and who persists in refusing to yield to the collective determination runs the hazard of ostracism as a nonconformist, who takes the benefits of the combination but refuses to make required sacrifices. The detailed day-by-day operations in the transportation industry are so complex and the relationships between the carriers and the industrial and financial interests are so involved as to afford numerous opportunities for retaliatory action against the nonconformist. Such retaliation may be carried out so subtly as to leave no evidence of the restraints exercised against such carrier. Under these circumstances a stipulated right to act independently is illusory. The danger is accentuated when it is considered that, by various devices, initial determinations or reports concerning proposals unsatisfactory to the dominant interests may, under approved procedures as established in the existing private system of judicature of the rate bureaus and associations, be delayed for long periods of time before acted upon.

An illustration of what happens to a carrier who persists in adhering to its own managerial prerogative and rights is shown by the experience of the management of a midwestern railroad which sought to exercise these rights conferred upon it by Congress but which the private government, headed by the Association of American Railroads, saw fit to repeal because the congressional schemes of regulation were obnoxious to the conspirators in the private government.

The means by which the congressional enactment was repealed was the resolution of the board of directors of September 20, 1935, whereby President Pelley was "directed to issue an order forbidding the establishment of joint rates as between member roads on the one hand and common carrier truck or bus companies on the other" except where such action would not invade another railroad's territory, despite the fact that the Congress of the United States had shortly before provided in the Motor Carrier Act of 1935 that railroads might establish such joint rates.

Note that language—"forbidding," not advising or requesting.

Lest there be any doubt as to the intention—

The Board explains that the prohibition in the exception does not apply to arrangements made by a railroad between points on its own operated lines where such an arrangement is for convenience or economy, but does conclusively prohibit the invasion of a territory by another line which is already served by one or more railroads.

The propriety of this private legislative repeal of an act of Congress was challenged in the only known instance of a member road questioning the authority of the association. In pursuance of the recommendation of the Federal Coordinator of Transportation, the late Joseph B. Eastman, that railroads should experiment with a uniform container adaptable interchangeably to rail or truck, the Chicago Great Western Railroad in October 1935 entered into an arrangement with the Keeshin Motor Lines contemplating the transportation by rail of loaded trucks and trailers between Chicago and the Twin Cities.

The railroad was immediately notified that its proposal constituted a violation of the resolution of September 20, and was objectionable to many other carriers in that it constituted a menace which might seriously affect their roads and possibly their territories. The management of the Great Western was summoned to a hearing before the board of directors. When the board of directors sought to delay decision in the matter unduly, the Great Western announced that the resolution of September 20 was contrary to the congressional enactment and that it proposed to publish joint rates with the trucking company.

In reply, President Pelley warned the Great Western that its contemplated action was "nothing more or less than the invasion of one railroad's territory by another railroad" and that, if the Great Western persisted, he apprehended that there could not be avoided "extensive retaliatory developments." Despite this threat, the Great Western proceeded to publish its rates, whereupon the association members, in pursuance of the common plan, moved before the Interstate Commerce Commission to suspend the rates.

The Commission, after hearings, approved the rates, demonstrating conclusively that the conspirators had delayed for months the publication of rates that were lawful and valid in every respect from the day they were proposed.

Two years later, testifying before the Senate Interstate Commerce Commitee, Joyce, of the Great Western disclosed that Mr. Pelley's threats were no idle gesture and that the revenues of his road had been gravely prejudiced by the refusal of defendants and their co-conspirators to grant him a fair division of revenues on joint-through traffic.

If that is not in restraint of trade and if it is not killing competition, I do not know what is. Yet that is the type of action which this kind of legislation would legalize and perpetuate.

He also testified that he dared not protest to the Interstate Commerce Commission for fear of being routed against and that protesting to the American Association of Railroads would in his case have been utterly futile.

The Chicago & Great Western paid a high price for its rash display of independence. The results were not such as to encourage other roads to emulate its intrepid example. When the Western Pacific Railroad was called on the carpet in June 1937, for a similar offense, involving alleged invasion of Southern Pacific territory, it decided discretion was the better part of valor, particularly as the Southern Pacific enjoyed the prerogative of having a representative on the Board of Directors whereas the Western Pacific did not.

The railroads continued to enforce the policy embodied in the Resolution of September 20, 1935, until October 25, 1939, when the United States filed a civil action against the Association of American Railroads seeking to enjoin the Association from enforcing the resolution. Thereafter, on February 23, 1940, pursuant to a consent decree, the Association formally rescinded the resolution.

Such formal rescission, however, proved merely another instance of sacrificing the shadow to save the substance. The underlying "gentleman's agreement" continued in full force and effect. Apart from substitute and feeder service, not covered by the resolution, and apart from truck-rail rates established by the Texas-Pacific Railroad in territory outside the scope of the resolution, the defendants, down to the present time, have consistently pursued a general policy of refraining from establishing joint truck-rail rates. For more than 10 years, the Association of American Railroads had successfully imposed a private veto upon an act of Congress.

Under this legislation we would allow the stamp of approval to be put upon such a private government.

The proponents of this bill say that carriers are so completely regulated under the Interstate Commerce Act that we may safely forego the protection of the antitrust laws where the Commission approves collective action by carriers.

Therefore this bill presents the important question of whether we should depend exclusively upon the Interstate Commerce Act where collective action is taken by carriers on the subjects of through routes, joint rates, on either commercial or Government traffic. A few examples show why we should retain the protection of the antitrust laws if the public is to be adequately protected.

The Congress has appropriated millions of dollars to improve the waterways of this country. The primary purpose of these expenditures is to promote the development of cheap water transportation where it is economically feasible. The objective has been realized but, as I shall show, the railroads have fought the water traffic bitterly. They have conspired and have taken concerted action designed to drive the traffic from the waterways to the rails. Up to this time, the Interstate Commerce Commission has proved itself impotent to protect the water traffic.

The grain traffic on the Illinois River grew from 137,000 bushels in 1933 to 17,076,000 bushels in 1939. This growth was due to the higher prices received by farmers shipping by barge as compared with the prices received by farmers served only by railroad. This is true because the barge rates are cheaper than the rail rates, requiring a smaller deduction for transportation charges. For example, the barge rate from Morris, Ill., to Chicago was 2 cents per hundred pounds whereas the rail rate was 9 cents. This is the result that we sought to achieve when we authorized waterway improvements.

For many years grain of like kind and grade moved outbound by rail from Chicago on the same rates regardless of the mode of transportation utilized to move the grain into Chicago. However, in 1939, the eastern railroads conferred

with their connecting western rail lines and the two groups of rail carriers decided to increase the rail rates on the barge grain from Chicago eastward by 8.5 cents without changing the outbound rates on the rail grain shipped into Chicago from points served by the barge lines. This action would have completely wiped out the 7-cent rate advantage on the barge traffic from Morris, Ill., and actually made it 1½ cents more expensive to ship grain over the barge-rail routes from Morris to New York than to use the all-rail service between the same points. The eastern railroads frankly told the Commission that they intended to charge more on the barge grain "with the hope that we could drive this business off the water and back onto the rails where it belongs"—Grain Proportionals, Ex Barge to Official Territory (248 I. C. C. 307, 321).

The barge lines, the Secretary of Agriculture, grain merchants, and others bitterly protested to the Commission against this action by the railroads. They attempted to invoke protection of the Interstate Commerce Act. They showed that it would choke water traffic on the Illinois River—as the railroads intended that it should do. But the Interstate Commerce Act was not adequate to protect the use of the waterways. The Commission held that the railroads had the right to take this action—Grain Proportionals, Ex-Barge to Official Territory (246 I. C. C. 353, 248 I. C. C. 307)—and the Supreme Court upheld the Commission—*Interstate Commerce Commission* v. *Inland Waterways Corp.* (319 U. S. 671). Fortunately in a later proceeding the Supreme Court overruled the ICC, saying that the higher rates east from Chicago could not be applied to grain moving into Chicago by barge—*Interstate Commerce Commission* v. *Mechling, et al.* (329 U. S.; decided March 31, 1947).

Surely it will not be denied that this sort of concerted action by the railroads is in restraint of trade and forbidden by the antitrust laws. The antitrust laws are intended to punish people who take such action. Railroads, like others subject to the antitrust laws, are prohibited from ganging up on a competitor to take away his business.

Under this bill the railroads would be relieved from the antitrust laws in such cases. They would be subject only to regulation by the Commission. But the Commission is apparently impotent to deal adequately with such matters.

Do you Senators from the grain States, Illinois, Kansas, Nebraska, Iowa, Missouri, Minnesota, and the Dakotas, all of which benefit from low-cost water transportation, want to go back to your people and tell them that you voted to repeal the application of the antitrust laws which now protect use of the waterways? The Government is now trying in the case at Lincoln, Nebr., to stop such antitrust violations and the railroads are here trying to get us to pass legislation that would make the case moot. Are you going to give the railroads the defense which they must have if they are not to lose the case?

Let us take another example. The records of the Commission show that Rocky Mountain Lines, a motor carrier formerly with headquarters at Lincoln, Nebr., refused to join with other motor carriers in rate bureaus except for joint rates on traffic exchanged with other carriers. In other words, Rocky Mountain charged whatever it pleased on traffic moving between points on its own line and only joined the rate bureaus for rates covering traffic to and from points beyond its own line.

The rate bureaus did not like this situation because Rocky Mountain Lines charged rates on traffic moving on its own line lower than those of its competitors. In order to force Rocky Mountain Lines to raise its rates, other carrier mempers of a rate bureau canceled joint rates in which Rocky Mountain Lines participated. This canceling of rates left Rocky Mountain Lines unable to exchange traffic with other truck lines. The Commission refused to let the carriers take this action but the other carriers, acting through their rate bureau, refused to accept Rocky Mountain Lines in any new joint rates unless it raised its rates on traffic moving on its own line. Rocky Mountain was soon bankrupt.

The Commission apparently did all that it could do in the Rocky Mountain case, but that was not enough to keep the carriers from applying a boycott on traffic to be interchanged with the Rocky Mountain lines. We should keep the antitrust laws in effect in order that those carriers that wish to offer the public lower rates may do so without fear of unfair retaliation by competitors acting in concert.

We have heard a great deal about the value of rate bureaus in negotiating rates and charges on Government traffic moving during the war. The railroads were given some relief from the antitrust laws for this purpose.

The record shows that the carriers utilized this immunity from prosecution to combine and conspire with each other to deprive the Government of land-grant benefits to which it was entitled. The land-grant statutes provided that the Government should have the benefit of certain reductions from the published rates of the railroads on military traffic.

Here is a startling example of the railroads' action. For many years the railroads have published export rates lower than domestic rates on similar traffic to the ports. The export rate on iron and steel articles from Chicago to west coast ports was 44 cents per hundred pounds, as compared with a domestic rate of $1.10 for the same movement.

The railroads made no provision in their export tariffs for shipments to be stopped en route to the ports for storage or processing. This practice is known as a transit privilege. But it was necessary for the Government to stop many shipments at inland points in order to avoid congestion at the ports. Such action was not permitted under the export tariffs; so the Government was required to pay the much higher domestic rates on its export traffic stopped in transit. Although the railroads granted transit privileges on their published rates applicable to commercial traffic, the same privileges were not extended to Government traffic. When the Comptroller General ruled that the railroads could not make this distinction, they canceled the privilege of transit on their published rates and then made the transit privilege available only in areas where there was little or no land-grant mileage, and hence no land-grant rates for Government traffic.

The Government is attacking, before the Interstate Commerce Commission, the action of the railroads in setting aside the transit privilege on the export rates. Perhaps the Commission will grant relief and eventually the Government will secure the benefit of land-grant reductions from the export rates to which it is clearly entitled by law.

The question is whether we should depend exclusively on the Interstate Commerce Act in such matters. The Supreme Court has held that the granting of transit is a matter between the shipper and the carrier granting the privilege—*Central Railroad of New Jersey* v. *United States* (257 U. S. 247). Here the railroads combined to deprive the Government of transit in order to avoid land-grant reductions from the export rates. The railroads should be prosecuted under the antitrust laws for such action. There is nothing in the Interstate Commerce Act which prohibits such combinations and apparently the ICC approves of them. The people of the United States are entitled to the protection afforded by both the antitrust laws and the Interstate Commerce Act. We should not weaken the arsenal of the people against powerful combinations of railroads by exempting railroads from the antitrust laws as proposed in this legislation.

Assume that, after enactment of the Reed bill, the western agreement which I have mentioned previously and shown a long list of misdeeds that brought on prosecution by the Federal Government, is approved by the Interstate Commerce Commission. That agreement applied to rates as well as to schedules, services, and facilities. Assume that a carrier announces a new service or more expeditious schedule and that thereupon protests by carriers competitively concerned are made to the Commissioner under the western agreement. Under the basic agreement, the proposal would be considered by the Commissioner, or the various organizations or committees. In the course of consideration by the Commissioner—the so-called western railroad czar—the committee of directors—the financiers and industrialists—and the various organizational facets set up in the plan, the proposed improvement in services could be stopped, not necessarily by a formal agreement of all the carriers, but through pressures brought about in conferences and actions taken in accordance with the approved procedures.

It would not be necessary to have a writing or record covering a single one of these. These are the types of practices that we are told by proponents of the measure are innocuous and necessary practices that must go on.

The various conferences and procedures would not constitute a supplemental agreement requiring approval by the Interstate Commerce Commission to exempt the application of the antitrust laws, but there would be "concerted action" taken pursuant to the plan of or-

ganization already approved. Such concerted action under paragraph (9) would be exempt from policing under the antitrust laws. And what sort of pressures would one expect from the Committee of Directors for the western agreement? Let us look at the membership of the committee for some clue to the pressures that would be expected from such a group.

That list was given in the course of the hearings. Without reading it, Mr. President, I ask unanimous consent to have it inserted at this point in the RECORD as a part of my remarks.

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

MEMBERS OF COMMITTEE OF DIRECTORS UNDER AGREEMENT FOR COMMISSIONER PLAN, WITH AFFILIATIONS

Stephen Baker: Bank of the Manhattan Co., 40 Wall Street, New York City, chairman of board and director; Bowery Savings Bank, New York City, trustee; Great Northern Railway, director.

Donald C. Bromfield: Garrett-Bromfield & Co., president and director; Denver & Salt Lake Railway, secretary and director; Arizona Marble Co., president and director; Denver Pressed Brick Co., vice president and director.

E. N. Brown: St. Louis-San Francisco Railway Co., chairman of board, chairman executive committee, and director; Chicago, Rock Island & Pacific Railway Co., chairman of board and president.

A. L. Burford: Texarkana National Bank, director; Magnolia Ice & Coca-Cola Bottling Co., Texarkana, Ark., secretary and director; Louisiana & Arkansas Railway, general counsel; Texarkana & Fort Smith Railway, director; Port Arthur Canal & Dry Dock Co., director; Four States Grocery Co., Texarkana, Ark., director.

C. W. Cahoon, Jr.: Olney Oil & Refining Co., City National Bank Building, Wichita Falls, Tex., president, treasurer, general manager, and director; United Oil Corp., Wichita Falls, Tex., president and director.

William F. Carey: Carey, Baxter & Kennedy, Inc., New York City, president and director; International Utilities Corp., chairman of board and director; Curtiss-Wright Corp., director; Dominion Gas & Electric Co. of Canada, director; Southern Phosphate Corp., chairman of board; Siems-Carey Railway & Canal Co., president and director; Chicago Great Western Railroad, director; The China Corp., vice president; Lehigh Coal & Navigation Co., director.

F. W. Doolittle: North American Co., director; Potomac Electric Power Co., director; Illinois Terminal Railroad, director; Capital Transit Co., director; Washington Railway & Electric Co., director.

William M. Duncan: Duncan Foundry & Machine Works, Inc., Alton, Ill., president and director; Illinois Stoker Co., president and director; Litchfield & Madison Railway, vice president and director.

Allen P. Green: A. P. Green Fire Brick Co., Mexico, Mo., president and director; Mercantile Commerce Bank & Trust Co., St. Louis, director; S. A. Materiales Refractarios A. P. Green, Buenos Aires, Argentina, South America, president; Liptak Furnace Arches, Ltd., London, England, chairman and director; Bigelow-Liptak Corp., vice president and director; Ann Arbor Railroad, director; Wabash Railway Co., director; New Jersey, Indiana & Illinois Railroad, director.

James G. Harbord: Bankers Trust Co., New York, director; Radio Corp. of America, chairman of board and director; National Broadcasting Co., director; R. C. A. Communications, Inc., chairman of board and director; R. C. A. Manufacturing Co., Inc., Camden, N. J., director; R. C. A. Institutes, Inc., chairman of board of directors; New York Life Insurance Co., member executive committee and director; Marconi Telegraph-Cable Co., Inc. (New Jersey, New York), director; Employers Liability Assurance Corp., Ltd., of London, England, member of executive committee; Atchison, Topeka & Santa Fe Railway, member executive committee and director.

R. E. Harding: Fort Worth National Bank, president and director; State Reserve Life Insurance Co., director; International-Great Northern Railroad, director; Acme Brick Co., treasurer and director; Texas Pacific Coal & Oil Co., director; Texas Electric Service Co., director; Missouri Pacific Railroad, director; New Orleans, Texas & Mexico Railroad, director; Texas & Pacific Railway, director; Fort Worth Belt Railway, director; Agricultural Livestock Finance Corp., director; Citizens Hotel Co., director; Ellison Furniture & Carpet Co., director; Fort Worth Lloyds, director.

W. A. Harriman: Brown Brothers Harriman & Co., banking firm, 59 Wall Street, New York City, partner; Union Pacific Railroad, chairman of board; Illinois Central Railroad, chairman, executive committee, and director; Los Angeles & Salt Lake Railroad, chairman of board; Oregon Short Line Railroad, chairman of board; Oregon-Washington Railroad & Navigation Co., chairman of board; Yazoo & Mississippi Valley Railroad, director.

Will H. Hays: Motion Picture Producers & Distributors of America, Inc., president and director; Chicago & Eastern Illinois Railway Co., director; Continental Baking Co., director; Hays & Hays, partner.

F. T. Heffelfinger: F. H. Peavey & Co., Minneapolis, Minn., president and director; Northwestern National Bank & Trust Co., of Minneapolis, director; Farmers & Mechanics Savings Bank, director; Northwestern National Life Insurance Co., director; American Arch Co., director; Lima Locomotive Works, director; Minneapolis, St. Paul & Sault Ste. Marie Railway Co., director.

C. Jared Ingersoll: Girard Trust Co., manager; Western Saving Fund Society of Philadelphia, manager; Mutual Assurance Co., director; Midland Valley Railroad, chairman of board and director; Kansas, Oklahoma & Gulf Railroad, chairman of board and director; Oklahoma City-Ada-Atoka Railway, chairman of board and director; Muskogee Co., president and director; Philadelphia & Western Railway, director; Garland Coal & Mining So., president and director; Pennsylvania Co., director; Pittsburgh, Cincinnati, Chicago & St. Louis Railroad, director; Pennsylvania Railroad, director; Sebastian County Coal & Mining Co., president and director; New Almaden Corp., director.

John H. W. Ingersoll (alternate to C. Jared Ingersoll): Central-Penn National Bank, director; Midland Valley Railroad, vice president and treasurer; North Pennsylvania Railroad, director; Oklahoma City-Ada-Otoka Railway, vice president, treasurer, and director; Muskogee Co., vice president, treasurer, and director; Kansas, Oklahoma & Gulf Railway, treasurer and director; Sebastian County Coal & Mining Co., vice president and director.

B. F. Kaufmann: Bankers Trust Co., Des Moines, Iowa, president and director; Equitable Life Insurance Co. of Iowa, director; Northwestern Bell Telephone Co., director; Bankers Building Corp., Des Moines, president and director; F. W. Fitch Co., director; Chicago & North Western Railway, director; Chicago, St. Paul, Minneapolis & Omaha Railway, director.

Thomas W. Lamont (alternate to General Harbord): J. P. Morgan & Co., Inc., chairman executive committee and vice chairman of board; Lamont, Corliss & Co., chairman of board and director; United States Steel Corp., director; Southwestern Construction Co., director; International Minerals & Chemical Corp., director; Atchison, Topeka & Santa Fe Railway, director; Santa Fe Pacific Rail Road, director.

William De Forest Manice: Manice & Rives 20 Exchange Place, New York City; Federal Terra Cotta Co., secretary and director; Federal Seaboard Terra Cotta Corp., director; Laredef Holding Corp., secretary and director; Phelps Dodge Corp., member executive committee and director; Southern Pacific Co., director.

A. Perry Osborn: Western Pacific Railroad Co., director; Denver & Rio Grande Western Railroad, director; Denver & Salt Lake Western Railroad, director; Rio Grande Junction Railway, director.

E. E. Pierce: Chicago Board of Trade, member; Winnipeg Grain Exchange, member; Toronto Stock Exchange, member; Boston Stock Exchange, member; Chicago Mercantile Exchange, member; Commodity Exchange, Inc., member; New York Cotton Exchange, member; Canadian Commodity Exchange, Inc., member; New York Curb Exchange, member; Dictaphone Corp., director; Sperry Corp., director; Ford Instument Co., director; Sperry Gyroscope Co., Inc., director; Waterbury Tool Co., director; Sperry Securities Corp., director; Vickers, Inc., director; Chicago, Milwaukee, St. Paul & Pacific Railroad, director.

J. S. Pillsbury (alternate to F. T. Heffelfinger): Pillsbury Flour Mills, Inc., cochairman of board of directors; Northwest National Bank & Trust Co., Minnesota, director; Northwest Bancorporation, director; Wayne Knitting Mills, director; Munsingwear, Inc., director; Minneapolis, St. Paul & Sault Ste. Marie Railway, director; Vassar Co., Chicago, Ill., director; Wisconsin Rail Road, Minneapolis, director.

J. S. Pyeatt: Missouri Pacific Railway, chairman of board and director; Rio Grande Junction Railroad, president and director; Denver & Salt Lake Western Railroad, president and director; Denver & Rio Grande Western Railroad, president and director; North Kansas City Bridge & Railroad Co., president and director; North Kansas City Development Co., president and director.

Francis F. Randolph: J. & W. Seligman & Co., banking firm, 65 Broadway, New York City, partner; Investment Bankers Association of America, member, investment commission; Chase National Bank of New York, produce exchange branch, member, advisory committee; Tri-Continental Corp., chairman of board, president, member, executive committee, and director; The Broad Street Investing Co., Inc., chairman of board, president, member, executive committee, and director; Selected Industries, Inc., chairman of board, president, chairman, executive committee, and director; Union Securities Corp., chairman of board, president, member executive committee, and director; National Investors Corp., chairman of board, president, member, executive committee, and director; General Shareholdings Corp., chairman of board, president, member, executive committee, and director; American Home Fire Assurance Co., chairman of board, chairman, finance committee, member, executive committee, and director; American Re-Insurance Co., member, executive committee, and director; Capital Administration Co., Ltd., chairman of board, president, member, executive committee, and director; Insurance Co. of State of Pennsylvania, chairman, executive committee, and director; Globe & Rutgers Fire Insurance Co., chairman of board, chairman, executive committee, and director; New Palisades Corp., president and director; Union Corp. (Pennsylvania), chairman of board, president and director; Park Properties Corp., director; General Properties, Corp., director; Newport News Shipbuilding & Dry Dock Co., chairman, finance committee, member, executive committee, and director; Aztec Land & Cattle Co., Ltd., member, executive committee, and director; Missouri-Kansas-Texas Railroad, member, executive committee, and director.

E. D. Schuggs: Spokane International Railroad, representative, care office of treasurer, Metropolitan Life Insurance Co., New York, N. Y.

Tom K. Smith (alternate to Allen P. Green): Boatmen's National Bank of St. Louis, president and director; American Telephone & Telegraph Co., director; Curtis Manufacturing Co., director; General American Life Insurance Co., director; Ann Arbor Boat Co., director; Ann Arbor Railroad, director; Detroit & Western Railway, director; Frankfort Realty Co., director; Lake Erie & Fort Wayne Railroad, director; Manistique & Lake Superior Railroad, director; Menominee & St. Paul Railway, director; New Jersey, Indiana & Illinois Railroad, director; Toledo Central Station Railway, director; Wabash Motor Transit Co., director.

E. W. Stetson (alternate to W. A. Harriman): Guaranty Trust Co., of New York, president and director; French American Banking Corp., member of executive committee and director; Textile Banking Co., Inc., director; Coca-Cola Co., member of executive committee and director; Bibb Manufacturing Co., member of executive committee and director; McLellan Stores Co., member of executive committee and director; Selected Industries, Inc., member of executive committee and director; United Stores Co., member of executive committee and director; United States Industrial Alcohol Co., member, executive committee, and director; Air Reduction Co., Inc., director; General Shareholdings Corp., director; Tri-Continental Corp., director; McCrory Stores Corp., director; Illinois Central Railroad Co., chairman of executive committee and director; Southeastern Compress & Warehouse Co., member of executive committee and director; Yazoo & Mississippi Valley Rail Road, director.

O. M. Stevens (alternate to A. Perry Osborn): American Refrigerator Transit Co., Missouri Pacific Building, St. Louis, Mo., president and general manager; Denver & Rio Grande Western Railroad, director; Denver, Salt Lake & Western Railway, director.

Silas H. Strawn: Winston Strawn & Shaw, 38 South Dearborn Street, Chicago, Ill., senior member; Montgomery Ward & Co., Inc., chairman, executive committee, and director; First National Bank of Chicago, member, executive committee, and director; Alton Railroad, general solicitor and director.

Edward F. Swinney: First National Bank, Kansas City, Mo., chairman of board; Loose-Wiles Biscuit Co., vice president and director; Kansas City Terminal Railway, treasurer; Kansas City Southern Railway, director; Kansas City Stock Yards Co., director; Louisiana & Missouri River Railroad, director; Southwestern Bell Telephone Co., director.

Sir William Wiseman (alternate to E. F. Swinney): Kuhn, Loeb & Co., partner; Chicago Title & Trust Co., Chicago, Ill., trust officer; Chicago Mail Order Co., member executive committee and director.

Willis D. Wood (alternate to Francis G. Randolph): Wood, Walker & Co., 63 Wall Street, New York City, limited partner; New York Stock Exchange, member; Title Guaranty & Trust Co., trustee; Corn Products Refining Co., director; Fidelity & Casualty Co., director; Fidelity-Phenix Fire Insurance Co., director; Cassidy Co., Inc., director; Missouri-Kansas-Texas Railroad, director; New York City Omnibus Corp., director; Western Pacific Railroad, director.

Mr. SPARKMAN. Thus the committee of directors under the western agreement, which meets at 40 Wall Street, New York City, with its vast concentration of economic power, would operate with complete immunity from the antitrust laws because the actions of the committee are taken "pursuant to and in conformity with" the agreement approved by the Interstate Commerce Commission.

Mr. President, I do not care to trespass longer on the time of the Senate, but there has been a great display made here of various organizations which have been supporting the measure. We have not seen so much of those who have been opposing it, because, as a matter of fact, those who will be adversely affected by it—and those who dare to speak out with reference to it will be adversely affected—are not of the articulate type. However, there have been some who spoke out against it.

I want to call attention to a letter which was received from the chairman of the Alabama State legislative board of the Brotherhood of Railway Trainmen who have urged that everything possible be done against this legislation. They are people whose living depends upon the railroads. They work with the railroads and they know what the effect of this legislation would be upon their daily lives. They are consumers.

I ask unanimous consent, Mr. President, to have that letter included at this point in my remarks, and also to have included a letter from Mr. T. J. Gray, secretary, Alabama State legislative committee, Order of Railway Conductors, in opposition to the bill.

There being no objection, the letters referred to were ordered to be printed in the RECORD, as follows:

BROTHERHOOD OF RAILROAD TRAINMEN,
ALABAMA STATE LEGISLATIVE BOARD,
Selma, Ala., April 15, 1947.

Hon. LISTER HILL, *United States Senator,*
Senate Office Building,
Washington, D. C.

Hon. JOHN SPARKMAN, *United States Senator,*
Senate Office Building,
Washington, D. C.

GENTLEMEN: I am advised that the Bulwinkle-Reed bill will come up for passage in the Senate, in the very near future.

Since these bills have been before the Congress for some time, I am sure you are familiar with their contents and the danger therein. However, we wish to point out to you that in addition to setting aside antitrust laws, the establishment of rates, fares, and many other things, these bills provide for "the settlement of claims, the promotion of safety, or the promotion of the adequacy, or efficiency of operation of service." We are fearful of what might happen in the settlement of claims and our safety rules and regulations if these bills become a law.

The railroads cry to the high Heaven, that everything they do is regulated, when as a matter of fact they make many reductions in rates to meet competition and changes in services for their own benefits without any interference.

As we understand it, in the event this bill becomes the law, the ICC would be authorized to approve basis agreements, with respect to rates, etc. and action under such agreements would be free from antitrust laws.

Therefore we hope you will use your vote and influence in the defeat of these bills.

Very sincerely yours,
J. P. KNIGHT,
Chairman and Representative.

ORDER OF RAILWAY CONDUCTORS,
ALABAMA STATE LEGISLATIVE COMMITTEE,
Birmingham, Ala., June 2, 1947.

Hon. JOHN J. SPARKMAN,
Senate Office Building,
Washington, D. C.

DEAR SIR: We request you make every effort possible to defeat Senate bill No. 110, the Bulwinkle bill.

Yours truly,
T. J. GRAY,
Secretary, Alabama State Legislative Committee, Order of Railway Conductors.

Mr. SPARKMAN. I ask unanimous consent to have included at this point in the RECORD a letter from Mr. Harry See, national legislative representative of the Brotherhood of Railroad Trainmen, addressed to me on June 4, 1947, in opposition to t' is legislation, with which he enclosed a statement pointing out language in the bill which would allow the various committees, bureaus, and so forth, to make rules and regulations with reference to safety appliances.

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

BROTHERHOOD OF RAILROAD TRAINMEN,
UNITED STATES LEGISLATIVE DEPARTMENT,
Washington, D. C., June 4, 1947.

Hon. JOHN J. SPARKMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR SPARKMAN: I am attaching hereto a memorandum, as per our conversation at noon today, concerning S. 110.

With reference to the railroad labor organizations supporting S. 110, the Brotherhood of Railroad Trainmen is opposed to this bill and I understand that several of the other organizations are indifferent and are not taking any position, and that at least one of the organizations has been supporting it at the request of the carriers.

With kind personal regards, I am,
Sincerely yours,
HARRY SEE,
National Legislative Representative.

MEMORANDUM RE S. 110

WASHINGTON, D. C., *June 4, 1947.*

The language in the second paragraph of S. 110, reading "concerning, or providing rules or regulations pertaining to or procedures for the consideration, initiation, or establishment of the interchange of facilities, the settlement of claims, the promotion of safety, or the promotion of adequacy, economy, or efficiency of operation or service," is the portion that we are fearful of. In 24 of the States, the legislature has delegated to their public utility commissions the authority to prescribe rules for the safe operation of trains in the interest of safety for the traveling public and railroad employees.

Many of the States have adopted rules or general orders governing the clearances between structures and railroad tracks, both overhead and side, the distance between the center line of parallel tracks so as to provide a reasonably safe place for railroad employees to work. Many States have also adopted regulations concerning the handling of cars of unusual width and height for the safety of the traveling public and railroad employees; and some of the States have adopted regulations concerning the loading of open-top cars, such as lumber, steel, or poles, and machinery of unusual width or height loaded on flatcars.

We are fearful that the language quoted above in S. 110 might supersede the State regulations and leave the railroad employees at the mercy of regulations prescribed by

the Association of American Railroads because in a letter from the Department of Justice to Senator TOBEY the Department of Justice intimates that could be done and that it would not be unlawful, so if the Association of American Railroads promulgated an order concerning clearances or the handling of large cars and the Interstate Commerce Commission agreed to it, we are wondering just where we would be if the carriers then took the position that it was an order of the ICC and superseded State regulation.

We have had some experience and a very sad experience with the handling of carloads of lumber loaded on open-top cars in accordance with the specifications of the Association of American Railroads, and the reports of the commissions in some of the Western States are filled with accounts of accidents as a result of such loadings. At least one of the commissions has taken very drastic action entirely contrary to the rules of the Association of American Railroads, with the result that there was a great improvement in the method of loading. This is all in addition to the monopolistic features of the bill, which would only repudiate and make legal the rate discriminations as between the various parts of the United States.

The 24 States mentioned above, as having authority to prescribe rules are Arizona, Arkansas, California, Colorado, Connecticut, Illinois, Kansas, Maine, Maryland, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Dakota, Tennessee, Washington, Wisconsin, and North Carolina.

Generally the language used is as follows: "Every public utility shall furnish, provide, and maintain such service, instrumentalities, equipment, and facilities as shall promote the safety, health, comfort, and convenience of its patrons, employees, and the public, and as shall be in all respects adequate, efficient, just, and reasonable."

HARRY SEE,
National Legislative Representative,
Brotherhood of Railroad Trainmen.

Mr. SPARKMAN. Mr. President, because of my feeling that this bill, if enacted into law, would be a bad precedent, in that we would be taking a great segment of our industrial and economic life out from under the operation of the antitrust laws which were passed for the purpose of protecting the individual citizen; because I believe it would make for the establishment and furtherance of monopoly, which perhaps is the most dangerous force in the country today, considering the headway that monopoly is making and the threat which it holds over the heads of our people, and because I believe that the inevitable result of this type of legislation would be harmful to the great mass of the people of the country, the consumers, the shippers, the small railroads and truck lines, and all those that do not belong to the hierarchy in the establishment of bureaus, boards, and committees and who have no part in the formulation of rates, rules, and practices, I am opposing this bill. I think we ought to keep in mind that it is not confined to rates and to mere conferences, but it involves the making of rates, rules, and practices for the carrying on of the very life of all forms of transportation in this country. Because I believe it would be bad for the country if this bill is enacted into law, I am opposed to it. I believe it should be defeated.

EXHIBIT A

WESTERN MECHANISMS

Examples of activities of the western mechanisms are as follows:

1. In 1933 air conditioning of passenger equipment was curtailed temporarily and stopped temporarily through the operation of the agreement.

2. In 1933 operations under the Western Commissioner plan prevented absorption by the railroads of expense incident to putting heaters in cars of potatoes in all movements of potatoes from Wisconsin, Minnesota, Iowa, Illinois, Missouri, Utah, the Dakotas, Nebraska, Kansas, Idaho, Colorado, Washington, Wyoming, Montana, Oklahoma, and Oregon to Chicago.

3. In 1933 the Chicago Great Western endeavored to reduce rates on about 100 commodities down to 30 cents per 100 pounds when moving in carloads of minimum weights of 30,000 pounds each from Chicago to Kansas City, St. Joseph, Omaha, South St. Paul, Winona, Minn., and Des Moines, Iowa. The reduction was stopped after pressure by Messrs. De Forest, Harriman, Van Sweringen, and McCullough, members of the committee of directors.

4. In 1933 the Western Commissioner ordered certain reduced passenger fares on the Southern Pacific, in Texas, intrastate, abolished.

5. In 1933 Committeeman Arthur Curtiss James, 40 Wall Street, New York, undertook to persuade the Great Northern to abolish fares of 2 cents per mile in tourist sleepers running on five western lines. Whether he succeeded is not definitely shown.

6. In 1933 the practice of the Santa Fe of allowing single occupancy of all classes of Pullman accommodations, except drawing rooms, by the holder of one ticket, and of allowing single occupancy of a drawing room by the holder of one ticket and a half was abolished temporarily until the eastern lines adopted the practice; whereupon the western lines readopted it.

7. Intrastate and interstate excursion fares of 1½ cents per mile in Texas and Louisiana were stopped except to and from New Orleans, from and to points within a radius of 150 miles thereof.

8. In 1934 a reduction in freight rates on stone between St. Louis and Kansas City by a combination of interstate factors with the applicable intrastate rate was prevented.

9. In 1934 reductions in rates on sugar moving from New Orleans, La., and Sugar Land, Tex., to Springfield, Mo., were prevented.

10. In 1934 reductions in rates on coal moving from Utah and Wyoming to points west of Boise, Idaho, were prevented.

11. In 1934 reductions in rates on less than carload agricultural implements moving from Council Bluffs, Iowa, and Nebraska stations to points in Kansas were prevented.

12. In 1934 elimination of the absorption by St. Louis lines of the expense of trucking shipments from the rails of one line to the rails of another in St. Louis was accomplished.

13. In 1934 a shortening of running time by 24 hours on California perishables into New York was prevented.

14. In 1934 reduced excursion fares of 1 cent per mile from Montana points to Chicago and return were prevented.

15. In 1934 a reduced fare of $57.40 from El Paso to the Twin Cities by way of St. Louis, Memphis, or Vicksburg, was prevented.

16. In 1934 the movement of freight in baggage cars on passenger trains between Vicksburg and Shreveport, was prevented.

17. In 1934 the construction of a spur track to serve an industry already served by one track was prevented through pressure applied by Committeeman Arthur Curtiss James, 40 Wall Street, N. Y.

18. In 1934 an unsuccessful effort was made to cause the Alton to unhook the air conditioning and move sleepers to St. Louis, without air conditioning, which had come to it at Chicago after arriving there on the B. & O. with the air-conditioning apparatus in operation.

19. In 1935 a vigorous but unsuccessful effort was made to have the Western Commissioner prevent the C. B. & Q. from buying and operating a bus line between Chicago and Los Angeles via Omaha, Cheyenne, and Salt Lake City. The Commissioner construed the western agreement as not covering this situation. Thereupon, the committee of directors tried vigorously but unsuccessfuly to have the agreement amended so as to cover bus and truck operations by railroads and their subsidiaries.

20. In 1935 a reduction by the Milwaukee in all freight rates to 50 cents per 100 pounds was prevented.

21. In 1935 and between October 7, 1935, and May 10, 1936, a vigorous effort was made, unsuccessfully, to prevent the K. C. S. from establishing parity of rates between the Atlantic seaboard ports and southern ports, or specifically, to prevent the K. C. S. from observing at Kansas City, Mo., the rates "applicable to and from Cedar Rapids, Iowa, in I. & S. Docket No. 3718." Committeemen Will H. Hays, A. F. Cleveland, of the AAR, the Western Commissioner, and the committee of directors tried, unsuccessfully, to stop C. E. Johnston, president of the K. C. S. from putting this proposal into effect. An additional effort was made, unsuccessfuly, to find someone to protest Mr. Johnston's reduced rates before the ICC. Later, Mr. Johnston was employed as Western Commissioner.

22. Between February 18, 1935, and July 1, 1936, a vigorous but unsuccessful effort was made to prevent Patrick H. Joyce, president of the Chicago, Great Western, from making reduced rates and transporting trucks and trailers loaded with merchandise and mounted on flatcars, between Chicago and the Twin Cities. The AAR, through Mr. Cleveland, took an interest in the matter as did the committee of directors. The protestants, after failing to stop Mr. Joyce under the western agreement, fought him before the ICC, but Mr. Joyce won.

23. Over a long period extending from April 11, 1935, to June 13, 1941, a bitter contest was carried on as a result of a resolution adopted by western railroads dated September 6, 1934, providing that goods, other than livestock and poultry, arriving by rail in Denver, Colo., from the East after 7 a. m. would not be delivered until 5:30 p. m. The Denver Post, Denver receivers, the Governor of Colorado, and others joined the general protest against delayed deliveries in Denver. One shipper sued the Union Pacific for damages, claiming that delayed delivery of his goods forced him to sell at a reduced price. He recovered judgment, and on appeal the judgment was affirmed by the Supreme Court of Colorado, which held that the agreement between the railroads for delayed delivery was no defense against the plaintiff, even though he had not asked the ICC to set the agreement aside. So far as can be determined from the files available to us, the agreement for delayed or concurrent deliveries at Denver still exists.

24. On November 9, 1935, the Commissioner was involved in the making of an agreement among Texas lines that no intrastate football excursion fares in Texas would be established without the Commissioner's study thereof to determine whether they were in line with his previous opinion on the subject dated August 3, 1935. This agreement was the result of the action of the Katy in establishing a football excursion fare of $3.15, instead of $4.20, between Austin and

Dallas, Tex., in connection with a game at Dallas on October 12, 1935.

25. In 1935 a reduced $6 round-trip excursion-coach fare between St. Louis and Chicago was prevented.

26. In 1935 and thereafter, over a long period, a bitter controversy was carried on over the Santa Fe's successful efforts to procure from the California Railroad Commission certain bus operating rights and then to establish a coordinated train-bus service in California with reduced fares and with tickets good interchangeably on trains and busses. The Southern Pacific was fighting the proposal, and did so before the Transcontinental Passenger Association, before the western commissioner, before the committee of directors, before the AAR, before the California Railroad Commission, and before all the courts in California, including the supreme court in that State. This is the case in which President Bledsoe, of the Santa Fe, called attention to the violation of the antitrust laws.

27. In 1935 an effort to make a reduction down to 40 cents per hundred on all commodities moving from St. Louis and East St. Louis to Springfield, Mo., was successful. Mr. Cleveland, of the AAR, took an interest in the case.

28. In 1936 the L. & A. successfully refused to follow the Commissioner's decision disapproving a reduction of 3 cents per hundred in rates on crude oil moving from points on the L. & A. west of the Rodessa oil field to the L. & A. stations, North Baton Rouge to New Orleans, inclusive.

29. In 1936 a controversy arose, which finally culminated on May 3, 1940, in an agreement which fixed the time of delivery of goods at El Paso out of St. Louis and Chicago. This agreement was in compromise of proposals by the T. & P. and Santa Fe to make El Paso deliveries of goods originating in Chicago on the third morning. The controversy also revolved around the question whether El Paso deliveries should be made not earlier than 5 a. m., central time, third morning, or not earlier than 7 a. m., mountain time.

30. In 1936 schedules of freight trains between Denver and southwestern points were fixed by agreements dated November 11, 1936, and January 15, 1937. By this agreement, the Burlington delays goods in Fort Worth, destined to south Texas, and the Union Pacific delays goods into Kansas City from Denver originating beyond Idaho. Also, by these agreements, bananas out of Gulf ports going to Denver by way of Fort Worth are removed from delayed shipments and may be taken into Denver prior to 7 a. m. so as not to be caught by the Denver 5 p. m. delivery agreement above mentioned.

31. In 1936 freight schedules were slowed down between Chicago, on the one hand, and Memphis and New Orleans, on the other. J. J. Pelley, of the AAR, was active in bringing about this slow-down so as to "hold this very fast service from spreading beyond the Illinois Central Railroad Co.'s territory."

32. Placing of movies on passenger trains was prevented in 1936 and in addition it was agreed that no road would put facilities for recreation on any passenger train without giving 8 months' advance notice to all other western lines.

33. In 1937 reductions in rates on rotogravure supplements to newspapers moving between Chicago and California were prevented.

34. In 1937 reductions in import sugar rates down to 34½ cents per hundred, New Orleans to Dallas, so as to put the ports of Houston and New Orleans on a parity, were prevented.

35. In 1937 30-percent reductions in rates on pulpwood, Louisiana & Arkansas stations to Spring Hill, and on wood pulp, Spring Hill to New Orleans, and reductions in rates on wood pulp, Advance, La., to New Orleans, for export, were prevented.

36. In 1937 reductions in rates on bananas, New Orleans to Shreveport, from 63 to 40 cents, were prevented, according to the Commission's letter of January 3, 1938.

37. In 1937 Frisco freight schedules, St. Louis to Fort Smith, were fixed by the Commissioner so as to speed up delivery of less-than-carload freight at Fort Smith subject to the condition that delivery of carload freight would not be speeded up to the same extent. The committee of directors was unable to induce the Frisco to the follow the decision.

38. In 1937 the Commissioner prevented the Wabash from establishing a week-end round-trip excursion fare of $3.65, Decatur to Chicago, and return.

39. In 1937 reduced winter passenger rates to Mexico City from points on the Alton, Chicago & Eastern Illinois, Missouri Pacific, and Wabash were held up to $90.30, the same as the fare from the same points to California.

40. In 1937 the Commissioner prevented the transporting of passengers going to San Antonio from points on the Wabash and Missouri Pacific on special fast trains carrying persons traveling from Chicago and St. Louis to old Mexico under the so-called escorted-tours contracts of carriage.

41. In 1938 a reduction in rates on potatoes, onions, and other root vegetables, moving out of Colorado and related rate groups, was limited and curtailed by the Commissioner's decision which was not satisfactory to the proponents, Union Pacific, Missouri Pacific, and the Katy. The matter, after being reported to the committee of directors, was sent back to the underlying rate bureau for a compromise adjustment. The final result is not definitely shown, although it is to be inferred that the reduction was limited or curtailed.

42. In 1938 the efforts of the Missouri Pacific to speed up into St. Louis the Colton perishable traffic originating in California failed on the grounds that the proposal, in the opinion of the Commissioner, violated a preexisting agreement of December 15, 1937. The proponent was dissatisfied with the decision, but Committeeman Allen P. Green persuaded President Baldwin, of the Missouri Pacific, to follow it.

43. In 1938 efforts of the Katy, Texas & Pacific, and the Missouri Pacific to speed up freight trains carrying livestock and packing-house products from Fort Worth, going to St. Louis and beyond, were successful after the Commissioner and the committee of directors vigorously tried to stop the fast service.

44. In 1938 the efforts of the Rock Island to substitute tourist cars for standard sleepers between Memphis and Los Angeles failed when the Missouri Pacific took the position that the proposal would break down the passenger-fare structure and make it necessary for other lines to put on tourist cars.

45. Efforts of the Wabash to establish week-end reduced excursion fares between a number of important western cities failed when Committeeman Allen P. Green put the pressure on the Wabash to desist.

46. Efforts of the Wabash to establish a $6 round-trip excursion fare for the Kiwanis from St. Louis to Kansas City and return evidently failed because Committeeman Brown advised the Commissioner that the matter was being held in abeyance.

47. Efforts of the Rock Island to establish a week-end excursion fare of 1 1/10 cents per mile from Iowa and Illinois points to Chicago were held to be satisfactory subject to the condition that the Wabash would not use the case as a precedent for making other reductions between other points.

48. Efforts of the Chicago, Milwaukee, St. Paul & Pacific and the Chicago, Burlington & Quincy to speed up passenger schedules between Chicago and the Twin Cities were disapproved by the Commissioner unless the minimum time was 6 hours and 30 minutes. The proponents refused to follow the decision and were turned in to the committee of directors; whereupon the matter was compromised; the details of the agreement not being shown.

49. In 1939 efforts of various western lines to reduce rates on petroleum and its products between Kansas points and Colorado points were only partly successful.

50. Efforts in 1939 of the Union Pacific to reduce rates on newsprint paper moving from International Falls and other northern mills to Colorado common points were possibly unsuccessful. The Union Pacific refused to follow the Commissioner's decision disapproving of the reduction. However, he reported this refusal to the committee of directors which approved of his decision.

51. In 1939 the efforts of the Denver & Rio Grande Western to reduce rates on western slope Colorado peaches were unsuccessful notwithstanding efforts by the Governor of Colorado, United States Senators, the Public Service Commission of Utah, and the United States Department of Agriculture to induce the Commissioner to approve the reduction in the interest of the distressed producers. There is some evidence that the proponent finally, in the face of terrific agitation, decided to act contrary to the decision, but there is also evidence that the proponent's connections refused to concur.

52. In 1939 the efforts of the Chicago, Burlington & Quincy to reduce rates on cattle and hogs in carloads moving from Illinois points and Mississippi River points in Iowa were only successful in part.

53. In 1939 the efforts of the Katy and Illinois Terminal Railroad to reduce rates on pulpboard moving Alton and Federal, Ill., to Kansas City were successful when they refused to follow the Commissioner's adverse decision.

54. In 1939 the efforts of Texas lines to assume the cost of loading carload lots of cotton were unsuccessful but they were successful in obtaining permission to load less-than-carload cotton free, all under a decision calling for strict area limitations on free loading and for further careful nonspreading reduction in cotton rates, carload and less-than-carload only where required to meet truck competition. This brought a complaint from the Oklahoma commission to the ICC that Oklahoma shippers had to pay for loading their cotton. The Texas lines fought the ICC case and lost.

55. In 1939 efforts of the Kansas City Southern to reduce sugar rates, New Orleans to Texarkana and Ashdown, Ark., were unsuccessful before the Commissioner. A. F. Cleveland, of the Association of American Railroads, got into the case, and W. Averell Harriman was also active when the Kansas City Southern and the Katy, which had joined as a proponent, refused the decision. Paul P. Hastings, of the Santa Fe, was interested in killing the proposal which seems to have finally been made effective as a result of the persistence of Matthew S. Sloan, of the Katy, who refused to desist.

56. In 1939 the efforts of the Katy to reduce soap rates Kansas City and St. Louis to southwestern points were successful despite the efforts of the Commissioner, W. Averell Harriman, and other committeemen to stop the proposal. Mr. Sloan again persisted.

57. In 1939 the efforts of the Katy to establish fourth-class rates as a maximum on all less-than-carload freight in Texas, both intra- and interstate, were unsuccessful.

58. In 1939 the efforts of the Great Northern, Union Pacific, and the Milwaukee to reduce rates 15 to 25 percent on apples and pears were successful in part despite the Commissioner's adverse decision.

59. In 1939 a controversy arose respecting the Santa Fe's freight schedules from Kansas City to Fort Worth and Dallas, Tex. It was settled by an agreement of July 31, 1939, which possibly involves a slow-down.

60. In 1939 the question of the Santa Fe's freight schedules from Chicago to Dallas, Fort Worth, Houston, Galveston, and Beaumont via Kansas City and Oklahoma City was given consideration and was settled in an agreement of January 18, 1940, which possibly involves a slow-down.

61. In 1939 the question of speeding up freight schedules from Chicago and Kansas City to Texas points and vice versa, over the Rock Island was considered. The matter was settled by agreement on March 7, 1940. This agreement involved delays to, and holding of "Colton Block" California perishables at Kansas City and Fort Worth. It also involved a slow-down on "Cotton Block" in St. Louis.

62. Efforts in 1939 to extend return time limit on round-trip excursion tickets generally to 6 months were unsuccessful.

63. In 1940 the efforts of the Katy of Texas to reduce rates on crude oil between the Shreveport group points and Texas points were unsuccessful when the Commissioner disapproved.

64. In 1940 the efforts of the Missouri Pacific to reduce rates on crude oil moving from the midcontinent field and southwestern points were disapproved by the Commissioner, who suggested, however, that all southwestern lines get together and work out a limited and curtailed reduction which they seem to have done by agreeing to reductions as between Missouri Pacific points only with the other lines cooperating to keep the reductions from spreading.

65. In 1940 the efforts of the Rock Island, Missouri Pacific, and Cotton Belt to stop the Frisco from establishing through rates and transit arrangements with common-carrier truck lines were successful. The files show that the suit of the Department of Justice against the railroads was discussed in connection with this matter.

66. Efforts of the Milwaukee to establish a reduced rate of 18 cents on crude oil, Cut Bank, Mont., to Spokane, were successful but the Commissioner required that the proponent assist in certain litigation in which the validity of certain orders of regulatory bodies was involved. These orders made the reduction necessary, according to the proponent.

67. In 1940 the efforts of the Katy to reduce interstate rates to 11 cents on crude oil, Wichita Falls and Luedens, Tex., to Houston, Galveston, and Texas City, were successful subject to the condition, among others, that the oil be used at destination for bunkerage purposes only.

68. In 1940 the efforts of the Santa Fe, Katy, and Missouri Pacific to reduce intrastate rates on refined petroleum products in Texas were partly successful when the Commissioner neither approved nor disapproved the proposal, but affirmatively suggested a compromise scale on a restricted and limited basis.

69. In 1940 efforts by the Burlington to make reduced rates on loaded trailers and semitrailers mounted on flatcars moving Chicago to Kansas City were disapproved by the Commissioner. The proponent filed the tariff with the ICC which would not accept it, holding that a tariff was unnecessary; whereupon the plan was fixed by contract between the Burlington and the trucker.

70. In 1940 the Commissioner, without any protest, took over the task of preventing reduced rates on bananas moving from Texas Gulf and Rio Grande crossings to Texas points and to Colorado common points. He disapproved the reductions on movements to Texas points but affirmatively suggested a scale to Colorado common points, which was followed.

71. In 1940 efforts of the Missouri Pacific and Kansas City Southern-Louisiana & Arkansas to reduce rates on sand and gravel moving intrastate in Louisiana and interstate Texas to Louisiana, and vice versa, were delayed, not on protest of any line, but on the initiative of the chairman of the lower rate bureau who merely wanted the Commissioner to hold up the reduction while the Texas commission had a rate structure under consideration so that the roads would not be in an inconsistent position before the Texas commission by having made this reduction while, at the same time, resisting reductions before that commission. The Commissioner dismissed this case when the Texas commission learned that he was holding it.

72. In 1940 the Commission urged railroads which were willing to comply with an order of the ICC not to do so but to fight it. The fight was successfully made. The question involved was the validity of rail-ocean rates on flour from points in Oklahoma, Texas, southern Kansas, southeastern Colorado, and New Mexico to North Atlantic ports and into interior points in Trunk Line and New England Territories. The ICC had ordered a 15-percent reduction to North Atlantic ports.

73. In 1940 the efforts of the Frisco to speed up deliveries of goods on arrival at Fort Worth and Dallas from the St. Louis-East St. Louis Switching District were partly successful under an agreement of about June 12, 1940, which involved a slow-down.

74. In 1940 the Katy failed in its efforts to establish a reduced round trip excursion fare of $5.90 from Fort Worth and Dallas to Galveston and return.

75. In 1940 the Union Pacific failed in its efforts to establish reduced intermediate class fares in Western Territory east of Ogden or Salt Lake City, Utah, and Pocatello, Idaho, on a basis of 75 percent of the one way first-class fares of 2¼ cents per mile one way and on the basis of 180 percent of the one way intermediate-class fares for the round trip.

76. In 1940 the efforts of the Illinois Central failed to establish the use of credit cards good for railroad tickets, Pullman tickets, dining and buffet service, all-expense tours and baggage charges.

77. In 1940 the Union Pacific succeeded in speeding up deliveries at California Pacific coast cities of goods coming from St. Louis and Chicago by an hour and a half under an agreement of May 28, 1940.

78. In 1940 the vigorous efforts of L. W. Baldwin, of the Missouri Pacific, and of the Katy to reduce rates temporarily on citrus fruit moving from the Rio Grande Valley in Texas to Chicago, St. Louis, and Kansas City, and to destinations in Central Freight Association Territory were successful notwithstanding the efforts of the Commissioner and the AAR to stop them.

79. In 1941 the efforts of the Kansas City Southern to disregard rate bureau procedure in making rates applicable to the Kansas City Southern and its subsidiary truck line were unsuccessful.

80. In 1941 the Missouri Pacific, by agreement of March 28, 1941, agreed to a slow-down in delivery of carloads of goods at Wichita coming from St. Louis and points east and northeast thereof.

81. The efforts in 1942, of the Missouri Pacific and the Denver & Rio Grande Western to establish "Colorado Eagle" as a streamline train between St. Louis and Denver were successful.

CREATION OF A UNITED STATES OF EUROPE

Mr. FULBRIGHT. Mr. President, I understand that the letter from Secretary of State George P. Marshall to the chairman of the Senate Foreign Relations Committee, dated June 4, concerning Senate Concurrent Resolution No. 10, has not been printed in the RECORD in full. Therefore, I ask unanimous consent that at this point in my remarks the letter be printed.

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

JUNE 4, 1947.

The Honorable ARTHUR H. VANDENBERG,
United States Senate.

DEAR SENATOR VANDENBERG: I refer to your letter of March 24, 1947, acknowledged by the Department on March 28 in regard to Senate Concurrent Resolution 10 introduced by Senator FULBRIGHT and Senator THOMAS of Utah. The resolution states that the Congress favors the creation of a United States of Europe within the framework of the United Nations.

I assume that the resolution has been deliberately phrased in general terms for the purpose of endorsing a principle without raising numerous important questions of detail.

I am deeply sympathetic toward the general objective of the resolution which is, as I understand it, to encourage the peoples of Europe to cooperate together more closely for their common good and, in particular, to encourage them to cooperate together to promote the economic recovery of Europe as a whole.

Of course, the United States wants a Europe which is not divided against itself, a Europe which is better than that it replaces. Only as we can inspire hope of that can we expect men to endure what must be endured and make the great efforts which must be made if wars are to be avoided and civilization is to survive in Europe.

But we should make clear that it is not our purpose to impose upon the peoples of Europe any particular form of political or economic association. The future organization of Europe must be determined by the peoples of Europe.

While recognizing that it is for the peoples of Europe to determine the kind of organized effort which may be appropriate to facilitate the peaceful development of a free Europe, the United States welcomes any initiative which may be taken by the peoples of Europe within the framework of the United Nations to insure greater cooperation among themselves to expedite the reconstruction and restoration of the economy of Europe as a whole, to improve living standards, to strengthen the general security and to promote the general welfare.

To avoid any misunderstanding as to our purpose, I believe it desirable that some of the ideas I have expressed here be embodied in the resolution. Perhaps the authors of the resolution might consider adding a preamble along these lines.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Faithfully yours,

G. C. MARSHALL.

Mr. FULBRIGHT. Mr. President, I wish to state that I am greatly encouraged by the letter, although I think that under the circumstances as they now appear in Europe, it is unduly timid and cautious. It seems to me that some initiative on the part of the United States would not be inappropriate at this juncture in our affairs. I do not agree that we should as a matter of policy always leave the initiative to other nations.

Furthermore, in requesting assistance from us, as virtually every country in western Europe has done, I think they have taken the initiative. Accordingly, it does not seem to me that we shall be dictating to those countries or to any other country in any offensive sense if we suggest that under their present chaotic political and economic order they are not good risks either to repay loans or even to survive as democratic states. I am unable to see why the suggestion that they get together and form some

kind of political and economic unity as part of the bargain is dictation or undue influence. Of course, I assume they are interested, as we are interested, in creating a stable, self-governing and prosperous society for themselves, a society with which we could trade and in which our citizens would be welcome as students, professors, tourists, or business men.

In addition to having the letter of the Secretary of State printed in the RECORD, Mr. President, I wish to state that this morning I read in the New York Times with much interest that Under Secretary of State Clayton is returning to Europe to investigate the possibilities of unification. I call the attention of the Senate and the attention of the people of the country to an article by James Reston, and I should like to read several paragraphs from it:

WASHINGTON, June 12.—President Truman and Secretary of State Marshall have authorized Under Secretary of State William L. Clayton to explore in Europe the possibilities of developing a program of unified self-aid among the European states.

This will be the next move by the Administration in the formation of its plans for dealing with the dollar and raw materials shortage that is impeding the reconstruction of the Continent.

Secretary Marshall emphasized at his press conference today, however, that the initiative in the development of plans for the reconstruction of the Continent now lay with the European nations. Mr. Clayton is going to London, Paris, Brussels and perhaps other European capitals not to propose a United States economic plan for Europe (the idea has not progressed to the point where it can accurately be called a plan) but to hear what the European nations have to propose about ways and means of combining to help themselves.

Mr. President, I now ask that the entire article be printed in the RECORD.

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

[From the New York Times of June 13, 1947]

EUROPEAN SELF-AID WILL BE EXPLORED BY MARSHALL AIDE—CLAYTON TO SEEK PROPOSALS OF STATES ON ESTABLISHING UNIFIED RECOVERY PROGRAM—DOOR OPEN FOR MOSCOW—SECRETARY SAYS UNITED STATES MAY HAVE TO SHARE IN $5,000,000,000 NEEDED YEARLY ABROAD

(By James Reston)

WASHINGTON, June 12.—President Truman and Secretary of State Marshall have authorized Under Secretary of State William L. Clayton to explore in Europe the possibilities of developing a program of unified self-aid among the European states.

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SOVIET INCLUDED IN PROGRAM

The Secretary made it clear that in his talks about a program of European aid he included not only the European states proper but the Soviet Union and Great Britain as well.

He also gave some indication of the size of the problem now under discussion by commenting on a statement by Benjamin V. Cohen, counselor of the State Department, that, according to experts, the rudimentary rehabilitation needs of Europe, including Britain, might require as much as $5,000,000,000 or $6,000,000,000 a year for several years.

Secretary Marshall declined to be drawn by the reporters into the arithmetic of the problem, but he said that if what Mr. Cohen had declared was the procedure, it would mean that the United States would have to contribute part of it. He did not specify what he meant by "the procedure."

MR. CLAYTON TO STOP IN LONDON

Mr. Clayton, who is the State Department's principal official on economic matters, is scheduled to return to the International Trade Conference in Geneva within the next few days. He will, however, stop in London on his way to Geneva, and he is expected to visit Paris, Brussels, and perhaps other capitals after the Geneva Conference and before returning to the United States.

Though he will take with him no plan of action, he probably will make suggestions about the kind of economic arrangements the United States would expect the several European nations to make to gain the favorable consideration, at least by the Truman administration, of large dollar grants or credits.

It is doubtful, however, whether Mr. Clayton will be in a position to make any concrete suggestions on behalf of the President or the Secretary of State. They have not even completed their own analysis of the determinate causes of the European economic situation. Indeed, they have not even discussed the idea in any detail with the leaders of Congress. Therefore, Mr. Clayton can question, listen, and explore, but he cannot put forward any official program.

Especially after Congress' action on the administration's proposals for a reduction of the wool tariff, Mr. Clayton is in no mood to predict the support of the Federal legislature for any large-scale dollar aid program.

About all he is likely to be able to tell the European nations at this point is that unless they can get together on some program that catches the imagination of the people of the United States and gives reasonable hope of a more unified European economy on the future there will be little chance of generous congressional rehabilitation appropriations.

Whether this will be enough to soften the east-west political clash in Europe or halt the present move in Britain and elsewhere toward severe import restrictions on goods that must be purchased with dollars is doubtful. The supply of dollars is now running so low in London that the labor government expects by July 1 to establish a rigid program of cutting its purchases here to hoard its remaining dollars. This is expected to be the first item on the agenda in Mr. Clayton's London talks.

DISCUSSION IN IDEA STAGE

Secretary Marshall sought at his press conference today to keep the discussion on the European aid program in the idea stage. Because of the immense scope of the idea of helping the Continent of Europe rehabilitate itself as a more unified economic entity, there is a tendency here to believe that the administration has devised a neat plan that it hopes to get accepted by both the European nations and the Congress.

At present, this is not true. Alternatives have been suggested by many persons in the State Department and out of it to the President and the Secretary of State. However, no policy has been adopted other than to urge the European nations to get together and make suggestions that the United States can consider later in the year.

Because the Executive has not yet discussed the problem with congressional leaders, rumors of the most picturesque nature regarding the so-called continental plan are current on Capitol Hill. To quell these, therefore, some of the leaders there are suggesting that in the interest of an orderly approach to an immense problem, an objective bipartisan committee should be established to study the problem and the ability of the United States to help deal with it.

A few persons in the Capital are talking about using the economic crisis to force some kind of political union of the states in Europe, but Secretary Marshall made it clear today that while he favored as much political union as possible in that part of the world, he was thinking of the immediate problem primarily in economic terms.

Mr. FULBRIGHT. Mr. President, let me say that I think the action now being taken by our State Department is a very hopeful step, and I am greatly encouraged by that show of initiative at least on the part of the State Department in sending to Europe Mr. Clayton, whom I regard as the best qualified man in our Government to undertake such an exploration.

However, it will be noted that the emphasis is upon economic unification. I am entirely in favor of that, but I do not think political unification should be neglected, and certainly it should not be foreclosed, by any statement of policy at this time. Without political unification, the economic agreements will break down, just as the old Zollverein among the German states, which existed for quite a long time, broke down when Bismark appeared upon the scene.

Mr. President, I sincerely hope that the State Department moves quickly and positively in the direction indicated by these developments. I think the time is short for the accomplishment of these objectives, and I can think of nothing more important to the welfare of the United States at this juncture.

EXECUTIVE SESSION

Mr. WHITE. Mr. President, it is my purpose to move a recess in a very few minutes, but there are on the Executive Calendar two or three nominations which I think merit consideration by the Senate at this time. One is the nomination of the Commissioner of Internal Revenue, in which at least one Senator on the other side has manifested an interest, and there are a number of appointments in the Regular Army which should be disposed of. I therefore 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.

COMMISSIONER OF INTERNAL REVENUE

Mr. WHITE. Mr. President, I ask unanimous consent that the nomination of George J. Schoeneman to be Commissioner of Internal Revenue be now considered.

The PRESIDING OFFICER (Mr. THYE in the chair). The clerk will state the nomination.

The legislative clerk read the nomination of George J. Schoeneman to be Commissioner of Internal Revenue.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine? The Chair hears none, and, without objection, the nomination is confirmed.

THE ARMY

Mr. WHITE. Mr. President, beginning at the top of page 6 of the Executive Calendar there are a substantial number of appointments in the Regular Army of the United States. I ask unanimous consent that they may be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered, and, without objection, the nominations are confirmed en bloc.

Mr. WHITE. I ask unanimous consent that the President be notified at once of the action of the Senate with respect to these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS TO MONDAY

Mr. WHITE. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon Monday next.

The motion was agreed to; and (at 4 o'clock and 59 minutes p. m.) the Senate took a recess until Monday, June 16, 1947, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 13 (legislative day of April 21), 1947:

COMMISSIONER OF INTERNAL REVENUE

George J. Schoeneman to be Commissioner of Internal Revenue.

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

To be major generals

Alvan Cullom Gillem, Jr.
Wade Hampton Haislip
Walton Harris Walker
Hoyt Sanford Vandenberg
George Edward Stratemeyer

To be brigadier generals

Joseph May Swing
Edward Hale Brooks
Wilton Burton Persons
Clements McMullen
Howard Arnold Craig

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 13, 1947

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty and eternal God, who art always more ready to give than to receive, and to hear when we pray, give us an immovable faith in Thee. So abide in our souls that we may conform to the teachings of Jesus, with heart to befriend, with sincerity to shield, and with charity to be merciful to all. Hasten the day when men everywhere shall live, not by rivalry nor vanity, but in the ways of virtue and mutual fidelity. O spare us from that egotism that blinds us to our brother's rights and violates his property, his reputation and happiness. Each day help us to weave for ourselves, out of the great loom of life, characters that will stand the test of time and eternity; and unto Thee we ascribe all glory.

In the name of our Redeemer. Amen.

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

INCOME TAX REDUCTION

Mr. VURSELL. 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 Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, if President Truman wants to keep his promise to cooperate with the Congress as he said he would at the beginning of this session, he will sign the tax bill which will give 48,000,000 income taxpayers a reduction of 30 percent in the lower bracket to 10 percent in the higher bracket from the present crushing wartime tax levies.

By such action he can cooperate with the members of his own party who cooperated with the Republicans in passing this tax bill by a 2-to-1 majority. By cooperating with the Congress he will be cooperating with the American people whose representatives are seeking to carry out their wishes. It is time that the President stop listening to his cheap political advisers and stop playing politics to the detriment of the entire Nation.

He can further cooperate with the Congress and the American people by approving the labor bill which through the cooperation of his own Democratic Members of Congress with the Republican Members expressed the will of the people by passing this legislation by a majority of over 3 to 1.

The President can hardly afford to set his judgment up contrary to the judgment of two-thirds of the Members of Congress and contrary to the will of the people in refusing them income-tax relief provided in this bill.

When the veto power was provided for in the Constitution the founders of our country never intended that a President should use his veto to thwart the will of the people. If the President vetoes either of these bills he will strike a serious blow against representative constitutional government in this country.

With foreign relations in their present disturbed conditions and with the tremendous debt hanging over this country and the financial relief the President continues to urge for foreign countries this is no time for the President or those who are giving him political advice for the future to encourage strife or the animosity of one group of citizens against the other or against the Congress of the United States.

There is work for 60,000,000 people in constant employment at the highest wage levels in the history of our country, to produce the things the people of our country and the world are pleading for. Our Nation and the world needs the wealth that can be produced in this country at the present time. Rather than to give out statements which are misleading and unfair with reference to the labor-management bill now before the President, which has encouraged the labor leaders of the Nation to unjustly inflame the minds of the rank and file of labor, those political advisers of the President will be doing him a service as well as all of the laboring men and all citizens of the United States if they will stop such inflammatory and false statements which, if continued, will encourage strikes and work stoppages dangerous to the laboring men's future and dangerous to the interest and future of all of the people of this Nation.

In passing the measures, the Congress has courageously put the interest of all of the American people first. The Congress has thrown politics out of the window in the consideration of this legislation. It is time the President follows the lead of Congress and keeps his pledge to cooperate with the Congress, the representatives of the people.

NATIONAL CATHOLIC WELFARE CONFERENCE

Mr. OWENS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. OWENS. Mr. Speaker, there is what I consider a very serious statement made in the press this morning, as is shown by the headline of the Chicago Sun, which reads as follows: "Catholics rap union-curb bill." I do not at this time wish to pass judgment on the National Catholic Welfare Conference, which organization is responsible for the headline in question, because I have not yet had an opportunity to check the facts, other than those which appeared in the newspaper this morning. However, enough has been shown to cause me to comment that when the Bill of Rights was added to the Constitution the first amendment provided that Congress shall make no law with respect to the establishment of religion or prohibit the free exercise thereof. The same amendment also provides that Congress shall make no law abridging freedom of speech. Inasmuch as the restriction concerning religion has been placed upon Congress, it appears to me that there is a duty upon organized religion to keep from interfering in any way with the regular acts and duties of Congress, except insofar as the acts of Congress might affect the moral welfare of the people. While individuals in organized religious bodies are entitled to exercise freedom of speech as contemplated in the first amendment to the Constitution, certainly a body of leaders

of any organized sect should hesitate to criticize the deliberative actions of a legislative body, such as Congress, where it has sought to exercise its considered judgment in the passage of a law such as H. R. 3020, which was the subject of the remarks purportedly made yesterday by the National Catholic Welfare Conference.

I say in all sincerity, Mr. Speaker, that I feel that I am a part of a most distinguished body of citizens, persons who have already made their mark in all walks of life, and who are here in Washington working in the interests of all the people of the Nation; in fact, of the people of all the world. Before passing H. R. 3020, a committee of 25 Members of Congress, 15 Republicans and 10 Democrats, heard testimony every day for 6 weeks, a total of over 2,000,000 words, filling 5 volumes. Thereafter, one additional week was spent in the hearing of testimony in various sections of the country by special subcommittees; and 2 weeks in the drafting of the bill. Thereafter, several days were spent by the entire committee, which went over the bill line by line and paragraph by paragraph, and then 3 days were spent in debate in the House before final passage of the bill by that body. A similar mode of operation was adopted by the other body, and after the same deliberation a bill, S. 1126, was passed subsequent to the time of the passage of the bill in the House. Because of the differences between the two measures the matter was referred to conference, and after full and careful deliberation between the conferees of the two bodies a conference report was returned which encompassed the views of the conferees and resulted in the bill which passed both bodies last week, and which is now on the desk of the President awaiting his signature. Furthermore, when the bill was considered by the House it passed slightly better than 4 to 1, and by a vote of well over 3 to 1 in the other body. In other words, between 75 and 80 percent of the total of all the Members of Congress voted in favor of the measure in question, after the bill had been reported out by the committees and by an even larger percentage in favor thereof. I do not believe that any bill was ever given more careful consideration in the history of Congress. Therefore, I believe that the National Catholic Welfare Conference has made an unfortunate mistake, not only in endeavoring to criticize the measure at a time when it is awaiting the decision of our Chief Executive as to whether he will sign or veto the measure, but also in the type of criticism which appears to be leveled at the bill in question, and at the Members of Congress. The National Catholic Welfare Conference undoubtedly represents the view of the Roman Catholic Church which has always been a wise and provident institution. It is my considered opinion that the step taken by the conference at this time is both improvident and unwise, and that it has a political tinge which should have no place in religious circles, especially at a time which is so grave in the history of our Nation. I sincerely trust that the conference will see fit to investigate more fully into the matter and reconsider the decision which it has made in the case.

The SPEAKER. The time of the gentleman from Illinois has expired.

EXTENSION OF REMARKS

Mr. TOLLEFSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include two articles.

Mr. DEANE asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Times.

Mrs. NORTON asked and was given permission to extend her remarks in the RECORD and include an article.

THE MOVING-PICTURE INDUSTRY OF CALIFORNIA

Mr. HOLIFIELD. 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 California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, yesterday during the 1-minute period, I was prevented from making a statement which I shall attempt to make today.

The California Members of Congress are proud of the over-all contribution of the movie industry of California to the war effort. This great industry rendered an incalculable service during the war. They made patriotic films by the hundreds, their actors and actresses traveled hundreds of thousands of miles to entertain our troops, many times under battle conditions, millions of dollars worth of bonds were sold in their theaters. The movie personnel from prop men to stars enlisted in the armed services and fought and died against tyranny and fascism.

The speeches of the gentleman from Mississippi and other Members of the Committee on Un-American Activities presenting a few isolated cases of immorality or communistic affiliation should be considered in their true proportion and should not be accepted as representative of this great industry and its loyal American personnel.

EXTENSION OF REMARKS

Mr. TEAGUE asked and was given permission to extend his remarks in the RECORD and include a magazine article.

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD.

PERMISSION TO EXTEND REMARKS AT THIS POINT

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

The SPEAKER. Is there objection to the request of the gentlewoman from New Mexico?

There was no objection.

Mrs. LUSK. Mr. Speaker, I requested time to speak to this House on the subject of insurance, not the ordinary life policy, but a type of insurance policy which this Congress is in a position to take out for the American people. As is the case with most insurance policies, the tendency of the person who is to insure or be insured is to delay, counting the pennies which might be saved by hesitation. But when disaster strikes if there is no insurance the enormity of the loss which might have been averted is apparent too late. There begins the long and painful process of salvaging what can be salvaged from the foolish hesitation. It is then that the pennies saved become insignificant. And usually—we saw it happen only a few years ago—the process of rebuilding from the disaster is delayed by the incriminations and self-reproach that follow penny-saving short-sightedness.

The plan for the insurance to which I am referring is contained in a report with which I am sure all the Members are familiar. It lists specific recommendations for the establishment of a system of universal military training. In compiling the report the members of the Commission gave consideration to many of the same facts which this Congress considered in passing the Greek-Turkish Loan Act. There were other factors which make the adoption of the recommendations of paramount importance—those factors relating to the benefits which will come to the youth who participate in the program. At this time I urge the Members of this House to study seriously the recommendations with the view of enacting them into law as part of the general policy of insuring the integrity, sovereignty, safety, security, and progress of the United States of America.

At the outset, I should like to make it plain that I do not anticipate another war. I firmly believe that we have laid a solid foundation for lasting world peace through the offices of the United Nations. I do not believe that the adoption of an adequate defense program is inconsistent with carrying out our obligations to that body, with making it an effective agent for peace. By taking this stand on universal military training, I want to make it crystal clear that I am not advocating war as an instrument of our national policy. I repeat: I am advocating the taking out of insurance against contingencies such as those many of us doubted could happen in the 1930's.

Already, as part of the general program of insurance, this Congress has given much study to, and I trust it will adopt, the bill for the merger of the armed services. The resulting efficiency of our defense establishment, plus the savings which can and will be effected, make this legislation so essential that I do not believe reasonable men and women will differ as to its desirability. It is certainly a proper step, but it is not enough to provide the adequate defense insurance coverage which we need. I believe, however, that adequate coverage will be had when we pass a bill establishing universal military training.

Mr. Speaker, I have never until this time publicly injected my own personal situation into any controversy in which I have become involved. I do so now only to high light my reasons for advocating the adoption of this system of training, because I believe firmly that had we been adequately prepared at the beginning of the last war, the loss of life would not have been so great. I am also convinced that had we been pre-

pared, the happening of the last war could have been averted. Once the men and women of America understand that this is insurance, and not preparation for war, they will be willing to see their sons spend a year in the service of their country, for they will then realize that what is contemplated is the averting of carnage and bloodshed through training and strength.

I know from personal experience the grief and heartache a mother feels when her sons leave for military service. My three sons entered the Army in 1941 and 1942, and one did not return. They left at a time when we were still woefully unprepared for the responsibility which had been thrust upon us. I say to the parents of America today that it is far better to have their sons train now, and through that training form a reservoir of manpower, than to be called to service, unprepared, at a time when the very safety of the Nation is threatened.

It is to forget realities to say that human nature has changed so much within the past few years that a strong nation, bent upon aggression, respects anything less than equal or superior strength. It it true that the atomic bomb, now presumably solely in our control, is our best insurance at the present time; but it is also a fact that the experts, upon whom we must depend so much, predict that 4 or 5 years is the longest time that we can safely expect to have exclusive possession of this weapon. And when another nation does have it, what then? Particularly, I ask what then, if the nation obtaining it should be bent upon conquest and destruction? What nation is the most probable target? You know and I know the most probable target is the United States.

Perhaps you ask, In the event of such a war, of what avail are the best-trained troops? If an atomic war should engulf us, the most immediate result would be widespread confusion and fear and disorganization. We would then be thankful that out of such a holocaust we could gather together a group disciplined and prepared to assume the defense of our country. They would be ready because they had been trained for service under such conditions.

This is strong food for thought, but now is no time for those with queasy thought processes to deal with the self-evident facts of the twentieth century. It is by anticipation of events, however difficult they may be to consider at the time, that we safely insure for our personal and family protection. We must enlarge our conception of such insurance and apply it on a national scale.

Let us look for a moment at the cost of this insurance, for when we take out such a policy, certainly the cost has to enter into the calculations. The President's Advisory Committee estimates that it will be $1,750,000,000 a year. Does that seem too high a price to pay? If it does strike you now as being too much, then I ask you to remember that it represents the sum that it cost us to wage but 1 week of total war but a few years ago. And when we are calculating the cost, it must be borne in mind that the cost of a conflict in the future, when reckoned in terms of initial outlay and in ultimate destruction, will make paltry the sums so recently expended.

I have been discussing the obvious and most compelling considerations which point to the urgent necessity of beginning this program now. But, as with all insurance policies, there are incidental benefits which accrue to the insured. For instance, from the standpoint of physical improvement to the young men in training, the program recommends itself strongly. Not only will there be an organized and beneficial program of calisthentics, to build a strong corps, but there is available fine medical and dental care to correct defects and preserve what the training program has done for the men. In a Nation so advanced medically and scientifically, I was appalled by the statistics released showing that so many of our young and apparently able-bodied young men were unfit for military service by reason of physical defects. Certainly, many of the defects can be detected and the process of deterioration halted by the medical attention which they will receive while in uniform.

The educational feature of this program cannot be ignored, and must not be ignored when we are considering this training program. Not only will the young men receive the benefit of the smoothly functioning Army and Navy orientation program, designed to make them aware of the basic facts of national and international politics, but there will be gained the incalculable benefits of living and working together. It will tend to make the young men less provincial, in that, by working and living with others from all parts of the country, they will early learn the problems and factors influencing life in areas other than their own. Those of you who have served in the armed forces know this to be true; and I am sure that all of us have observed its truth by conversations with the young men and women so recently returned to civilian life.

When a background for understanding the problems of others, their own countrymen, is firmly established, then does it not follow that they will be better equipped to understand problems on an international scale? I suggest reflection on this point, and plead with you not to dismiss it lightly.

Mr. Speaker, I am not afraid that the adoption of this policy will lead us into the role of an aggressor nation; I am not afraid that it will be misinterpreted abroad. Any nation, anxious in good faith to cooperate with this Nation in achieving peace for the world, will be aware of our peaceful history and will not misunderstand. More important, any nation which does not act in good faith will not misunderstand that we intend to assume our burden in world affairs, that we will never again be a sitting target for their attacks.

I do not believe that we are forgetting the American democratic tradition when we enact a program of compulsory military training. It is a fundamental part of that tradition that a civilian fighting force be ever ready to defend this Nation. Formerly, there was enough time for training the civilian group before they were called to fight; but we saw how much that time has been shortened. Almost, in the recent war, we did not have the necessary time. All calculations at the present time indicate that there will be no time for training if, God forbid, an attack on our Nation should be made. We owe the duty, to the people whom we represent, to legislate wisely a program of defense within the framework of our traditions; it is not an illogical extension of that tradition to train before peril is upon us. I believe that it will save lives, and it might conceivably prevent a dispute between nations from turning into a general war.

We have it within our power to place such safeguards upon the program that it will not have some of the harmful effects predicted for it by the timorous. There will be the ever-watchful Congress of the United States to see that the program does not become something other than that which we intend. There will be liberty-loving civilian commissions to report at all times on the progress of the training. Besides these reports, the civilian commission shall be charged with the responsibility of preventing by means of publicity any attempt to indoctrinate the trainees with undue militaristic attitudes. Without these safeguards, the men and women who returned from military service only recently have not shown a militaristic attitude. On the contrary, they are serious and purposeful, full of the knowledge that we must preserve our democratic ideals. A small minority may have gone wrong, but the preponderant number are our best citizens, fighting for our ideals in civilian dress and they did while in uniform.

Mr. Speaker, on many grounds this program recommends itself for our serious and immediate consideration. Conditions are changing rapidly in this world, and safety has become a relative thing. Certainly, when we are unsure of the proper steps to take for protection, a broad and comprehensive insurance policy recommends itself strongly to our instincts of self-preservation. We can feel safe, though I have already said that safety is only relative, that we have acted within our traditions and our ideals. By educating mentally and physically the young men who will be affected by this program, we will be insuring for national safety and national progress. A nation strong and sound in mind and body is capable of producing a higher living standard for its people than one which is not; a nation strong and prepared can be alert, understanding, and progressive.

We have been charged with the responsibility of doing our utmost to keep America safe. With that responsibility ours, we can do no less than insure her safety. Every day without such insurance as we have it in our power to take out represents tragic delay. We have it in our power now to face realistically the future, and by facing it, we will have faced up to the responsibility which is ours.

COMMUNIST INFILTRATION IN THE MOTION-PICTURE INDUSTRY

Mr. McDONOUGH. 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 California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, I agree to a certain extent with my colleague the gentleman from California [Mr. HOLIFIELD] that the motion-picture industry has made a great contribution to the war. I do not agree, however, that the people of California or the delegation in this House can take any comfort or any satisfaction in the fact that there have been exposed in the motion-picture industry certain communistic influences. The isolationist attitude, about which reference was made, however small, is growing, is infectious, and we thank the Lord that it is not any bigger than it is. As a matter of fact, the head of the Motion Picture Producers Association, Mr. Eric Johnston, made the statement that he deplores the fact that it exists, and I think it should be thoroughly investigated because there is no medium by which the population of this Nation is more influenced, outside of the educational system, than by the motion-picture industry, and it should be cleared of any communistic influence.

It must be said to the credit of Jack Warner, executive of Warner Bros., that he has said he wants communism removed from the film industry. Robert Taylor, Ginger Rogers, Edward Arnold, and many other film stars also favor cleaning the film industry of communistic influences. I think we should proceed to do this as quickly as possible.

COMMUNIST INFILTRATION OF HOLLYWOOD—MRS. ROOSEVELT NOT A CANDIDATE

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

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

There was no objection.

Mr. RANKIN. Mr. Speaker, in reply to the gentleman from California [Mr. HOLIFIELD], I desire to say that in my opinion the people of Los Angeles, Calif., who have petitioned the Congress to do something about the Communist infiltration of Hollywood know a great deal more about it than does the gentleman from California [Mr. HOLIFIELD].

The moving-picture men who came and testified before the Committee on Un-American Activities know more about it than he does.

Not only that, but they have no right to make pictures that poison the minds or corrupt the morals of the youth of this Nation.

That is what is going on. I told Eric Johnston so when he appeared before the Committee on Un-American Activities here in Washington.

One expert in Hollywood said he could point out the Communist line in a vast number of the pictures now being shown.

I see that Mr. Henry Wallace says that the Committee on Un-American Activities is trying to cut down his audience when he speaks down here at the Water Gate. On yesterday there was sent to the Members of Congress a circular headed "U. S. A. vs. U. S. S. R." It was enclosed in an envelope that has a stamp on it in large red letters, "My independent ticket. President Wallace, Vice President Mrs. Roosevelt."

I see Mrs. Roosevelt says she will not run for office on any ticket.

In that circular, in which they ask everyone to send contributions, they carry a special notice reading:

> I will keep the type standing and await your answer. We should get out 100,000 and be ready for Wallace's revolution.

What is Wallace's revolution? Is that what all this drive is for? Is that what he meant by going down into Alabama and trying to stir up race trouble, where the two races are getting along so well?

If that is what they mean by the "Wallace revolution," then I submit that anyone will have the opportunity to go down to the Water Gate and get an earful of it.

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

INFORMATIONAL SERVICE, STATE DEPARTMENT

Mr. MUNDT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3342) to enable the Government of the United States more effectively to carry on its foreign relations by means of promotion of the interchange of persons, knowledge, and skills between the people of the United States and other countries, and by means of public dissemination abroad of information about the United States, its people, and its policies.

The SPEAKER. The question is on the motion offered by the gentleman from South Dakota [Mr. MUNDT].

The question was taken; and on a division (demanded by Mr. BREHM) there were—ayes 36, noes 11.

Mr. BREHM. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Obviously, a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken, and there were—yeas 305, nays 28, answered "present" 2, not voting 94, as follows:

[Roll No. 79]

YEAS—305

Abernethy	Blackney	Case, N. J.
Albert	Blatnik	Chadwick
Allen, Calif.	Bloom	Chapman
Allen, La.	Boggs, Del.	Chelf
Almond	Bolton	Chenoweth
Andersen, H. Carl	Bonner	Chiperfield
Anderson, Calif.	Bradley	Clason
Andresen, August H.	Bramblett	Coffin
Andrews, Ala.	Brooks	Colmer
Angell	Brophy	Cooper
Arends	Brown, Ga.	Corbett
Arnold	Brown, Ohio	Cotton
Auchincloss	Bryson	Coudert
Bakewell	Buchanan	Cox
Barrett	Buck	Crawford
Bates, Ky.	Buckley	Crow
Bates, Mass.	Buffett	Cunningham
Battle	Burke	Curtis
Beall	Burleson	Dague
Beckworth	Byrne, N. Y.	Davis, Ga.
Bennett, Mich.	Byrnes, Wis.	Davis, Tenn.
Bennett, Mo.	Camp	Davis, Wis.
	Canfield	Dawson, Utah
	Carson	Deane
Delaney	Johnson, Tex.	Poage
Devitt	Jones, Ala.	Potts
Dirksen	Jones, N. C.	Poulson
Dolliver	Jonkman	Preston
Domengeaux	Judd	Price, Ill.
Dondero	Karsten, Mo.	Priest
Donohue	Kean	Rabin
Dorn	Kearns	Rains
Doughton	Keating	Ramey
Douglas	Keefe	Rayburn
Drewry	Kefauver	Reed, Ill.
Durham	Kerr	Reed, N. Y.
Eaton	Kersten, Wis.	Rees
Eberharter	Kilburn	Reeves
Elliott	Kilday	Richards
Ellsworth	King	Riehlman
Elston	Klein	Rivers
Engel, Mich.	Kunkel	Robertson
Engle, Calif.	Landis	Robsion
Evins	Lanham	Rockwell
Feighan	Larcade	Rogers, Fla.
Fenton	Latham	Rogers, Mass.
Fernandez	Lea	Rohrbough
Fisher	LeCompte	Rooney
Fletcher	Lewis	Ross
Foote	Lodge	Russell
Forand	Love	Sabath
Fulton	Lucas	Sadlak
Gary	Lusk	Sadowski
Gathings	Lynch	St. George
Gavin	McConnell	Sanborn
Gillette	McCormack	Sasscer
Gillie	McDonough	Schwabe, Mo.
Goff	McDowell	Scrivner
Goodwin	McGregor	Sheppard
Gordon	McMahon	Short
Gore	McMillan, S. C.	Sikes
Gorski	McMillen, Ill.	Simpson, Pa.
Graham	MacKinnon	Smith, Kans.
Grant, Ala.	Madden	Smith, Maine
Grant, Ind.	Mahon	Smith, Va.
Gregory	Maloney	Smith, Wis.
Gross	Manasco	Snyder
Gwinn, N. Y.	Mansfield, Mont.	Spence
Gwynne, Iowa	Marcantonio	Springer
Hagen	Meade, Ky.	Stefan
Hale	Meyer	Stevenson
Halleck	Michener	Stigler
Hand	Miller, Calif.	Stockman
Hardy	Miller, Conn.	Stratton
Harless, Ariz.	Miller, Md.	Sundstrom
Harris	Miller, Nebr.	Talle
Harrison	Mills	Teague
Hart	Monroney	Thomas, N. J.
Hartley	Morgan	Thomas, Tex.
Havenner	Morris	Tollefson
Hays	Morton	Trimble
Hedrick	Muhlenberg	Vail
Heffernan	Mundt	Van Zandt
Hendricks	Murdock	Vinson
Heselton	Murray, Tenn.	Vorys
Hill	Murray, Wis.	Wadsworth
Hinshaw	Nixon	Walter
Hobbs	Norblad	Weichel
Hoeven	Norrell	Welch
Holifield	Norton	West
Holmes	O'Brien	Wheeler
Hope	O'Hara	Whitten
Howell	O'Konski	Whittington
Huber	O'Toole	Wigglesworth
Jackson, Calif	Pace	Williams
Jackson, Wash.	Passman	Wilson, Tex.
Jarman	Patterson	Wolcott
Javits	Peden	Wolverton
Jenkins, Ohio	Peterson	Wood
Jennings	Phillips, Calif.	Worley
Jensen	Phillips, Tenn.	Youngblood
Johnson, Ind.	Pickett	Zimmerman
Johnson, Okla.		

NAYS—28

Banta	Harness, Ind.	Rich
Bender	Jenison	Schwabe, Okla.
Brehm	Johnson, Ill.	Simpson, Ill.
Church	Jones, Ohio	Taber
Clevenger	Knutson	Twyman
Cole, Mo.	McCowen	Vursell
D'Ewart	Mason	Wilson, Ind.
Ellis	Mathews	Woodruff
Gearhart	Owens	
Griffiths	Rankin	

ANSWERED "PRESENT"—2

Hoffman Jones, Wash.

NOT VOTING—94

Allen, Ill.	Cannon	Courtney
Andrews, N. Y	Carroll	Cravens
Barden	Case, S. Dak.	Crosser
Bell	Celler	Dawson, Ill.
Bishop	Clark	Dingell
Bland	Clements	Elsaesser
Boggs, La.	Clippinger	Fallon
Boykin	Cole, Kans.	Fellows
Bulwinkle	Cole, N. Y.	Flannagan
Busbey	Combs	Fogarty
Butler	Cooley	Folger

Fuller	Kirwan	Rayfiel
Gallagher	Lane	Redden
Gamble	LeFevre	Riley
Gifford	Lemke	Rizley
Gossett	Lesinski	Sarbacher
Granger	Lyle	Scoblick
Hall, Edwin Arthur	McGarvey	Scott, Hardie
Hall, Leonard W.	Macy	Scott, Hugh D., Jr.
Hébert	Mansfield, Tex.	Seely-Brown
Herter	Martin, Iowa	Shafer
Hess	Meade, Md.	Smathers
Horan	Merrow	Smith, Ohio
Hull	Mitchell	Somers
Jenkins, Pa.	Morrison	Stanley
Johnson, Calif.	Nodar	Taylor
Kearney	Patman	Thomason
Kee	Pfeifer	Tibbott
Kelley	Philbin	Towe
Kennedy	Ploeser	Winstead
Keogh	Plumley	
	Powell	
	Price, Fla.	

So the motion was agreed to.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Andrews of New York with Mr. Keogh.
Mr. Macy with Mr. Dingell.
Mr. Cole of New York with Mr. Courtney.
Mr. Towe with Mr. Craven.
Mr. Bishop with Mr. Lane.
Mr. Hess with Mr. Morrison.
Mr. Jenkins of Pennsylvania with Mr. Price of Florida.
Mr. Busbey with Mr. Rayfiel.
Mr. Leonard W. Hall with Mr. Smathers.
Mr. Kearney with Mr. Hébert.
Mr. Lemke with Mr. Gosset.
Mr. McGarvey with Mr. Barden.
Mr. Merrow with Mr. Clements.
Mr. Nodar with Mr. Riley.
Mr. Gamble with Mr. Stanley.
Mr. Elsaesser with Mr. Boggs of Louisiana.
Mr. Taylor with Mr. Fallon.
Mr. Sarbacher with Mr. Meade of Maryland.
Mr. Ploeser with Mr. Celler.
Mr. Edwin A. Hall with Mr. Lesinski.
Mr. Clevenger with Mr. Redden.
Mr. Butler with Mr. Winstead.
Mr. Shafer with Mr. Kelley.
Mr. Seely-Brown with Mr. Crosser.
Mr. Rizley with Mr. Fogarty.
Mr. Herter with Mr. Clark.
Mr. Horan with Mr. Lyle.
Mr. Fellows with Mr. Cooley.
Mr. Mitchell with Mr. Powell.
Mr. Tibbott with Mr. Folger.
Mr. Hardie Scott with Mr. Pfeifer.
Mr. Gallagher with Mr. Philbin.
Mr. Scoblick with Mr. Kirwan.
Mr. Fuller with Mr. Kennedy.
Mr. Gifford with Mr. Dawson of Illinois.
Mr. LeFevre with Mr. Carroll.
Mr. Martin of Iowa with Mr. Combs.
Mr. Hugh D. Scott, Jr., with Mr. Flannagan.
Mr. Smith of Ohio with Mr. Granger.
Mr. Hale with Mr. Boykin.

The result of the vote was announced as above recorded.

The doors were opened.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 3342, with Mr. JENKINS of Ohio in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Tuesday, June 10, there was pending the amendment of the gentleman from Louisiana [Mr. ALLEN] to the committee amendment on section 201, page 3, of the bill.

The Clerk will again report the amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. ALLEN of Louisiana to the committee amendment: On page 3, line 14, after the period, strike out the remainder of the line down to and including the period on line 21.

Mr. ALLEN of Louisiana. Mr. Chairman, I ask unanimous consent to modify my amendment in keeping with the amendment, which I now send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. ALLEN of Louisiana to the committee amendment: On page 3, after the period in line 14, strike out the remainder of the line, all of lines 15 and 16 down to and including the word "when" in line 17 and insert "When"; and in line 18 strike out the word "reasonable."

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana [Mr. ALLEN]?

Mr. MILLER of Nebraska. Mr. Chairman, reserving the right to object, I do not find the word "when" in line 18. I think the gentleman's amendment is not properly worded.

Mr. ALLEN of Louisiana. It is in line 17.

Mr. MILLER of Nebraska. Mr. Chairman, I ask unanimous consent that the amendment be read again because it does not fit in with the present bill.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There being no objection, the Clerk again reported the amendment, as follows:

Amendment offered by Mr. ALLEN of Louisiana to the committee amendment: On page 3, after the period in line 14, strike out the remainder of the line, all of lines 15 and 16 and down to and including the word "when" in line 17 and insert "When"; and in line 18 strike out the word "reasonable."

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana [Mr. ALLEN] that the amendment be modified accordingly?

There was no objection.

Mr. ALLEN of Louisiana. Mr. Chairman, I now ask unanimous consent to offer another amendment to the first part of section 201 and I ask that the two amendments be considered together, because they go to the same objective.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Louisiana.

The Clerk read as follows:

Amendment offered by Mr. ALLEN of Louisiana: On page 3, line 8, after the word "interchanges", insert the words "on a reciprocal basis."

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana [Mr. ALLEN]?

There was no objection.

The CHAIRMAN. The gentleman is recognized for 5 minutes to discuss the amendments.

Mr. ALLEN of Louisiana. Mr. Chairman, when we had this bill before the committee last week, my objective was to make this interchange of students on a reciprocal basis. I have thought over the amendment which I have offered and I have decided that my amendment should be changed somewhat for clarity. Therefore, I ask that it be modified so as to strike out only that part of the committee amendment which appears to make the interchange program discretionary rather than reciprocal. The second amendment which I have offered after the word "interchanges" in line 8 on page 3 places it upon a reciprocal basis. If you will consider the two amendments together, you will find that the interchange will be placed upon a reciprocal basis. Both amendments go to the same purpose and that is why I ask that they be considered together.

This last amendment provides that the State Department will make the interchange on a reciprocal basis. That removes the discretion. I think the House wants that. If you will note, my modified amendment, which I have just offered, struck out even the word "reasonable." The committee amendment placed it on a "reasonable basis of reciprocity" but I am striking out the word "reasonable," and I am striking out the language "It is the sense of the Congress that the interchange program under this section shall be on a reciprocal basis," and so forth. In other words, instead of making it an expression of legislative hope, I am making it a positive statutory requirement.

I am putting it on a reciprocal basis and then giving the Secretary of State the right to terminate the whole thing with reference to any nation when that nation fails to carry the program out on a reciprocal basis. I do not know how much clearer it could be made than that.

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

Mr. ALLEN of Louisiana. I yield.

Mr. MUNDT. I have now been supplied with a copy of the gentleman's modified amendment. I have listened to his explanation. As I understand his amendment it makes this reciprocal program a positive program, places it on an absolute reciprocal basis. That is in conformity with the thinking of the committee, it is in conformity with what every Member of Congress believes; it removes all elements of doubt; it is placed on a reciprocal basis.

The committee has no objection to the amendment.

Mr. ALLEN of Louisiana. I thank the gentleman. I do not see how any Member can object and I hope both amendments pass. As I stated earlier in discussing this bill, I am not arguing for the interchange program at all, but if it remains in the bill, then by all means it should be reciprocal, and I am glad the chairman of the committee agrees with my views.

The CHAIRMAN. The question is on the amendment to the committee amendment.

Mr. RANKIN. May we have the amendment as now modified read?

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

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. ALLEN of Louisiana to the committee amendment:

On page 3, after the period in line 14, strike out the remainder of the line, all of lines 15

and 16 down to and including the word "when" in line 17, and insert "when"; and in line 18 strike out the word "reasonable."

On page 3, line 8, after the word "interchanges", insert the words "on a reciprocal basis."

The CHAIRMAN. The question is on the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN to the committee amendment: On page 4, line 3, after the word "deported", strike out the balance of the paragraph.

The CHAIRMAN. The gentleman from Michigan is recognized in support of his amendment.

Mr. HOFFMAN. Mr. Chairman, if the Members will take the bill and read line 21, on page 3, they will find this language:

If the Secretary finds that any person from another country, while in the United States pursuant to this section, is engaged in activities of a political nature or in activities not consistent with the security of the United States, the Secretary shall promptly report such finding to the Attorney General, and such person shall, upon the warrant of the Attorney General, be taken into custody and promptly deported in the same manner as provided for in sections 19 and 20 of the Immigration Act of 1917, as amended.

The reason I have offered the amendment is that it has been demonstrated that when you try to deport a person under the sections referred to—19 and 20 of the Immigration Act of 1917—you just cannot get him out of the country.

The committee has expressed its desire that people who come here under the terms of this bill and who engage in subversive activities should be fired out without any more fuss or feathers. So do I; and in my judgment that is the considered judgment of the Congress. So why not have the bill provide for that summary procedure by adopting this amendment?

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

Mr. HOFFMAN. I yield to the gentleman from South Dakota.

Mr. MUNDT. May I say to the gentleman that the committee originally had the amendment drawn that way. We consulted with Mr. Shaughnessy of the Immigration Bureau and with representatives of the office of the legislative counsel and they thought it might be more expeditious to put it this way. On investigation of the figures we find that 170,000 have been deported.

Mr. HOFFMAN. Harry Bridges is still here.

Mr. MUNDT. The gentleman from Pennsylvania [Mr. CHADWICK] presented an amendment very similar to the one offered by the gentleman from Michigan [Mr. HOFFMAN] to the committee. We met with him and told him we wanted this protected. So we agreed with him we would accept his amendment. The gentleman from Michigan has beaten him to the punch and we are willing to accept it, but we want the gentleman to know that the gentleman from Pennsylvania [Mr. CHADWICK] had presented the same matter.

Mr. HOFFMAN. I do not care who presents it, just so we get it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN] to the committee amendment.

The amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. MICHENER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not sold on all of the provisions of this bill. In its enactment we are definitely establishing a policy of the Congress. Of course, this bill has the support of the President and the administration, and the real effect of this proposal is to implement the administration policy; that is, this bill would authorize by law the doing of the things enumerated. However, the accomplishments contemplated in the bill are impossible without the money to pay the expenses. It is, therefore, argued that Congress will at all times be master of the situation because of its control of the purse strings of the Nation. Of course, that is technically true. However, if the authorizations provided in this bill are given congressional sanction, it logically follows that the same Congress will appropriate the money to carry out the objectives of the policy which it has promulgated.

Mr. Chairman, this bill allows more discretion to the administrators than should be granted. I wish it were possible to spell out more in detail the limitations intended. Much of the opposition to the bill is based on the lack of confidence in the type and character of those who will represent our Government in presenting the Voice of America to the world. A thorough house cleaning in the State Department might make this bill more palatable to the Congress and to the country.

Usually I am pretty well decided as to what my action on a bill will be when it is called up for consideration. This is not true in the instant case. It has been very difficult to arrive at a definite conclusion. It is a question as to whether the possible benefits that might accrue under the law warrant the Congress in taking the chance and expending the money authorized.

Mr. Chairman, I am definitely in favor of interchange of students and teachers provided for in section 201 which we are now discussing. The reasons for this position have been well stated by members of the committee throughout the debate and I shall not repeat. The great University of Michigan in the city of Ann Arbor is located in the congressional district which I have the honor to represent in Congress. I have received a number of telegrams from those connected with the university who are able to speak from experience and who urge me to support this section of the bill. These officials are well known to me and I have confidence in their judgment based upon their experience, and I want to present their views to the House. These telegrams read as follows:

We strongly urge you to give complete and vigorous support to section 201 of Mundt bill authorizing exchange of students, teachers, and professors between United States and other countries. As director of the English language institute of the University of Michigan I have had intimate contact with some 1,200 such foreign students, teachers, and professors who have passed through our English and orientation course during the past 7 years since our founding in the spring of 1941. From my experience with these students, teachers, and professors I believe that this is the most important method of laying the foundations of the kind of international understanding upon which to build a permanent peace. Only by this program of living intimately with our own students and staff do foreign students, teachers, and professors obtain a vivid insight into our institutions and the real spirit which makes them work. There has never been the slightest hint of communistic teaching from any of these students, teachers, and professors throughout the past 7 years. I, myself, have been thoroughly convinced of not only the desirability of this program but its necessity for world peace that I have carried all the burdens of directing the work here without salary and in addition to my full teaching schedule.

CHAS. C. FIRES,
Director, English Language Institute.

Re section 201 of the Mundt bill being attacked because of danger that foreign professors and students teach communism in American schools. We have had hundreds of foreign students and many professors in the University of Michigan and we have had no instance of subversive activity among these students or professors. We also feel that an exchange of students and professors with foreign countries at the present time is one of the most important ways by which we can establish good feeling and mutual understanding between nations.

PETER OKKELBERG,
Assistant Dean, Graduate School.

We urge your active opposition to amendment offered to eliminate program of exchange of students, teachers, professors, Mundt bill, section 201. Exchange of students, teachers, professors highly desirable for future peace cementing relations on cultural basis. Our experience foreign students usually great anti-Communist factor on campus. Future leadership of other countries friendly to United States indispensable result. Students are on temporary visas so no letting down of immigration bars as charged by RANKIN, HOFFMAN, and others. Foreign students great force for export trade as they become accustomed to American goods while here.

ESSON M. GALE,
Counselor of Foreign Students.
M. ROBERT B. KLINGER,
Assistant Counselor, University of Michigan.

Ask you to support section 201 of Mundt bill foreign student exchanges one of the most effective means of gaining friends abroad for United States. Direct contact of foreign professors without intellectual hospitality and achievement results in admiration and greater understanding of American ideals and democratic institutions. Democracy must be effectively taught through intensified programs of cultural exchanges and strong support of our cultural centers and democratic principles abroad.

SARAH E. GROLLMAN,
Language Consultant, International Center, University of Michigan.

Have used exchange teacher from England this year. Most profitable experience for her and us. Much good will and understanding has resulted. Our teacher in England sends favorable report. We throughly favor the plan. Hope you support the principle of exchange as set forth in Mundt bill 3342.

OTTO W. HAISLEY,
Superintendent of Schools.

I am also in receipt of a telegram from the president of Michigan State College at Lansing, which reads as follows:

We have a considerable number of foreign students at Michigan State College, and think they add much to our educational program in making it possible for Michigan students to learn to know individuals, people of all races, and colors and creeds. In the small world in which we now live that is an important part of our educational program. It is my personal feeling that this Nation should encourage the maximum number of the right kind of young men and women from all over the world to come here for a portion of their education and then see to it that there is incorporated in the college training an opportunity for them to see the advantages made possible by our type of governmental, social, and economic organization. They can be an invaluable source of friendliness to this Nation after they return to their countries. We feel that the Mundt bill authorizing exchange of students is very desirable.

JOHN A. HANNAH,
President, Michigan State College.

Mr. Chairman, I therefore shall vote against the amendment to strike this interchange of persons provision from the bill.

The Clerk read as follows:

BOOKS AND MATERIALS

SEC. 202. The Secretary is authorized to provide for interchanges between the United States and other countries of books and periodicals, including Government publications, for the translation of such writings, and for the preparation, distribution, and interchange of other educational materials.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, unless this bill is drastically amended I shall not only vote to recommit it, but I shall vote against its passage.

Today we read of the rape, murder, and robbery, imprisonment, and slavery of innocent Christian people in Europe by the Communist criminal minority element in charge of those unfortunate countries. It seems to me not only ridiculous, but dangerous to bring into this country either students or instructors from behind that "iron curtain."

We had better get busy and get the ones out of here who are now plotting the overthrow of this Government. Every day we get letters protesting that certain institutions in America are poisoning the minds of children through these Red professors who are insidiously attacking our Government by spreading Red propaganda.

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

Mr. RANKIN. I yield to the gentleman from Ohio.

Mr. VORYS. The gentleman knows, as was announced the other day, that not a single student from Communist Russia has come here under this program, not a single professor, not a single student has been sent to Russia.

Mr. RANKIN. All right, but communism is reaching out. While our representatives have been appeasing communism up in New York at the "Tower of Babel," Communists have been reaching out and taking control of the Christian countries of Europe where 98 percent of the people are opposed to them.

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

Mr. RANKIN. I yield to the gentleman from Michigan.

Mr. DONDERO. What kind of instructors, teachers, and professors does the gentleman think we would get from any country that Russia dominates or from Russia itself?

Mr. RANKIN. You would get a bunch of Communists who are dedicated to the overthrow of this Government, who are dedicated to the destruction of Christianity throughout the world, who are dedicated to the destruction of our economic system, who would want to take over every particle of land and every home and every business and make every human being a slave of the state. That is what you would get.

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

Mr. RANKIN. I yield to the gentleman from Connecticut.

Mr. LODGE. I would like to ask the gentleman how many of the 377 students now in this country under this program are Communists.

Mr. RANKIN. I do not know, but it would be interesting to call the roll and take a test.

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

Mr. RANKIN. I yield to the gentleman from Ohio.

Mr. BREHM. Does the gentleman know who decides what constitutes other educational material? I want an answer to that. Who decides what constitutes other educational material? Can the gentleman from Minnesota answer that question?

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

Mr. RANKIN. For a question. My time is running short.

Mr. JUDD. I would like to advise the gentleman that not a single student or professor who has come here under this program has ever been charged by anybody with Communist domination, and the gentleman knows that, being, as he is, opposed to communism.

Mr. RANKIN. But this program is going to be as "broad * * * as the casing air," as Shakespeare says. I would not object to this Voice of America if you put men like General Marshall, Will Clayton, or other real Americans, that we know are Americans, to tell the people of Europe what America is like. But, if you are going to take some of these pinks or members of the Anti-Defamation League to try to tell Russia how much like communism we are, or ought to be, then I say you are wasting the people's money and doing this country infinitely more harm than good. Now, if you curb this to where it will be the real Voice of America, I will not oppose it, provided you strike out the rest of the bill. But, I can tell you now I am not going to vote for anything that will invite from behind the iron curtain those influences that are today destroying the civilization of Europe and threatening the civilization of America.

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

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. RICH. During the World's Fair in New York, when we had the Russian people trying to teach America what was going on over in Russia, at that time they were trying to fool the American people, and does the gentleman believe we can counteract that by inculcating them with our ideas by enacting this bill into law?

Mr. RANKIN. No; I do not, and I think that this bill is dangerous. I think it ought to be recommitted to the committee, and all those provisions eliminated except the one that provides for the Voice of America, and then that should be restricted so that we will know that it is the real Voice of America that is going over the radio.

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I cannot support this bill at this point. If it was a bill providing for the Voice of America, and it was honestly to be the Voice of America, I would support it. They have not yet cleaned up that situation in the State Department, which has cried aloud for attention ever since the whole thing started. Their very first broadcast to Russia was a totalitarian philosophy broadcast. I have had in my hands, and I have in my office, 500 broadcasts, and out of the whole 500 I defy any man to find one that would do America a bit of good, and he would find many that would do a lot of harm. The management of the thing has been bad. For a year and a half, Mr. Benton has been in charge of it, and he has not cleaned it up. There is still Haldore Hansen in charge of this cultural relations subject, the same fellow under whose management all those paintings and that sort of thing were bought. There is William T. Stone, and Charles A. Thompson, in charge of the broadcasts. Neither one of them should be on any pay roll of the Government of the United States.

Mr. Stone put out a circular on the 1st day of May after the Appropriations Committee had operated on this activity because it was not the Voice of America. I have it here, and shall insert it in the RECORD. It is a circular in clear violation of the antilobbying law. I wonder if we are going to have that sort of thing going on.

I also call your attention to the way they have done business. I have before me a comparison of the salaries that were paid a group of these people at the time they came from the OWI to the

State Department and the salaries that are presently paid them, just so you can see the kind of business management they have had. The list is as follows:

MARCH 17, 1947.

Following is a list of names reported by the Office of War Information as aliens employed by that agency in 1944, and which are found to be employed by the State Department, as shown by a list recently submitted by that Department:

	Names and OWI-State classifications and titles	Salaries reported paid in OWI	Salaries reported paid in State
CD, no; SD, no	Kurt J. Dosmer (German), assistant script editor, OWI, CAF-9; feature writer, Broadcasting Division, State, CAF-11.	$3,200	$5,403.60
CD, no; SD, no	Martin J. Fuchs (Austrian), assistant language editor, OWI, CAF-7; Chief, Austrian Radio Unit, State, CAF-13.	2,600	7,102.20
CD, no; SD, no	Vsevoled De S. Gebrosky (French), assistant announcer, OWI, CAF-7; radio script writer, State, CAF-11.	2,600	4,902.00
CD, no; SD, no	Gertrude Hesse (German), clerk-stenographer, OWI, CAF-2; State, CAF-4.	1,440	2,544.48
CD, no; SD, no	Karel Mazel (Czech), assistant announcer-translator, OWI, CAF-7; State, CAF-12.	2,600	5,905.20
CD, no; SD, no	Gerda Misch (German), assistant clerk-typist, OWI, CAF-3; State, CAF-5.	1,620	2,770.20
CD, no; SD, no	Zdneko C. Sajovic (Slovene), assistant language editor, OWI, CAF-7; State, CAF-9.	2,600	4,400.40
CD, no; SD, no	Paul M. Segnitz (French), announcer, OWI, CAF-11; State, CAF-11.	3,800	5,403.60
CD, no; SD, no	Mira M. Zeidner (Rumanian), senior translator, OWI, CAF-5; State, CAF-11.	2,000	4,902.00
CD, no; SD, no	Elizabeth A. Zweigenthal (Hungarian), junior script editor, OWI, CAF-5; State, CAF-9.	2,000	4,400.40
CD, no; SD, no	Beyne Vince Ho (Chinese), senior language editor, OWI, CAF-9; State, CAF-11.	3,200	5,152.80

Legend: CD, followed by "yes" or "no" means name is or is not in Congressional Directory, February 1946.
SD, followed by "yes" or "no" means name is or is not in State Department Telephone Directory, August 1946.

MARCH 17, 1947.

Following is a list of names which appeared on the list of persons employed by the Office of War Information in 1944 at above $4,000 per annum and are also found to appear on a recently submitted list of employees in the Department of State:

	Names and present State Department titles	Entrance and top salaries in OWI	Present salaries in State
CD, yes; SD, yes	Eric C. Belquist, European Division Area	$5,600	$9,975.00
CD, no; SD, yes	Fred O. Bundy, Division of Occupied Areas	3,800 4,600	7,102.00
CD, no; SD, yes	Robert R. Burton, Broadcasting Division	5,600	7,581.00
CD, no; SD, yes	Nancy Chappalear, Office of Director, Policy Coordination	2,000 2,600	4,902.00
CD, no; SD, yes	Samuel R. Davenport	3,800 4,600	7,341.60
CD, no; SD, yes	John F. Depenbrock, Division of International Exchange of Persons.	2,900 3,200	6,144.60
CD, no; SD, yes	Thomas E. Goldstein, Division of Occupied Areas	2,600 3,200	5,153.00
CD, no; SD, yes	Ruth M. Hill, Director's Office, OIC Policy and Coordination	3,200 3,800	6,144.60
CD, yes; SD, yes	Victor M. Hunt, Director's Office, OIC Policy Coordinator	4,600	9,975.00
CD, no; SD, yes	Harry J. Kroold, Office of Director, Policy Coordination	4,600 5,600	8,478.75
CD, no; SD, yes	Habib A. Kurani, Near East and Africa (ADN)	5,600	8,179.50
CD, no; SD, yes	Kurt L. London, European Division (ADE)	4,600	6,862.80
CD, no; SD, yes	Clara G. McMillan, Director's Office, OIC	4,600	6,384.00
CD, yes; SD, yes	Lawrence S. Morris, Division of Libraries and Institutes (Chief, Books, Materials and Service Branch).	5,600	8,179.50
CD, no; SD, yes	Fred H. Trimmer, Broadcasting Division	4,600 5,600	8,179.50
CD, no; SD, yes	Isabel A. Ward, Far East (ADF)	2,300 3,200	5,905.20

Legend: CD, followed by "yes" or "no" means name is or is not in Congressional Directory, February 1947.
SD, followed by "yes" or "no" means name is or is not in State Department Telephone Directory, August 1946.

NOTE.—Of the list of 1,127 persons employed in the United States by State Department's OIC, 559 receive over $4,000 per annum. Not one of the persons listed on the recent submission by the Department of State as being employed in the New York office is found on the 1944 list submitted by the Office of War Information for its New York office.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, in connection with the remarks just made by my friend from New York [Mr. TABER], may I say that what he refers to are all details that can be corrected. If we fail to pass legislation that continues the Voice of America, then the opportunity to work out conditions that might not be wholly satisfactory to some Members will not exist.

I call attention to what Secretary Marshall said before a Senate committee a day or two ago. Mark you, General Marshall was Chief of Staff during the war, a pretty substantial man, a man whose place in history is made. After we are dead and gone and he is dead and gone, he will be one of the great figures of history of all time. We cannot see what a man is symbolic of or what he stands for or his place in history when we are close to him because there is an emotional reaction in the minds of some of us if not all of us, but in the cold light of history George Marshall is going to be one of the great figures of all times. There is no question about that.

Only a day or two ago he appeared before a Senate committee in connection with getting appropriations and with reference to this particular project he definitely promised that, if the money is appropriated, the program will be, and I quote, "Very carefully administered." When he appeared before the Senate committee he made a plea. The former Chief of Staff, now Secretary of State, was making this plea, realizing the importance of this as part of a permanent action by America which was necessary in the light of world conditions. We must also bear in mind this program goes to China, India, and southeast Asia, and that it will be silenced unless we do something.

The doors of 70 libraries in 41 countries will be closed to thousands of people who seek each day to learn something about the United States. We are battling, as the gentleman from Missouri [Mr. SHORT] well said a few weeks ago in a powerful speech, an idea, and we have to fight it with our own idea—the ideas and the fundamentals that we believe in. We cannot do it by way of negation or by taking the road of defeatism.

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

Mr. McCORMACK. I yield.

Mr. HENDRICKS. Does it not seem rather strange that the gentleman from Mississippi and the gentleman from New York are condemning these broadcasts and at the same time the most prominent Russian journalist in Berlin is desperately trying to counteract those broadcasts? That is strange to me.

Mr. RANKIN. Mr. Chairman, if the gentleman will yield, in reply I desire to say that I said I had no objection to the broadcasting program provided General Marshall or Will Clayton, or men of their views supervised these broadcasts. But I do object to bringing men here from behind the iron curtain who cannot come unless they get the stamp of approval of a Communist regime.

Mr. McCORMACK. We have to keep in mind the basic line of Soviet strategy, which is to isolate the United States from the rest of the world if they can do it, and they are using every means to that end. There is intense propaganda from inside Russia and from the centers of communism outside of Russia constantly stressing that America is imperialistic and following dollar diplomacy. They are constantly attacking capitalism and the capitalistic nations. Capitalism is nothing but the dignity of the individual. I would like to see the dignity of the individual stressed more on the floor of the House rather than capitalism. Ours is an individual system. When you use the word capitalism, we are playing right into their hands when, as a matter of fact, it is nothing more or less than

the dignity of the individual under the law and of individual initiative. If we used the word capitalism less, then they would have less opportunity to use that characterization of our economic institutions which we understand but which they use to create a sinister meaning in the minds of people in other countries who do not realize what we mean. When you and I use the word capitalism we mean that it is synonymous with individual initiative and individual enterprise or free competitive enterprise, or, as others would say, free enterprise.

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

Mr. McCORMACK. I yield.

Mr. McDONOUGH. The gentleman admits that Russia wants to isolate the United States through propaganda in those countries. How are they going to hear the Voice of America if we do provide the funds for it? By what means is it going to penetrate to these people?

Mr. McCORMACK. Mr. Chairman, I hope this bill will pass because it is in the interests of the United States and it is a means of meeting and combating a sinister influence coming from the Soviet Union and its satellites which is directed at the United States and the future peace of the world.

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe the majority of us agree with the minority whip in his statements that Secretary Marshall is trying to do a good job. History will record his action and weigh his services today, yesterday, and tomorrow. It takes time to evaluate such services. Personally, I have always wondered where he was the night before Pearl Harbor and why he did not use the telephones to notify the military at Pearl Harbor, which could have been done 2 or 3 hours before the devastating attack was made at Pearl Harbor. It would have saved 2,700 lives and a tremendous loss of property. He used the slow commercial methods, and the message telling of the coming attack was delivered 2 hours late. Who can explain that problem?

Now, the gentleman read a part of what Secretary Marshall said about the Voice of America. Let me read the rest of what he said about the Voice of America. I agree with him absolutely. In appearing before the Senate committee, the press reports as follows:

> Mr. Marshall said it is essential to the conduct of our foreign relations that the State Department have funds and freedom to make foreign broadcasts and conduct a world-wide information program.
>
> As I have said before, one effective way to promote peace is to dispel misunderstanding, fear, and ignorance.
>
> Foreign people should have a true understanding of American life. We should broadcast the truth to the world through all the media of communications.

That is what the press told the American people about the Voice of America.

I agree with that 100 percent. But, my colleagues, this bill does more than that. Unless it is radically amended, the bill goes much further than disseminating information through foreign broadcasts.

I would like to have the opportunity to vote for a bill providing for broadcasting. Unless some Member of the minority offers a motion to recommit, I shall offer a motion to recommit along that line.

A letter came to me from a confidential source today showing the pressure for this bill. The letter is circulated by William T. Stone, who is under Mr. Benton in the State Department. To show you the pressure that is being put on, this is an interesting confidential letter on how to push this legislation through Congress. I think it is truly in violation of all the laws we set up for this Department. It is headed, "Memorandum for John Howe, Luther Reid, and Bill Bourne, in the State Department":

[Confidential]

MAY 1, 1947.

Memorandum for John Howe, Luther Reid, Bill Bourne.

Re: Action and recommendations of New York Alumni Committee.

At a luncheon meeting April 29, called by Louis Cowan, with Norman Cousins, Lim Linen, Harold Guinzburg, Mike Bessie, and Miss Singer present, the following recommendations were made:

1. The committee will distribute copies of our clip sheet to key people throughout the country for use in the press, radio, etc.

John Howe should send 150 to 200 copies to Miss Singer as secretary. We should also send 12 to 15 copies of the House committee hearings the moment they are available. The hearings will be used by the committee, columnists, editorial writers, etc.

Harold Guinzburg or Mike Bessie will talk to Liebling about an article in the New Yorker. (Memoirs of Hecate County article by Henning in Chicago Tribune, using Ehrenburg to show Voice of America ineffectual. Art program, etc.)

2. The committee agreed to contribute and receive funds up to $1,000 for the Washington organization, headed by Mrs. Wayne Coy and Mrs. Bell. Funds for this purpose should be sent to Louis Cowan.

3. The group favored a news story rather than an advertisement in the Washington Post to publicize the high caliber of people supporting the information program. The consensus that a paid ad would be less effective than a general news story. The ad would look like part of a costly organized lobbying campaign.

4. It was suggested that Barney Baruch could be very helpful with top leaders in Congress. John Howe should follow up with Louis Cowan to determine the best approach to Baruch. Baruch has influence with VANDENBERG, TAFT, JOE MARTIN, and many other top leaders.

5. It was suggested that General Marshall cable personally to the heads of the important missions abroad requesting them to report to him on the effect of killing OIC.

6. The Greek broadcast should be publicized.

7. Benny Goodman has offered to help in any way possible. He will be in New York next Tuesday. The group agreed that there is not much that Goodman can do in Washington, but that he should be urged to get support from top people in the show business. Thayer will see him when he arrives in New York.

WILLIAM T. STONE.

Copies to Howland Saregeant, Stew Brown.

(NOTE.—Mr. Benton's office reports that the above was copied and circulated in his office in order that employees of the office would know what had occurred at this luncheon in New York, and that it was merely informative information for the employees of OIC.)

Thus, my colleagues, the pressure is on.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. MILLER] has expired.

Mr. KILDAY. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KILDAY. Mr. Chairman, I believe it is of prime importance that the United States use every channel of information with respect to our own country. I think now that we have become the most influential Nation in the world, it is essential that we do so.

I do not believe in passing legislation with the idea that the one holding the office at the time the legislation is passed is the one who will continue to administer it; but in view of the fact that so much has been said about the Voice of America program and how it has been administered in the past, I think it is well to remember that George Marshall served as our Chief of Staff during the war. I have seen him operate under high pressure, and I know that he is not subject to it.

Some of my friends here think that the only people with whom we will be dealing in this will be the Russians. I have heard from a high military commander in Europe who was in a position to know, that in the war the Russians made two mistakes. They let the Russian Army see the rest of the world, and they let the rest of the world see the Russian Army. I do not believe you can anticipate any Russian students or professors being permitted to see the conditions under which we live in America.

The gentleman from Missouri [Mr. SHORT] the other day stated that the Russians had found it necessary to give an indoctrination course in the beauties of communism before returning her soldiers to their own land.

I think we ought to take example from the nation which has been the most successful of all in international politics, the British. Her great empire builders wanted to do everything in their power to build the empire. When the great empire builder, Cecil Rhodes, decided to use his fortune to help build the empire he created Rhodes scholarships under which they have siphoned off into England for indoctrination the brightest boys that we have in our colleges in America; and I say that it has paid off and paid off wonderfully. Those of you who are afraid of dealing with Britain on the ground that the British are smarter than we are ought, at least, to be willing to accept the program by which Britain has profited so much.

I come from near the Mexican border. I have seen this thing in operation down there on a small scale in the small colleges and universities, and in some of the larger ones. They have been carrying on an exchange program, primarily in the summertime, so that Americans, probably mostly school teachers, can attend Mexican universities. It has been mutually beneficial. The Americans who have gone to Mexico had never sought companionship or association with Latin-Americans of culture and education, of whom there are thousands. When they went to the Mexican universities they found there—and this is so

in the other South American countries—the same percentage of men and women of refinement and education. They found that Latin-Americans have music, art, and culture comparable to any other country; that La Cucaracha, they learned, is the equivalent of our hillbilly songs, and not representative of their cultural music; and the Mexicans who have come to the United States had judged Americans by the rowdy tourists they had seen. They had read in their histories of the large section of Mexico taken by the Texas Revolution and the larger section taken by the Mexican War, and feared further attacks upon her borders. They have heard us referred to as "Gringoes" and our country as the "Colossus of the North." After they have been in this country and visited in our homes and seen our education and finer side of our life, they no longer think of us as "Gringoes." They no longer think of us as the "Colossus of the North," but as "Norte Americanos." They also learn here beyond all doubt that this country and the people of this country do not intend to acquire any more land anywhere in the world. So the program turns out to be mutually beneficial. I am sure it can be the same in any part of the world.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. BROWN of Ohio. The gentleman spoke of General Marshall in connection with the administration of such law as might be enacted as a result of this bill. Does the gentleman believe that General Marshall himself will administer this law if it is passed, oversee it, and take charge of it?

Mr. KILDAY. I do not so believe. The gentleman must remember that General Marshall is a trained military administrator. Like every successful general, he knows better how to pick a staff than anybody else. I know, too, that he will positively insist that the man he appoints to carry out the program carry it out just as the general in command in the field will rely upon his G-2 and insist that his G-2 get him accurate information. I know, too, that he will permit no insubordination. The American that is he will formulate a truly American plan and woe to him who fails to carry it out.

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

Mr. MUNDT. Mr. Chairman, I ask unanimous consent that all debate on the pending section and all amendments thereto close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, Congress is being called upon by this administration to appropriate large sums of money to support the so-called Truman policy overseas. Behind this program is an unquestioned desire to influence the course of European history. Our Government is attempting to stem the tide of communism and state socialism in every possible way.

I regard these objectives as laudable, but the evidence accumulating every day makes it obvious that our methods are naive, wasteful, and utterly ineffective.

The administration policy is nothing but patchwork diplomacy. We are called upon one day to approve loans to Greece and Turkey as a means of stopping Communist threats in this area. The next day we are asked to furnish funds for the Voice of America in order to bring the message of American success into the homes of Europe and Asia, over radio loudspeakers. Presumably in the near future, we shall be asked to undertake additional ventures for the same purpose.

These are all demonstrations of a failure to analyze and interpret what is going on in Europe and Asia accurately and intelligently. These continents are in ferment. Because our own Government has refused to recognize the realities of the situation we have failed to complete vitally necessary treaties with the former members of the Axis and their satellites. We have allowed chaos and uncertainty to dominate the political and economic life of central Europe, a policy which has played directly into the hands of the Soviet Union.

Will the Voice of America broadcasts meet these critical issues? Will they furnish bread to the starving? Will they furnish political guidance to those who seek for stability in their governments? Will they rebuild the shattered industry or restore the ruined agriculture of devastated countries? In other words, is this appropriation the best possible use our people can make of these funds in this crucial moment in world history?

I submit that our Government is in the position of a small boy trying to protect the leaking dike. He may stop it temporarily at one place, but unless the dike is rebuilt speedily and completely, it is going to break in many more places while he is frantically plugging a tiny gap. We have been bolstering the dike of the status quo in Greece and Turkey, and now it has burst wide open in Hungary. If we spend our money and our energy repairing the break in Hungary, we may find a new threat in Italy or Korea or China.

The process is endless. I urge our Government and those who seek an effective foreign policy for our guidance to use the funds we are asked to expend for the Voice of America to provide a voice that will really be heard.

Let our Government in company with the other nations of the world provide the means of economic rehabilitation to every European and Asiatic country through the international agencies we have helped to create. Strong, self-reliant, working people will not succumb to Communist propaganda feeding on unemployment and despair. We have machines for industry; we have machines for farming. Let us provide these to the needy of the world.

Let us end this patchwork diplomacy and build a constructive foreign policy which will last longer than one edition of our newspapers. We can do it by spending our funds for a voice of America that will be heard throughout the world, the voice of American motors and tractors and harvesters.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, I have listened to all of the debate on this bill, and have reached the conclusion that I will support the bill although I shall also support some of the amendments which I believe will be offered.

I have taken this time in order to ask certain questions of the chairman of the subcommittee; questions which have bothered me.

We have been told that Russia is subjecting all of its troops who served outside the limits of the Russian border to 90-day reindoctrination courses in the ideals of the Soviet Government. The State Department has been publishing this Russian language magazine called Amerika which, generally speaking, is a fine piece of work. I want to ask the chairman of the subcommittee why, on the one hand, the Soviet Government spends money to reindoctrinate its soldiers and, on the other hand, permits this sort of magazine to enter Russia.

The second question is: How do we know that these magazines are not all thrown in the ash can as soon as they cross the Russian border?

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

Mr. BUCK. I yield to the gentleman from South Dakota.

Mr. MUNDT. The gentleman is correct, in the first place, about the indoctrination course being given Russian soldiers returning from service in western Europe. They not only give a 90-day indoctrination course for the ordinary returning soldiers of the Red Army, but if they are members of the Communist Party of Russia they give them a 12-month indoctrination course, because they want to be sure to retain party control and party discipline over their own converts. Now, why do they take such care about indoctrinating their own men and still permit us to circulate our periodical Amerika in the U. S. S. R.? They permit us to circulate Amerika over there because from the Russian Embassy on Sixteenth Street, in Washington, every Wednesday afternoon they issue a magazine patterned after Time magazine in format, about half that big, printed on slick paper, which they circulate free every week to any American who wants to get on the list. They realize that they cannot continue to issue their paper in America should they refuse to let us circulate our publication over there. So we are getting some gratifying successful results by circulating Amerika in the U. S. S. R.

The next question you asked was "How do we know that those magazines are not all thrown in the ash can?" Remember, first of all, there are very few ash cans in Russia and they have very little to discard in the ash cans. Travelers in Russia, people in our Embassy and people in the army all have provided convincing evidence that our magazine Amerika is being circulated and read. I, myself,

circulated over 50 of those magazines in Russia in 1945. I know how eagerly they reach out for them. I personally have seen copies in hotel lobbies in Leningrad, Baku, and Moscow. I have seen them in the subway trains. They are being circulated, and they are being sold on the black market for $1 a page, in terms of our American money. The Russians want to get them. We are stupid, indeed, if we deny ourselves by our own shortsightedness the use of this important contact which we have made with the people both behind and in front of the iron curtain.

Mr. BUCK. I thank the gentleman. I come now to my third question.

The committee has said that it is the purpose this program to make certain that the American information program abroad shall be truly reflective of our American way of life. In this copy of Amerika that I hold in my hand is a story on the play The Iceman Cometh. If I recollect the argument of that play, there is not a character in it that is not a criminal, a drunkard, a prostitute, or a pervert. I also find in the hearings before the committee that Mr. Dean Acheson justifies broadcasting stories of American lynchings. I do not feel that the true American way of life is portrayed in that play or in accounts of mob lynchings. I would like to have assurance from the subcommittee chairman, if he can give it, that this program is going to sell the fine things that are America and not the seamy things.

Mr. MUNDT. We have set up a number of safeguards to insure that. We have provided for semiannual reports in detail to every Member of Congress as to what is being done on the program. Thus each Member of Congress can help monitor and formulate this new program. I regret that a play of that kind has been published in this magazine, but if my memory serves me correctly, "The Iceman Cometh" is a play by Eugene O'Neil, one of America's most noted playwrights who, unfortunately, writes shoddy plays. The Americans pay money in the boxoffice to see them, and it makes him an outstanding playwright in the area of the dramatic world. Consequently, we cannot be too critical of those preparing the copy of "Amerika" for including a review of O'Neil's "Iceman Cometh" in their discussion of the American theater. However, under the new program set up by H. R. 3342 has many congressional safeguards not now operating. I am sure we can use these new controls to make sure our American information program abroad does concentrate on the fine qualities of American life and not on lynchings, strikes, crime, and riots.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I think it is high time that we got away from this fog of opinion and into the area of fact. As I understand it, when the Congress considers a bill it likes to have a few facts.

There are an awful lot of brickbats thrown at this provision in title II for student exchange. It is very interesting to see the opinions of those who, I believe, even the opponents of this bill will consider to be very substantial people, on this subject. So I read a telegram which I have just received from the acting president of Columbia University, which is located within my district. It is as follows:

The Honorable JACOB K. JAVITS,
House Office Building:

Understand effort is being made to eliminate provision of Mundt bill authorizing promotion of exchange of students and teachers between United States and other countries. Hope very much provision will stand as such exchanges are important method of establishing international understanding. Means of handing possible abuses should be found without abolishing so important a program.

FRANK DIEHL FACKENTHAL,
Acting President of Columbia University.

I just telephoned President Fackenthal and got his permission to read this telegram into the RECORD. He said that he did not like to get into any controversy, obviously, and that he wanted it understood that he was not giving an expert opinion on the bill as a whole, but that on the matter of student and teacher exchanges he thought that it was so critically important to the fate of America and the world and to the fate of American education that he must, as a responsible person, express his views to the Congress.

There are some 4,000 students from Latin America who are studying in the United States and no students, as the gentleman from Ohio [Mr. VORYS] has explained, who are studying here from Soviet Russia. The only reason there are 4,000 students from Latin America is that it is the only part of the world which is covered by a law which states that the United States will sponsor those student exchanges. So the Government sponsorship, which is what all these foreign governments want when they send students over here—to be sure that the matter is being handled under our Government's auspices—is making the program with Latin America work. Even the most determined opponents of this bill will admit that one of the great features in building up the good will between our country and the Latin American countries has been this exchange, and they should wish we had more of it.

Do not let us get distracted by this red herring or bogie that is being dragged across the floor here all the time. This student and teacher exchange is a program which goes to the world. It is a key element in our American foreign policy. The facts do not bear out the arguments which are being made against it that it will admit undesirable people, for there are adequate safeguards about letting them in and adequate safeguards about getting them out if they prove to be undesirable. The arguments against the bill are being made on the basis of the wishful thinking of gentlemen who want to defeat this legislation—just as they want to defeat any legislation which proposes that the United States shall do a job of reconstruction in the world, the only way in which we can protect our own security and prosperity.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I am very much interested in the statement of the gentleman about what the facts bear out. I should like to advise the gentleman that in a conference with some of the officials of the State Department the day before yesterday the admission was made to me very frankly that many of these things that have been objected to on the floor of the House had been done, and the promise was made that they would be corrected in the future. So evidently the facts are not exactly as the gentleman has represented them. Either the State Department is wrong or the gentleman is wrong.

Mr. JAVITS. If the gentleman's assertion is correct, we would never have sent an army to Europe because there was some incompetence and inefficiency in the Army and Navy here. What we are arguing about in this bill is that the job ought to be done. All the Congress is doing by this bill is authorizing the job to be done. We will see that it is carried out right if the necessary machinery is provided. But if the machinery is not provided there is nothing to work with.

Mr. BROWN of Ohio. Who does the gentleman mean by "we?"

Mr. JAVITS. I am glad the gentleman asked that question. By "we" I mean all the American people. There is no department or bureau that can withstand their judgment, and the Congress is here to see that it is obeyed.

Mr. LEMKE. Mr. Chairman, I am opposed to this bill. I shall favor a motion to recommit it to the Committee on Foreign Affairs. When I make that statement it is not criticism of the committee. I know that the committee has acted in good faith, but the whole philosophy accepted by that committee from the State Department is wrong.

That committee in fact is wandering around and is lost in the dismal swamps of the State Department. The time has come when Congress, as a whole, must call a halt to the foreign ideologies in the State Department and again truly represent our own philosophy.

I used to believe in the law of averages. I thought any person, according to the law of averages, would hit upon the right thing once in awhile. I believe that we must now, however, adopt the law of accident as far as the State Department is concerned, because if it ever hits it right it will be by accident.

Let us see just where we are going. We have already depleted our natural resources from 11 percent to less than 9 percent of the world's supply. The theory of the State Department is to give away the wealth we have left, so that a few international coupon clippers and manufacturers can increase their wealth at the expense of the American taxpayer.

No nation ever became great or remained great by giving away its natural resources, by denuding the nation of the raw material that belongs to unborn generations. Our Nation became great because we had an abundance of wealth—natural resources—but now we are asked

to believe in the doctrine of giving away that which belongs to future generations. To me this seems morally wrong, religiously sinful, and legally criminal. It verges on treason.

There seems to be a fatal disease rampant here in this House. It is not exactly sleeping sickness, but it does destroy our alertness and dulls our sense of responsibility. It is called "foreignology." Even my good friend from South Dakota finally caught it. I had thought that his prairie vision and robust health made him immune, but there must have been too many germs of that disease from the State Department in the Foreign Affairs Committee room.

This foreignology would ape Hitler, and proclaim to the world that America has a superior culture. It parallels Mein Kampf. It would attempt to impress the culture and questionable ideologies of the State Department upon the rest of the world. It would try to make the world believe that we have a superior civilization, and that our taxpayers must educate the world to accept our ideologies.

If permitted in its wildness, and in its insanity, it will destroy our Nation the same as it destroyed the German nation. The German people are now paying for the folly of Hitler and his followers. It is silly for any nation to undertake to force its thoughts and its ideas upon the rest of mankind, especially when they do not want them.

In place of trying to educate the world to our way of thinking—to accept our ideologies and culture—we had better pay a little more attention to the education of some of our own people. My friend from South Dakota could more profitably spend his time in educating some of the subversive element he is struggling with in the Un-American Activities Committee. He has been doing a good job. When he has finished the job at home—when he has educated and made good Americans of the subversive element within our midst—then I am sure he will be satisfied to let the rest of the world do their own educating.

Our first duty is still to educate ourselves, not foreigners. There are many things about our boasted culture—our labor problems, and our under-privileged—that need first attention. We are still far from perfect. "He who lives in a glass house should not throw stones," is still good advice. We have already gotten the hatred of many nations because of our Hitler-like attempt to boss the rest of the world.

Just of what value is broadcasting turkey in the imaginary straw of Russia. Of what help is it to the starving of the vanquished nations to send dancing girls, and questionable movies and programs to them. Naturally these nations resent it. To them it is adding insult to injury—insult because we collaborated with Stalin, and helped in their liquidation.

Again, behind the scenes of this legislation are some members of the State Department who want to put the United States Government into the broadcasting business. They have advocated a government controlled International Broadcasting Foundation to take over short wave broadcasting and disseminate American views throughout the world.

Even though the proposal is sugar coated by a vague suggestion that domestic broadcasting companies and some institutions be represented on the board of trustees, the Government would run the show just as firmly as the British Government runs propaganda through BBC.

The State Department is already up to its neck in the field of international broadcasting, with programs going out in 25 different languages at a cost of more than $8,000,000 per year. The proposed foundation would make continuation of this war-born propaganda activity a permanent part of our Government, with substantial expansion and increase in cost.

In my opinion, this is a bad and extremely dangerous proposal.

Here would be another instance of unnecessary Government competition with private enterprise, and in a field where American private enterprise has been notably successful. Imperfect as American broadcasting may be, it leads the world as a provider of entertainment and education, and, as a force for influencing popular opinion. Government-controlled broadcasting systems in other countries have never approached American commercial broadcasting in popularity—the United States has more broadcasting stations and more privately owned radio receivers than the rest of the world combined.

Long before the war American broadcasting companies, entirely at their own expense and with little prospect for financial return, erected and operated short-wave stations that sent American network programs all over the world. In countries where short-wave receivers were in general use, these American commercial programs were far more popular than the stodgy propaganda broadcasts from Germany, France, England, Italy, Spain, and so forth. They did more to sell American ideals and the American way of life than could any number of pontifical presentations of "the unvarnished truth," such as the State Department's much publicized broadcasts to the Soviets.

At the time of Pearl Harbor there were 14 licensed international short-wave stations operating in the United States. All were erected by private capital, all were operated by their owners at a total cost over the years of many millions of dollars. During the war Government funds were used in construction and operation of additional short-wave stations, just as Government money was used to construct and operate munition factories, ship yards, and so forth. Now that the war is over, these stations should be sold to private operators in the same manner, and for the same reason, that other Government-financed properties are passing into private hands.

There is no more reason for the Government to own and operate broadcasting stations than there is for it to publish newspapers and magazines. Nor is there any reason for the Government, which has neither experience nor skill in radio production, to spend millions of dollars developing radio programs.

Fairness and common sense demand that the Government pay for and use privately owned broadcasting facilities for dispatching radio programs, just as it uses railroads for dispatching freight, telegraph and cable systems for dispatching messages, our newspapers and magazines for publishing advertisements and releasing news, and so forth. Instead of setting up a system to compete with those who pioneered our international short-wave stations, any Government money used for this purpose should be spent to support those who blazed the trail with their own private funds. Any other procedure would be the rankest kind of injustice, as well as being a stupid refusal to use the world's finest creative talent in the realm of radio.

No matter what our bureaucrats choose to call Government-sponsored international broadcasts of "unvarnished truth," listeners in other lands will have just one term for them: "Yankee propaganda." Most Americans resent or laugh at foreign propaganda that infiltrates this country, and are highly skeptical of news and radio broadcasts that come through the iron curtain of censorship. To all other peoples of the world we Americans are foreigners; obviously Yankee propaganda will only serve to arouse resentment and skepticism of all things American.

The one basic idea that the United States has to sell to the rest of the world is our American system of free enterprise. What could be more futile and ridiculous than using a bureaucratic broadcasting foundation to tell our story? What profit could there be in prattling the "unvarnished truth" about free America when the listener knows that the programs he hears are themselves a violation of the basic principles of American free enterprise? Why should we adopt the very practices that we criticize in other governments?

The most effective method of persuasion is by actual demonstration. There could be no better way of demonstrating to other peoples the real meaning of American free enterprise and freedom of speech than by giving them an opportunity to hear the tremendous variety of radio programs that are aired each day over our major networks. In the year 1946 American advertisers paid a bill or $78,000,000 for the broadcasting talent alone that produced these programs. What a revelation it would be to countless impoverished millions to hear commercial announcers vying with each other to sell more soap, candy, automobiles, radios, watches, cigarettes, etc., etc. And what a demonstration of democracy in action it would be to have people of the world hear two opposing American presidential candidates tear into each other over the radio, and then hear the election results, and learn that the loser continued to enjoy life and freedom.

American radio programs, in spite of criticism leveled at them by Blue Book writers, have the happy faculty of attracting large audiences. This is true in

other countries as well as in the United States. If our daily schedules of network programs were sent out by powerful short waves, we would soon create an incredible amount of good will and understanding throughout the world. American jazz is popular from the Arctic to Timbucktu, and there is plenty of that broadcast every day. Serious music has its lovers wherever there are human beings—they reach for everything from Bach to Gershwin. American networks broadcast many hours of the world's finest music every week. Music is the only international language that needs no translation. Our dramatic programs, variety shows, news casts, commentaries, etc., have a freshness and freedom found on no other radio broadcasting system on earth. True enough, some of these programs would require translation for a good part of our audience, but many could go straight, with perhaps explanatory announcements in other languages. It must not be forgotten that in virtually all countries there is a large nucleus of English speaking people.

If we wish to do a really effective job of international broadcasting, the way to do it is to forget all about bureaucratic foundations and send by short wave a selected schedule of network programs, modifying them only as prudent commercial practice dictates. I used the words "prudent commercial practice" because I believe that the best way, as well as the most American way, of sending our commercial programs overseas is to permit American shortwave stations to sell time to advertisers just as our domestic stations do. That will automatically bring to American international broadcasting the best audience-building brains of the country, and give to the rest of the world the great musical and dramatic talent that has made radio so popular in America. Under the acid spur of commercial results, broadcasters will develop new techniques of audience building in foreign lands that will far transcend the best efforts possible for a known Government agency.

Then, if the Government still deems it necessary to enter officially the international war of words, it will find an enormous and receptive audience waiting for its programs from privately owned stations. It will also have available, and should use, the skill developed by free enterprise in radio, just as it found available and used for munition production the industrial skill developed by generations of free enterprise in manufacturing.

Both for the sake of economy and to give the rest of the world a true understanding of America, the State Department should be compelled to cease its present international broadcasting activities, and any proposal that the Government enter the broadcasting business should be defeated. The American broadcasting industry should be given an opportunity to expand in the field of commercial international broadcasting.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I am taking this time in search of information. I recognize the value of bringing students in from other countries so that they can become familiar with how we do things in the United States, but I am also mindful of the fact that we are having much difficulty finding schools and rooms for American students who wish to secure an education for which we are paying a tremendous sum.

It is possible that the president of Columbia University has the facilities where they can take in a good many thousands of students from other countries, but the situation is somewhat different in other colleges and universities.

About a year ago the State Department had a plan to bring in 10,000 young foreigners to study medicine in this country. I hope the chairman of the subcommittee who handled this legislation will answer this question, and possibly also my colleague, the gentleman from Minnesota. The program of the State Department was to bring in 10,000 medical students from foreign countries or students who wanted to study medicine, to train and educate them in the United States, which was, of course, a very fine thing. But in talking to one of the distinguished doctors out in my section of the country I found that this doctor, after a thorough investigation, had come to the conclusion that we did not have enough medical schools and facilities in our medical schools to educate the few American boys and girls who wanted to take up medicine. So that my first question is whether or not the State Department has the same program of bringing in 10,000 young foreign students to train them in medicine in this country?

Mr. JUDD. May I say to my friend and colleague from Minnesota that this is the first time that I have heard of such a figure as he has mentioned. We have had—or rather the State Department has had—authority under previous legislation to bring in students from Latin-American countries—graduate students, not undergraduate students—for study in medicine, as well as other fields. There are some 6,500 students from Latin America studying in the United States today. All of them are on their own resources or on scholarships, taking care of their own expenses, except 377. These are exceptional individuals who do not have sufficient resources of their own. After they qualified by competitive examination, the State Department assists them in the degree they need. Only 377 out of 6,500 receive aid under the present program.

It is contemplated, if this bill goes through and the same authority is extended to the rest of the world, that the program for Europe and Asia will be about twice as big as for Latin America. That will increase the number of students in the United States under this program from 377 to perhaps a thousand a year in all fields, including medicine.

I have never heard of any proposal to train here 10,000 a year in medicine. It would be impossible to carry out, even if it were not absurd.

Mr. AUGUST H. ANDRESEN. That probably was one of the top secrets of the State Department that was not passed on to your committee.

I feel that it is our first duty to take care of American boys and girls who want to take up medicine and let them have an opportunity in our own institutions.

I might say with reference to the fellowships that have been granted to doctors who are coming here to be trained in our various hospitals and medical clinics that the complaint is—and I know it to be true—that after these men have spent 2 and 3 years here studying under the fellowship and getting the benefits of our American system and American training they do not want to return to the countries from which they have come. The big problem is for the men in charge of these medical institutions where these men are trained under the fellowships to get them to go back to the countries from which they come.

Mr. Chairman, I am not satisfied with this bill. It seeks to cover too much territory. Unless the bill is drastically amended, it appears to me that the State Department is given a blank check to do whatever suits the fancy of Mr. Benton or some of his associates, who have been engaged in sending to foreign countries so much propoganda giving an unfavorable picture of what American democracy means. The first step in shaping a policy to take care of propaganda should be to dismiss those in the State Department who had deliberately sought to cast reflection on our American system. After this has been done, the Congress can formulate a truly American policy, which I will gladly support. I therefore hope that this bill will be amended before a final vote is taken. To begin with, a limitation should be placed on the amount of money to be allowed to tell peoples of the world about the United States and, secondly, the bill should be redrafted so that the Congress will know what is being authorized.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, I heard a humorist, some time ago, say something like this: "You know, we human beings do not have too much to get puffed up about, anyhow." He said in the first place we are made wrong. For instance, he said, you take the mouth. It is in a very unsanitary place, right under your nose. The truth of the matter is it should be on top of your head so that if you were late for work you could put a sandwich under your hat and eat it on the way. Take your leg, for instance; it is made wrong. You have your padding back here where you don't need it and here on your shins, where you do need it, you don't have any padding at all.

He said, "Take your lap. You lose it right when you need it most. When you stand up you may drop something of value and break it since your lap is gone."

"Take your toe," he said, "it is too far from your brain. You may get up in the night sometime and step on a tack, and

what happens?" The toe sends a message to the brain and says, "Toe on tack." The brain sends a message back and says, "Take toe off tack." Yet all that time you are standing on the tack waiting for the messages to go back and forth. He said, "You can sit down but one way. Why I was in a theater the other night and a lady hollered, 'Sit down in front.'" He said, "I tried to and came darn near killing myself."

The point I make is simply this: You can take most anything in the world and ridicule it and criticize it. Of course you can. Some of you very fine, able members of this committee have criticized this bill and have criticized it, I believe, far out of proportion to its actual reality. Now, surely, folk—and you are a fine bunch of folk—patriotic, intelligent, sincere American citizens—surely we should not carry our suspicions so far that we just suspicion everybody. Certainly we are against communism. Certainly we are against fascism. Certainly we are against all subversive elements in America. But let us not lose our civil liberties in our efforts against these subversive elements. Let us not abandon our civil liberties. Let us not go too far. Let us not do un-American things in our effort to combat them. Let us not suspicion everybody. I have heard suspicion directed at the Supreme Court of the United States. I have heard suspicion directed at the President. I have heard suspicion directed at the State Department. I am afraid that if some of you gentlemen are not careful, you will start suspicioning yourselves. You could carry it so far that you would finally be afraid of yourselves; afraid to read anything or afraid to hear anything lest you be improperly influenced.

Now, I think we have carried it to an absurd degree. I really do. I just believe we should not do that. If there ever was a man who lived on the face of the earth who would never be a Communist or a Fascist or anything but an American, it is I. Yet I do not have that fear that some have, because I do not believe it is justified by the facts. Certainly I do not have any suspicion that a man as patriotic as General Marshall is, a man who has shown the disposition that he as Secretary of State has shown would ever, even carelessly, permit communism to be fostered in this Department. I believe that some are carrying suspicions just a little too far.

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

The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I was very happy to hear the gentleman from New York [Mr. JAVITS] read a telegram from the acting president of the great University of Columbia because some time ago Columbia University tried to acquire from the Pacific coast a new president.

I would like to read a telegram from Dr. Robert Gordon Sproul, president of the University of California, on the subject of the interchange of students. He is one of the outstanding educators of this country, a gentleman above any suspicion or taint of un-Americanism.

The telegram from Dr. Sproul reads as follows:

BERKELEY, CALIF., *June 10, 1947.*

Hon. GEORGE P. MILLER,
House Office Building,
Washington, D. C.:

In past years the University of California has trained hundreds of men and women from foreign countries and sent them home with a better understanding of the United States and of democracy to teach or to hold other positions of responsibility. It is my firm conviction that such interchange of students and teachers is a most effective way of promoting international understanding. May I urge you to see that nothing is done to prevent the promotion of such interchange by amendment of section of 201 of the Mundt bill.

ROBERT G. SPROUL,
President, University of California.

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

Mr. MILLER of California. I yield.

Mr. MUNDT. I am glad to hear that the University of California, along with the University of Columbia, and, although I did not graduate from a very big college—just a little fresh-water college in the Midwest, Carlton College, in the State of my distinguished colleague the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN]—it is a pleasure to receive from my college a telegram urging the Congress to retain 201. It is a terribly important part of the program to the people out in the Midwest. They believe that the extension and development of mutual understanding is the basis of peace.

Mr. MILLER of California. I thank the gentleman.

I wish also to read a telegram from Dr. Lynn T. White, president of Mills College, in Oakland, Calif., one of the foremost women's colleges in the United States—a college established in 1852, that has done a great deal to bring about better understanding between this country and the Orient and this country and South America.

President White wires:

MILLS COLLEGE, CALIF., *June 10, 1947.*

Congressman GEORGE P. MILLER,
House Office Building,
Washington, D. C.:

Would appreciate your support of Mundt bill including information program. Living experience provided by international exchange of persons best means of insuring mutual esteem. Information program sorely needed to overcome existing block in international understanding.

LYNN T. WHITE,
President, Mills College.

Mr. Chairman, I wish to draw upon our own experiences. After the Boxer Uprising in 1899 this country refused to accept indemnity from China, but we provided that the interest on the money that would have been paid us should be used in the education of Chinese students in this country. That program is now 47 years old. We have brought young Chinese to this country and have educated them and sent them back to their homeland, and they have been the greatest bond between China and this country. They are responsible for the understanding that exists between China and this country.

Again may I call your attention to something that has been brought out here—but I should like to stress it—we are not just directing this program toward Russia; there is also the great Pacific Basin, the virile part of the world, that part of the world that is demanding reform. This program is going there—going to a part of the world that respects us and looks to us for leadership. We need the good will it will generate there.

The CHAIRMAN. The time of the gentleman from California has expired. All time has expired.

Without objection, all pro forma amendments will be withdrawn and the Clerk will read.

There was no objection.

The Clerk read as follows:

INSTITUTIONS

SEC. 203. The Secretary is authorized to provide for assistance to schools, libraries, and community centers abroad, founded or sponsored by citizens of the United States, or serving as demonstration centers for methods and practices employed in the United States. In assisting any such schools, however, the Secretary shall exercise no control over their educational policies.

Mr. HOFFMAN (interrupting the reading). Mr. Chairman, I have a motion on the Clerk's desk.

The CHAIRMAN. To what section?

Mr. HOFFMAN. To section 201, page 3.

Mr. MUNDT. Mr. Chairman, section 201 has been passed. Section 202 has been passed. Time has expired on 202.

The CHAIRMAN. All time has expired on section 202.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. The gentleman from Minnesota [Mr. MACKINNON] advises me that the time was not limited on amendments to the section.

The CHAIRMAN. The time was limited on section 202.

Mr. HOFFMAN. On amendments also?

The CHAIRMAN. Yes.

Mr. MACKINNON. Mr. Chairman, I believe if the Chairman will check the record he will find no mention was made to limit time on amendments, but only to limiting time on the bill. I observed the language very carefully when the request was submitted.

The CHAIRMAN. The gentleman cannot be right in his observation, for the motion was not to limit debate on the bill but only to that section which had been read.

Mr. MACKINNON. I mean on the section. The motion was only to limit time of debate on the section. The words "and amendments thereto" were not included.

I make that point of order. May we have it checked?

The CHAIRMAN. The Chair will overrule the point of order because the motion was made to close all debate with reference to any amendments to section 202. The question now is on section 203, which the Clerk is reading.

Mr. MACKINNON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MACKINNON. What will be the situation if the Chair is in error in the Chair's recollection according to the record?

The CHAIRMAN. We will have to decide that when we come to it.

Mr. MACKINNON. I thank the Chairman.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. May we have a copy of that part of the record?

The CHAIRMAN. The gentleman may secure that from the reporters.

The Clerk will report the committee amendment.

Mr. BOGGS of Delaware. Mr. Chairman, I make a point of order that a quorum is not present.

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

The Clerk read as follows:

Committee amendment: Page 4, line 19, after the word "policies", insert the following: "And shall in no case furnish assistance of any character which is not in keeping with the free democratic principles and the established foreign policy of the United States."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment which it was desired to offer was to section 201, page 3, line 10, to strike out the words "and leaders in fields of specialized knowledge or skill." The Chairman failed to see or hear me so I did not obtain recognition.

Mr. Chairman, the purpose of that proposed amendment was to prevent the State Department from bringing into this country agents of Russia or of any country that was under its domination or of any other country, which might become an enemy country, who had exceptional skill, who might desire, and who would under this bill be permitted to go into the industrial plants of our country and learn our methods and our secrets of production, the things which have enabled us in both wars to come out as winners.

The gentleman from Oklahoma [Mr. MORRIS] said that we were the victims of undue fear. I am wondering just how much of truth there is in that. I will admit that I am afraid for the future of my country and I know other folks who are afraid of what the departments down here are doing or may do.

In November last the people did the best they could to get a housecleaning in the legislative branch and they relied to a certain extent upon the legislative branch to help out with a housecleaning in the executive departments. Of course, they could not directly do anything about the executive departments.

It does seem that the least those who were elected to the Eightieth Congress can do, the very least they can do, is to keep the faith of those who elected them, to refuse to give additional power, blank checks for power and blank checks for money, to these departments which refuse to carry out the will of Congress, departments which are still New Deal in thought and deed. The gentleman may not be afraid of any department's action. I am.

I recall that book written by that admitted liar, Carlson. Under Cover, the book was titled, which charged some ninety-odd Members of the Congress of the United States with entertaining seditious ideas, charged them with being guilty, if you please, of treason.

Now, I say to you that in my office I have letters from the War Department which show that the War Department purchased and circulated that book.

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

Mr. HOFFMAN. Not now.

Mr. MORRIS. Well, the gentleman used my name.

Mr. HOFFMAN. If everybody had to yield that used my name, calling names or something——

Mr. MORRIS. I just wanted to ask a question.

Mr. HOFFMAN. Not now.

Not only that but a gentleman came in this morning and suggested that, if the chairman of his subcommittee would not go through with it, he was asking our committee to permit him to offer evidence—now listen to this—that the War Department made possible the publication and the circulation of Under Cover.

Have we reason to be afraid? There is not a Member of this House who has been here for the last 4 or 5 years who does not know from the admissions of the State Department, the individuals in it, that in that Department over the years there have been not one but dozens of Communists, and, when Congressmen, notably the gentleman from Kansas [Mr. REES], asked that those fellows be taken out of the State Department, they got just nowhere with their requests.

Now, until the executive departments down at the other end of the Avenue clean house, we should be afraid; I am more fearful of the borers from within than I am of Russia—we should be afraid of what this State Department, or the people in it or in other departments—will do to this country of ours, because no matter what legislation we enact they take it and turn it and twist it and use it to further some purpose of their own. While on the whole, their efforts may have been all right, here and there, all through, we find the Communist trail, the Communist taint.

So, let me repeat, that the trouble with this thing always—most of this legislation, anyway—is that if the legislation is good, we know from past experience that it will be misinterpreted and maladministered, and for that reason I cannot vote for legislation of this kind giving the State Department a blank check for power and money.

Mr. ELLIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not so much concerned at the moment about the propaganda provisions of this legislation, which seems to be the chief concern of the Foreign Affairs Committee. My chief concern is the immigration features which, in my opinion, compose about nine-tenths of the bill. This is a bill to bring people into this county.

I want to direct your attention specifically to section 20 on page 3, and paragraphs 3, 4, 5, and 6 under title VII, and more particularly to title VIII.

You can well understand that my time is not sufficient to read and discuss each of these sections, but the bill is short and you can read them in a very few minutes.

It was my pleasure to serve on the Immigration and Naturalization Commitee for 4 years, and I am somewhat familiar with the antics of this Administration when it comes to dealing with immigration.

As I read this bill, it practically voids our existing immigration laws and authorizes the Secretary of State to admit persons to this country absolutely without limitation. All quotas are disregarded and the safeguards we have set up over the past 150 years becomes meaningless.

The debate on Tuesday was confined principally to the exchange of students. This bill provides for the exchange of teachers, instructors, leaders in fields of specialized knowledge or skill, and in a manner provides for the entry of an adult person who can walk or talk from any part of Europe and Asia, or any other part of the world. When we talk of teachers and students, just remember that Europe at this time is full of scientists and specialists, and the camps for displaced persons and others are full of experts. In short, this measure gives the Secretary of State authority to admit persons without any limitation as to number or length of time they are to stay in this country.

Section 801 of title 8 provides that the Secretary can accept reimbursement from any cooperating governmental or private source in a foreign country, or from State or local governmental institutions or private sources in the United States. Consequently, under this bill any racial group, political group, religious group, or any organization or society whatsoever, can support and bring people of every description to this country under this bill without number. As the bill is now written, it is possible to bring people into this country just as fast as transportation facilities will permit. It is not beyond the realm of possibility that the number may reach one million annually, regardless of the appropriation or allotment to the State Department.

Now let us look at another feature of the program. When and if any person admitted under this program is found undesirable for any reason he is delivered to the Attorney General to be deported under the Immigration Act of 1917. This change of authority alone gives cause for suspicion of the purpose of this act. The Attorney General's office in respect to deporting undesirable aliens, remind one of a slow-motion picture of the Rock of Ages.

Under the existing conditions in Europe it is quite likely that any or all of

them may become displaced persons after they enter the United States and it will be declared that he cannot be returned home because the political situation has changed in his country. So we have him or her as a visiting refugee along with the other millions.

Another fact I want to impress upon you is that if one of these visitors marries an American citizen during their stay in this country they cannot be deported, or at least that is the history of the Immigration Department, because they immediately become a hardship case. In the case of children, they are residents of this country for the remainder of their life.

I plead with you to give this bill your serious consideration. It is my firm conviction that if it becomes law it will practically nullify all of our immigration laws and permit the free flow of people into this country, a situation that not a single Member of the House wants to support. And just remember the 2 or 3 years of the OWI.

Mr. COX. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I hope that in the further consideration of the pending bill moderation both in feeling and expression shall prevail. It is my conviction that the gentleman who has just yielded the floor is entirely mistaken as to the purposes and the effect of the bill. It is not intended, I am sure, to be used for the purpose of indiscriminate admittance of people to this country.

Mr. Chairman, I hope that by the time this debate has ended the Department of State will have realized that the deadest thing in this country at this time, at least so far as this House is concerned, is the philosophy now expounded by the Wallace group, and that the Department will proceed speedily to bring itself in line with public thinking and will never again commit the serious blunder of admitting into the Department those who have heretofore sought to use it as an instrument in the hands of the reformer to make over the world into some kind of Marxist state.

The opposition to the bill that still prevails here in the House is grounded upon a lack of confidence in the State Department to administer the measure in an Americanlike way.

The Department has brought down upon its head more criticism than is well for the country's good. While improvement has been made in the screening of personnel, I, too, share the feeling that there are still those within the Department who have no business being there. Getting rid of these objectionable people, however, is not altogether an easy thing to do and we must be patient.

The memoranda referred to and exhibited here on the floor this morning by the gentleman from New York [Mr. TABER], and apparently bearing the signature of Mr. Stone, may have been prepared with innocent intentions, but the fact remains that it was used by a group of fellow travelers in New York identifying themselves as some kind of professional group to propagandize the Congress and the country in behalf of the adoption of the bill. That, too, was a mistake. That, too, is something that the Department should hereafter avoid indulging in.

The bill probably is not as good as proponents wish. Certainly, it is not as bad as the opposition contend. I think there are some parts of the bill in addition to those already eliminated that the committee might well agree should go out. This can be done without weakening the measure and probably will be done.

Mr. Chairman, I am glad that the criticism of Bill Benton has largely ceased. I think the committee has the feeling that he has been unfairly dealt with. Speaking for myself, I would like to say that my interest in the bill would wane to some extent were I not confident that he will continue in charge of this informational program.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hesitate to take the floor because of the lack of time. This is an extremely important matter which we are debating here, and there has been demonstrated on the floor extraordinary ability on both sides of the question.

I do not question the motives of those who have spoken on either side of the question. I am opposed to this bill because I believe it is not at this time in the interests of the country. I expect to be open to criticism by the intolerance of those who are fanatically favorable to this bill.

I want to read a little extract to the Members of the House by a man whose patriotism I am sure cannot be questioned because he was really one of the founders of this country.

I refer to Alexander Hamilton, in the Federalist, No. 71. He said:

> The republican principle demands that the deliberative sense of the community should govern the conduct of those to whom they entrust the management of their affairs; but it does not require an unqualified complaisance to every sudden breeze of passion, or to every transient impulse which the people may receive from the arts of men, who flatter their prejudices to betray their interests. It is a just observation that the people commonly intend the public good. This often applies to their very errors. But their good sense would despise the adulator who should pretend that they always reason right about the means of promoting it. They know from experience that they sometimes err; and the wonder is that they so seldom err as they do, beset, as they continually are, by the wiles of parasites and sycophants, by the snares of the ambitious, the avaricious, the desperate, by the artifices of men who possess their confidence more than they deserve it, and of those who seek to possess rather than to deserve it. When occasions present themselves, in which interests of the people are at variance with their inclinations, it is the duty of the persons whom they have appointed to be the guardians of those interests to withstand the temporary delusion, in order to give them time and opportunity for more cool and sedate reflection. Instances might be cited in which a conduct of this kind has saved the people from very fatal consequences of their own mistakes, and has procured lasting monuments of their gratitude to the men who had courage and magnanimity enough to serve them at the peril of their displeasure.

So that those of us who who oppose some of these measures, do so because we feel we are protecting the rights of the people against the inflammatory passions of the hour, which result from propaganda poured in upon them by certain departments of Government. We must not forget that never before in the history of the entire world has there been a more powerful propaganda agency than is created right here in the United States of America, and it works day and night. People hear this propaganda. Many times they are so excited over it, and the various other legislative problems that come up, that they do not reason it clear through. I believe it is the duty of those who see danger in some of these bills, as I do in this one, to have the courage and the Americanism to stand up here and state it, without being ridiculed. I do not know just how much time I have remaining, but it is utterly impossible for me to go very far, so I shall not go further at this time because I want to discuss another phase of it. But I do want to drive home to those present here that we who take opposition to these bills, the support for which is built up by a terrific blanket of propaganda—it is the duty to analyze these bills to the very core, and to stand here and vote against them if we believe we are right in doing so, in the interest of our country.

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

Mr. JACKSON of California. Mr. Chairman, I wonder if it is not possible at this time, after those who are now on their feet have had an opportunity to speak, to limit debate on the pro forma amendment.

I ask unanimous consent that all debate on this section close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. MATHEWS. Reserving the right to object, Mr. Chairman, I just want to be sure that I get my full 5 minutes on this section.

The CHAIRMAN. Just what is the gentleman's request?

Mr. JACKSON of California. I ask unanimous consent that all debate on this section, and all amendments thereto, close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I spoke on this bill 4 or 5 days ago. It certainly cannot be claimed that I am unfriendly to the State Department, because I have gone down the line with them on everything that they have asked for this session. I did that as I said the other day as in the matter of the Greek-Turkish loan for one reason, because I took General Marshall and

the President at their word that it was a step towards stopping communism in Europe; but I do reserve the right to object to something like this monstrosity which comes along to us here which does not conform to its title—the Voice of America—to speak out against those provisions in it that I think are going to be inimical to our own country, such as exchanging students, professors and technicians.

Now, I think I have a right to be just a little alarmed about this thing and I can speak with just a little bit of authority. I do not feel as complacent as a lot of my friends do here. I spent 2 of my 4 years in the Army in Military Intelligence, investigating the Reds and the Pinks here in our country. I found that the people that they worked with most were those in our educational institutions and that they usually send their cookie-pushers over here from Europe. Knowing what I do of their methods I certainly am going to speak out against this thing, for it is not a good thing. Let us wait 3 or 4 years until this crisis that the President and General Marshall tell us about has settled itself somewhat, has died down. If then it appears to be a good thing we can consider it in a different aspect. Let us wait until we see how much good faith Russia shows.

These students under this program are not going to come from Russia, they are going to come from France, China and Belgium and other countries, and the ones they will send over here will be those bespectacled intellectuals they take out of their universities over there.

I think what has thrown the members of this committee off is Gen. Bedell Smith. Bedell Smith has come here and sold them a bill of goods. He said that the Voice of America broadcast was being heard by 50,000,000 Russians. I will bet you he never got out of the Embassy grounds in Moscow. There is no way in which he or anybody else can know how many short-wave radios there are in Russia or how many radios there are in Russia or how many people listen to radio programs. They do not have any Hooper rating system in Soviet-dominated countries or Russia. I will bet you further that if he ever did get out of the Embassy grounds that he was taken around or followed by an agent of the NKVD—a Russian agent was right there with him all the time. I do not believe that Bedell Smith was allowed to go through Russia and be accorded any more freedom of observation than was accorded to Wendell Willkie, Eric Johnston, and Mr. White and each of them had an NKVD agent on his trail all the time. They were shown what the NKVD wanted them to see, and nothing else.

My good friend the gentleman from Oklahoma [Mr. MORRIS], was not scared when we debated the Greek-Turkish loan. He was not scared then about Communist aggression in the world and he is not scared now. He told us then that communism was on the wane in Europe, but I asked him what has happened in Hungary within the last week? You know what has happened there. The Communists had a gun at the head of the Prime Minister there. They were going to shoot his child if he did not abdicate. So he abdicated and fled from his country and the Communists took over.

Now, let us not, for God's sake, come in here in our enthusiasm over one aspect of the Voice of America program and put ourselves in a position where we get a lot of Pinks and Reds foisted off onto us under some exchange program. Let us wait 3 or 4 years until things have had time to settle down, until world affairs have straightened out. Then if conditions have improved and things are different I may be for such a program.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. BROWN of Ohio. Does the gentleman believe that it would be of any benefit to America to send to Russia the type of American student who would want to go to Russia and stay there?

Mr. JOHNSON of Oklahoma. Certainly not.

I said the other day that it was useless to think we could influence people in Europe by sending a handful of students over there under the exchange program. I told you the other day that during the war we had many ambassadors of good will. We had two or three million ambassadors of good will over there, our own GI's.

I say to you that the people of France, the people of Belgium, the people of Luxembourg, the people of Germany and the Soviet zone in Berlin know our GI's, and they were a good cross-section of America. So if anybody on earth can tell me what better ambassadors of good will we could have, and if they think that a handful of two or three hundred students can have greater influence than our soldiers, if they think that striped-pants cookie-pushers that the State Department sends over there can do more good than 2,000,000 boys, they are crazy. I said to you the other day that the GI's made love to their girls, that they broke their windows, but the good things they did more than offset the bad. So they know us as we are—warts and all.

What influence would 300 or 400 students be? Those people already know about this country, how great it is, how wealthy it is, its aims and purposes. And as far as Bedell Smith is concerned, as I said a while ago, I doubt if he ever got beyond the grounds of the American Embassy; and if he did, he was followed by some NKVD agent or was in the care of some NKVD agent. You know in all these countries over there, France and others, with their ministers and officials, prefets and sous-prefets—they wine and dine our Ambassadors—I have seen all of them; I know how they work and what they are—and I also know our Ambassadors rarely ever have the opportunity to see and understand the common people of those countries as I did—to send a few students over there would be of no effect. I know how the Communists work.

Strike this thing out. Let the voice of America be heard here.

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

The Chair recognizes the gentleman from New Jersey [Mr. MATHEWS].

Mr. MATHEWS. Mr. Chairman, under ordinary circumstances I would be entirely in accord with many of the ideas that the proponents of this legislation want to get across.

I would like to take a little time to talk about Radio Luxemburg.

During the war the American ground forces took over Radio Luxemburg, one of the strongest, if not the strongest, radio station in Europe, and used it most effectively for propaganda and psychological warfare. It was a magnificent job. The whole project was organized, directed, and operated by then colonel, now general, Clifford R. Powell.

I am proud of the job which was done by him because he is an American. I am prouder because he is a constituent of mine. I am still prouder because he was the commanding general of the division in which I was an officer when it was mustered into the Federal service, and because he has been for many years my close personal friend.

General Powell is a great statesman in his own right, besides being a great soldier. If we had had real Americans like General Powell operating this Voice of America originally, the character of that program would not have been such as to have caused the criticism which has been justly heaped upon it.

But we are not voting for ideas, under ordinary circumstances. We are voting for this specific legislation, under extraordinary conditions.

In section 203, as amended, you will see that the Secretary of State is authorized to provide for assistance to schools, libraries, and community centers abroad, but nothing that is not in keeping with the established foreign policy of the United States. In title V, section 501, the same idea is carried out in regard to the movies and radio.

What is the established foreign policy of the United States? In the first place, I will tell you one thing that will be the established foreign policy if you pass this bill. You will be bringing foreign students over here to our own universities at $10 a day, or $300 a month, for subsistence, when our own GI's get only $65 a month. So you will be establishing the foreign rate of exchange of personnel at the rate of five to one—one foreigner equals five good American veterans. That is one of the things you will be establishing as a foreign policy. You will not need to sell that one to people in foreign countries. They will grab it. But you better sell it to American veterans first. But why bother? The American veteran is only the hometown boy who saved America. He is no exotic and fascinating stranger.

What about Russian communism? Is that our enemy or is it not? If it is not, then there is no sense in the March 12 address of the President or that popgun legislation we passed called the Greek-Turk loan, or the many anti-Communist speeches made on the floor of this House or the anti-Communist legislation which has been passed. Of course, it is our enemy. Even the President admits it is our enemy in every part of the world—except in the United States, where it is only a bugaboo.

What have we done about it and what are we going to do about it?

We gave this enemy $11,000,000,000 in lend-lease during the war so it could look strong. Still fearing we might be criticized for picking on an enemy weaker than ourselves, we have given it $6,000,000,000 more since that time. Still being afraid we might be accused of bullying, we have appeased it, and have given it about everything it wanted to strengthen and spread itself. We are still doing it. Only a week ago a constituent told me his firm could not get steel piping. Yet, he said, two shiploads left this country under the Russian flag. We have stood around and wrung our hands while this enemy turned Europe into the chaos that is there now, upon which its own filthy philosophy can feed.

On last Thursday, the day before the House began debate on this measure, the other body ratified several treaties. I am not criticizing the other body. That is its responsibility. But I must point these things out to you as being some true facts of life so far as our foreign policy is concerned.

In the treaty with Italy you will find the following:

> Italy shall pay the Soviet Union reparations in the amount of $100,000,000 during a period of 7 years from the coming into force of the present treaty.

Now, listen to this: Section 2 (a), same article, provides that reparations shall be made from "a share of the Italian factory and tool equipment designed for the manufacture of war material."

The same thing applies to reparations to be given to Yugoslavia, only it is $125,000,000 taken from the same source. Now, there is something it will take more than a persuasive radio voice or a picture with glamorous movie stars to sell to the Italian people and to convince them what a wonderful nation the United States is.

In the Hungarian treaty there are $200,000,000 that are supposed to be paid to Soviet Russia and $100,000,000 to be equally divided between Yugoslavia and Czechoslovakia.

Mr. Chairman, that is the foreign policy that this bill is designed to sell the world on, to teach the world about, by broadcasting and movies to make them love us. How can I vote to sell these things abroad when I cannot conscientiously try to sell them to our own people?

We are told that this bill is designed to sell America to the rest of the world. Well, that would be a change, at least. Up to date we have been giving it away.

Mr. Chairman, I want no part in voting the taxpayers' money to support, sell, and broadcast a two-headed, double-faced, reversible foreign policy of that character.

Mr. Chairman, I want to say that this administration had better decide on going in one direction so far as foreign policy is concerned; it better pick out that direction and it better get started in that direction—quick.

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

The Chair recognizes the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, this is the third day we have heard the Voice of America on the floor of this House. We have heard many Members speak for it and many speak against it. But, they were unfortunate enough to bring this bill up on this the third day of debate on Friday the 13th. Think of it. Friday, the 13th, is the day that they bring up this bill and try to conclude it. It would be the unlucky bill. Well, more people in this country are skeptical of Friday, the 13th, I think, than probably any other particular day in the year. Then you hear of the black cats going across the road, and some people are afraid of that.

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

Mr. RICH. I yield to the gentleman from Tennessee.

Mr. EVINS. Would the gentleman be for this bill if it were brought up on the 14th?

Mr. RICH. No; I would not be for it, especially at this time. I would not be for this bill, and I will tell you why. This bill is brought in here in the guise of Republican legislation, but it is only the continuation of the New Deal, and I was against everything that the New Deal tried to bring upon this country in the way of regimentation and regulation, and we are finding out now more than ever, each and every day, just how terribly bad it has been for the American people, and I want no part in it. I do not know why our Members have been so gullible as to swallow this legislation, hook, line, and sinker. I cannot understand it. I have the highest regard for the Republican and Democratic Members of the Committee on Foreign Affairs, but I cannot understand what they are trying to do in furthering this legislation, in furthering the thing that the State Department has been trying to do with this country in foreign governments to sell us down the river. They sold us down the river in everything they tried to do in the last 15 years, and if we do not watch out, the first thing we know we will have a weak, disrupt, wrecked Federal Government in America, and we are not going to be able to help anybody, any place, anywhere, any time. We have wrecked our own Nation in trying to do that which the New Deal has been recommending that we should do in foreign lands.

Mr. Chairman, I am opposed to the activities of the State Department which will be financed by this bill.

Sovereign states object to outside interference. The war has not changed that age-old principle, which most of our career diplomats adhere to.

Sponsors of this measure say that it is only $15,000,000 that is required. That will pay interest on a large amount of war debt. Once embarked on this program, it will last as long as the national debt, and, like all bureaucracies, it largely duplicates the work of the regular Foreign Service officers and of the already established Intelligence Service of the State Department. Sponsors support this measure by reference to illustrations where it is already functioning without congressional authority. In Yugoslavia they—MUNDT—saw block-long lines of natives waiting to view a cultural exhibit and a movie. Under dictatorships, no man can enter without official approval, which is not freely given where opponents of such officials seek to enlighten such natives—not in a police state anywhere.

Propaganda is a dangerous weapon. This measure affords no practical means of safely propagandizing foreigners. Language, custom, and mechanics bar the effectiveness of this measure. Who can be reached by our propaganda? How many short-wave radios are there in this country? Who would risk our propaganda libraries and movies, or read a "kept" newspaper in a political state?

To reach western Russia and eastern Europe we have to maintain a radio station in Munich, Germany. How long will we be there? The Moscow fiasco requires a separate peace which politically wise men in the State Department will bring about within 12 months. Treaty drafts were discussed at London and at Moscow. The lines of cleavage have been disclosed and points of disagreement as between the Allies have been fully explored. These points of disagreement will be separately negotiated with Austria and Germany, notwithstanding military objections reported in a recent issue of the New York Times. These military men in political jobs in Germany and Austria want to hold onto them. The American people do not want to pay the cost of supporting them in their jobs, and at the same time pay the cost of supporting relief for these peoples.

Returned travelers from Austria and Germany tell me that these peoples want to be left alone, to work out their own recovery, as they have done for centuries, without military interference from within or without.

It takes a letter 2 weeks to travel 100 miles through military channels from Vienna to Lintz by way of Sulzburg. Unemployed officers must check. No sound currency has been established by allied military authorities in the year and a half of our occupation. The Army does not want that job and cannot fill it. Only the conquered nations can bring about their own recovery from within. This bill thwarts and interferes with their recovery efforts. This bill fosters and establishes a new controversial instrumentality with which they have to contend.

Obviously, the bill stirs up political and social controversy in areas first needing recovery. Not all peoples want our political and social system. Our attempts to invade this sovereign privacy will have adverse repercussions upon us. Many of these peoples think that we want to swing our weight around like a sailor on shore leave.

Under our social system, industry seeks its own markets and brings to foreigners the benefits of our skills and abilities when and where foreigners want it. To hold out an empty picture as provided in this bill thwarts the very objective of the measure.

England and Russia may continue to propagandize as this measure provides, but neither of them, at the moment, seems to be maintaining successfully their own houses in order. Many a GI and discharged Government worker here

would like to get for study $10 a day—as this bill provides we shall pay foreign students. A good many GI's would work without study for $300 a month.

These foreigners want work and not propaganda. A writer in Birmingham, England, reports in the New York Times, on March 15, 1947:

With reference to productive efficiency, in 1936 outputs of coal per man-shift were:

	Hundredweight
Germany	33
Poland	40
Holland	35
United States of America	100
United Kingdom	23

And the writer concludes:

If the miner attended his work with the same regularity as in 1939 and exerted the same physical effort while at work, the national (United Kingdom) output of coal would be increased by no less than 50,000,000 tons per annum.

Loss of coal exports represents the value of our (United Kingdom) imports; steel production is also curtailed; chemical exports are affected to the extent of £2,500,000 per annum due to shortage of coal supplies.

Culture and information—my eye.

Now, the gentleman from Oklahoma a few minutes ago said that we should stop discussing this bill now and wait a year or two until we see how General Marshall cleans up the State Department, and then if you bring this bill up we might try to have the Voice of America go to all the countries of the world and tell them what America means. I agree with that statement. But, under the turmoil that exists in the world today, gentlemen, I do not believe you can do a thing. Then again, you are going to ask from thirty to eighty million of good, hard, American taxpayers' money to be spent on this propaganda? I would not waste my taxpayer's money in this manner. It seems to me that if General Marshall had $1,000,000—not $80,000,000—$1,000,000 and employed 8 or 10 good, high-calibered men, and let them go out and broadcast some things about America and do something that would tell the foreign nations just what we are trying to do, it would not be so bad, but these foreign countries think today that all we can do is to buy. Buy all countries of the world—a poor way to gain friends. We ought to be ashamed of ourselves for trying to buy our neighbors. It will never work. We ought to be ashamed of the things we are doing by going out and visiting these countries and then offering them everything they want in gifts—one hundred million, three hundred million, forty-three hundred million—where will you get this money? In the last 10 years we have been going to these foreign nations, and every time they ask for $50,000,000, $100,000,000 or three or four hundred million, we have a lot of fellows here in this country that say, "Pass out the money." Uncle Sam has lots of it. And they come to us for these gifts and get them. We are only suckers.

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

Mr. RICH. I yield to the gentleman from Ohio.

Mr. BENDER. Does not the gentleman feel that instead of spending $30,000,000 in this way, that if we want to help Europe we should provide them with tractors and harvesters and other machinery, since we are called upon to feed the world, to make them self-sufficient and feed themselves? Would not those harvesters and tractors be far more of value to all of us and to them than some books and radio broadcasts?

Mr. RICH. I tell you that if a man is hungry and he gets a loaf of bread, it is worth a whole lot more to his system than to feed him a lot of hot air. Bread will take care of the inward man and prevent starvation and gain a friend. Words are many times dangerous and many times do more harm than good; words many times are more dangerous than one realizes. So, Mr. Speaker, until we get our country settled and happy within our own midst, let us not assume the responsibility of trying to change the manners, customs, traditions, of all the nations of Europe, Asia, and Africa. We might loose more friends than we can make.

The Clerk read as follows:

ENGLISH-LANGUAGE TEACHING

SEC. 204. The Secretary is authorized to provide for the development and demonstration of better methods for teaching the English language abroad.

Mr. REED of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to approach this from a little different angle this time. There has been much said here about the question of education, the exchange of students, and the exchange of professors. I have had quite a long acquaintance with the educational systems of this country and the type of boys and girls they are turning out. I can remember the day when the professors who taught government in our great colleges specialized in emphasizing the beautiful philosophy behind our government and our system of government. They were familiar with it. I want to give you an example of the reaction that that type of teaching had upon our boys.

I knew a splendid fellow. He was an unusual athlete, very popular, a red-blooded fellow. He graduated with honors in the natural course of events. He entered the employment of a large corporation in Canada. He was killed in the service. His people were very poor. He had been sending what he earned down to his poor people. He had worked his way through the university. As soon as his death was announced, his fraternity brothers went up there to see if he left anything that they could take to his old people down in Pennsylvania. They searched, and there was nothing in his little hall bedroom except one priceless document, written in his own handwriting, entitled "My Guide." I read it to you:

To respect my country, my profession and myself. To be honest and fair with my fellow men as I expect them to be honest and square with me. To be a loyal citizen of the United States of America. To speak of it with praise and to act always as a trustworthy custodian of its good name. To be a man whose name carries weight with it wherever it goes. To remember that success lies within myself, in my own brain, my own ambition, my own courage and determination. To expect difficulties and to force my way through them; to turn hard experience into capital for future struggles. To steer clear of dissipation and guard my health of body and peace of mind as a most precious stock in trade. Finally, to take a good trip on the joys of life, to play the game like a man; to fight against nothing so hard as my own weakness and to grow in strength a gentleman, a Christian.

He was not taught by an exchange professor unfamiliar with the fundamentals of our Government, he was taught by the good old solid rock of Americanism, the type of man who is turning out just that type of boy. The professor that comes in from abroad is not grounded in the philosophy of our Government as our men here are, reared and taught and trained as teachers should be in this country. There has been too much loose teaching of the subject of government. There is one thing that alarms me very much about this whole proposal here, and that is, in regard to what we are going to sell abroad. I was perfectly astounded, and I am not criticizing Representative MUNDT personally, but I was perfectly astounded, as I think every Member who was on the floor must have been when these terrible exhibits were presented here which we were told by the chairman of the subcommittee that we were going to sell the bad features as well as the good features of the United States. I am sure that such a philosophy did not come from the chairman of the subcommittee; that came from somebody in the State Department. Exhibits to prove what they intended to do if the bill should become law.

Would it not be a wonderful thing to hear somebody bellowing over the radio, and we will have no control of it after this becomes law, "My comrades abroad: I want to tell you about our judicial system in the United States. I want to tell you about our courts, where the humblest person can get justice.

"But, of course, even though the humblest person can get justice, we also have another system. We have a system where in certain sections of the country if they want to do justice and mercy to a man they suspect of having committed the crime, they hang him or lynch him. We just use a rope. You use a firing squad, but we just use a rope and hang the man from the limb of a tree."

That is the sort of thing that goes out. There is the good and there is the bad. Then the next night:

"Fellow comrades of the world: The Voice of America is speaking to you. I want to tell you about the wonderful purity of our election system. That is why we are urging it upon you people abroad. That is why we send inspectors over there to see that you get a fair deal and that there is no bribery, fraud, or coercion in your elections. But we have another side to the story. We have the Pendergast system. We have a system which we find out in one of our great Western States, especially in the city of Kansas City, in Missouri. Anybody who wants to listen to us, that is our other system. We protect the people who vote.

We put the ballots after the people have voted in a sealed receptacle of solid steel and lock the box. So, if there is any irregularity which comes up later, the officials can then examine the ballots.

"But we want to tell you something that happened in America. Two thugs, after a number of men had been indicted for fraud in the elections, thinking that the box contained lollipops pried the box open and destroyed the evidence so that the men could not be convicted."

And so the bad and the good Voice of America will continue day after day and night after night.

Gentlemen, there is not a system of salesmanship in the world that can sell the good article by stressing the bad features of it.

The greatest sales manager in the United States prior to his retirement was William Holler, affectionately known as Bill Holler. Do you imagine he or his salesmen or dealers stressed the bad features of the Chevrolet cars and trucks? Look at his record of sales based not on the bad qualities of the Chevrolet cars, but their good qualities.

Bill Holler has been responsible for Chevrolet leadership in sales in 9 out of the last 10 car-production years.

In peacetime his vast and closely knit retail organization sells over $1,500,000,000 worth of merchandise a year.

In the 12 years of his administration he has been head of a sales and service organization employing over 90,000 people.

In these years his sales strategy has sold more than 22,000,000 automobiles—7,500,000 new cars and trucks and 14,500,000 used vehicles. This is the equivalent of almost four-fifths of all cars and trucks on the road at the present time.

He is credited with selling 50 percent of all cars and trucks produced by Chevrolet since it first began business in 1912.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, whether we like it or not, psychological programs as a part of our foreign and national policy in peace and in war are here to stay. If you have any doubt on that subject, consult the General Staff of the War Department. If you have any doubt on that subject, ascertain the extent of the operations of the Psychological Warfare Branch in World War II.

The man who recognized and identified psychological aggression at the San Francisco Conference more than any other man in the world was Herbert Hoover. He sought to have written into the Charter some provisions on that subject, but he failed to succeed. We have a responsibility to roll back not only the falsehoods and misleading things about this Nation that get abroad in the world, but to develop some good will by the interchange of students, the interchange of information, the interchange of books, and all that sort of thing.

I intend to vote for a program. I saw its effect in 1945. I came back from overseas the day that the Committee on Appropriations was marking up the war agencies bill. The committee at the time was considering the appropriation for the Office of War Information. They asked for $35,000,000. I suggested that we give it to them, notwithstanding the fact that there was much criticism of Elmer Davis, who was then director of the OWI. I was not too familiar with what was being done on the domestic front, but I did know what my senses perceived when I was abroad and I saw the excellent character of work being done and how effective it was.

This proposed cultural and informational policy, then, is in the nature of an extension of a function that began in wartime.

I share some of the apprehensions of a good many Members of the House of Representatives as to the type of personnel that will be devoted to this work. I am confident that General Marshall if given the time will take care of that. The FBI is investigating every person in the State Department right now. If you have any doubt about General Marshall, let me give you one footnote to history. Perhaps I should not disclose it, but yet I think it is interesting.

I recall the day when the Committee on Appropriations met in secret session with the General Staff in the War Department, and I remember the day in response to a question by our colleague, the gentleman from Texas, [Mr. EWING THOMASON], that General Marshall, at a time when there was so much anxiety and concern in the country, said, "If the Japanese should elect to take Alaska at this particular period, it may be necessary for us to let them have it. Just now, first things must come first."

Here is the man upon whom we pinned our every hope when the Nation was in jeopardy. Is it fair now to come into this well and to assail his patriotism and make it appear that, wittingly or unwittingly, this great patriot, upon whose shoulders we reposed the very welfare and perpetuity of this Republic, should now have such a change of heart that he would sell it down the river? Oh, for shame!

Now, of course, people get into the State Department whose loyalty is in question. Of course there is some doubt, ofttimes, about the nature of the program. I share something of that apprehension. That is why, at the proper time, I propose to offer an amendment. I hope and I believe that the committee will probably take it, because I have been discussing it with them. It proposes the creation of a 10-man commission, including the Secretary of State. It will be a bipartisan commission. It must be confirmed by the Senate. Let me say to my colleagues on this side of the aisle that since we have a majority in the Senate, if we cannot get good circumspect, competent people on that commission, it will be our fault in a Republican Senate. Among those men there must be one who has served in World War II. There must be one who has had motion picture experience. There must be one from the newspaper industry. There must be one from the radio industry. There must be a labor representative. There must be three who represent business. It would be a bipartisan commission. In the very first section of this amendment it provides that they shall formulate the policies to be followed and adhered to in connection with the exchange of persons, knowledge, skills, and the assignment of specialists to carry out all the other provisions of this act.

I want to vote for this bill, and if we have a commission of that kind that will formulate the policies that must be adhered to, then the only responsibility that the State Department has is to serve as an operating and administering agency, and to take the policies that have been formulated by the commission appointed by the President and confirmed by the United States Senate, and surely we should be able to have some confidence in the capacity of a commission of that kind.

At the proper time I shall offer that amendment and I trust it will commend itself to your good graces.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DIRKSEN] has expired.

Mr. PHILLIPS of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is the second time I have risen to address this Congress. I have a deep conviction that this Congress today is discussing a bill which goes much further than the question of the Voice of America. As this debate progresses the provisions of the pending bill unfold in their true light. The body of the bill is broad and comprehensive. The caption of the pending bill certainly gives no indication of the many provisions contained in the body of the proposed legislation. The Voice of America is not represented in the present bill under consideration since that could be done only by the voice of 140,000,000 American people. I am disturbed that we should be called upon to enact into law the present legislation in view of the critical world situation.

Now that time has passed we are beginning to see the operation of the recent Greek-Turkey gift. A tricky clause was hidden in that legislation which gives the State Department together with the President the right to freeze materials, and to take any materials from the veterans of this country or from the farmers or any other group of the American population, any material deemed necessary for the completion of the Greek-Turkey gift. Our people are already beginning to suffer from the effects of the heavy drain upon the supplies and resources of this country.

What is there in this bill? In the first place, it is a blank check. There is no limitation upon the amount of money that this program could cost. Legislation so broad may lead to waste and wholesale spending of the taxpayers money. It provides for the establishment and maintenance of schools across the seas, and for the staffing of these schools. It provides for the erection of installations and for the establishing of such institutions and facilities as are necessary to carry out the far-flung provisions of the pending bill. Technicians, engineers, and all other necessary personnel may visit foreign lands and engage in the construction of public works under the provisions of the pending bill. These agents may enter into contracts with foreign governments for a period of

10 years. These contracts may deal with leasing of real property both within and without the continental limits of the United States. It is difficult to conceive of a situation that would grant such unlimited power and authority. Possibly in the consideration of this measure we have overlooked many tricky provisions that are contained in the 21-page bill. There is a provision to establish and maintain in the United States reception centers for foreign students and for visitors. All of these provisions will be paid for by American tax dollars. The Government of the United States does not provide entertainment at the expense of the taxpayers for the college students in our own country. These students, teachers, trainees, and professors who are authorized to come to this country are to be entertained and their expenses paid for by the American taxpayers. The pending bill provides that the above students and experts coming into our country shall have their transportation expenses, and not to exceed $10 per diem subsistence and other expenses paid. This is shocking to the good judgment of our people. The $10 per diem is far in excess of what we pay our own Government employees in our own country.

The above provisions are alarming when reports indicate that there are already as many as 17,000 foreign students studying here in America in our colleges and universities. Many young men who wore the American uniform with honor in the defense of this Republic cannot enroll in college or university because of overcrowded conditions. Experience has taught us that before World War II Hitler sent students and professors into other countries and thereby gained information and prepared the way for a later invasion. Under this bill we throw open the gates for thousands to come to our shores upon the representation that they are students. This Government has voted billions of dollars to prevent the spread of communism throughout the world and my prediction is we will be called upon to vote more money for that purpose. I cannot see how we are now justified in supporting the pending bill which has no limitation upon the number, nationality, or section of the world from which these students and Communist agents, slick-tongued, and smooth commentators may come to this land for no other purpose than to propagandize and attempt to change the minds of American youth. Experience has taught us that under our present deportation laws it is almost impossible to deport individuals when they once come to this country. For that reason, I am of the opinion that we should move slowly and proceed with caution. By this legislation we are moving out into a broad and uncharted sea. This bill covers practically every conceivable subject except the Voice of America.

I could never face the people of my congressional district or the people of America and explain to the good women of this country why I would vote for a bill to furnish liquor paid for by American taxpayers to support and entertain delegations and student groups from other countries who would be permitted to come to America under this bill. Under the very provisions of the pending bill the Secretary of State is authorized to delegate to other officers of the Government the power and authority to maintain and carry out the program undertaken by this act. The above provision means that the Secretary of State would have little or no supervision over the administration of this program. I shall vote against this pending bill for the reasons heretofore stated because I do not believe that it is in the interest of America. If a proper bill providing for a clearly defined and regulated American radio program should be brought before this Congress based upon the spreading of the truth about America I should be delighted to support the same. I feel that many Members of Congress share the same view.

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

Mr. KEEFE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEEFE: Page 4, line 23, strike out all of line 23 and all of section 204.

Mr. KEEFE. Mr. Chairman——

Mr. MUNDT. Mr. Chairman, will the gentleman yield that I may submit a unanimous-consent request?

Mr. KEEFE. I yield.

Mr. MUNDT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments conclude in 5 minutes.

Mr. BROWN of Ohio. Mr. Chairman, I reserve the right to object.

Mr. DONDERO. Mr. Chairman, reserving the right to object——

Mr. MUNDT. Mr. Chairman, I withdraw my request.

Mr. KEEFE. Mr. Chairman, I have been privileged to hear every word of debate on this pending bill and I have not heretofore taken any time to discuss it. Like most of those to whom I am privileged to speak this afternoon I should like to vote for a bill that would carry out the spirit and purpose of the Voice of America as that voice has been described to the people of America by its proponents. Therefore, along with other Members of Congress I expect to offer a number of amendments to this pending bill that will attempt as best we can on the floor of Congress, to improve this legislation so that it may at least try to carry out the purpose that its authors have told the people in America is intended.

Mr. Chairman, I have offered a simple amendment to strike out section 204. Section 204 says the Secretary is authorized to provide for the development and demonstration of better methods of teaching the English language abroad. We have an Office of Education in America. The Commissioner of Education, Mr. Studebaker, and his representatives have been abroad trying to develop a plan of education. I happen to be chairman of the Subcommittee of Appropriations that handles the appropriation for the Office of Education. Is there any reason in God's world why in this legislation we should set up the broad power in the office of the Secretary of State to develop and demonstrate better methods of teaching English abroad? If they had in here the development of better methods of teaching and demonstrating English in America I, perhaps, would be for it. But why we are turning that job over to the State Department is beyond me.

The authors of this bill will say: "Oh, well, the State Department has the power to utilize the services under this bill of any other agency of Government." Well, they have that power if they so see fit to use it, but so far as I am concerned I want any power in the field of education to remain with the Office of Education. I may say to my distinguished friend, the author of this bill, that I cannot support it unless the amendment offered by the gentleman from Illinois, this amendment and a number of other amendments to strike out large and sundry portions of this bill, are agreed to. I am certain that a majority of the membership of this House will not support this bill in its present form.

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

Mr. KEEFE. I yield to the gentleman from South Dakota.

Mr. MUNDT. Upon assurance that the Office of Education has the authority to make these English demonstrations abroad, we have no objection to striking out this section.

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

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

Mr. KNUTSON. Would the gentleman from South Dakota object to widening this so as to teach English to some of these economists down here in the departments who have come here during the last 10 years?

Mr. KEEFE. Mr. Chairman, we should confine ourselves as much as possible to this bill and discuss it section by section and if it is not possible to improve the bill, and if we cannot, then we should vote to send this bill back to the committee. Let us have it rewritten and have that committee bring back a bill here that will carry out the spirit and purpose of what we have in mind. That is the only fair, decent thing to do and the only way we can be fair to the people of America. We should discuss this bill section by section and let the people of America and let the Members of this Congress know what is in the bill. There are a lot of people who do not even know what is in this bill and will not when we get through. If we discuss it section by section, perhaps we can write a pretty good bill right here on the floor of the House.

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

Mr. BANTA. Mr. Chairman, I move to strike out the last word.

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

Mr. BANTA. I yield to the gentleman from Ohio.

Mr. BREHM. I would like to ask the gentleman this question: If the committee has had this bill under consideration for 2 years, and have been unable to improve it, how in the name of goodness are we going to write it on the floor of the House in a matter of 2 or 3 days? We will, in all probability, get it more confused than it now is, if that be possible.

Mr. BANTA. Mr. Chairman, I think the gentleman is right. It appears as the debate upon this bill proceeds that the large number of men who have spoken in opposition to it would have no objection to taking a bill which would provide for a sane and sensible Voice of America. I should not oppose such a bill if someone could devise it, but even so, I doubt very much if even a gentleman with the eloquence of our distinguished colleague from Illinois, Mr. EVERETT DIRKSEN, who is one of the most persuasive debaters who speaks to this House, could win an argument with Soviet Russia in a radio broadcasting program of any length whatsoever. There are not enough radios in Russia to begin with, and, moreover, the convictions which he has with respect to America and the convictions which Soviet Russia has with respect to America are so divergent that it would be the voices of two nations wasted upon thin air, and the money which sponsored them would be wasted. We should not waste any of our money. Is it not rather paradoxical that this Nation has spent more than $12,000,000,000 of its money in Europe since VJ-day and that now there are those who advocate to the American people and to this Congress that we must hereafter spend $31,000,000 more annually for the State Department to tell them that we have spent that amount of money and what we have spent it for? Is it not paradoxical that this Congress provided $750,000,000 to feed the needy people of Greece, and incidentally to help sustain an army in Turkey, and then consider spending $31,000,000 more or some other sum to tell those people to whom we are sending that money that it is our Government and our money that is providing the relief? What kind of thing are we undertaking to put over on the American people?

Only yesterday or the day before I noted in a local newspaper the results of the Gallup poll on the Voice of America. The uninitiated and the innocent and those who know nothing about the provisions of this bill believe that this covers it. Here is what it says:

> Sentiment found about 50-50 on United States broadcasts to Russia.

Is there anything in this bill that would limit broadcasts to Russia? They polled the American people, and this is the question that was asked:

> Do you think our Government should spend money for radio broadcasts to the Russian people—giving them an honest picture of America and of our Government's policies?

Few people, at first blush, find any fault with that if they feel we can spare the money, but this bill goes far beyond that. It provides for many other things. No sponsor of the bill has ever explained to my satisfaction what the true purposes of it are. They seem to me to be anything approved by the Secretary of State.

Under the terms, Congress is being asked to give this same State Department, not only authority to broadcast its programs, but to grant to the Secretary of State the authority to bring persons from other countries, including students and professors, to the United States, and to send our citizens abroad, without limit as to number, all expenses to be paid by our Government.

It authorizes the exchange of literature and translations with other countries, without limit, and at our expense.

It authorizes the Secretary of State to provide assistance to schools, libraries, and community centers abroad, without limit, and at our expense.

It authorizes him to develop and demonstrate better methods for teaching the English language abroad and at our expense.

If any other country should want any of our citizens who are trained in scientific, technical, or professional fields, whether or not these persons are employed by our own Government, the Secretary is authorized to assign them for duty in the country requesting their services—and at our expense. The only restriction is that they cannot help any foreign country train or equip its armed forces.

The bill goes so far as to permit any person assigned to a foreign country to accept an office in that country's government, to perform official functions, and in all respects to become an officer of such foreign government—but, again, all at the expense of the United States.

That is not all. The Secretary of State is authorized, by the terms of the bill, to draw upon all other departments and agencies of our Government for personnel, technicians, and others, and to use the services and facilities of any other Government agency to carry out this super good-will program. With the agency's consent, these people can be sent abroad, or used as escorts for groups of persons from other countries to be brought here to travel throughout the United States. Our Government will pay all traveling expenses of the foreign visitors, plus the salaries and the expenses of the escorts.

What a haven this bill would provide for all the Government employees forced out as we abandon the New Deal and wartime bureaus.

The bill even authorizes the Secretary of State "to provide for and pay the expenses of attendance at meetings or conventions of societies and associations concerned with furthering the purposes of this act." There is no limit as to the number of persons who might attend, no limit on the number of conventions, and they may be held any place in the world. There are a great many societies in this country, and not all of them wholly friendly to democratic processes, who not only would happily accept this opportunity to meet at Government expense, but who would put pressure on the Department to finance their conventions in foreign countries.

And even this is not all. The bill gives the Secretary and all personnel who are to be engaged in this strange pursuit of selling America to the world, the authority to furnish "official entertainment necessary for the purposes of the act."

I wonder how many American people have any idea of what this bill the State Department is asking actually provides. The press refers to it as the Voice of America program. A Nation-wide poll conducted by the American Institute of Public Opinion asked the people this question: "Do you think our Government should spend money for radio broadcasts to the Russian people, giving them an honest picture of America and of our Government's policies?" I wonder if Mr. George Gallup, who conducted the poll, or any of his associates, ever read this so-called Voice of America bill.

Only 1 page and 3 lines of the 21-page bill deal with the broadcasting of radio programs to other countries. There are 20 pages of provisions, such as I have mentioned, yet its sponsors refer to it as authorizing the Voice of America.

It is far more than that. One Congressman remarked in debate on the House floor, "This bill is the largest, most far-reaching blank check for power and money that has ever been before this House."

I cannot approve the spending of unlimited amounts for a program as broad, as vague, and impractical as the one suggested by the State Department.

They ask that we pay for people from other countries to travel in the United States. These sightseeing jaunts around our scenic country at the Government's expense might be very pleasant, but I think you agree that this pleasure hardly is justified at the expense of our already overburdened taxpayers.

And we are to pay for official entertainment—another very elastic phrase. Does it mean we pay for champagne—or vodka if the representatives of the program ever get inside Russia? Or if they visited the Missouri Ozarks, maybe the official entertainment would include sampling some of our corn liquor. In view of the stories that come back from international meetings and diplomatic functions, we would be naive to expect that the unlimited funds requested for official entertainment are not intended to provide an ample supply of spirits.

Just how much this whole idealistic scheme eventually would cost the Government is not mentioned in the bill. But the bill merely authorizes appropriations to carry out its purposes. If the $31,000,000 estimated to be required annually proves to be inadequate, then you can rest assured Congress will be expected to agree to the spending of untold millions more.

Since VJ-day, the United States has spent more than $12,000,000,000 for relief in Europe alone. Is there any logic in a policy that says we will give the needy countries of the world the food, clothes, and equipment that they need so desperately, and then spend millions more to tell them who provided the relief? Must we pay the salaries of countless administrators of our $750,000,000 program of aid to Greece and Turkey, and then spend millions more to inform the people of those countries what those administrators are doing and whom they represent?

We are the only country in the world that is giving away anything. If these gifts do not sound a louder Voice of America than endless radio broadcasts, then we would better spend the extra money properly training the personnel of the Foreign Service and the administrators of our relief programs.

America needs no selling program. Millions would like to enter our country now if our immigration laws did not keep them out. It is known all over the world as the land of freedom and opportunity.

I feel, as I know other Americans do, deep injustice, if the very countries to which we are handing money and food and clothing are being flooded with information that attempts to discredit our country. But opening our own floodgates of propaganda will not stop this. No sensible citizen in this country today believes that we can engage to our advantage in a short-wave debate with Russia, or that anything we say over the radio will have any effect on the Russian program of aggression.

In fact there is no proof that the Voice of America broadcasts reach any significant number of listeners in Europe. Eighteen countries send radio broadcasts our way, with a total of about 37 program hours daily. Yet how many of these programs have you heard? If they have any effect on the opinions of the average American, I have yet to discover it. There is far less chance that our programs are heard by a worth-while number of people in foreign countries.

By their votes in the last election, the American people indicated they want to curb our Nation's reckless spending, and to limit the power of bureaucracy. They said then that they are not in favor of blank checks and unlimited power to any department of government.

I hope the true voice of America will be heard again, and in the Congress, before this bill becomes a law.

Mr. BENDER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, an influential member of this body remarked to me just a moment ago, "Don't you think we are losing ground today? Don't you see that the committee is willing and ready to accept every amendment that is offered? They are willing to take anything that is offered. Any amendment that comes along, like the amendment of the gentleman from Wisconsin, will be accepted. So will Mr. DIRKSEN's amendment. They will accept every amendment, just so they can pass the old Bloom bill, renamed the Mundt bill." They did not fare so well 2 years ago with the Republican side.

Mr. VORYS. The bill passed by a two-thirds majority.

Mr. BENDER. Today the gentleman from Illinois [Mr. DIRKSEN] referred to General Marshall in glowing terms, and I share his views of General Marshall. However, General Marshall is not infallible. General Marshall has made some mistakes, some very glaring mistakes. Any man in his position would make mistakes. He is not before us. He is not part of this bill.

Another gentleman's name was brought into the discussion, Herbert Hoover. I have observed in recent months that Herbert Hoover is in good standing again, even among Democratic Members of this House. Lauding Herbert Hoover was not so popular 3, 4, 6, or 8 years ago, but now they are paying great and glowing tributes to him. However, Herbert Hoover has not said anything about this bill. As a matter of fact, I think he is most apprehensive about the whole business, if the truth were to be known.

The gentleman who just preceded me referred to $12,000,000,000 having been spent in Europe since VJ-day. I am appealing to your common sense. If $12,000,000,000 would not change Europe's attitude what in the world will $31,000,000 do? As a Republican I was elected on an economy program, and as a member of the Committee on Public Works I know that our committee has frowned on all public works because of economy.

As I see it, all we are doing with this $31,000,000 is throwing it down a rat hole. No good will come from it. Sure, some boondoggling in Europe will be carried on. Of course, we will have radio broadcasts and publications, but who will read them and who will listen to them? If $12,000,000,000 spent in Europe since VJ-day will not change the hearts of these people as far as the United States of America is concerned, what will $31,000,000 do? As the gentleman from Oklahoma pointed out, 3,000,000 men went overseas, and billions of dollars were spent—$400,000,000,000—to sell America, to sell the heart of America. If that has not sold America, what great miracles will be wrought with this $31,000,000 boondoggle?

The world will think well of us or ill of us, depending entirely upon one thing—what we do. Perhaps sometimes we should remember the Scripture—"By their fruits ye shall know them."

By our actions we will be known—by what we do, not by what we say; not by what some radio commentator or jazz band or comedian or entertainer or some State Department bureaucrat may say. Not what we say, but what we do—this is what will gain us friendship.

Throughout modern history, tides of immigration have brought new life, new skills, and new people to build our Nation into its present greatness. For more than a hundred years liberty-loving peoples everywhere in the world have looked to the United States. More than this, whenever distress has occurred and disasters have occurred anywhere in the world, the record of the United States for generous aid has been without parallel. The plain people everywhere in the world have confidence in the American form of government, and expect us now in the present world crisis to behave in a democratic manner.

What we need is not a State Department broadcast program but a basic change in our whole foreign policy from one of military aggrandizement and military alliances and maintenance of enormous military forces. We need, Mr. Chairman, to retrace the steps which the Truman administration has taken us on the road to war. We need to come before the United Nations and present to them the problems confronting us in the building of peace. We need to advise with and work with all other nations in the world through the organization which can be the organized conscience of mankind; namely, the United Nations. And in that great forum, we need to give leadership. It is not pretty to hear General Marshall or President Truman talk and talk and talk about peace, and then send our bombers and our warships all over the world, or to hear them talk of peace and in the same breath demand universal military training and a thousand and one other wasteful military projects.

What we should do is come before the United Nations day after day after day with constructive, positive, affirmative proposals to assist in the reconstruction of the broken economies of the world and with proposals to maintain genuine democratic governments throughout the world.

The world hears us when we speak before the United Nations. The world hears us and sees what we do. Thirty millions of dollars wasted on poppycock will never hide the constant threats of war which pour from our present administration, nor will $30,000,000 in jazz records hide the fact that military adventure and military alliances are the basic theme of the present administration's foreign policy.

The substance of our foreign policy is what we need to change, Mr. Chairman. By our deeds we shall be known.

I suggest, Mr. Chairman, that the $30,000,000 requested by the Voice of America is made in a spirit of fear. Some bright young man in the State Department bureaucracy believes that radio records and speeches can hide the substance of our present military foreign policy. Such a hope is sheer folly. Abraham Lincoln once said:

> You can fool all of the people some of the time and some of the people all of the time, but you cannot fool all of the people all of the time.

Perhaps, Mr. Chairman, our State Department should ponder those words. Thirty millions of dollars, three hundred millions of dollars, three billions of dollars spent on popaganda will not hide the fact from the people of America or from the people of the world that the present administration has launched this Nation on the path of war and on the path of unilateral military alliances with corrupt and reactionary governments everywhere on the globe.

This is the substance of the Truman foreign policy.

The blunt fact is, Mr. Chairman, that if we appropriate this $30,000,000, we will have become an accessory to the foreign policy of the Truman administration which the people of this country are going to turn out of office in 1948. If we vote for this $30,000,000, we will be voting for an endless number of similar projects all of which will be a complete waste of the taxpayers' money. The Congress of the United States as an equal branch of the United States Government has the power and responsibility to say "No" when the evidence is overwhelmingly against proposals of the executive department. This demand for $30,000,000 exhibits once again the utter disregard for the interests of the American taxpayer which the administration daily exhibits.

Mr. BREHM. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. BREHM moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. BREHM. Mr. Chairman, the motion speaks for itself. Let us decide whether we are going to take this or leave it. Let us not waste any more time on it. Let us make up our minds on it now. If this committee in two years time could not decide whether they had a good bill or not and are now accepting almost every amendment that is offered to it, then I question what possible chance there is for us to decide here on the floor of the House such an important issue. Let us send this bill back to the Foreign Affairs Committee. I believe the committee can write a bill now that they know the views of Congress, but surely this bill, as presented, is a monstrosity. I sincerely trust that we may be able to amend it so that I can support it, but in my opinion the committee should have done this before reporting it to the floor of Congress.

Mr. Chairman, that is all I have to say.

Mr. MUNDT. Mr. Chairman, I rise in opposition to the motion.

I shall take no more time in asking you to reject the motion than was taken in asking you to accept it.

This is the third time that this sort of dilatory tactic has been engaged in. The committee has demonstrated by our actions our determination to do what we said at the beginning of the debate and to work with you to make this bill as effective as possible. This is not perfect legislation; no legislation really ever gets that good. We have worked on it a long time and any suggestions that you can make will gladly be considered in the light of our extensive study of the problems with which this legislation deals.

Some amendments have been rejected and some have been accepted. Many have been discussed with the subcommittee in advance. That is the constructive, American, congressional procedure. Neither our committee nor the Congress is infallible but our joint efforts usually produce legislation which is practical and sound.

It is a strange behavior, however, to try to condemn a committee of the House because it is willing to consult with the membership of Congress in trying to do the best possible job in meeting a specific problem. It is even stranger behavior when such criticism comes from those who even more violently criticize committees which try to ram their legislation on through the House without amendments of any kind.

I do agree with the gentleman from Ohio, however. Let us discontinue talking about vague issues. Let us meet the problems by reading the bill section by section so we can move forward to the completion of this bill.

I ask you, please, to reject the preferential motion.

The CHAIRMAN. The question is on the motion offered by the gentleman from Ohio [Mr. BREHM].

The question was taken; and on a division (demanded by Mr. BREHM) there were—ayes, 55, noes, 95.

So the motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. KEEFE].

The amendment was agreed to.

Mr. MUNDT. Mr. Chairman, I wonder if we could not facilitate the procedure for all of us and not inconvenience anyone if I were to obtain unanimous consent to consider title III as read and that it and all other sections be open for amendment. Then, Members can offer amendments to specific sections, and each Member could talk on his own amendment and not run into the danger of any Member being prevented from speaking on any amendment that he wishes to speak on. I believe that would be a fair procedure.

I make that as a unanimous consent request.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

Mr. MILLER of Nebraska. Mr. Chairman, I object. I think this bill ought to be read word by word.

The Clerk read as follows:

TITLE III—ASSIGNMENT OF SPECIALISTS

PERSONS TO BE ASSIGNED

SEC. 301. The Secretary is authorized, when the government of another country is desirous of obtaining the services of a person having special scientific or other technical or professional qualifications, from time to time to assign or authorze the assignment for service, to or in cooperation with such government, any person in the employ or service of the Government of the United States who has such qualifications, with the approval of the Government agency in which such person is employed or serving. Nothing in this act, however, shall authorize the assignment of officers or enlisted men of the United States Army, Navy, or Marine Corps for service relating to the organizations, training, operation, development, or combat equipment of the armed forces of a foreign government.

With the following committee amendment:

Page 5, line 15, strike out the words "or Marine Corps" and insert "Marine Corps, or Coast Guard."

The committee amendment was agreed to.

Mr. MUNDT. Mr. Chairman, I wonder if we cannot agree on a limitation of the debate? I see two Members standing. I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

Mr. DONDERO. Mr. Chairman, I object.

Mr. MUNDT. Mr. Chairman, I modify my request and ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The CHAIRMAN. The gentleman from Iowa [Mr. GWYNNE] is recognized for 5 minutes.

Mr. GWYNNE of Iowa. Mr. Chairman, I shall probably not take 5 minutes.

Mr. Chairman, to put it mildly, I am of the opinion, with many Members, that this bill needs considerable overhauling. I have heard a lot of Members express themselves as to what was wrong with the bill, that this was wrong with it, that that was wrong with it, and suggesting amendments they thought might well be adopted. It reminds me of an experience I had as a boy on the farm. We had a neighbor who thought he was a great horse trader. One day he went out with a horse and brought back the most decrepit, sad-looking animal you ever saw, whereupon all the neighbors gathered around to advise him what should be done to make a horse out of this newly acquired creature. One said he should do this, someone else said, no, he should do that. Finally, an old fellow came along who really understood horses. They asked his opinion. He said: "My friend, there is only one thing that horse needs, and that is a darned good burial."

I would not go that far about this bill but I think recommital would help the situation a great deal. This bill to my mind violates many principles which I thought had been firmly established in the American thinking. First, is it not rather violative of our policy of economy in Government spending? When the depression was on and we did not know quite what to do to solve it we ran hither and yon and we spent money first on one patent medicine and then on another. We have now abandoned that policy, I trust, and have returned to sound principles of economy and government. I am glad to note that the Appropriations Committee of this House is doing its full duty, is doing a great service to the country, in scrutinizing every request for every dollar that is appropriated for domestic purposes. We have trimmed down everything including Agriculture, in which I have a great and peculiar interest. We make some savings there and yet when any untried scheme that has to do with our foreign relations is brought in here, in the name of unity we think we are called upon to furnish whatever money they need, and we have poured millions of dollars down the rat holes of Europe and Asia. I think the people are getting a little restive, and look to the Republican Party to do its full duty in this matter. Of course, unity is a good thing. Unity is a great thing in support of any policy if that policy happens to be right. But there is all this propaganda for unity. Does that excuse our party, does it excuse your party from exercising sound judgment in determining whether a policy is or is not right?

The next thing the bill does is to violate our well-established principle and views in regard to education. I have always opposed any Federal Government aid to schools and I have done that because I do not want under any circumstances the Federal Government dominating the schools of our country. Yet what do you do in this bill? I will call your attention to a few things.

On page 3 the Secretary may provide orientation courses and other appropri-

ate services, and so forth. You will find on going through the bill that so far as the exchange of these professors is concerned what we teach them and what they teach us will not be dominated by the superintendent of your schools, not by your school board, but by the Secretary of State, who, by any test, is not required to be an expert on education.

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

Mr. GWYNNE of Iowa. I cannot yield right now. I make the statement that this proposal flies in the face of our well-established educational policy and I stand on that.

It also violates our well-established immigration policy. Some years ago we thought it was in the interest of our Nation to establish a quota system, and we did that. We have tried to live up to it. We have screened carefully individuals who come to this Nation. I think the statement made by the gentleman from West Virgina [Mr. ELLIS] is entirely correct.

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

The Chair recognizes the gentleman from California [Mr. BRADLEY].

Mr. BRADLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BRADLEY: Page 5, lines 15 and 16, strike out line 15 and line 16 up to and including the word "corps" and substitute therefor the words "of such personnel."

Mr. BRADLEY. Mr. Chairman, it is my purpose today, as the gentleman from South Dakota has suggested, merely to pick out some of those parts of this bill with which I find myself in disagreement and to bring them to your attention. You will note that this section 301 is a very broad section. It provides for the detailing of personnel having special scientific or technical or professional qualifications. In that part where I have suggested the amendment it is stated, "Nothing in this act, however, shall authorize the assignment of officers or enlisted men of the United States Army, Navy, Marine Corps, or Coast Guard for service relating to the organization, training, operation, development, or combat equipment of the armed forces of a foreign government."

I realize that the personnel of the military forces in uniform is in a special category; yet it seems to me that this particular provision is merely a subterfuge as far as we are concerned. You are providing for specialists to go abroad. Those specialists may be Reserve officers of the Army, Navy, Coast Guard, or any other military branch of the Government. Mr. Chairman, I may say that we have plenty of Reserve officers who are just as good as the Regulars along these lines. Are we going to turn around and embark upon the project of helping various nations of the world organize and increase their defense equipment, or equipment for aggression, whatever you want to call it? Are we going to do like we did recently when we took a considerable number of Reserve aviators of the Army and put them on inactive duty and then sent them over to fight the Japs in China? It is exactly the same thing. I bring this to your attention because we have certain military missions to do just the things which might be done under the present language of this bill. I understand a bill is going to be brought in for more military missions. I think we should clarify this language.

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

Mr. BRADLEY. I yield to the gentleman from South Dakota.

Mr. MUNDT. Let me see if I understand the amendment. We retain the limitation but add language which is broad enough so that it includes the Reserve officers, or something of that type; is that the point?

Mr. BRADLEY. That is my specific point. However, there are many people who are civilians. Are we going to send our civilians abroad under governmental authority and at governmental expense, we will say, for the purpose of instructing foreign nations in matters of defense or offense, or are we going to leave that to our military or naval missions which have been duly authorized by Congress?

Mr. MUNDT. We most definitely are not under this bill. As the gentleman knows, before another committee of the House there is legislation on that point.

Mr. BRADLEY. Exactly.

Mr. MUNDT. That is, specifically, why we bar it here. Does the gentleman feel that his language will make that a stronger barrier?

Mr. BRADLEY. By all means. I thank the gentleman from South Dakota for his comments.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, I do not intend to inflict myself on the committee for the full length of time. Had it not been for a statement made here on the floor this afternoon that with many Members of the House fear had reached the stage of absurdity, I would not take the floor now. I think it was the gentleman from Oklahoma, for whom I have a very high regard, who suggested that perhaps many of us are unduly apprehensive about the effect of this bill.

Let me call your attention to the fact that today the newspapers of this country are carrying the news that the Communists are offering $100,000 to have the trial of Mr. Eisler delayed until next October. That is No. 1.

Not long ago the President of the United States suggested that the infiltration of Communists in the departments of the Government was so serious that he thought $50,000,000 would be required to eradicate them from our Government. That is No. 2.

For the benefit of the many new Members on the floor, let me again repeat that while we were at war with Germany and Japan, we had people inside the departments of the Government here in Washington who were dangerous enough to enter into a conspiracy, those within with those from without, to steal some of the most important war, highly confidential, and top secret files affecting our national security out of the State Department, naval intelligence, and two or three other agencies of the Government. Where were they found? Two hundred and fifty miles away from Washington, in a pro-Communist magazine office in the city of New York. Let us beware and be careful what we do. There are some reasons why we should have fear of the further infiltration in our Government by people coming to our shores who seek to destroy this Government.

Mr. HOFFMAN. Mr. Chairman, if the gentleman will yield, they were not adequately punished either.

Mr. DONDERO. No. They were arrested by the FBI. We have great confidence in the ability of the FBI to round up these peope. They do not move against criminals until they have the evidence against them. After they were arrested, it is disappointing to know that the FBI in this case functioned only 33⅓ percent efficiently, because only two of them, who pleaded guilty and paid nominal fines suffered any punishment. The other four were dismissed without a trial. No criticism should attach to the FBI. Other influences, I believe, were brought to bear in these cases.

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

Mr. DONDERO. I yield to the gentleman from Indiana.

Mr. HALLECK. I would like to say at this point that I agree with the gentleman that this is a matter of great importance that we are presenty considering. As suggested earlier in the debate, this is the third day it has been before the House for consideration. It is obvious to everyone that there are differences of opinion between individual Republicans and between individual Democrats as to what ought to be done.

The fact yet remains that the measure was reported from the Committee on Foreign Affairs without adverse voice, as I understand. It has been brought here for consideration. My view is that we should proceed with that consideration as we have been doing, considering each section or each title as we come to it. I certainly am not going to challenge the integrity or the sincerity of any Member who expresses his views in respect to this legislation. To my mind, each Member is being conscientious in what he says about it. However, I certainly am not going to admit the impotence of the House of Representatives, sitting in the Committee of the Whole, to consider a matter of this sort, as we consider many other matters of great importance. As we proceed amendments may be offered, debated, and voted upon. Then I suppose a motion to recomit will be offered, and then, if that motion is not adopted, a vote on final passage will be had. I trust that we can proceed with reasonable expedition.

Mr. DONDERO. I think if I had not gone to Europe 2 years ago and come in personal contact with the people of the Old World I might feel very much different toward this bill. But let me say again as I said the other day, you do not have to spend any money to sell the United States to the people of Europe, because in every country except one, and I repeat it, we were asked to do something

that they might come to the United States. They have heard about us, they know about our Government of freedom and justice. They do not have it over there.

Do you think the people of Russia are going to hear this broadcast, the Voice of America? Do not deceive ourselves. Over there the Government owns everything. The people can hear what the Government wants them to hear, and nothing more. They can read only what the Government wants them to read, and nothing more. They can see only what the Government wants them to see, and nothing more. When it comes to using the power of the Government they will print in a Russian newspaper only that which is critical of the United States, such as strikes and unemployment, and nothing else. They will show nothing in their theaters except films which show the United States at a disadvantage, like the Grapes of Wrath. Do you think they are going to accept a program such as this bill carries and let their people know about it? Even if they did, I understand there are only some 50,000 radio sets in all of Russia, in a population of more than 200,000,000 people.

I do not think you can amend this bill good enough so I can vote for it.

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

The question is on the amendment offered by the gentleman from California [Mr. BRADLEY].

The question was taken; and on a division (demanded by Mr. BRADLEY) there were—ayes 87, noes 24.

So the amendment was agreed to.

The Clerk read as follows:

STATUS AND ALLOWANCES

SEC. 302. Any person, while assigned for service to or in cooperation with another government under the authority of this act, shall be considered, for the purpose of preserving his rights, allowances, and privileges as such, an officer or employee of the Government of the United States and of the Government agency from which assigned and he shall continue to receive compensation from that agency. He may also receive, under such regulations as the President may prescribe, representation allowances similar to those allowed under section 901 (3) of the Foreign Service Act of 1946 (60 Stat. 999). The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of section 1765 of the Revised Statutes.

Mr. REES. Mr. Chairman, I offer an amendment.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. Mr. Chairman, when the amendment offered by the gentleman from California was voted on, I had on the Clerk's desk an amendment to strike out the last three or four lines of that paragraph. Was that amendment out of order?

The CHAIRMAN. No. In answer to the inquiry of the gentleman, the Chair will state that the Chair has no information as to amendments on the Clerk's desk or what they contain. That information is brought to the attention of the House and the Chair when a Member sends up the amendment, rises and addresses the Chair stating that he offers an amendment. The gentleman from Michigan did not do that or at least the Chair did not hear him.

Mr. HOFFMAN. Mr. Chairman, the point is the Chair neither saw nor heard me, but I was on my feet seeking recognition when the gentleman from South Dakota [Mr. MUNDT] said that the time had been fixed.

The CHAIRMAN. The Chair assumes that that is true.

The Clerk will report the amendment offered by the gentleman from Kansas [Mr. REES].

The Clerk read as follows:

Amendment offered by Mr. REES: On page 6, line 3, after the word "agency", strike out the remainder of section 302.

Mr. REES. Mr. Chairman, section 302 reads as follows:

Any person, while assigned for service to or in cooperation with another government under the authority of this act, shall be considered, for the purpose of preserving his rights, allowances, and privileges as such, an officer or employee of the Government of the United States and of the Government agency from which assigned and he shall continue to receive compensation from that agency. He may also receive, under such regulations as the President may prescribe, representation allowances similar to those allowed under section 901 (3) of the Foreign Service Act of 1946 (60 Stat. 999).

In other words, any person who is assigned for service may also have representation allowances similar to the allowances that have been allowed our representatives abroad.

About 2 weeks ago the House approved of a half million dollars for so-called representation allowances. I think it was generally understood on the floor of the House, and brought out in the hearings, that that fund or at least 75 percent of it goes for entertainment and to buy liquor and things of that kind, which are unnecessary and uncalled for.

This bill would spend $31,000,000 and then you also give these employees or representatives funds in addition to the $500,000 that you provided for the other representatives to buy liquor and such things.

The whole thing was a serious matter. We are going to have men and women representing this country who can handle this thing without having to go out and buy liquor and things of that kind to entertain these foreigners abroad. We are getting into the same old situation that we did in these other bills. I refer to a policy that in order to get along with foreigners abroad you have to buy liquor and have parties and give extravagant dinners and have all that sort of flurry and fuss. A certain amount of funds for food is all right, of course, but not just run it into the ground. There is no limitation here. Let us save a part of this money. Let us use a little common sense. Use a little sobriety and strike this out of the bill.

I trust you will go along with me and support this amendment. If you are serious about it, you will adopt this amendment. There is no good reason for granting this allowance in addition to their salaries, ranging as high as $16,000 to $18,000 per year. They are getting a liberal allowance of $10 a day, but on top of that, under this bill, they will get this further allowance for representation, as they call it, most of which is for liquor and things of that kind. We ought to be above that sort of thing, and not follow such procedure in order to try to get along with foreigners.

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

Mr. REES. I yield.

Mr. MASON. In the other bill, it was limited to a specific amount, but this bill has no limit.

Mr. REES. That is right. The other bill was limited to half a million dollars. I think last year they spent over $600,000 for the same thing in Foreign Service. Here there is no limitation at all, except as may be approved by officers in the Department.

Mr. Chairman, I hope the Committee will adopt my amendment.

Mr. LODGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope this amendment will be defeated because I believe it is important for the people whom we send overseas to have some representation allowance. In my own experience I know what it is like not to have such an allowance. I know how important it can be to be able to entertain and to be able to invite people to dinner and talk over matters of common interest. I think it is an important part of our entire representation overseas, whether it occurs in the diplomatic service, in the Army, or in the Navy. I suggest to you that we in this Congress have not been remiss in accepting entertainment from time to time when it has come our way. It seems to me that we should look upon this question with a great deal more sympathy than we do. It is not my idea that people should have unlimited funds to squander, but I simply say that other nations have these representation allowances and it puts the greatest Nation in the world in a rather peculiar position for its representatives to have no such allowance when the other nations have liberal allowances along this line. If this practice is abused, if these funds are squandered, then the personnel in question should be replaced.

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

Mr. LODGE. I yield.

Mr. REES. Does the gentleman think just because foreign countries spend their money entertaining at liquor parties that we have to follow along their line?

Mr. LODGE. I did not say liquor parties.

Mr. REES. Does not the gentleman think that after all we can get along without that sort of thing?

Mr. LODGE. I know that I personally spent a great deal of my own money during the last war entertaining members of foreign navies overseas. I think it was a useful thing to do. I think such encouragement to friendly cooperation helped to win the war. They will aid in winning the peace.

Mr. REES. I regret that the gentleman finds it is necessary for the prosecu-

tion of the peace that we have to do this sort of thing.

Mr. LODGE. I do not say necessary. I say it is desirable for such American representatives to have an entertainment allowance for the prosecution of the peace. It responds to a factor in human nature. I imagine that most of the Members of this Congress have from time to time had occasion to appreciate the value of this sort of thing.

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

Mr. LODGE. I yield.

Mr. VORYS. Is it not true that the Congress voted themselves $2,500 expense allowance and part of the argument given on the floor was the expense of entertaining constituents?

Mr. HOFFMAN. O Mr. Chairman, now will the gentleman yield? Was it to purchase liquor?

The CHAIRMAN. The time of the gentleman from Connecticut [Mr. LODGE] has expired.

Mr. MUNDT. Mr. Chairman, I wonder if we can reach some agreement as to time on this amendment. I ask unanimous consent that all debate on this section, and all amendments thereto, close in 12 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. BUFFETT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to add some new testimony to corroborate what the gentleman from Michigan [Mr. DONDERO] said a few minutes ago about whether or not these broadcasts would be heard in Russia.

Here is the report of an interview with one who recently escaped from behind the iron curtain. Cholly Knickerbocker in the New York Journal-American on June 10 reports it as follows:

> A gaunt, gray-haired man, the terror of what he had left behind still in his eyes, sat across our desk. * * * He was a Catholic priest from Croatia, and a former professor of economics at one of the universities there. * * * The man had only escaped from Russian-dominated Europe only a few weeks before. * * *
>
> Here is a condensation of what he told us: American radio broadcasts to Russia are absolutely worthless. There are only a few people in Russia—all top party members—who can receive an American broadcast. All other radio sets in Russia are fixed so they can only tune in Soviet stations.

That is the testimony of one who has been behind the iron curtain about broadcasts to Russia. Then here is a report by Karl Von Wiegand, American correspondent of the New York Journal-American in central Europe:

> A well-known former Austrian diplomat telephoned me today that there is "great uneasiness in the American, British, and French zones of Austria. What good to us are the daily broadcasts to Austria Voice of America telling us of peace, prosperity, and freedom in your democracy? The Allies promised us peace, independence, and freedom. Two long years we have waited and we see no sign of your promises being made good. Our faith in the west is sinking fast."

That is a testimonial last week from Austria.

This bill reminds me of the time when a fish peddler came down the street with his little cart. He stopped at a house and the lady came out and took one of his fish out of the wagon to inspect it. Then she was afflicted with that indecision that sometimes characterizes feminine shoppers and she was unable to make up her mind. The peddler in exasperation shouted: "Lady, lady, if you don't like the fish, put him back in the wagon."

From all we have heard here about this proposal it seems we might better put it back in the wagon by sending it back to the committee.

Mr. MANSFIELD of Montana. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. MANSFIELD of Montana. The gentleman referred a moment ago to a report sent back by Knickerbocker with regard to how many people in Russia heard this program. In the committee hearings I asked Gen. Bedell Smith specifically about that very matter.

I read from the hearings as follows:

> Mr. MANSFIELD. You have answered part of my next question which is, are these radio sets geared to Russian stations only, or are they capable of picking up outside stations?
>
> General SMITH. Most of them are sets capable of handling short wave. You see, the Soviet Union is a country of vast distances, and a great deal of broadcasting from Moscow is done by short wave. The majority of the ones that I have mentioned will handle short wave and receive our broadcasts without any difficulty.
>
> Mr. MANSFIELD. Is there any attempt being made to jam our broadcasts?
>
> General SMITH. None whatsoever.

Mr. BUFFETT. You can interpret that testimony in several ways. Personally, I normally would prefer the testimony of one who has lived among the rank and file of the people over that from the embassies, where the thinking may be somewhat influenced by what the State Department desires.

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

The gentleman from California [Mr. McDONOUGH] is recognized for 5 minutes.

Mr. McDONOUGH. Mr. Chairman, I have tried to take a fair and impartial view of this whole situation throughout the days we have been debating the bill, a practical view as to what value it is to the United States, and the amount of money we shall be called upon to appropriate to meet the situation.

As I recall the $31,000,000 in the original budget request that was knocked out on a point of order did not include the broad aspects of the present bill that is before us at all; it was merely in there as the recommendation of the Secretary of State for broadcasting. As a result of its being knocked out a bill was presented to the Foreign Affairs Committee—and from what source I do not know; evidently the State Department had something to do with it—to broaden it so as to permit the bringing into this country of students for exchange for educational purposes and, as you all know, for many other purposes, including associations, agencies, and societies, and I quote from title 7:

TITLE VII—ADMINISTRATIVE PROCEDURES

THE SECRETARY

SEC. 701. In carrying out the purposes of this act, the Secretary is authorized, in addition to and not in limitation of the authority otherwise vested in him—

(1) In carrying out title II of this act, within the limitation of such appropriations as the Congress may provide, to make grants of money, services, or materials to State and local governmental institutions in the United States, to governmental institutions in other countries, and to individuals and public or private nonprofit organizations both in the United States and in other countries;

(2) to furnish, sell, or rent, by contract or otherwise, educational and information materials and equipment for dissemination to, or use by, peoples of foreign countries;

(3) in carrying out title V of this act, to purchase, rent, construct, improve, maintain, and operate facilities for radio transmission and reception, including the leasing of real property both within and without the continental limits of the United States for periods not to exceed 10 years, or for longer periods if provided for by the appropriation act;

(4) to furnish official entertainment when provided for by the appropriation act;

(5) to establish and maintain in the United States reception centers for foreign students and for visitors representative of the fields listed in section 201 above;

(6) to provide for printing and binding outside the continental limits of the United States, without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111);

(7) to employ, without regard to the civil-service and classification laws, when such employment is provided for by the appropriation act, (i) persons on a temporary basis, and (ii) aliens within the United States, but such employment of aliens shall be limited to services related to the translation or narration of colloquial speech in foreign languages when suitably qualified United States citizens are not available; and

(8) to create such advisory committees as the Secretary may decide to be of assistance in formulating his policies for carrying out the purposes of this act. No committee member shall be allowed any salary or other compensation for services; but he may be paid his actual transportation expenses, and not to exceed $10 per diem in lieu of subsistence and other expenses, while away from his home in attendance upon meetings within the United States or in consultation with the Department under instructions.

GOVERNMENT AGENCIES

SEC. 702. In carrying on activities which further the purposes of this act, subject to approval of such activities by the Secretary, the Department and the other Government agencies are authorized—

(1) to place orders and make purchases and rentals of materials and equipment;

(2) to make contracts, including contracts with governmental agencies, foreign or domestic, including subdivisions thereof, and intergovernmental organizations of which the United States is a member, and, with respect to contracts entered into in foreign countries, without regard to section 3741 of the Revised Statutes (41 U. S. C. 22);

(3) under such regulations as the Secretary may prescribe, to pay the transportation expenses, and not to exceed $10 per diem in lieu of subsistence and other expenses, of citizens or subjects of other countries, without regard to the Standardized Government Travel Regulations and the Subsistence Act of 1926, as amended;

(4) under such regulations as the Secretary may prescribe, without regard to the

Standardized Government Travel Regulations and the Subsistence Act of 1926, as amended, to provide for planned travel itineraries within the United States by groups of citizens or subjects of other countries, to pay the expenses of such travel, and to detail, as escorts of such groups, officers and employees of the Government, whose expenses may be paid out of funds advanced or transferred by the Secretary for the general expenses of the itineraries;

(5) to make grants for, and to pay expenses incident to, training and study; and

(6) to provide for, and pay the expenses of, attendance at meetings or conventions of societies and associations concerned with furthering the purposes of this act when provided for by the appropriation act.

These are very broad powers.

Insofar as delivering the Voice of America to that part of Europe and Asia that will receive it, I have no objection, although even that has certain restrictions and inhibitions. I am not convinced that the Voice will be heard by the people we hope it will be heard by. What assurances do we have that the Voice of America going into the satellite countries of Russia will not be monitored by the Russian Government and rebroadcast to suit their own purpose? If it is received directly by any receiving set in that area, there can be contradictory statements made over their own broadcasting system to discount ours. That is the practical view I am taking of this thing. It may take several million dollars to do it.

The bill is too broad and I think not thought out sufficiently by the Foreign Affairs Committee to be passed in its present form. It should be recommitted. It should be brought down to the point where those of us who feel from a practical point of view we could support it if it were a broadcast proposition, rather than having it on the broader scale which includes the many other things it now contains. I am told that there are—and I note from press reports that there are—some 17,000 students in the United States from foreign sources at the present time. I am also told by a member of the Foreign Affairs Committee that this bill would regulate that situation to the point that perhaps there would be less than 17,000 students in this country under the bill. If they want to exchange students, then the Foreign Affairs Committee ought to be broad enough to realize that the restriction in the bill will cut down this number and there will be less benefit from the exchange of students from foreign countries if the bill is passed.

There is now a broad exchange. Another aspect of the bill is that we are endeavoring to have the people of Europe and Asia believe in freedom, liberty, and independence, which, incidentally, in my opinion, are virtues to be acquired, not to be sold. You cannot tell any country because they do not have independence that they ought to acquire it. They know that without being told. Freedom is something they have to work for. We do not have it to sell over the radio. These students who are here now on their own resources, in my opinion, are far more respectable in the fact they are here on their own, rather than if they were here through the benevolence of this country. The type of students you would get otherwise would be those that their government desired to be here, not those who desired on their own part to come here, as the 17,000 who are in this country at the present time. I do not object to broadcasting, as limited as it may be in reaching the sources we hope to reach, but I certainly believe that the bill in its broad aspects should be recommitted and revised by the Foreign Affairs Committee before being finally approved by the House.

We should be thinking and doing more for our veterans who are in educational institutions in this country, who need additional aid to carry on their studies and take care of their families. We have many obligations here at home to look after before we add more benefits to foreign countries, which have reached into billions of dollars.

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

The gentleman from Nebraska [Mr. MILLER] is recognized.

Mr. MILLER of Nebraska. Mr. Chairman, I want to ask a question of the Committee as to what it considers the representation allowance to be? Something was said about the salaries of individuals outside this country. I note in the State Department hearings, page 397, that the individuals under this program of the OIC draw the following salaries: At Moscow, $18,600; Paris, $17,360; London, $16,960; Rome, $16,000; Ankara, $15,200; Nanking, $15,060. I suppose that includes the representation allowance?

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

Mr. MILLER of Nebraska. I yield to the gentleman from South Dakota.

Mr. MUNDT. May I say to the gentleman that those are figures which include your change in living costs because of the highly inflationary conditions overseas. In justice to our employees over there, as the gentleman knows, because he has traveled abroad, we provide these allowances. It really does not give a true picture as to your representation account, for it includes money with which to supply food to people, if you invite them to dinner to discuss a problem, the same as if you were a salesman for an American business concern. It is a legitimate, well-established practice. It certainly does not involve drinking bouts, or licentious parties of any kind. I can set the gentleman's mind at rest in that respect.

Mr. MILLER of Nebraska. On page 13, section 4, money is provided to furnish official entertainment. At the proper time I hope the gentleman will explain what official entertainment is.

Mr. MUNDT. Yes; for instance, a public dinner given in honor of a distinguished visiting guest would be official entertainment.

The CHAIRMAN. The time of the gentleman from Nebraska has expired. All time has expired.

The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The question was taken; and on a division (demanded by Mr. MUNDT) there were—ayes 45, noes 59.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ACCEPTANCE OF OFFICE UNDER ANOTHER GOVERNMENT

SEC. 303. Any person while assigned for service to or in cooperation with another government under authority of this act may, at the discretion of his Government agency, with the concurrence of the Secretary, and without additional compensation therefor, accept an office under the government to which he is assigned, if the acceptance of such an office in the opinion of such agency is necessary to permit the effective performance of duties for which he is assigned, including the making or approving on behalf of such foreign government the disbursement of funds provided by such government or of receiving from such foreign government funds for deposit and disbursement on behalf of such government, in carrying our programs undertaken pursuant to this act.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: Page 6, strike out section 303.

Mr. HOFFMAN. Mr. Chairman, it must be evident to the members of the committee that this bill as brought in by the committee does not meet with the approval, at least, of the majority Members though it has the support of our political opponents.

Now, undoubtedly the committee did its best. It brought in a bill which, at the time, it thought was the best bill that could be written. But someone put something over on the Republican members of that committee. Subsequently, and since the discussion and debate on the floor, the gentleman from South Dakota [Mr. MUNDT] in charge of this bill has suggested several times that he wanted this bill debated section by section and amendments offered, and we are pursuing that policy. In behalf of his committee he has accepted several amendments—evidently seeking support for the bill.

We all know the difficulty of writing a good bill on the floor. Where a bill is as bad as is this bill, it is almost impossible to correct its faults on the floor. It would seem to me that it would be for the benefit of the party, at least it would be party wisdom, for the majority members of the committee to withdraw this bill, ask to have it recommitted to the committee, and then call in, after reading the RECORD of the last 3 days' debate, those gentlemen who might wish to appear and offer amendments and rewrite the bill in committee. Let us wash our white linen, if you wish to call it that, the Republican linen, in committee, either through a conference of the Republican members of that committee or a conference of all the Republicans, and see where we stand. Many a vote on amendments has shown that the Republicans are not in favor of this bill. A small group of Republicans, backed by a united Democratic Party, are putting across a New Deal measure.

I recall distinctly the other day that an overwhelming majority of the Republicans wanted to strike the enacting clause of this bill. Of the Republicans 87 voted to kill the bill; 53 Republicans, with Democratic support, kept it alive. Why should we not now take the bill back to the committee and let the committee, as suggested, rewrite it?

Now, to go back a moment. The committee is headed by a distinguished former clergyman. But he either forgot to tell the committee or the committee disregarded the suggestion made long, long years ago that no man can serve two masters. If you will turn to page 5 you will find in section 302 that—

> Any person, while assigned for service to or in cooperation with another government under the authority of this act, shall be considered, for the purpose of preserving his rights, allowances, and privileges as such, an officer or employee of the Government of the United States.

So he has one master there in that section.

Then, over in this section where I seek to strike certain words, it provides that when he is so assigned his duties will include the making or approving on behalf of such foreign government of the disbursement of funds or receiving such funds from that government. He may become an officer of that government and may, at the discretion of his government agency, with the concurrence of the Secretary, accept an office under the government to which he is assigned.

How is a fellow going to serve two masters? How is an officer of the United States to be assigned to another government and then serve under that government? Can a man serve as an officer of two governments at the same time. You see my point?

It does seem to me that in all fairness, having the welfare of the Republican Party as well as the welfare of the country at heart, and I regard them as synonymous, that this bill might well voluntarily be taken back by the committee. Accepting that suggestion, the committee would have the grateful and heartfelt thanks of the majority of the Republicans. Then let the committee rewrite the bill.

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

Mr. HOFFMAN. I yield to the gentleman from Tennessee.

Mr. JENNINGS. The gentleman has propounded this question about a man serving two masters. We have a concrete example of it in five instances, involving five employees of the State Department during the war, when the Germans were killing our boys and the Japs were killing our boys. These men in the State Department, who took an oath of office to faithfully and loyally serve this country, stole the secrets of the State Department and of the Navy Department and sold them to a Russian sympathizer, and they went scot free.

Mr. HOFFMAN. Yes; and the administration lightly tapped them on the wrist.

Mr. JENNINGS. You have a concrete illustration there of how no man can serve two masters. They served one and betrayed it to another.

Mr. HOFFMAN. Yes; but that is no reason why we should attempt to legalize the practice, and the gentleman's statement is forewarning of what is apt to happen under the bill if accepted as written.

Mr. MUNDT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes; not on the section, because there are other amendments to the section.

Mr. GAVIN. I object, Mr. Chairman.

Mr. MUNDT. Mr. Chairman, I ask unanimous consent that all debate on this amendment cease in 15 minutes, and I will include myself in that. The chairman can divide up the time.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, there has been a great deal of talk——

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

Mr. GAVIN. Yes; I will yield.

Mr. HOFFMAN. What is this change of voice due to?

Mr. GAVIN. I am trying to appear as a statesman.

There has been a great deal of talk about this exchange of students. I have a letter from Mr. Benton, the Assistant Secretary of State, under date of the 29th of January, in which he submits to me a speech that he made before the Conference of Patriotic Women's Organizations for National Defense, at the Hotel Statler, Washington, D. C., Saturday, January 25. He discussed this matter relative to the interchange of students and he refers to UNESCO, which means United Nations Educational Scientific and Cultural Organization.

He said:

> UNESCO will seek to eradicate illiteracy everywhere, and to lift educational standards. Illiterate men are pawns in a power struggle. UNESCO will seek to reduce barriers to the free flow of ideas and information everywhere. The most literate peoples can be led and bullied into aggression when they are cut off from a full and steady account of development among other peoples, and fed on lies and distortions. UNESCO will seek to diagnose the social and psychological tensions that lead to conflict, as urged in Congressman DIRKSEN's bill. And UNESCO will stimulate the exchange of students, teachers, scholars, and experts on the widest possible scale. In such ways UNESCO will strive to lay that solid foundation of understanding among peoples which is the best hope of peace. As UNESCO succeeds, our security, and the world's security, will be strengthened. The operating budget for all of UNESCO for 1947 is $6,000,000. This is, I should guess, one ten-thousandth of the world's military and naval expenditures this year.

Then he goes on to say:

> The exchange of students is an example. I know of no surer method of increasing understanding of the United States, for the long run, than to bring foreign students to live among us for a year or two.

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

Mr. FULTON. Mr. Chairman——

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

Mr. FULTON. I yield.

Mr. GAVIN. I wonder if the gentleman would permit me to complete these few lines? I would appreciate it very much. I thank the gentleman, my friend and colleague from Pennsylvania for consideration given me.

Mr. FULTON. I yield to the gentleman, my able colleague from Pennsylvania.

Mr. GAVIN. As I was saying, he goes on to say:

> If this is true, and if the understanding they acquire contributes to our security, then we should invite such students not in terms of a few score or a few hundreds but in terms of thousands. And we should widen the area from which we assist such students, not limit it to Latin America. We must widen our horizons and raise our sights. This will require the basic legislation, to which I have referred, and it will then require a budget.

Mr. Chairman, I thank my colleague from Pennsylvania [Mr. FULTON] very much.

Mr. FULTON. Mr. Chairman, on this particular section 303 I am going to agree with the gentleman from Michigan because I have an amendment on it myself. I do not like the provision of this language on line 20 which says, "including the making or approving on behalf of such foreign government the disbursement of funds provided by such government or of receiving from such foreign government funds for deposit."

The language is too general. We receive their funds into the hands of our employees for deposit and disbursement on behalf of such government and disburse it for them.

Unless the committee accepts the amendment striking out everything beginning with the word "including" on line 20 so that it cuts out this financial set-up, I am going to vote for the amendment offered by Mr. HOFFMAN because I have such an amendment myself.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Chairman, back in December 1945, the distinguished gentleman from New York [Mr. BLOOM], who was then chairman of the Committee on Foreign Affairs, introduced H. R. 4982. That bill was reported 4 days later by the Committee on Foreign Affairs. Because of the opposition of some of us in the Rules Committee, the bill was not reported to the floor of the House until late in 1946—I think in July. It finally passed the House on July 22. I have a copy of that bill before me. It is quite similar to the measure H. R. 3342 which is now before the House. I have been rather amazed that the gentleman from New York [Mr. BLOOM], the ranking member of the Committee on Foreign Affairs, who introduced the original bill, has not been heard in support of H. R. 3342, nor has he participated in debate thereon, to my knowledge. I am just

wondering if there has been some new information, or some reason, which has come to the gentleman from New York for his not supporting this measure which is so similar to the bill which he originally introduced, and which has been reintroduced in the House by the gentleman from South Dakota [Mr. MUNDT].

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

Mr. BROWN of Ohio. No. I am addressing my questions to others, thank you. It is rather difficult for me to understand why the outstanding Democratic leader of the Committee on Foreign Affairs is not supporting this measure at this time by his voice. Why has his voice been stilled, I ask?

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

Mr. BROWN of Ohio. Yes, I yield.

Mr. HOFFMAN. Perhaps he thinks he can slip it through with a Republican label.

Mr. BROWN of Ohio. No. I think such a surmise is a challenge to the honesty of purpose of the gentleman, with which I do not agree.

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

Mr. BROWN of Ohio. No, I do not yield at this time. I think perhaps the gentleman from New York [Mr. BLOOM] has some significant information, or has some other good reason why he has withdrawn his support from this measure, and has not spoken out in favor of it.

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

Mr. BROWN of Ohio. I yield.

Mr. RICHARDS. In all fairness to the gentleman from New York [Mr. BLOOM], the author of the bill last year, to which the gentleman refers, and who is not present today——

Mr. BROWN of Ohio. But the gentleman from New York [Mr. BLOOM] is present today. He has great influence in this body. He has great influence with me. I am sure there are many Members of this House who would like to hear from the gentleman from New York. It seems to me very peculiar and very strange that the gentleman has been silent all through this debate.

Mr. RICHARDS. Well, the debate is not over yet, I can assure the gentleman.

Mr. BROWN of Ohio. And this bill is not yet law, I can, in turn assure the gentleman from South Carolina.

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

The gentleman from Minnesota [Mr. O'HARA] is recognized for 3 minutes.

Mr. O'HARA. Mr. Chairman, I do not know of anything that could be more dangerous in a troubled House than to have a provision in a bill such as section 303, which would certainly be an incentive to create many Benedict Arnolds. It seems to me the gentleman from Michigan [Mr. HOFFMAN] has very properly presented a motion to the House which should be supported, to strike this language from the bill. I have not heard any argument against it. Perhaps the genteman from South Dakota, the author of the bill, may speak against it, but I would like to ask him just now why it is necessary for an employee of our Government, working for the Government in this type of work, who would certainly be reasonaby well paid, to accept or take pay from a foreign government. Under what theory, in the name of common sense, is that done?

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

Mr. O'HARA. I yield.

Mr. MUNDT. Not a part of the salary but the entire salary and expenses are to be paid by the foreign government because the man must become attached to that government, and the reason he should become attached to that government is so that in some official capacity he has some regulation over the particular division, department, or activity assigned to him by that government.

I have the concluding 3 minutes of the debate and I do not want to infringe on the gentleman's time. I hope he will listen to my further explanation.

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

Mr. O'HARA. I yield.

Mr. HOFFMAN. That is all right, but if you look at the top of page 6 you will see the following language:

> And of the Government agency from which assigned he shall continue to receive compensation from that agency.

Mr. O'HARA. It has always been fundamental to me that an officer of the government, whether it be municipal, State, or Federal, certainly could not serve two masters.

I agree with the gentleman from Michigan wholeheartedly. I think it is a situation that no matter how well-intentioned the language may be, is going to make for trouble sooner or later. I hope it will be stricken.

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

The gentleman from South Dakota [Mr. MUNDT] is recognized for 3 minutes.

Mr. MUNDT. Mr. Chairman, may I say at the outset that this is not a new departure in American policy. It is something we have been doing for a long while in special cases. We had in this House some years ago a very distinguished Representative from Illinois by the name of Charles Dewey. After World War I, under special emergency legislation he was assigned to a specific phase of a similar program in which he served as a member of the Polish Cabinet and he was doing that in connection with the correction of the finances of that government.

It so happens that in many joint enterprises such as the operation of a weather bureau and certain other things which are the joint responsibility of two countries, this would enable the director of that station under the jurisdiction of the two countries to be an American. It permits him as well to have authority within that country so he can work with effectiveness.

Mr. PHILLIPS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. In a moment.

I think it is important that we have clearly in mind the language on which we are voting.

I would like to say that if we keep this section in the bill, the gentleman from California [Mr. BRADLEY] has put his finger on a very important point. He has discussed it with our subcommittee and we have agreed to accept an amendment which he will propose. His amendment prohibits any American from taking an oath of loyalty to any foreign country or any foreign government, even though serving temporarily in an official capacity for that government. With that safeguard I am convinced it is an important extra safeguard in this legislation. It is not a basically essential part of the bill, of course, but it is important because it does give one additional tool to those to whom we look to fight our battle for the peace. It gives them one additional shell in their ammunition kit, one additional approach and avenue whereby we can work together in a friendly, constructive manner with countries friendly to us and whose friendship we propose to preserve.

I ask for a vote, Mr. Chairman, to defeat this amendment.

The CHAIRMAN. All time having expired, the question is on the amendment of the gentleman from Michigan to strike out section 303.

The question was taken; and on a division (demanded by Mr. KEEFE) there were—ayes 64, noes 70.

So the amendment was rejected.

Mr. BRADLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BRADLEY: Page 6, line 25, after the word "act", substitute a comma for the period and add the following: "*Provided, however,* That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government."

Mr. BRADLEY. Mr. Chairman, some few days ago in speaking on this bill I offered criticism of the provision which would allow any official or appointee of this Government to accept an office under some other government, and I objected to it because there seemed to be no provision there which would keep that official from taking an oath of allegiance to the other government. Having spoken with the subcommittee chairman, I find the committee agreeable to accepting the amendment just offered. I see no reason to take up any more time in this argument. I appreciate that present laws may be considered to preclude the taking of the oath of allegiance by one of our people to another government, but I am afraid that the present wording here might be considered as a change in present law.

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

Mr. BRADLEY. I yield to the gentleman from South Dakota.

Mr. MUNDT. I want to thank the gentleman for his constructive thinking on that matter. There never has been a case of one of our officials taking such an oath, but I agree with the gentleman we better be doubly safe than sorry and we are happy to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BRADLEY].

The amendment was agreed to.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 6, line 20, strike out all after the word "assigned."

Mr. FULTON. Mr. Chairman, this amendment I am offering is really a compromise amendment. The amendment offered by the gentleman from Michigan [Mr. HOFFMAN], was to strike out the whole of section 303. I do not want our employees over there in foreign governments, who are given money by foreign governments, to disburse on behalf of foreign governments and be responsible to foreign governments and then have our taxpayers in this country take the final responsibility that these employees did the right job.

If you will notice, this particular section does not say how much these Americans can dispense for foreign governments. We could take their whole budget and dispense it under this section or we could take over all the import or export duties, the customs of a country, for example, and disburse the funds through our employees. The language is too general. Under one interpretation, it would be the start of imperialism to me. I do not want to handle the budget of any foreign government.

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

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

Mr. WADSWORTH. I ask this question not in hostility to the gentleman's amendment. As I read the amendment, the adoption of it would do away with the amendment which the Committee of the Whole just agreed to.

Mr. FULTON. I have discussed that with the gentleman from California [Mr. BRADLEY] and I believe that the two amendments can be made to conform.

Mr. WADSWORTH. His has already been adopted.

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

Mr. FULTON. I yield to the gentleman from California.

Mr. BRADLEY. Will not the gentleman modify his amendment to strike out the part between the word "assigned" in line 17 down to and including the word "Act" in line 25, which would leave the amendment just adopted effective in case the gentleman's amendment should be adopted?

Mr. FULTON. I will do that because that will make the gentleman's amendment complementary to mine. First, our employees cannot take an oath of allegiance to a foreign government; and second, our employees are not going to run the government of the country, which may happen if they run the money power of that country. You cannot set up people in foreign governments without limit and have them run the disbursements of a foreign government. This section has no limit in it.

Mr. Chairman, I am for this information bill and will vote for its passage, because I think it is necessary, but there are several places that the provisions need revision. I am a member of the Foreign Affairs Committee and have had amendments that I have not put in that would tighten this bill, because I felt that at times certain people speaking were merely trying to delay and cut out the main purpose of the bill.

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

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

Mr. JAVITS. I am sure the gentleman is not aware of the facts I am about to give him, but will the gentleman take my word for it that in the agreements consummated through the inter-American Coordinator, the Latin-American countries have contributed their own funds in a very substantial measure, and if a provision like this had not been available and not written in this bill, exchange restrictions, in other words, the money could not be sent up here and sent back, which would result in our not getting that protection at all.

Mr. FULTON. Let me say this: If that is all you intend, why is it not written in this bill that there is a limit on it, because the provisions of this bill are so broad you could go in and run the customs of the country and nobody could stop you. I have confidence in the State Department, but unless you put a specific limitation in here saying that is the purpose, you do not have adequate legislation.

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

Mr. FULTON. I yield to the gentleman from Ohio.

Mr. BREHM. Was the gentleman's amendment and the other amendments to which he refers brought up and discussed in the committee and if so, why were they not adopted there?

Mr. FULTON. They were not discussed at the time of the committee hearing as I have been working hard on the Philippine rehabilitation bill.

Mr. BREHM. My question is not meant as a reflection on the gentleman's integrity. He is a hard-working and sincere Member of Congress.

Mr. FULTON. Thank you for your comment as I value your judgment as another hard-working Member of Congress. I discussed them personally with certain committee members, but I do not want in any way to endanger by amendment the purposes of the information bill that I am for, but I want it tightened.

Mr. BREHM. So do I, and I dislike to be accused of not being for a bill because I take exception to certain parts of it.

Mr. FULTON. The Committee on Foreign Affairs is 100 percent for this bill. I am for it, but that does not mean that 100 percent of the time I am for every provision in the bill. I am not and I have not been. I am one of the moderate, practical members of the Foreign Affairs.

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

Mr. FULTON. I yield to the gentleman from California.

Mr. McDONOUGH. The gentleman just stated that the bill is broader than he expected it to be.

Mr. FULTON. Broader than I first expected it to be.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. Does the gentleman wish to modify his amendment? If so, in what respect?

Mr. FULTON. I agree to modify my amendment as suggested by the gentleman from California.

Mr. HOFFMAN. I object to the modification of the amendment, Mr. Chairman.

Mr. FULTON. I ask unanimous consent, Mr. Chairman, to modify my amendment, and I ask the gentleman to withhold his objection, because it is doing what he wants.

I modify my amendment by striking out on page 6, line 17, all after the word "assigned" down to and including the word "act" in line 25, for which I ask unanimous consent.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. VORYS. I object.

Mr. JUDD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as has just been said by the chairman of the subcommittee the gentleman from South Dakota [Mr. MUNDT], this is not a life or death matter. It is certainly not the most important part of the bill. On the other hand it does not authorize anything new. We have been doing it effectively in the Latin-American program for a long time. Americans did it in Poland and Iran after the First War. This section merely makes this available to other parts of the world, including Europe, Asia, and Africa, the sort of assistance from American experts which we have been extending to South America.

Therefore it seems wholly unnecessary and too bad, when we are trying to develop a program where members of our Government and members of other governments can work in closest cooperation for the benefit of both, for us to hog-tie and handcuff them.

Before this world has pulled out of the mess it is in, it is going to be necessary for financial experts and medical experts and technical experts from America to help right down at the grass roots in many of these countries; yes, right in their governments. Some of them are already appealing for such American assistance as they did after World War I. This section merely permits the American expert or technician or professional man to do the job that they want him to come and do right in their government, and which we in our own interest want him to be able to do.

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

Mr. JUDD. I yield to the gentleman from Ohio.

Mr. VORYS. Is it not true that years and years ago Morgan Shuster, an American, went to Persia and, by going into their government and being their finance officer, put their finances in order, and that the greatest contribution that Americans could make in many of these countries is in their fiscal policies and helping them in their disbursement of funds?

Mr. JUDD. The gentleman is wholly correct.

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

Mr. JUDD. I yield to the gentleman from Georgia.

Mr. COX. I think the gentleman is correct in the observation he has made, but I asked the gentleman to yield in order to propound an inquiry. If the committee does not complete consideration of the bill during the afternoon, is it contemplated that the House will sit tomorrow?

Mr. JUDD. I must refer that question to the chairman of the committee. But it is my hope that we will stay here and finish it tonight. I believe we are through the worst of the difficulties, and I think that we can bring these sections up one by one, offer amendments, and vote them up or vote them down, and proceed with the disposition of the bill.

Mr. Chairman, I hope the Committee will reject the amendment offered by the gentleman from Pennsylvania.

Mr. FULTON. Mr. Chairman, I offer a substitute amendment.

The CHAIRMAN. The gentleman cannot do that at this time.

Mr. FULTON. Then I stand on my original amendment, to strike out the part after the word "assigned."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: Strike out section 303 as now amended.

Mr. HOFFMAN. Mr. Chairman, let us see where we are. Turn to page 5, title III, down on line 14:

Nothing in this act, however, shall authorize the assignment of officers or enlisted men of the United States Army, Navy, Marine Corps, or Coast Guard for service relating to the organization, training operation, development, or combat equipment of the armed forces of a foreign government.

That is the exception. Otherwise men in the Army, Navy, Marine Corps, and Coast Guard could be assigned by the Department of State for military service in other countries under section 302, and remain American officers under that section. Yes; and under subsequent sections become an officer of another country—to me an impossible situation.

Then turn over the next section and you learn that it provides that when so assigned he shall become an officer of the foreign government. The Committee just sought to cure that by adopting the amendment offered by the gentleman from California [Mr. BRADLEY], but the Committee did not cure it. If he is assigned as an officer of another government, how can this Government tell the other government what qualifications or requirements it shall make? We lose all control of him if he is assigned over there, or his assignment is null and void until he accepts the qualifications put on by the other government.

I am asking you this now: Under our Constitution and our form of government, how can any officer or private in the Army or an enlisted man in the Navy become an officer of another government? You see where we are getting? I go back to the original argument, how can an officer so assigned serve two masters? There are men here sitting before me who served in this war as officers of our Government.

They are still on the reserve list if they are not on the active list. Yet, the Secretary of State can assign those officers to other governments, and there they may become officers of that government. The only way you can cure this situation is to strike out this section. We came within six votes of doing it before. It should be stricken now, and then the committee, if the bill goes back to the committee, can rewrite the bill, or if it goes to a conference they can fix it in conference. I hope when they are considering this bill in conference they will have better luck than the House conferees on the labor legislation had when they came back with a report.

Mr. BLOOM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was sitting over here a few moments ago listening to the gentleman from Ohio make his statement. I was wondering how I was going to answer it. Mr. Chairman, I have been a member of the Committee on Foreign Affairs for a great number of years. The other day there was a rule which was brought before the House and which was adopted, providing that the chairman of the Committee on Foreign Affairs and the ranking minority member should have control of the time. If the Chair remembers, I was sitting in my seat and the Chair recognized me to have control of the time. The gentleman from South Dakota made the statement that the time was to be controlled by the chairman of the subcommittee and the ranking member of the minority of the subcommittee.

Mr. Chairman, I did not want to at that time say anything or do anything that would give the impression to the House or to the committee that there was any dissension in the Committee on Foreign Affairs with reference to this legislation. So I politely acquiesced and left the table.

I do not know by what authority or by what right any Member can change a rule adopted by this House at a moment's notice and say who is to be in control of the bill on the floor or what the purpose was, but naturally I was out. The chairman of the Committee on Foreign Affairs automatically was out also.

You have been debating this bill not under the authority of the rule as adopted by the House, but under some legerdemain that I cannot quite understand.

My principal object in arising at this time, Mr. Chairman, after listening to this debate is to say this. I am 100 percent in favor of this legislation. I think we here, 435 Members of the House, are considering a piece of legislation that will determine the whole future and success of this country.

I have been a member of the Committee on Foreign Affairs for a number of years. I have traveled all over and I know what is going on or at least I think I do.

Never mind all these trivial amendments or suggestions being made, but let us pass this bill. Let us put it into action because if we do not, and if you think you are trying to amend this bill so as to make it more perfect you will destroy it. If you should lose after the 1st of July all that the Government of the United States has within its hands and within its breast you will have lost it forever and will not get it back.

Now, that is all there is to it. Now, please pass this legislation, and pass it now. Let us leave it to the State Department or leave it to somebody to make a perfect bill, and not write this bill the way you are doing on the floor. Let us put this bill into action and let the Secretary of State, or whoever has charge of it, make it perfect in operation. I have objected to a great many things that they have been doing under the legislation heretofore, but please, gentlemen, do something that the United States will not lose control to do the things we want to do. If you want to make this country of ours successful in the future, this is the only way to do it, and do it now.

The CHAIRMAN. The time of the gentleman from New York [Mr. BLOOM] has expired.

Mr. MUNDT. Mr. Chairman, I ask unanimous consent that all debate on this section, and all amendments thereto, do now close.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan to strike section 303 as amended.

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—ayes 70, noes 81.

Mr. COLE of Missouri. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. MUNDT and Mr. HOFFMAN to act as tellers.

The Committee again divided; and the tellers reported that there were—ayes 87, noes 105.

So the amendment was rejected.

The Clerk read as follows:

TITLE IV—PARTICIPATION BY GOVERNMENT AGENCIES

GENERAL AUTHORITY

SEC. 401. The Secretary is authorized, in carrying on any activity under the authority of this act, to utilize, with their approval, the services, facilities, and personnel of the other Government agencies. Whenever the Secretary shall use the services, facilities, or personnel of any Government agency for activities under authority of this act, the Secretary shall pay for such performance out of funds available to the Secretary under this act, either in advance, by reimbursement, or direct transfer. In utilizing the Government agencies, it is the sense of the Congress (1) that the best available and qualified Government services, facilities, and personnel shall be sought, in order to ensure professional competence and avoid duplication; and (2) that the Secretary shall consult the appropriate technical agencies of the Government concerning any activity authorized by titles II, III, and IV of this act which comes within the competence of such agencies.

TECHNICAL AND OTHER SERVICES

SEC. 402. A Government agency, at the request of the Secretary, may perform such

technical or other services as such agency may be competent to render for the government of another country desirous of obtaining such services, upon terms and conditions which are satisfactory to the Secretary and to the head of the Government agency, when it is determined by the Secretary that such services will contribute to the purposes of this act. However, nothing in this act shall authorize the performance of services relating to the organization, training, operation, development, or combat equipment of the armed forces of a foreign government.

POLICY GOVERNING SERVICES

SEC. 403. In authorizing the performance of technical and other services under section 402 above, it is the sense of the Congress (1) that the Secretary shall encourage through the Government agency with appropriate legislative authority the performance of such services to foreign governments by qualified private American individuals and agencies; (2) that if such services are rendered by a Government agency, they shall demonstrate the technical accomplishments of the United States, such services being of an advisory, investigative, or instructional nature, or a demonstration of a technical process; (3) that such services shall not include the construction of public works or the supervision of the construction of public works, except as may be accessory to such investigation, instruction, or demonstration, and that, under authority of this act, a Government agency shall render engineering services related to public works only when the Secretary shall determine that the national interest demands the rendering of such services by a Government agency, but this policy shall not be interpreted to preclude the assignment of individual specialists as advisers to other governments as provided under title III of this act, together with such incidental assistance as may be necessary for the accomplishment of their individual assignments; (4) that such services shall not be undertaken for a foreign government if, in the opinion of the head of the Government agency, such services will impair the fulfillment of domestic responsibilities of that agency; and (5) that the Department shall invite outstanding leaders, both within and outside the Federal Government, in the various fields of engineering in the United States, to review and extend advice on the Secretary's policies in rendering engineering services to another government pursuant to section 402 of this act.

Mr. MILLER of Nebraska (interrupting the reading). Mr. Chairman, I am unable to follow the Clerk. He seems to be missing very important sections of the bill. I ask unanimous consent that the Clerk may return to section 403 and read as printed in the bill.

The CHAIRMAN. Without objection, the Clerk will again read the section.

(The Clerk again read the section.)

With the following committee amendments:

Page 8, line 11, strike out "section 402 above" and insert "this title."

Page 9, line 13, after the word "leaders", insert "in the United States."

Page 9, line 14, strike out "various fields of engineering in the United States" and insert "various fields of activity covered by this title."

Page 9, line 17, strike out "engineering" and insert "technical and other."

Page 9, line 18, strike out "section 402 of this Act" and insert "this title."

The committee amendments were agreed to.

Mr. FELLOWS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FELLOWS: Page 8, lines 22 and 24, after the words "public works", line 22, strike out the words "except as may be accessory to such investigation, instruction, or demonstration."

Mr. FELLOWS. Mr. Chairman, this is a very simple amendment. On page 8, section 403, line 22, after the words "public works" it strikes out the words "except as may be accessory to such investigation, instruction, or demonstration."

My objection to this is it would permit the State Department to construct public works in a foreign land if it sees fit to do so and I do not think that that power should be in this bill.

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

Mr. FELLOWS. I yield to the gentleman from South Dakota.

Mr. MUNDT. The gentleman has discussed this amendment with the subcommittee and we accept it as an additional worth-while safeguard to the bill.

Mr. FELLOWS. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. FELLOWS].

The amendment was agreed to.

The Clerk read as follows:

TRAINING

SEC. 404. Any Government agency, at the request of the Secretary, is authorized to provide to citizens of other countries.

With the following committee amendment:

Page 9, line 23, after the word "countries", insert "and to citizens of the United States going to other countries in connection with the carrying out of this act."

The committee amendment was agreed to.

The Clerk read as follows:

INTERCHANGE OF SPECIALIZED KNOWLEDGE AND SKILLS

SEC. 405. A Government agency, at the request of the Secretary, is authorized to promote the interchange with other countries of scientific and specialized knowledge and skills, within the fields in which such agency has competence, through publications and other scientific and educational materials.

INTERDEPARTMENTAL COORDINATION

SEC. 406. In order that the activities of Government agencies authorized by titles II, III, and IV of this act may be effectively coordinated and interdepartmental relationships as authorized by this act may be clearly defined, the Secretary may establish upon direction of the President an interdepartmental committee to advise the Secretary on the development and administration of these activities.

TITLE V.—DISSEMINATING INFORMATION ABOUT THE UNITED STATES ABROAD

GENERAL AUTHORIZATION

SEC. 501. The Secretary is authorized, when he finds it appropriate, to provide for the preparation, and dissemination abroad, of information about the United States, its people, and its policies, through press, publications, radio, motion pictures, and other information media, and through information centers abroad.

With the following committee amendment:

Page 11, line 3, after the word "centers", insert "and instructors."

The committee amendment was agreed to.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMPSON of Pennsylvania: Add the following to section 501:

"All such press releases and radio scripts shall, in the English language, be made available to press associations, newspapermen, radio systems and stations in the United States within 15 days after release as information abroad."

Mr. SIMPSON of Pennsylvania. Mr. Chairman, one of the mysteries that must concern anyone listening to the debate here is just what is this Voice of America? From early youth each of us has in song and story heard of the Voice of America as being the voice of the worker, the hum in the factory, the happy home life, private enterprise, individual effort, and the reward for the best a man can do here. Those of us who have had the privilege of seeing some of the samples of the so-called art of America which have been sent abroad; those of us who have had occasion to look over some of the broadcasts which have been made purporting to be the Voice of America, have properly wondered just what phase of American life is portrayed by the State Department as the Voice of America. Is it the voice of the real America, or the voice of the minority?

I respectfully suggest, Mr. Chairman, that after these Voice of America broadcasts have been made available overseas, that the information be made available to our various means for dissemination of knowledge here in the United States.

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

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from South Dakota.

Mr. MUNDT. May I say what the gentleman proposes is completely consistent with what the committee has in mind in making the reports available to Congress. The gentleman's amendment makes them available to other public-service groups as well, and the committee will be happy to accept the amendment.

Mr. SIMPSON of Pennsylvania. Thank you.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SIMPSON].

The amendment was agreed to.

The Clerk read as follows:

POLICIES GOVERNING INFORMATION ACTIVITIES

SEC. 502. In authorizing international information activities under this act, it is the sense of the Congress (1) that the Secretary shall encourage and facilitate by appropriate means the dissemination abroad of information about the United States by private American individuals and agencies, shall supplement such private information dissemination where necessary, and shall reduce such Government information activities whenever corresponding private information dissemination is found to be adequate; (2) that nothing in this act shall be construed to give the Department a monopoly in the production or sponsorship on the air of short-wave broadcasting programs, or a monopoly in any other medium of information; (3) that the Department

shall invite outstanding private leaders of the United States in cultural and informational fields to review and extend advice on the Government's international information activities; and (4) that all printed matter, films, broadcasts, and other materials in the fields of mass media shall, when disseminated by the Government, be identified as to Government or private source.

Mr. VORYS. Mr. Chairman, I move to strike out the period at the end of the section. I do not want to strike out even one word of this section because, in my judgment, it is an important section of the bill, possibly because I wrote it.

The CHAIRMAN. The gentleman from Ohio [Mr. VORYS] is recognized for 5 minutes.

Mr. VORYS. Mr. Chairman, last year when a similar bill was pending for 7 months it did not get to the floor of the Congress until the State Department agreed to take the amendment which I offered. When that amendment was accepted the bill was brought up and passed, under suspension of the rules, receiving a two-thirds vote of the House. The exact text of that amendment is contained in section 502 of the present bill.

I do not wish to reread section 502, which has just been read. The gist of it is that this whole information program is to encourage and facilitate the dissemination abroad of information by private sources, to supplement such sources when necessary, and the State Department is to reduce the Government program whenever it is possible; that there shall be no Government monopoly in any medium of information; that outstanding leaders in private life shall be called in to review and monitor the programs, and that in all such Government propaganda all information shall be identified as to Government or private source.

I feel, as the rest of you do, that nothing is more abhorrent to us in America than a Government propaganda machine. On the other hand, after intensive study of this for nearly 2 years, I am convinced that we need such a propaganda machine in a world where a battle of ideas is now going on, and totalitarian states have the powerful weapon of government propaganda in their arsenals. I personally abhor the use of atomic bombs, of poison gas, of bacteriological warfare, but I have voted for funds to have them ready, if our national security requires their use. Our enemies sometimes force on us the choice of weapons. We need whatever weapons others may use against us, in order to survive. We need not in the future, but right now, an efficient propaganda machine in order to survive in a warfare of ideas that is going on, not in the future, but now.

I read the current Saturday Evening Post last night. There is an article in there, "The True Meaning of the Iron Curtain," by Ernest O. Hauser, who spent 3 years in Europe. He is one of the Post editors. I do not have time to read you all of it, although I commend it all to your attention, but let me read these sentences to you. Hauser says:

> Ideas will have to be fought with ideas. It is hard to convey to Americans that the people of Europe are more starved for ideas than for bread, but it is nevertheless true. In our attempt to hold the line against Russia in Europe, we have not even begun to use ideological weapons.

Then he goes on:

> While most of our ideological outposts in Europe, thus far, consist of tucked-away, inadequately staffed and supplied information centers and reading rooms, struggling along on puny budgets, the sledge-hammer blows of Soviet propaganda fall everwhere.

I visited our reading room in Istanbul this spring. They have 1,200 reference books. Four hundred of them are taken out every month—a record for any library. They have 50 library visitors a day, 80 percent students, 10 percent press, and 10 percent government officials. This little whisper of the Voice of America is very effective, but the sledge hammer of Soviet radio across the Turkish border was also potent.

Mr. Hauser goes on to say in his article:

> Moscow is currently reported as spending as much on political advertising—mostly in Europe—as the rest of the world combined, and every ruble pays dividends.

Going on further to discuss ideological warfare he concludes his article with these words:

> Barring another war, this is the only manner in which the West can hope to push the Iron Curtain back to where it belongs—the Russian border.

This present bill, the Mundt bill, would authorize the continuation of the American information program, which is our only Government propaganda machine in this psychological warfare.

Bill Benton, who made a great fortune as an advertising genius, and who is heading up this program, has oversold it in one respect. This program is not the Voice of America, as it has been advertised. The Voice of America wells from 140,000,000 American minds and hearts and throats. Bill Benton believes that, too. As provided in section 502 that has just been read, and Bill Benton approves of that section, this program is only a very small adjunct to the real Voice of America. This program is only for the purpose of supplementing the Voice of America where the Voice of America does not reach. It is only for the purpose of piercing the iron curtain where the Voice of America cannot be heard. It is only a small program supplemental to the great Voice of America that is welling over the world, but a very necessary program, a propaganda machine, if you please, in an age when propaganda is so important, when, as Hauser says in the article I mentioned:

> Barring another war, this is the only manner in which the West can hope to push the iron curtain back to where it belongs.

I now withdraw my pro forma amendment. I am in favor of this section, unamended. I am for this bill.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was very much interested in the amendment to this title in section 501 which was offered by the gentleman from Pennsylvania [Mr. SIMPSON] in which it was required that copies of broadcasts and other information sent abroad should be made available to the press and radio of this country.

I wanted to submit an amendment to his amendment, but when the committee quickly accepted the Simpson amendment I did not have that opportunity. My amendment to the amendment would have provided that the Members of the Congress of the United States, upon request, should also be furnished with this information.

I am now serving notice that while I understand an amendment of that nature will be offered; that, if not, I expect to offer an amendment to section 209 which will provide that the Members of the Congress of the United States, who represent the people, shall upon request be furnished with a copy of any broadcast, publication or statement put out under the provisions of this act, if it should become law.

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

Mr. BROWN of Ohio. I yield.

Mr. MUNDT. Mr. Chairman, I regret that our acceptance of the amendment offered by the gentleman from Pennsylvania [Mr. SIMPSON] cut the gentleman from Ohio off. His amendment is eminently a fitting part of this program, and if he will ask unanimous consent that his amendment be considered at this time, if there is no objection, it can then be passed.

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

Mr. BROWN of Ohio. I yield.

Mr. RICHARDS. As a matter of fact, I agree with the gentleman from South Dakota about the fairness of this proposition, but the State Department, it should be recorded here, has never refused to give information to Members of Congress.

Mr. BROWN of Ohio. I am glad to have that information, but I think it should be a part of the law of the land that the Congress of the United States be entitled to receive this material upon request.

Therefore, Mr. Chairman, I ask unanimous consent that we return to section 501 so that I may offer an amendment to the amendment of the gentleman from Pennsylvania [Mr. SIMPSON].

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. FULTON. Mr. Chairman, reserving the right to object, I had had an amendment prepared for page 11, line 24, covering almost the same thing. I am a member of the committee, and I was going to submit it here for the committee to see. It would provide proper channels for giving to the Congress, that is, the House of Representatives and the Senate, this information. I will give the amendment to the gentleman if he wants to look at it. It would provide that the material disseminated shall be made available by the Secretary of State to the Foreign Relations Committee and the Foreign Affairs Committee and their duly authorized designees at least 24 hours prior to the issuance thereof, and so forth.

Mr. BROWN of Ohio. That does not take care of the average Member of the

House. I might possibly want to see some of these broadcasts myself.

Mr. FULTON. But they would be on record here and the State Department would not have to give so many out.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio [Mr. BROWN]?

There was no objection.

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Pennsylvania [Mr. SIMPSON].

The Clerk read as follows:

Amendment offered by Mr. BROWN of Ohio as an amendment to the amendment offered by Mr. SIMPSON of Pennsylvania: After the words "United States", add a comma and the following: "and to the Members of the Congress of the United States upon their request."

Mr. BROWN of Ohio. Mr. Chairman, I would just like to point out that this does not require the State Department to send every Member of Congress a bale of material, but they shall be, by law, required to furnish copy to any Member of Congress who requests it.

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

Mr. BROWN of Ohio. I yield.

Mr. OWENS. I am worried about this amendment. The State Department has never refused to give me any information, although the Army has.

Mr. BROWN of Ohio. Perhaps if there had been such a section of law which required the Army to furnish the information upon request the gentleman would have received that information. We may not always have the same officials in the State Department. So it is well to write this requirement into the law.

Mr. OWENS. If they put that into the bill at this point, in another instance they will say they do not have to give it to us because there is no law covering it.

Mr. BROWN of Ohio. I do not think so. They have already said that to you in the Army.

Mr. OWENS. I know. I am going to bring that up at a later time.

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

The question is on the amendment offered by the gentleman from Ohio [Mr. BROWN] to the amendment.

The amendment to the amendment was agreed to.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 11, after line 24, insert the following title, and change the title numbers, section numbers, and cross-references in other titles of the bill accordingly:

"TITLE IX—ADVISORY COMMISSION TO FORMULATE POLICIES

"FORMULATION OF POLICIES

"SEC. 601. There is hereby created a United States Information and Educational Exchange Advisory Commission (hereinafter in this title referred to as the Commission) to be constituted as provided in section 602. The Commission shall formulate and present to the Secretary of State the policies to be followed and adhered to in connection with the interchange of persons, knowledge, and skills, the assignment of specialists, the preparation and dissemination of information about the United States, its people, and its policies, and the carrying out of the other provisions of this act.

"MEMBERSHIP OF THE COMMISSION; GENERAL PROVISIONS

"SEC. 602. (a) The Commission shall consist of 10 members, not more than six of whom shall be from any one political party, as follows: (1) Nine members to be appointed by the President, by and with the advice and consent of the Senate, and (2) the Secretary of State or such officer in the State Department as may be designated by such Secretary.

"(b) The members of the Commission shall represent the public interest, but of the persons appointed under clause (1) of subsection (a) of this section, one shall be selected from among educators, one from among individuals formerly in active service in the armed forces of the United States, one from representatives of labor, one from the newspaper business, one from the motion-picture industry, one from the radio industry, and three from persons having general business experience. All persons so appointed shall be persons of national reputations in their respective fields. No person holding any compensated Federal or State office shall be eligible for appointment under clause (1) of subsection (a) of this section.

"(c) The term of each member appointed under clause (1) of subsection (a) of this section shall be 3 years except that the terms of office of such members first taking office on the Commission shall expire, as designated by the President at the time of appointment, three at the end of 1 year, three at the end of 2 years, and three at the end of 3 years from the date of the enactment of this act. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor is appointed shall be appointed for the remainder of such term. Upon the expiration of his term of office any member may continue to serve until his successor is appointed and has qualified.

"(d) The President shall designate a chairman and a vice chairman from among members of the Commission.

"(e) The members of the Commission shall receive no compensation for their services as such members but shall be entitled to reimbursement for travel and subsistence in connection with attendance of meetings of the Commission away from their places of residences.

"(f) The Commission is authorized to adopt such rules and regulations as it may deem necessary to carry out the authority conferred upon it by this title.

"(g) The Commission is authorized, without regard to the civil service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such clerical assistants as may be necessary in carrying out the provisions of this title.

"RECOMMENDATIONS AND REPORTS

"SEC. 603. The Commission shall meet not less frequently than once each month and shall from time to time prepare and transmit to the Secretary and to the Congress its recommendations for carrying out the various activities authorized by this act, and shall submit to the Congress a quarterly report of all programs and activities recommended by it under this act and the action taken to carry out such recommendations."

Mr. DIRKSEN. Mr. Chairman——

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

Mr. DIRKSEN. I yield.

Mr. MUNDT. I asked the gentleman to yield in the interest of saving time.

I might advise the House that the gentleman from Illinois with a great deal of forethought brought this matter before our committee. We held at least two sessions on it. We worked with him on every section of it, on every aspect of it, and the language was finally evolved in such form that it is now mutually acceptable both to Mr. DIRKSEN and our committee.

The committee is in complete agreement with the amendment he has offered. If, therefore, the gentleman so desired, he might extend his remarks in the RECORD at this point and we could adopt the amendment unanimously.

Mr. DIRKSEN. To that I have no objection.

Mr. Chairman, I belabored this matter earlier this afternoon endeavoring to set it up clearly in the hope that the apprehensions of the Members on this question might be mollified and there might be a semblance of control reposed in the Congress. That is so manifestly because this Commission is bipartisan in character and must be confirmed by the Senate. If it gets out of hand it is only because we fail to exercise our own responsibility in passing upon those who are members of the Commission.

I am grateful to the chairman of the committee for his indulgence in the matter and for his acceptance in the name of the committee of this amendment.

Mr. MURRAY of Wisconsin. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY of Wisconsin to the amendment offered by Mr. DIRKSEN: Strike out "10" and insert "11"; and after the word "labor" insert the words "one farmer."

Mr. MURRAY of Wisconsin. Mr. Chairman, the reasons that I offer this amendment are as follows:

First. In the first place the farmer and the rural people of America and in fact in the world are the most peace-loving people to be found anywhere on the face of the earth.

Second. The rural people of America, though less than 25 percent of the people of our country, raise nearly 50 percent of the children of our country. The bill is offered as a peace-promoting agency of Government. Should not the rural people be represented on this board? I say yes, a thousand times yes.

Third. Rural America is called upon to produce the food and fiber in time of war. They are deserving of a place at the table of the group whose objective is to maintain peace.

Fourth. We already have the world Food and Agricultural Organization, known as FAO. Rural America is most assuredly entitled to a place on this board to be in contact with FAO and its activities. We have at this hour our own farm organizations, the Farm Bureau, the Grange, the Farmers Union and the national cooperatives meeting with the world farm organizations.

Fifth. Many students from other lands have and no doubt will continue to attend agricultural colleges of our land in great numbers. The development of agriculture in many countries is going to be all-important, if certain sections of

the world are to feed themselves. Surely American farmers are entitled to this representation.

Sixth. I have been conservative in asking for only one farmer to be included. The history of the peaceful position of the farmers of the world would justify a greater representation. The farmer is close to nature and close to his Maker. If all the members of all of the boards of all the countries were farmers, a great step would be taken to prevent any future wars.

Mr. Chairman, I trust this amendment will be adopted unanimously.

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

Mr. MURRAY of Wisconsin. I yield.

Mr. DIRKSEN. Indeed, I would have no objection to the amendment and I am reasonably confident the committee would not.

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

Mr. MURRAY of Wisconsin. I yield.

Mr. MUNDT. Certainly the committee would have no objection. We are for the farmers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin to the amendment offered by the gentleman from Illinois.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am extremely glad that this Commission is provided for and that there is to be a screening of the personnel. I remember that I started in the last session of Congress a rather bitter fight in the Foreign Affairs Committee in urging the adoption of provision for a Commission to screen the personnel to be employed by UNESCO. I remember at that time many considered it very important that voluntary organizations be given a chance to express their opinion on the personnel to be taken, such as recommendation for personnel from the Federation of Labor and under the amendment by the gentleman from Wisconsin [Mr. MURRAY] one from Agriculture. While the Department fought that provision very bitterly at the time it is one of the things that the Secretary of State now boasts about. He boasts that the United States is the only country that has a screening commission on personnel. The American public wants to be informed on what is being done in appointments. They feel this screening does it. I rejoice that this committee has accepted this amendment offered by the gentleman from Illinois.

Section 3 of Public Law 565, Seventy-ninth Congress, which shows the observation of UNESCO screening of personnel:

SEC. 3. In fulfillment of article VII of the constitution of the Organization, the Secretary of State shall cause to be organized a National Commission on Educational, Scientific, and Cultural Corporation of not to exceed 100 members. Such Commission shall be appointed by the Secretary of State and shall consist of (a) not more than 60 representatives of principal national, voluntary organizations interested in educational, scientific, and cultural matters; and (b) not more than 40 outstanding persons selected by the Secretary of State, including not more than 10 persons holding office under or employed by the Government of the United States, not more than 15 representatives of the educational, scientific, and cultural interests of State and local governments, and not more than 15 persons chosen at large. The Secretary of State is authorized to name in the first instance 50 of the principal national voluntary organizations, each of which shall be invited to designate one representative for appointment to the National Commission. Thereafter, the National Commission shall periodically review and, if deemed advisable, revise the list of such organizations designating representatives in order to achieve a desirable rotation among organizations represented. To constitute the initial Commission, one-third of the members shall be appointed to serve for a term of 1 year, one-third for a term of 2 years, and one-third or the remainder thereof for a term of 3 years; from thence on following, all members shall be appointed for a term of 3 years each, but no member shall serve more than 2 consecutive terms. The National Commission shall meet at least once annually. The National Commission shall designate from among its members an executive committee, and may designate such other committees as may prove necessary, to consult with the Department of State and to perform such other functions as the National Commission shall delegate to them. No member of the National Commission shall be allowed any salary or other compensation for services: *Provided, however,* That he may be paid his actual transportation expenses, and not to exceed $10 per diem in lieu of subsistence and other expenses, while away from his home in attendance upon authorized meetings or in consultation on request with the Department of State. The Department of State is authorized to provide the necessary secretariat for the Commission.

Mr. MARCANTONIO. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed out of order.

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

There was no objection.

Mr. MARCANTONIO. Mr. Chairman, I rise at this time to call the attention of Congress to what will be virtually a lock-out in the shipping industry. It will take place at midnight tomorrow.

I wish to give the Congress the facts. These facts are very revealing as a preview of the effect of the Hartley-Taft bill on industrial relations in the United States. Labor organizations have been meeting with representatives of the shipowners. The representatives of the shipowners have throughout these meetings taken an intransigent position. The labor organizations on the west coast have made a very simple and what must be considered by everyone as a very fair proposal. They have asked that the existing contracts be continued. Representatives of labor on the east coast have asked for a discussion of wage rates. The shipowners have refused to accept the proposal to continue existing contracts on the west coast and, as far as the east-coast shipowners are concerned, this afternoon they notified the representatives of labor that the only proposals they will consider are wage cuts.

It is significant that Mr. Frank J. Taylor, chairman of the Merchant Marine Institute, throughout the discussions informed representatives of organized labor that he and his associates were depending on the inevitable operations of the Taft-Hartley bill. They have broken off the meetings, they have left the conference. Labor organizations have sent a telegram to Secretary Schwellenbach asking him to intercede so as to prevent this lockout in the shipping industry of the United States.

The question that may be raised in your mind is: Well, perhaps these shipping companies cannot afford to continue existing contracts; perhaps they are justified in demanding wage cuts.

Mr. Chairman, I have before me excerpts from the testimony of Under Secretary Will Clayton before the House Merchant Marine and Fisheries Committee of February 7, 1947. In discussing the profits of the shipping companies, I read the following excerpts.

Page 200:

Mr. CLAYTON. Mr. Chairman, I don't know what the profits are in the shipping business. I think they are much too large. I would like to say that I think they act as a restraint and a limitation, a limiting factor on world trade. I think if we had more of these ships out of the rivers and harbors where they have been laid up we would have a little more competition, perhaps, in the shipping business and we would get these rates down somewhat to the advantage of this country and every other country, particularly the countries of Europe that are struggling to reconstruct and get back on their feet again. I think shipping rates are much too high.

Mr. WEICHEL. Do you think the American merchant marine should have more competition?

Mr. CLAYTON. I think we should have, if we have rates too high, and I state it as my considered opinion, and I have been in this game for 40 years, I state it as my considered opinion that rates are much too high now.

Mr. WEICHEL. You mean world rates or American rates?

Mr. CLAYTON. World rates, and American rates are part of world rates. If we had more of these ships broken out of the rivers and harbors where they have been laid up and put into service, I think we would get rates down to where they would be reasonable.

Page 241:

Mr. CLAYTON. I am speaking, Mr. Bradley, as to the competitive aspects of this matter and the influence it may have on the profits of the shipping companies. I tell you they are making plenty of money and they are not complaining on that score. They would be laughed out of court if they should. If they brought in their balance sheets along with their complaint they would be laughed right out of court.

* * * * *

Mr. CLAYTON. No, sir. But I do think companies making enormous profits, unheard of profits in peacetime, absolutely unheard of, that anybody making profits on that scale should have a right to come in and complain about competition.

Mr. Chairman, when we charged that this legislation was going to bring about intransigeance on the part of industry, wage cuts, complete disruption of peaceful industrial relations and negation of collective bargaining, we were correct. The events of today and tomorrow are supporting that contention.

This lock-out in our merchant marine, the operation of which is so essential in the program of world reconstruction, is being brought about by the shipowners

who have placed their feet on the table and who are relying on the Taft-Hartley bill not only to destroy organizations of labor but to destroy the wage standards that labor has acquired. Not only do they refuse to negotiate, mediate, or arbitrate revision of wage standards upward, but they refuse and continue present wages and demand that wages be cut. They refuse to continue existing contracts, they demand that wages be cut, they walk out of negotiations, walk out of conferences, and rely on the Taft-Hartley bill.

What is happening in this industry will happen in the next few weeks in many other industries in these United States. This lock-out in the shipping industry is a preview of labor relations under the Taft-Hartley law. It is the pattern that the monopolies will follow.

Mr. MURRAY of Wisconsin. Mr. Chairman, I ask unanimous consent that the word "farmer" in my amendment be changed to read "one farmer."

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

There was no objection.

The Clerk read as follows:

TITLE VI—APPROPRIATIONS

GENERAL AUTHORIZATION

SEC. 601. Appropriations to carry out the purposes of this act are hereby authorized.

TRANSFERS OF FUNDS

SEC. 602. The Secretary may authorize the transfer to other Government agencies for expenditure in the United States and in other countries, in order to carry out the purposes of this act, any part of any appropriations available to the Department for carrying out the purposes of this act, for direct expenditure or as a working fund, and any such expenditures may be made under the specific authority contained in this act or under the authority governing the activities of the Government agency to which a part of any such appropriation is transferred, provided the activities come within the scope of this act.

TITLE VII—ADMINISTRATIVE PROCEDURES

THE SECRETARY

SEC. 701. In carrying out the purposes of this act, the Secretary is authorized, in addition to and not in limitation of the authority otherwise vested in him—

(1) In carrying out title II of this act, within the limitation of such appropriations as the Congress may provide, to make grants of money, services, or materials to State and local governmental institutions in the United States, to governmental institutions in other countries, and to individuals and public or private nonprofit organizations both in the United States and in other countries;

(2) to furnish, sell, or rent, by contract or otherwise, educational and information materials and equipment for dissemination to, or use by, peoples of foreign countries;

(3) in carrying out title V of this act, to purchase, rent, construct, improve, maintain, and operate facilities for radio transmission and reception, including the leasing of real property both within and without the continental limits of the United States for periods not to exceed 10 years, or for longer periods if provided for by the appropriation act;

(4) to furnish official entertainment when provided for by the appropriation act;

(5) to establish and maintain in the United States reception centers for foreign students and for visitors representative of the fields listed in section 201 above;

(6) to provide for printing and binding outside the continental limits of the United States, without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111);

(7) to employ, without regard to the civil-service and classification laws, when such employment is provided for by the appropriation act, (i) persons on a temporary basis, and (ii) aliens within the United States, but such employment of aliens shall be limited to services related to the translation or narration of colloquial speech in foreign languages when suitably qualified United States citizens are not available; and

(8) to create such advisory committee as the Secretary may decide to be of assistance in formulating his policies for carrying out the purposes of this act. No committee member shall be allowed any salary or other compensation for services; but he may be paid his actual transportation expenses, and not to exceed $10 per diem in lieu of subsistence and other expenses, while away from his home in attendance upon meetings within the United States or in consultation with the Department under instructions.

With the following committee amendments:

Page 13, line 9, after "(3)", insert "whenever necessary."

Page 13, line 16, after the word "entertainment" strike out the balance of the line and all of line 17, and insert "necessary for the purposes of this act."

The committee amendments were agreed to.

Mr. MASON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MASON: Strike out all of title VII.

Mr. MASON. Mr. Chairman, a few days ago I offered a very drastic amendment to strike the enacting clause. I knew it was a drastic amendment. I did not offer it as dilatory tactics but I did offer it to test the sentiment of the committee, and I succeeded in doing it. I cited as a basis for offering that amendment some foolish provisions that I consider were in the bill, and I read them.

I am offering this amendment to strike title VII, and I want to read part of the bill as a basis for the reason for offering this amendment, and I want to perhaps carry on from where the gentleman from Iowa [Mr. GWYNNE] left off when he was discussing the educational provisions in this bill and when he stated definitely that they were contrary to the educational policies of this Nation as we have known them in the past. I also say they are absolutely in violation of the educational policies of the United States since we have known them, over 150 years. As a basis for my opinion, I read the exact wording in title VII, section 701:

In carrying out the purposes of this act, the Secretary is authorized, in addition to and not in limitation of the authority otherwise vested in him, to make grants of money, services, or materials to State and local governmental institutions in the United States, to governmental institutions in other countries, and to individuals and public or private nonprofit organizations both in the United States and in other countries.

In other words, this is a blanket authorization of funds in any amount, in the billions of dollars, that the Congress might appropriate, a blanket authorization to grant Federal aid to States, to local communities, and to individuals in the United States, and to States and private individuals in foreign countries.

During the past few days many of the provisions carried in this bill have been presented to us. If we do not know by this time that this bill should be recommitted, then I say we are impossible in our attitude toward it. I warn you now that no matter how much is accepted by this committee and how many amendments and changes are made in order to get the bill passed by the House, that does not mean those will be the final provisions of this bill and we all know it. It will give authority to another body to place back in the Appropriations Committee the amount that we struck out on a point of order.

Mr. WADSWORTH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as I understand, the gentleman from Illinois has moved to strike out all of title VII. He has placed special emphasis upon the language beginning at the bottom of page 12 and running over to line 4 on page 13, which is the first paragraph of section 701. Had his amendment been confined to that particular paragraph, I think it might well have been worthy of debate, but his amendment actually strikes out the entire title.

If that should prevail, it will mean the end of the broadcasting effort completely, for on page 13, commencing at line 9, we find language which authorizes the purchase, rental, construction, including maintenance and operation of facilities for radio transmission.

The gentleman from Illinois moves to strike that out completely and make our Government withdraw from that field altogether so as to make the American people say in effect, "We quit."

I am not sure that the gentleman intends to do that but that is the effect of his amendment. On many an occasion during this debate I have heard Members say that if this bill is confined more especially to the broadcasting feature they would be glad to give it more enthusiastic support. Here is their opportunity to decide whether or not they want to broadcast, because the gentleman from Illinois is offering an amendment to strike it out completely.

Moreover, under this paragraph on page 13, commencing at line 5, we find the language authorizing the furnishing, selling, or renting, by contract or otherwise, educational and informational materials and equipment for dissemination.

As I gather it, that would prevent the State Department from distributing the educational material in that paper, "America," in Moscow.

It would prevent the Department of State from maintaining the libraries, of which there are 170 now in existence. It may be stated that these libraries are managed, generally speaking, and are under the control of the American Ambassador or under the American consulate office in or near the cities in which the libraries are established and maintained.

In these libraries we find copies of American magazines and a number of American books largely of a technical or engineering character. All the evidence shows that foreigners flock into them to read not only the magazines, if they can read the English language, but to

get hold of the technical books and learn more about American progress in engineering and scientific achievement. Incidentally, that is good business for the United States because when knowledge of that kind is distributed to a foreign country it makes a market for our exports.

The gentleman from Illinois would strike all that out completely by his amendment to strike out all of title VII. In other words, his amendment means that there is nothing left to this bill worthy of the name.

It may not surprise members of this committee to know that I have been very heartily in favor of this kind of legislation for 2 years. I am in favor of it in view of what I see going on in the world today. I am in favor of it because I am convinced that it will help make America strong, and we need strength.

Mr. MILLER of Nebraska. Mr. Chairman, I ask unanimous consent that the amendment offered by the gentleman from Illinois [Mr. MASON] may be read again.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Clerk again read the amendment.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is perfectly obvious to me that the very thoughtful, sympathetic consideration of this legislation is going to reach a point after awhile, it now being 5 minutes to 5, when we are going to start rushing through the consideration of the balance of the bill. I hope you will not do that. There are some very important amendments that have been very well thought out and considered, which the committee will accept and which perhaps ought to be explained before we rush through this bill.

The distinguished gentleman from New York [Mr. WADSWORTH] just addressed the House with respect to the amendment offered by the gentleman from Illinois [Mr. MASON]. In connection with his remarks he properly took the position he did with respect to the particular section to which he referred, but I confess I am very much in the dark. I have an amendment before me that I propose to offer to strike out sections 1, 4, and 5 of title 7. I would like to find out, if I can, as a matter of information, just what it is contemplated to do under section 1 of title 7. If I read it correctly, it means that you are authorizing the Secretary of State, within the limits of any appropriation that may be granted, to inaugurate a system of grants-in-aid; grants of money, services, or material to local governmental institutions.

What do you mean by "a governmental institution"? What is a governmental institution within the meaning of this language? What is a governmental institution in a foreign country? Is a parochial school or a privately supported institution of learning a governmental institution? Is an institution to which you may send these students, under the exchange programs, for training a governmental institution? May I ask the chairman of the committee or some member of the committee just what you mean by that?

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

Mr. KEEFE. I yield. What are the governmental institutions that are expected to be aided under subparagraph 1?

Mr. MUNDT. Those which we have in mind and those which come under the program are such Government institutions as the Smithsonian Institution, such local governmental institutions as the University of Minnesota, perhaps, or the University of California, where, through contractual arrangements, they work out a program for the exchange of foreign students.

Mr. KEEFE. Then, do I understand the gentleman to say it means a college or school that is publicly supported? Is that a governmental institution?

Mr. MUNDT. That would be a local governmental institution.

Mr. KEEFE. Then you authorize them to make grants to individuals, public or private nonprofit organizations, both in the United States and in other countries. It seems to me clearly that is a very comprehensive and broad grant of power that has not been explained, and seems to open up the field to controversy and before you get through it seems to me you are going to get into uncharted seas.

Mr. MUNDT. With private institutions, you have the church school and the local private school in the same category as the State university. The whole thing is tied to title II.

Mr. KEEFE. I understand it refers to the student-exchange program. It would permit the endowment of a privately supported sectarian school, to which people would come from abroad. Is that true?

Mr. MUNDT. That is not correct, because it says "in connection with carrying out title II," which is another way of saying it covers the exchange of students.

Mr. KEEFE. But if you have a privately supported school, supported from private funds, it may be sectarian or nonsectarian in character, and you have an exchange of students for that school, that school would be entitled to receive aid under that section, would it not?

Mr. MUNDT. Not aid. It is a contractual arrangement with a scholarship which the State Department might extend to a South American student. He then selects his school. He might select Harvard University, for instance, which is a private school. We would not want to deny Harvard and Yale, for instance, participation in the program.

Mr. KEEFE. I do not want to interfere with this program. I want to be helpful if I can understand it, and to be sure that we have got a program that will work and one that will not rise up to haunt us and torment us later on.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has expired.

The question is on the amendment offered by the gentleman from Illinois [Mr. MASON].

The amendment was rejected.

Mr. KEEFE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEEFE: Page 12, line 22, strike out subparagraphs 1, 4, and 5.

Mr. KEEFE. Mr. Chairman, this amendment, may I say to my colleagues, does not in any sense curtail the activities that were suggested as necessary by the distinguished gentleman from New York [Mr. WADSWORTH]; in fact, in his remarks he referred to these specific paragraphs as being open to discussion and debate perhaps.

I think we are getting into very dangerous waters when we attempt to invest in the State Department the right to make grants-in-aid for education in America or in foreign countries, and that is the reason I am taking the floor now, in order that when the question comes up for interpretation as to what the Congress meant when it passed such legislation as this there will be something in the RECORD to indicate at least the idea that the Congress had in mind when it passed this kind of legislation.

I believe it is dangerous to say to the State Department: "You shall have the right within the limit of appropriations granted to you for the purpose of carrying out the provisions of title II"—which is the exchange of students provision of this bill—"to make grants of money to local institutions without regard and without investigation." I think you will be violating a constitutional provision and a policy of this Government that has been inherent in our Government since it was founded.

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

Mr. KEEFE. I yield.

Mr. MUNDT. I wonder if the gentleman would be kind enough to comply with a request to divide his amendment? It strikes at three different points, three different matters. We do not have the objections to two that we have to No. 1, section 701, for example. It is in a different category. As I explained to the gentleman No. 1 involves the tuition of students at schools such as Harvard, Yale, and so forth.

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

Mr. KEEFE. I yield.

Mr. COX. I wish to inquire if it is the purpose of the gentleman to try to defend that part of the gentleman's amendment which goes to sections 4 and 5?

Mr. MUNDT. No; I have no disposition to resist that if he will permit his amendment to be divided as to each of the three points involved.

Mr. KEEFE. I understand then, that the gentleman would have no objection if it were limited to sections 4 and 5? Is that right?

Mr. COX. That is correct.

Mr. KEEFE. I personally would have no serious objection to permitting language such as is contained in section 1 to remain in this bill with the thorough and distinct understanding that the Congress is not committing itself to any great big program of grants-in-aid, and that when the appropriation comes be-

fore this Congress, the Department is not going to insist that it was the intent that they should ask and put into an appropriation bill money to carry on a great big grant-in-aid program in education.

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

Mr. KEEFE. I yield.

Mr. COX. The committee has no objection; in fact it has conceded the point the gentleman has been making, and in view of what is stated I wonder if the gentleman would not be willing to amend his amendment by confining it to sections 4 and 5?

Mr. KEEFE. Mr. Chairman, in view of the statement of the chairman of the subcommittee as made I ask unanimous consent to amend the proposed amendment by striking out subparagraph 1 and leaving subparagraphs 4 and 5 to be eliminated.

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

Mrs. ROGERS of Massachusetts. Mr. Chairman, reserving the right to object, does the gentleman feel this money would go for instance to shoe industries, textile industries and so forth abroad, such as the Bata Co. that was in operation in Czechoslovakia and then during the war was operated in this country by a Czechoslovakian? It also had schools. Would that be considered in connection with these grants to other countries?

Mr. KEEFE. I may say I do not know and the hearings are almost barren on that subject. I would like to have some one on the committee answer that.

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

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

Mr. JUDD. What is involved in grants of money and materials and services to institutions is illustrated by what we have been doing under this program in South America. There are in South America almost 300 American schools. The State Department puts up about $182,000 a year to provide the salaries of about 70 Americans, as I recall, who teach in those schools. Many are the principals. The governments and the people of South America, including the patrons of the schools put in $3,500,000 a year. They provide $20 for our $1 to maintain American schools which have great influence in developing the minds and molding the attitudes of the youngsters of South America into attitudes favorable to our country. That is the sort of thing authorized in subparagraph 1. I am glad the gentleman has agreed to its remaining in the bill.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired. Is there objection to the request of the gentleman from Wisconsin?

Mrs. ROGERS of Massachusetts. Mr. Chairman, reserving the right to object, my question has not been answered and I think it is very important.

Mr. McCORMACK. Mr. Chairman, we ought to have orderly procedure. The gentlewoman from Massachusetts can be taken off her feet by anyone demanding the regular order. I do not intend to do so, but I think the gentlewoman should move to strike out the last word, so we will be going along in an orderly way.

Mrs. ROGERS of Massachusetts. I will be very glad to move to strike out the last word.

The CHAIRMAN. There is a unanimous-consent request pending. Does the gentlewoman from Massachusetts object?

Mrs. ROGERS of Massachusetts. Mr. Chairman, I object.

Mr. COX. Mr. Chairman, I offer a substitute amendment to the amendment offered by the gentleman from Wisconsin, to strike sections 4 and 5 on page 13 of the bill. That is as the gentleman requested his original amendment to be amended. The motion is to strike sections 4 and 5 on page 13 of the bill.

The CHAIRMAN. The gentleman's amendment need not be a substitute. The gentleman may offer that as an amendment, if he wishes.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentlewoman. Will not the gentlewoman from Massachusetts withdraw her objection and move to strike out the last word?

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. COX. Mr. Chairman, as I understand the gentlewoman, she withdraws her objection to the unanimous consent request made a moment ago.

Mr. HOFFMAN. Mr. Chairman, I demand the regular order.

The CHAIRMAN. Is there objection to the proposal of the gentleman from Wisconsin to modify his amendment?

Mrs. ROGERS of Massachusetts. Mr. Chairman, I may say to the Chair there is no objection if I may have the opportunity to ask a question.

The CHAIRMAN. Does the gentlewoman object, or does she not object?

Mrs. ROGERS of Massachusetts. Mr. Chairman, I do not object to it, but I want my question answered first.

Mr. HOFFMAN. Mr. Chairman, I demand the regular order.

The CHAIRMAN. If the gentlewoman will permit the request to be agreed to, she may then move to strike out the last word. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the modified amendment of the gentleman from Wisconsin [Mr. KEEFE].

The Clerk read as follows:

Amendment offered by Mr. KEEFE: On page 13, strike out subparagraphs 4 and 5.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to make this very clear to the House. I think it is their impression that this money will only be given to educational institutions. I would like to state to them that in places like Yugoslavia and Czechoslovakia there has been, in conjunction with industrial plants, educational teaching, especially communistic, and I want to make sure that it is the understanding of the committee that none of that money shall be sent to institutional shops or factories, like the Bata shoe factory in Czechoslovakia and other industrial factories. For instance, I understand today this system is being followed in countries dominated by the Communists.

Mr. MUNDT. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I will be glad to yield. I am sure it is the impression of the House that it cannot be done under this bill, but I want to make sure.

Mr. MUNDT. I am sure the gentlewoman is concerned, of course, because we do not want that to happen and I am sure that there is no danger of it under the provisions of this bill. In the first place, a very tight reciprocal clause has been written in on page 3 of the act, which provides that these interchanges of any type have to be on a reciprocal basis. As the gentlewoman knows, we are not going to have that with Yugoslavia and Czechoslovakia and Russia.

Mrs. ROGERS of Massachusetts. I will say to the gentleman that that still does not answer my question.

Mr. MUNDT. As to the other part of the question, the grants that the gentlewoman is talking about are exclusively for educational institutions, because they deal exclusively with title II. A library might not be considered an educational institution, but I suppose it is close enough to come under that heading.

Mrs. ROGERS of Massachusetts. I speak with knowledge of that, because I suppose I was largely responsible for closing the nearby Maryland establishment which was operated by the Bata Shoe Co. While it was supposed to be a shoe factory, in effect they were taking children into slavery. It was dominated by Nazi influence.

Mr. MUNDT. There is a reciprocal safeguard against that, because we have safeguards in this program so that it will not happen.

Mr. McDONOUGH. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from California.

Mr. McDONOUGH. I would like to ask the chairman of the committee this question in connection with the matter he had attempted to answer. What assurances or specific safeguards are there in the bill to guarantee that educational institutions for training in trades, such as we have established in this country, and that are entitled to the GI bill of rights, and that are so recognized by a government in Europe, cannot receive grants under this bill? There is no such language in the bill that I can find that does that.

Mr. MUNDT. There are some contingencies that we did not provide against, but we have provided for a control board, and we can repeal, by concurrent resolution, any section of the bill in toto. Now, we have additional control under the Dirksen amendment which, I think, is an additional safeguard, and it can be made to operate unless the whole world goes cockeyed.

Mr. McDONOUGH. But if such an institution for training men in precision

machinery and other things is recognized as an educational institution in Europe or Asia, then they would come under the terms of this bill, as I read it.

Mr. MUNDT. Not under any mandatory provision.

Mr. REED of New York. Mr. Chairman, I move that the Committee do now rise.

Mr. MUNDT. Mr. Chairman, I make the point of order that the motion has not been submitted in writing.

Mr. REED of New York. Mr. Chairman, a preferential motion of this character does not have to be submitted in writing.

The CHAIRMAN. The point of order is sustained.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. KEEFE].

The question was taken; and Mr. ANGELL demanded a division.

Mr. REED of New York. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. REED of New York moves that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. RAYBURN) there were—ayes 93, noes 95.

Mr. REED of New York. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MUNDT and Mr. REED of New York.

The Committee again divided; and the tellers reported that there were—ayes 101, noes 110.

So the motion was rejected.

The CHAIRMAN. The Chair will state that before the motion was made that the Committee do now rise the question was being taken on the amendment offered by the gentleman from Wisconsin [Mr. KEEFE]. There was a voice vote and then a division was requested.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. The Chair had stated that a standing vote had been requested, but I think the Chair failed to state that the Chair announced the "ayes" had it on the voice vote.

The CHAIRMAN. No. No announcement was made on the division. The preferential motion intervened.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. KEEFE].

The question was taken; and on a division there were—ayes 145, noes 1.

So the amendment was agreed to.

Mr. HARNESS of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARNESS of Indiana: On page 12, line 22, strike out all of subsection 1.

Mr. HARNESS of Indiana. Mr. Chairman, this amendment has been fully debated for 3 or 4 days. This has to do with subsection 1 on page 12. It strikes out the authority granted to the Secretary of State to make these various contributions. I think it is the most vicious part of this bill. I think it would be a dangerous precedent for this House to establish.

Without taking any more time of the Committee, I urge the adoption of the amendment.

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

Mr. HARNESS of Indiana. I yield.

Mr. WELCH. In what particular respect is the subsection vicious?

Mr. HARNESS of Indiana. I said I think it would be a dangerous precedent for the Congress to establish. It would give the Secretary of State a blank check to make contributions to governmental agencies, to private and public schools and universities, not only in this country but in foreign countries; and to individuals.

Mr. WELCH. Has not a precedent been established?

Mr. HARNESS of Indiana. It occurs to me this proposed grant is without precedent.

Mr. WELCH. Of course it is not establishing precedent. Under the GI bill of rights a veteran can choose any institution of learning or vocational-training school, public or private, in the United States. That is his privilege. The amendment would deny that which is already granted in the bill of rights.

Mr. HARNESS of Indiana. Do you mean to the servicemen? To the veterans?

Mr. WELCH. Yes.

Mr. HARNESS of Indiana. Why, it has nothing whatsoever to do with the GI bill of rights, except that its enactment could hardly be pleasing to our deserving veterans receiving educational benefits under that measure.

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

Mr. HARNESS of Indiana. Yes, I yield.

Mr. HOFFMAN. In answer to the gentleman from California [Mr. WELCH], the paragraph expressly says it is limited to title II, which has not anything to do with veterans.

Mr. HARNESS of Indiana. That is perfectly true.

But as I was about to remark when the gentleman from California intervened, this grant of authority to the Secretary of State can hardly be justified to our American veterans who are trying, with Government assistance, to complete educations which were interrupted by military service. We offer them $65 per month single, or $90 per month if they are married and struggling to hold families together. Yet here it is proposed to authorize payment of expenses of about $10 per day for foreign students.

I urge that this amendment be adopted.

Mr. JUDD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if this amendment were to be adopted it would be almost equivalent to striking title 2 from the bill because, of course, if the Secretary of State is not permitted to make the necessary grants to institutions to enable them to train the students and professors to be sent to them, or to give books and money for travel and maintenance to the individuals to enable them to carry out their studies, then I do not see how he could properly administer title 2 of the bill.

With respect to the statement just made by the gentleman from Indiana that this would interfere with the GI's education, may I say that not a single undergraduate student will come to this country to study under this bill; only graduate students, and our graduate schools are not overcrowded, with the exception of a few like medical schools.

With respect to the question the gentleman raised as to the $10 a day per diem for subsistence, that is a maximum figure and applies only during the time of traveling. Under the regulations of the State Department published in the Federal Register of August 23, 1944, the highest ranking visitors, professors, persons of influence or possessing special qualifications in a technical, professional or other specialized field, are allowed an expense account of $10 a day when traveling. Students under the regulations receive not to exceed $7 a day for food, lodging, and incidentals while they are traveling to and from America except that it is $3.50 a day while they are on shipboard. We can best judge the future of this program by what has happened in the past. We have gone over the figures of how it has been operated heretofore, and the amounts spent have not been excessive.

If you want to weaken title 2 and make the program of student exchange more difficult to administer, which program in my judgment is one of the most important in the whole bill, and in the long run, more valuable even than the information service, then you will accept this amendment.

If the subsection in question were to permit the Federal Government to make grants-in-aid to private institutions or to governmental institutions in the manner feared by some who have expressed themselves on the floor, I would oppose it. My votes have shown I am as vigorously opposed to Federal subsidy or control of our educational institutions as any man can be. All the subsection does with respect to educational and training institutions is to authorize that tuition and related fees when not available from other sources will be paid by the State Department "on behalf of the grantee direct to the institution concerned upon presentation of an itemized voucher countersigned by the grantee." Those are the words of the regulations.

This question of student interchange has already been discussed at great length and it has been approved by a majority of the Committee on several votes. It is my hope that this amendment, too, will be voted down.

Mr. MANSFIELD of Montana. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. MANSFIELD of Montana. All I wish to say is that this particular subsection does not create a precedent but is already in force with Latin-American countries.

Mr. JUDD. Yes, all that this section does is to permit the Secretary to do in the new areas of Europe, Asia, and Africa what he has been doing all along under existing law with respect to Latin America.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. HARNESS of Indiana. Then if the gentleman's statement he just made to this Committee is true, they do not need this section in the bill. The gentleman says they have been doing it. All right; let them do it the way they have been doing it before without giving them specific blanket authority.

Mr. JUDD. The answer to the gentleman is that they are doing it now with respect to Latin America because they have legislation for Latin America. They do not have it for the rest of the world; this section is for the very purpose of giving it to them, otherwise the Appropriations Committee properly will provide no funds. The authority for Latin America was given in the legislation that set up the so-called Rockefeller program. This section does not expand the Secretary's power. It merely extends the area over which he will have such authority.

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

Mr. JUDD. I yield.

Mr. MATHEWS. Can the gentleman point out in the bill where there is any restriction on the $10-a-day subsistence allowance?

Mr. JUDD. There is not anything in the bill.

Mr. MATHEWS. No.

Mr. JUDD. But here are the regulations that have been issued and from which I have read. As I say, you can only judge the program in the future by the way it has been handled in the past; and I can assure the gentleman that in the past the outside limit for students has been $7 a day when they were traveling on land and $3.50 when they were on shipboard.

Mr. MATHEWS. This is an entirely new bill, an entirely new piece of legislation.

Mr. JUDD. But it is the same sort of program for other countries that has long been provided by law and is already being carried out in the Western Hemisphere.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. HARNESS].

The question was taken; and the Chair being in doubt; the Committee divided, and there were—ayes 106, noes 96.

Mr. MUNDT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. JUDD and Mr. HARNESS of Indiana.

The Committee again divided; and the tellers reported that there were—ayes 106, noes 113.

So the amendment was rejected.

Mr. MUNDT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this for the purpose of making an announcement. It is a quarter to 6 now on Friday. We have had a long and hard day since 11 o'clock this morning. I want to say on behalf of the Committee on Foreign Affairs that I appreciate your patience and your diligence and your thoughtful attention to this measure. We have now gotten down almost through title VII and all the vital decisions on this legislation have been made affirmatively. We appreciate that. We thank the House for its cooperation and support.

I see no reason, therefore, why we should sit here and argue about the remaining sections, which are pretty much administrative in detail, and which are largely in the nature of correcting safeguard amendments and directives. I think it would be more agreeable to the House to rise at this time and take our final action on this legislation the first part of next week, since it might require from 60 to 90 minutes at this late hour to wind up the details remaining to be considered and to explain fully the administrative safeguards they include. There also remain a number of amendments to which the committee has agreed, but each of them will require some time. Consequently, I move, Mr. Chairman, that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. MICHENER] having assumed the Chair, Mr. JENKINS of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3342) to enable the Government of the United States more effectively to carry on its foreign relations by means of promotion of the interchange of persons, knowledge, and skills between the people of the United States and other countries, and by means of public dissemination abroad of information about the United States, its people, and its policies, had come to no resolution thereon.

INDEPENDENT OFFICES APPROPRIATION BILL, FISCAL YEAR 1948

Mr. WIGGLESWORTH, from the Committee on Appropriations, reported the bill (H. R. 3839) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes (Rept. No. 589), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. RAYBURN reserved all points of order on the bill.

RENT CONTROL BILL

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the conferees on the bill H. R. 3203, relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes, may have until midnight tonight to file a report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PROGRAM FOR NEXT WEEK

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I take this time to announce the program for next week.

On Monday we will call the Consent Calendar, and it is possible that there may be some motions to suspend the rules. Then we propose to take up the conference report on the so-called wool bill. I do not know how soon that might be concluded. The measure we have been considering today is unfinished business, of course, and if there is time it could be called up for further consideration at that time.

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

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

Mr. RAYBURN. I note that the conference report on the so-called rent-control bill will be ready on Monday. Does the gentleman believe that that might go over until Tuesday?

Mr. HALLECK. I have discussed that matter with the gentleman from Michigan [Mr. WOLCOTT] and others. Instead of calling it up Monday, we propose to call it up on Tuesday.

Mr. RAYBURN. It is not absolutely certain yet that there will be suspensions on Monday?

Mr. HALLECK. That is right. It is not absolutely certain. Of course, that is within the discretion of the Speaker.

Mr. RAYBURN. Would it not appear to the gentleman, then, that within a couple of hours on Monday we might get back to this bill? The Consent Calendar usually takes 30 or 40 minutes.

Mr. HALLECK. That might be possible; yes.

On Tuesday we will call the Private Calendar and begin the consideration of the independent offices appropriation bill. On Wednesday and Thursday we will continue with the independent offices appropriation bill, if that is not concluded earlier.

We also have for consideration, and hope to dispose of during the week, the bill (H. R. 1389) to amend the Veterans' Preference Act, and another measure to amend the Veterans' Preference Act (H. R. 9666); also the bill (H. R. 2298) to amend the Interstate Commmerce Act.

We hope that on Friday we shall be able to take up and dispose of the legislative appropriation bill.

Conference reports and urgent rules may be called up at any time.

If a veto message comes to the House on Monday, in all probability the vote on that bill will be had on Tuesday.

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

Mr. HALLECK. I yield to the gentleman from Michigan.

Mr. WOLCOTT. Is it the gentleman's thought to schedule the housing bill, H.

R. 3492, which we were discussing yesterday and which has not been completed, at some convenient time next week?

Mr. HALLECK. Yes; that, of course, is also unfinished business of the House, and that will be called up at any time when it is possible to dispose of it.

I might suggest to the membership that there is considerable work to be done before we conclude this session of Congress, a session of Congress which we hope to conclude before too late in the summer.

Of course, the membership has been working diligently and conscientiously and consistently in taking care of the business that has been coming before us.

As to the programs to be announced from now on until the end of the session, I think it might be well to say that the membership generally might be holding themselves in readiness to meet such requirements of the program as may arise in order that the work of this session of the Congress may be concluded.

AMENDING INTERSTATE COMMERCE ACT

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 246, Rept. No. 590), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2298) to amend the Interstate Commerce Act, as amended, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. ALLEN of Illinois asked and was given permission to extend his remarks in the RECORD and include the proceedings of the National Board of Underwriters, including an address by Gen. Dwight D. Eisenhower.

Mr. CANFIELD asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PATTERSON (at the request of Mr. SADLAK) was given permission to extend his remarks in the RECORD and include a resolution passed by the General Assembly of Connecticut.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PLOESER (at the request of Mr. BENNETT of Missouri) was given permission to extend his remarks in the RECORD and include certain excerpts.

Mr. EBERHARTER asked and was given permission to extend his remarks in the RECORD by inserting an article by Andrew Bernhard, editor of the Pittsburgh Post-Gazette entitled "Visitors to Moscow Stress Need of United States Information Program."

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in three instances in the RECORD, in one to include Congressmen's voting records, in the second to include an editorial from the Youngstown Vindicator, and in the third to include the second part of a speech he made last Monday before the National Federation of Catholic Students in New York City.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD in two instances and to include in one instance a letter from the Commissioner of the HOLC and in the other a letter and petition from the city clerk of the city of Clairton.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD.

Mr. DURHAM asked and was given permission to extend his remarks in the RECORD and include an article by Dr. T. J. Woofter.

Mr. HAYS asked and was given permission to extend his remarks in the RECORD and include an address.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include an article.

RECONSTRUCTION FINANCE CORPORATION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

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

There was no objection.

Mr. McCORMACK. Mr. Speaker, this Congress is faced with a very important problem of determining whether the Reconstruction Finance Corporation, which was established under date of January 22, 1932, should be continued. There are many who believe that curtailment of its powers is a desirable thing to do. There are many others who believe that this Corporation of the Government has proven to be a bulwark of economic defense in the most difficult period in our Nation's history. We of the Congress, realizing the difficult foreign and domestic situation confronting us, keenly appreciate the importance of maintaining domestic tranquillity in a fast-changing world.

The continued or increased employment of labor, the rehabilitation of our returned soldiers, the maintenance of an organization in the event of catastrophe, cyclone, fire, or flood, the making available to industry working capital when normal credit is denied, have a very great bearing upon not only this generation but the generations which will follow us.

Never before in the history of this Nation have we been called upon to plan more wisely, to seek truth more assiduously, or to prepare more fully for what may be the eventuality of tomorrow. It seems as if there is nothing certain on the domestic scene. Certainly there is no permanency on the foreign scene. With the whole world in a state of flux, with the economic flotsam and jetsam of two wars piled throughout the length and breadth of this Nation, with millions homeless, with impending strikes at home, with the veterans desperately seeking shelter for their growing families, we should pause to consider the elimination of an organization which for a period of 15 years has been rightfully called the "financial Red Cross of the depression."

There are many who would highlight the mistakes made by this organization. It is unfair to judge either organizations or men by weaknesses to which we are all prone. Organizations are composed of men and are only as strong as those who lead them. Our cities, our States, our Nation, and those of the whole world, are dependent upon human beings in administration, and, so long as we remain human, we will have cardinal virtues and serious weaknesses.

It is in the maintaining of balance between good and evil, personally or in an organization or nation, that we achieve progress. We do not condemn our friends merely for an occasional weakness. To do so is intolerant. Even you and I have our weaknesses, and I defy any man to indicate either the perfect product, the perfect human being, or the perfect state. Have we the right, therefore, to demand perfection when we cannot give it?

The elimination, therefore, of the Reconstruction Finance Corporation, admitting that certain weaknesses existed, in view of the marvelous record of achievement it has maintained, can render a very serious economic blow to this Nation at a time when we need this corporate body more than ever before in our economic history.

We know that this Nation is composed primarily of small-business enterprises. We see credit tightening now, with unemployment mounting, with confusion and frustration facing many business enterprises, and, yet, there are some who would summarily eliminate this organization which has had for its formal object the preservation of business enterprises in this country when credit was not available. Hundreds, aye, thousands of concerns played a very potent part in the winning of the war because the economic life blood—working capital, if you will—was made available to them in the depression years.

The banks of this Nation, some 15,000 strong, turned to the Reconstruction Finance Corporation for counsel and advice. Preferred stock and debentures were issued so that they too could remain as an important part of the economic life of this country, to give stability to the communities that they serve, and to make credit continually available to those who needed it.

We are asked to determine whether this organization shall continue beyond June of this year, or whether the banks of this Nation shall carry on without regard to Federal aid of normal credit is denied.

We believe in private enterprise. We believe that this is the greatest nation on earth because of the system that has

been promulgated throughout the years whereby each individual is given an equal opportunity to work with his hands. To others is given the opportunity to guide and direct, and, in a business enterprise, the normal flow of capital makes labor and capital a working team for the common good. There is not a single man in this assembly that can tell with assurance what will happen 6 months or 2 years hence.

There is only one way to judge the future, and that is from the past and present. In the past we have seen repeated depressions following a cycle of war where millions of human beings were dependent upon public aid because positions were not available to them. There are many who believe that at the present time we are in the throes of a recession. Many believe that this recession will be corrected within a period of several months, while there are others who believe that the recession may well become a depression, depending upon the planning and thinking of our national leaders.

During the period of the war, the Reconstruction Finance Corporation carried a greater burden than would normally be asked of a peacetime organization. It did it willingly, faithfully, conscientiously, and more and more responsibility was placed in this organization because of its reputation for doing a job along a businesslike way for the common good. The Army, the Navy, the Maritime Commission, even the Congress have made mistakes. To be human is to err. It is unjust now to high light weaknesses only and not give credit where credit is due to the over-all achievements of an organization which has helped this Nation weather a depression and is composed now of experts obtained through 15 years of practical experience to withstand whatever economic blow may be facing the 142,000,000 people who comprise this Nation.

There is an erroneous concept that the Reconstruction Finance Corporation has assisted big business. It has been their province to assist big business as well as little business because private enterprise, as we know it in this Nation, is not composed either of banks or business or agriculture or labor. It is the composite of these that makes our Nation great. While loans were made to railroads and banks and large business industries, the airplane industry and the automobile industry, nevertheless the majority of all of the loans made to assist private enterprise were made to small business. As a matter of fact, the record shows that over 90 percent in dollars and in loans made were extended to assist small business as we know it.

The economy of this Nation, supplemented and enforced as it is by big business, is mainly in the hands of the small business enterprise employing from 50 to 350 employees. There are over 3,000,000 small business enterprises in this Nation.

In those areas of the Nation which are composed primarily of small business enterprises—and New England falls into that category—we need the Reconstruction Finance Corporation for what it has done, because of the kind of organization it is, and because we see in the horizon difficult years ahead. Economically, there is no stabilization abroad. Even now the Congress is asking for legislation intended to preserve our freedom through military education of youth because, forsooth, no man can tell what tomorrow will bring.

It is a paradox, therefore, to face an unknown future on a national plane where the best minds in America are concerned about peace and the generations to follow, and, at the same time, consider the elimination of an organization which is the only stabilizing force in Government today to assist the majority of our business enterprises when credit is not normally available.

There is a distinction between the credit made available by banks and that by the Federal Government in cooperation with the banks. There is a mistaken concept that the Reconstruction Finance Corporation is in competition with banks. This is not so. Every time a loan is made some bank has denied the application or participates with this Corporation of the Government to extend credit so that that industry might live.

We have erected an economic clinic where ills of industry can be analyzed and a sound formula prescribed so long as there is an opportunity to preserve this industry for the common good. It is that kind of union between Government, banks, and industry for the benefit of labor, for the benefit of capital, for the benefit of this Nation, that we can preserve our ideals as a Nation and continue to operate as a private enterprise country.

Look around you. England, France, Italy, Austria, Hungary, Sweden, even many of our South American countries are turning away from the private enterprise system, and we, almost alone, are fighting the battle for a republican form of Government and the retention of our democratic way of life. The bulwark against recession and depression, for the preservation of the banks, industry, labor lies along the road traveled by this organization which has demonstrated, through capability and initiative, the confidence placed in this organization in 1932 under a Republican President, Herbert Hoover.

I will not bore you with statistics concerning the achievements of this organization. Much has been written and said in this regard; some good, some bad. In any event, we of the Congress must determine the issue—and remember, what we do will have a very important bearing upon the economic good or evil of the sections that we are fortunate to represent. We represent all of the people. We represent the banks, education, utilities, big business and little business, labor, all of our people. We represent the cotton grower and the farmer, the fellow who runs a haberdashery or a drug store. These are part of the industril mosaic which makes America. Put them all together working as a team and you epitomize what our forefathers properly said in the preamble to our Constitution: "We the people of the United States, in order to form a more perfect union."

I, for one, choose to champion the cause of the average citizen of America who has been and still is given the opportunity to establish his own business enterprise as distinguished from the caste system which remains in so many nations of this earth.

The solution of financial difficulties because of lack of capital, restoration of confidence, the offering of counsel and advice when it is needed most, have been the contribution of the Reconstruction Finance Corporation to our national well-being for a period of approximately 15 years. We can ill afford to ignore the fact that when the economic fabric of our Nation was torn apart, these Government representatives worked day and night to bring the seams together in order that others might have the opportunity guaranteed under our form of government. We will be asked within the next fortnight to make our decision on this important issue. Let us do it forthrightly by giving credit where credit is due. Let us keep faith with the future of America. Let us preserve our private-enterprise system, and let us give all an equal opportunity to be proud of their Government—the Government which we, the Congress, serve.

SPECIAL ORDER GRANTED

Mr. O'KONSKI. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered I may address the House for 5 minutes.

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

There was no objection.

EXTENSION OF REMARKS

Mr. McCONNELL asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Philadelphia evening paper.

Mr. FARRINGTON (at the request of Mr. MUNDT) was granted permission to extend his remarks in the RECORD in two instances and to include extraneous matter.

Mr. MUNDT asked and was granted permission to revise and extend the remarks he made in Committee of the Whole today and include certain extraneous matter.

Mr. MUNDT asked and was granted permission to extend his remarks in the Appendix of the RECORD and include certain telegrams in connection with the bill H. R. 3342.

The SPEAKER pro tempore (Mr. MICHENER). Under previous order of the House, the gentleman from Wisconsin [Mr. O'KONSKI] is recognized for 5 minutes.

ANTICOMMUNISM POLICY OF THE UNITED STATES

Mr. O'KONSKI. Mr. Speaker, we have what is considered to be an anti-Communist policy all over the world. Recently we appropriated $400,000,000 to help the Greeks and Turks stem the cause of communism. Today we are engaged in a life-and-death struggle with the Voice of America, to get behind the iron curtain. I think it is high time that we

find out in just what direction we are going. Are we adopting an anti-Communist policy or are we really only giving lip-service to the anti-Communist policy?

While we were adopting the Greek-Turkish loan there was a convention of 500 leading Communists in the United States, and incidentally they held their meetings on Federal Government property.

Next Monday, at the Water Gate, which is Federal Government property, under the Department of the Interior, the Southern Conference on Human Welfare, which is among the most pinko-red organizations in the United States of America, will have a conference or mass meeting which they are holding at that place. If we are going to spread the Voice of America throughout the world and adopt an anti-Communist policy, and send $400,000,000 to Greece and Turkey to stop communism, it appears to me that we look stupid and silly all over the world when we are asking other people of the world to combat communism and then find that our Government officials permit the use of Federal buildings and Federal Government sites for the use of Communist organization meetings. Now, do we not look silly all over the world with that kind of a policy? I think it is high time for a show-down. For that reason, an organization, of which I am president, has issued a motion for a temporary restraining order against the use of that property. We have served the papers on Julius A. Krug, Secretary of the United States Department of the Interior, and he has acknowledged those papers. The case comes up in the District Court of the United States for the District of Columbia. It is high time that we have a show-down. Is our Government truly anti-Communist or is it not? This case will bring the thing to a head.

Mr. Speaker, I ask unanimous consent to extend my remarks and include therewith a copy of the motion for a restraining order.

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

There was no objection.

JUNE 13, 1947.

IN THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA, AMERICAN ANTI-COMMUNIST ASSOCIATION, INC., 1025 CONNECTICUT AVENUE NW., WASHINGTON, D. C., *v.* JULIUS A. KRUG, SECRETARY, UNITED STATES DEPARTMENT OF THE INTERIOR, WASHINGTON, D. C.

MOTION FOR TEMPORARY RESTRAINING ORDER

1. The plaintiff is an educational, nonprofit, nonsectarian, nonpartisan patriotic organization, incorporated under the laws of the District of Columbia.

2. The defendant is an agency of the Executive branch of the Government of the United States of America, under whose control and jurisdiction is found a certain property known as and referred to as the Water Gate, Washington, D. C.

3. The defendant did grant a permit for the use of the said Water Gate to the Southern Conference for Human Welfare as sponsors for an address by one Henry Agard Wallace on the 16th of June 1947. In the Seventy-ninth Congress, second session, Union Calendar No. 660, House Report No. 2233, being a report of the Committee on Un-American Activities pursuant to H. Res. No. 5, on page 28 is found a partial listing of Communist and Communist-front organizations, and among them is listed the Southern Conference for Human Welfare. Henry Agard Wallace found it impossible to subordinate his political philosophies and beliefs to those of the administration of President Truman, and it was, therefore, necessary for the President of the United States to summarily discharge him or request his resignation. The said Wallace was during the first few months of this year invited to Paris by the Communists, and, while there, was the guest of leading Communists in Paris, indicating a strong sympathy with the cause of Communism.

4. The plaintiff respectfuly requests this honorable court to take judicial notice of the opinion of former Chief Justice of the United States Supreme Court, Charles Evans Hughes that "communism has as its objective the overthrow of the United States Government by force and violence." And also, to take judicial notice of the executive directive issued by the President of the United States on or about March 23, 1947, requesting that all members of the Communist Party be removed from employment by the United States Government, which was a restatement of the law of the United States found in the Hatch Act, section 9A, paragraphs 1 and 2.

5. The defendant's outright and absolute disregard for the welfare of the people of the United States in granting a permit for the use of public property by a Communist group sponsoring a speaker whose methods incite human emotions toward riot and insurrection is a violation of the spirit, and intent of the laws of the United States and the said executive directive.

Whereupon plaintiff prays that a temporary restraining order issue from this honorable court to restrain the use of the said permit heretofore granted by defendant to the Southern Conference for Human Welfare, and that such restraining order run until the issues herein may be fully determined by this court.

FRANKLIN T. MILES,
Attorney for Plaintiff,
Washington, D. C.

PAUL V. ROGERS,
Attorney for Plaintiff,
Washington, D. C.

Service acknowledged this _____ day of _____, 1947, and consent to hearing on ____ day of _____, 1947, at 10 a. m., or as soon thereafter as counsel may be heard.

_____.

IN THE DISTRICT COURT OF THE UNITED STATES, FOR THE DISTRICT OF COLUMBIA, AMERICAN ANTI-COMMUNIST ASSOCIATION, INC., 1025 CONNECTICUT AVENUE NW., WASHINGTON, D. C. *vs.* JULIUS A. KRUG, SECRETARY, UNITED STATES DEPARTMENT OF THE INTERIOR, WASHINGTON, D. C.

TEMPORARY RESTRAINING ORDER

Upon consideration of the motion filed herein this 13th day of June 1947, it is by the court this _____ day of _____, 1947.,

Adjudged, ordered, and decreed, that the defendant herein be restrained from permitting the use of Government-owned property under its control by persons or organizations in any way affiliated with or associated with the Communist Party, and more particularly that the defendant render null and void the permit heretofore issued to the Southern Conference for Human Welfare for use on June 16, 1947, of the property known as the Water Gate.

_____,
Justice.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. WILLIAMS, for Monday and Tuesday, June 16 and 17, on account of official business.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 69. Joint resolution to prepare a revised edition of the Annotated Constitution of the United States of America as published in 1938 as Senate Document No. 232 of the Seventy-fourth Congress.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 59 minutes p. m.) under its previous order, the House adjourned until Monday, June 16, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

785. A letter from the Secretary of War, transmitting a report dated April 19, 1946, from the Chief of Engineers, United States Army, together with accompanying papers and illustrations, on a review of reports on the Red River, La., Ark., Okla., and Tex., and on a preliminary examination and survey of the Jefferson-Shreveport waterway, Texas and Louisiana (H. Doc. No. 320); to the Committee on Public Works and ordered to be printed, with illustrations.

786. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 7, 1946, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of a barge channel in the vicinity of Baton Rouge, La., extending from the Mississippi River through Devils Swamp, authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 321); to the Committee on Public Works and ordered to be printed, with an illustration.

787. A letter from the Secretary of the Interior, transmitting report and findings on an investigation of the Cody Dam and power plant, Wyoming, together with related data and correspondence; to the Committee on Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAND: Committee on Merchant Marine and Fisheries. H. R. 72. A bill to increase the number of authorized aviation stations operated by the Coast Guard, and for other purposes; with amendments (Rept. No. 586). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAND: Committee on Merchant Marine and Fisheries. H. R. 3539. A bill to authorize the construction of a chapel at the Coast Guard Academy, and to authorize the acceptance of private contributions to assist in defraying the cost of construction thereof; with an amendment (Rept. No. 587). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 452. A bill to amend the provisions of the Agricultural Adjustment Act relating to marketing agreements and orders; with an amendment (Rept. No. 588). Referred to the Committee of the Whole House on the State of the Union.

Mr. WIGGLESWORTH: Committee on Appropriations. H. R. 3839. A bill making ap-

propriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes; without amendment (Rept. No. 589). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 246. Resolution providing for the consideration of H. R. 2298, a bill to amend the Interstate Commerce Act, as amended, and for other purposes; without amendment (Rept. No. 590). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CURTIS:

H. R. 3825. A bill to amend section 2402 (a) of the Internal Revenue Code, as amended, and to repeal section 2402 (b) of the Internal Revenue Code, as amended; to the Committee on Ways and Means.

By Mr. DONDERO:

H. R. 3826. A bill to authorize and direct the Federal Power Commission to grant a license to the Savannah River Electric Co. to construct, own, operate, and maintain the powerhouse of the Clark Hill Reservoir project; to the Committee on Public Works.

By Mr. HOEVEN:

H. R. 3827. A bill to establish a Weed Division in the Bureau of Plant Industry, Soils, and Agricultural Engineering of the Department of Agriculture; to the Committee on Agriculture.

By Mr. MANSFIELD of Montana:

H. R. 3828. A bill to provide that the Legislative Reference Service shall compile and make available the voting records of the Members of Congress; to the Committee on House Administration.

By Mr. FARRINGTON:

H. R. 3829. A bill relating to the employment by the United States of citizens of the Republic of the Philippines; to the Committee on Post Office and Civil Service.

By Mr. SHORT:

H. R. 3830. A bill to provide for the promotion and elimination of officers of the Army, Navy, and Marine Corps, and for other purposes; to the Committee on Armed Services.

By Mr. FULTON:

H. R. 3831. A bill to incorporate United States Navy Veterans; to the Committee on the Judiciary.

By Mr. MITCHELL (by request):

H. R. 3832. A bill to extend to the veterans of the Mexican border service of 1916 and 1917 and their widows and minor children all the provisions, privileges, rights, and benefits of laws enacted for the benefit of veterans of the Spanish-American War; to the Committee on Veterans' Affairs.

By Mrs. LUSK:

H. R. 3833. A bill to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes; to the Committee on Public Lands.

By Mr. FERNANDEZ:

H. R. 3834. A bill to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes; to the Committee on Public Lands.

By Mr. MILLER of Connecticut:

H. R. 3835. A bill to amend the Civil Aeronautics Act of 1938, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. EATON:

H. R. 3836. A bill to contribute to the effective maintenance of international peace and security pursuant to the objectives and principles of the United Nations, to provide for military cooperation of the American states in the light of their international undertakings, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MALONEY:

H. R. 3837. A bill to extend the Federal income tax to the Panama Canal Zone; to the Committee on Ways and Means.

H. R. 3838. A bill to tax citizens of the United States employed by the United States in its possessions; to the Committee on Ways and Means.

By Mr. WIGGLESWORTH:

H. R. 3839. A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes; to the Committee on Appropriations.

By Mr. BATTLE:

H. R. 3840. A bill providing for the continuance of compensation or pension payments and a subsistence allowance for certain children of deceased veterans of World War I or II during education or training; to the Committee on Veterans' Affairs.

By Mr. CLASON:

H. R. 3841. A bill to amend the Railroad Retirement Act of 1937 so as to provide full annuities for persons who complete 30 years of service; to the Committee on Interstate and Foreign Commerce.

By Mr. GEARHART (by request):

H. R. 3842. A bill to equalize Federal income, estate, and gift taxes; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to enact legislation to control the manufacture and sale of inflammable materials; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRAMBLETT:

H. R. 3843. A bill for the relief of Rita Anderson; to the Committee on the Judiciary.

H. R. 3844. A bill for the relief of Anna Malone; to the Committee on the Judiciary.

By Mr. FULTON:

H. R. 3845. A bill for the relief of George J. Hiner; to the Committee on the Judiciary.

By Mr. HEFFERNAN:

H. R. 3846. A bill for the relief of the estate of Arthur F. Saladino, Joseph Spivack, and Irving Weinberg; to the Committee on the Judiciary.

By Mr. NODAR:

H. R. 3847. A bill for the relief of Giuseppe Marincola; to the Committee on the Judiciary.

By Mr. POTTS:

H. R. 3848. A bill for the relief of the estates of Arthur F. Saladino, Joseph Spivack, and Irving Weinberg; to the Committee on the Judiciary.

By Mr. RUSSELL:

H. R. 3849. A bill for the relief of Domingo Gandarias; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

632. Mr. CANNON presented a petition signed by 169 representative citizens of Albion, Nebr., protesting elimination of Federal cooperation in the farm conservation program, which was referred to the Committee on Appropriations.

SENATE

MONDAY, JUNE 16, 1947

(Legislative day of Monday, April 21, 1947)

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

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

We confess, our Father, that we know in our hearts how much we need Thee, yet our swelled heads and our stubborn wills keep us trying to do without Thee.

Forgive us for making so many mountains out of molehills and for exaggerating both our own importance and the problems that confront us.

Make us willing to let Thee show us what a difference Thou couldst make in our work, increasing our success and diminishing our failures. Give us the faith to believe that if we give Thee a hearing Thou wilt give us the answers we cannot find by ourselves.

In Jesus' name. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of Friday, June 13, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 14, 1947, the President had approved and signed the following acts and joint resolution:

S. 566. An act to amend sections 3533 and 3536 of the Revised Statutes with respect to deviations in standard of ingots and weight of silver coins;

S. 1073. An act to extend until June 30, 1949, the period of time during which persons may serve in certain executive departments and agencies without being prohibited from acting as counsel, agent, or attorney for prosecuting claims against the United States by reason of having so served;

S. 1135. An act to extend for . year certain provisions of section 100 of the Servicemen's Readjustment Act of 1944, as amended, relating to the authority of the Administrator of Veterans' Affairs to enter into leases for periods not exceeding 5 years; and

S. J. Res. 115. Joint resolution authorizing the Administrator of Veterans' Affairs to continue and establish offices in the territory of the Republic of the Philippines.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 69) to prepare a revised edition of the Annotated Constitution of the United States of America as published in 1938 as Senate Document 232 of the Seventy-fourth Congress, and it was signed by the President pro tempore.

CALL OF THE ROLL

The PRESIDENT pro tempore. Under the order of the Senate of Friday last, the